

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

INVENTOR HOLDINGS, LLC.,

Plaintiff

v.

SAM'S WEST, INC. d/b/a SAM'S CLUB,

Defendant.

C.A. No.

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff, Inventor Holdings, LLC, files this complaint for patent infringement against Defendant Sam's West, Inc. d/b/a Sam's Club:

THE PARTIES AND PATENT-IN-SUIT

1. Plaintiff Inventor Holdings, LLC, ("Inventor Holdings") is a Delaware limited liability company with a place of business located at Two High Ridge Park, Stamford, Connecticut 06905. Inventor Holdings is the current owner of patents developed by Walker Digital, LLC ("Walker Digital"), a research and development laboratory that has been the genesis for many successful businesses, including Priceline.com and Synapse Group, Inc.

2. On information and belief, Defendant Sam's Club, Inc., ("Sam's Club") or ("Defendant") is a Delaware corporation with its principal place of business located at 2101 SE Simple Drive, Bentonville, Arkansas 72712. Sam's Club may be served with process via its registered agent, the Corporation Services Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

JURISDICTION AND VENUE

3. This action arises under the patent laws of the United States, Title 35 of the United States Code.

4. Subject matter jurisdiction is proper in this Court under 28 U.S.C. §§ 1331 and 1338.

5. On information and belief, Defendant is subject to this Court's jurisdiction because Defendant has, upon information and belief, transacted business in this district including, more specifically, directly and/or through intermediaries, shipping, distributing, offering for sale, selling, and/or advertising (including via the provision of such services over the Internet) its products and services in the State of Delaware. Further, Defendant is a corporation organized and existing under the laws of the State of Delaware. Defendant, upon information and belief, is doing substantial business in this District, and has committed acts of patent infringement in this District.

6. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and (c), and 1400(b).

THE PATENT-IN-SUIT

7. On October 19, 1999, the United States Patent and Trademark Office (“USPTO”) duly and legally issued U.S. Patent No. 5,970,470 (“the ‘470 patent”), entitled “System and Method for Establishing and Managing Subscription Purchase Agreements Including Commitments to Purchase Goods Over Time at Agreed Upon Prices” to Jay S. Walker, James A. Jorasch and Andrew S. VanLuchene, who assigned their rights and interests in the ‘470 patent to Walker Digital. A true and correct copy of the ‘470 patent is attached as Exhibit A.

8. Inventor Holdings is the assignee and owner of the right, title and interest in and to the ‘470 patent, including the right to assert all causes of action arising under said patent and the right to any remedies for infringement of it.

FACTUAL BACKGROUND

9. Walker Digital is a research and development laboratory that has invested many millions of dollars in the development of its intellectual property. Walker Digital was comprised of a diverse group of inventors who solved business problems by studying human behavior and designing innovative solutions utilizing modern information technologies. Walker Digital's invention team created a portfolio of more than 700 U.S. and international patents in a wide range of industries that include retail, vending, credit cards, security, gaming, educational testing and entertainment. Jay Walker, the chairman of Walker Digital, is best known as the founder of Priceline.com, which brought unprecedented technology and a new level of value to the travel industry. The business processes that guide Priceline.com's success were created in the invention lab of Walker Digital. As an inventor, Mr. Walker is named on more than 450 issued and pending U.S. and international patents.

10. Walker Digital invested large sums of money to develop the inventions of Mr. Walker and the team of innovators. This investment was used for many things, including the development of laboratory facilities to assist with the development and testing of new inventions, which, in turn, generated additional new inventions. Many of these new inventions have been the genesis for successful businesses, including Priceline.com and Synapse Group, Inc. Revolutionary technologies, including in the field of sales and marketing as claimed in the '470 patent, were a direct result of that investment.

11. In September 2013, Walker Digital assigned patents in its patent portfolio, including the '470 patent, to Inventor Holdings in connection with a corporate restructuring. At that time, Inventor Holdings became a wholly-owned subsidiary of Patent Properties, Inc., which is a public company. Walker Digital has a controlling interest in Patent Properties, Inc., and Jay Walker is the Executive Chairman of Patent Properties, Inc.

12. The ‘470 patent represents breakthrough technology in the field of sales and marketing and, specifically, in the context of subscription purchase agreements. By way of example and not limitation, merchants can use the claimed technologies to effectively and efficiently provide subscription purchase agreements to consumers, thereby offering consumers lower pricing in exchange for their agreement to buy a specified number of an item over a specified period time, and increasing overall sales.

COUNT I
(Infringement of the ‘470 Patent)

13. Inventor Holdings incorporates and realleges the allegations of paragraphs 1 through 12 as if fully set forth herein.

14. Upon information and belief, Defendant Sam’s Club is infringing (literally and/or under the doctrine of equivalents) the ‘470 patent in this District and throughout the United States by, among other things, making and using systems for facilitating sales through subscription services, including “Subscribe to Savings” on samsclub.com, covered by one or more claims of the ‘470 patent. By way of example, Defendant stores purchaser-specific information relating to specific products that purchasers request to buy, and offers such purchasers lower pricing for agreeing to buy a specified quantity of a product at a specified price over a specified time period.

15. Defendant committed these acts of infringement without license or authorization.

16. Inventor Holdings has suffered and will continue to suffer severe and irreparable harm unless this Court issues a permanent injunction prohibiting Defendant, its agents, servants, employees, representatives, and all others acting in active concert therewith from infringing the ‘470 patent.

DEMAND FOR JURY TRIAL

Plaintiff Inventor Holdings, under Rule 38 of the Federal Rules of Civil Procedure, requests a trial by jury of any issues so triable by right.

PRAYER FOR RELIEF

For the above reasons, Inventor Holdings respectfully requests that this Court grant the following relief in favor of Inventor Holdings and against Defendant:

- (a) A judgment in favor of Inventor Holdings that Defendant has directly infringed (either literally or under the doctrine of equivalents) one or more claims of the ‘470 patent;
- (b) A permanent injunction enjoining Defendant and its officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert or participation with it, from infringing the ‘470 patent;
- (c) A judgment and order requiring Defendant to pay Inventor Holdings its damages, costs, expenses, and pre-judgment and post-judgment interest for Defendant’s infringement of the ‘470 patent;
- (d) A judgment and order finding that this is an exceptional case within the meaning of 35 U.S.C 285 and awarding Inventor Holdings its reasonable attorneys’ fees; and
- (e) Any and all such other relief as the Court deems just and proper.

June 19, 2014

BAYARD, P.A.

Of Counsel:

Marc A. Fenster
Benjamin T. Wang
RUSS AUGUST & KABAT
12424 Wilshire Boulevard 12th Floor
Los Angeles, CA 90025
(310) 826-7474
mfenster@raklaw.com
bwang@raklaw.com

/s/ Stephen B. Brauerman
Richard D. Kirk (rk0922)
Stephen B. Brauerman (sb4952)
Vanessa R. Tiradentes (vt5398)
Sara E. Bussiere (sb5725)
222 Delaware Avenue, Suite 900
P.O. Box 25130
Wilmington, DE 19899
(302) 655-5000
rkirk@bayardlaw.com
sbrauerman@bayardlaw.com
vtiradentes@bayardlaw.com
sbussiere@bayardlaw.com

Attorneys for Plaintiff Inventor Holdings, LLC