

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

TRANSFIRST, LLC,

Plaintiff,

v.

PROTEGRITY CORPORATION and  
PROTEGRITY USA, INC.,

Defendants.

§  
§  
§  
§  
§  
§  
§  
§  
§

C.A. No. \_\_\_\_\_

JURY TRIAL DEMANDED

**ORIGINAL COMPLAINT OF TRANSFIRST, LLC.  
FOR DECLARATORY JUDGMENT**

Plaintiff TransFirst, LLC (“Plaintiff”) states its Complaint against defendants Protegrity Corporation (“Protegrity Corp.”) and Protegrity USA, Inc. (“Protegrity USA”) (collectively the “Defendants”) and alleges as follows:

**NATURE OF ACTION**

1. By this action, Plaintiff seeks a declaration that it has not infringed and is not infringing Defendants’ United States Patents Nos. 6,321,201 (the “’201 patent”); 7,325,129 (the “’129 patent”); 7,490,248 (the “’248 patent”); 6,963,980 (the “’980 patent”); and 8,402,281 (the “’281 patent) (collectively the “patents-in-suit”).

**BACKGROUND FACTS**

2. Plaintiff is a leader in secure payment technology. Plaintiff provides merchants with secure and reliable payment processing services.

3. On or about October 1, 2013, Plaintiff received a demand letter from counsel for Protegrity Corp. claiming that Defendant is the owner of patents-in-suit. A copy of the demand letter (the “Letter”) is attached as Exhibit A. A copy of the ‘201 patent is attached as Exhibit B. A copy of the ‘129 patent is attached as Exhibit C. A copy of the ‘248 patent is attached as

Exhibit D. A copy of the ‘980 patent is attached as Exhibit E. A copy of the ‘281 patent is attached as Exhibit F.

4. The Letter further stated:

We have reviewed many technical aspects of TransFirst’s Credit Card Processing Services, including but not limited to “Traditional/POS Retail”, “Mail or telephone order”, “Mobile merchant or service provider”, “Ecommerce”, “Payment Gateway”, “Transaction Express” and “Tokenized payment processing platform”, and believe that potentially all of these systems infringe the ‘201 and ‘281, and possibly also infringe Patents ‘129, ‘248 and ‘980.

5. The Letter further states that “Protegrity has a policy of actively investigating possible infringements of its patent portfolio and if need be, enforcing its patents against infringers.”

6. The ‘201 patent is entitled “Data Security System for a Database Having Multiple Encryption Levels Applicable on a Data Element Value Level.” According to the face of the ‘201 patent, it issued on November 20, 2001.

7. The ‘129 patent is entitled “Method for Altering Encryption Status in a Relational Database in a Continuous Process.” According to the face of the ‘129 patent, it issued on January 29, 2008.

8. The ‘248 patent is entitled “Method for Reencryption of a Database.” According to the face of the ‘248 patent, it issued on February 10, 2009.

9. The ‘980 patent is entitled “Combined Hardware and Software Based Encryption of Databases.” According to the face of the ‘980 patent, it issued on November 8, 2005.

10. The ‘281 patent is entitled “Data Security System for a Database.” According to the face of the ‘281 patent, it issued on March 19, 2013.

## **PARTIES**

11. Plaintiff TransFirst, LLC is a limited liability company organized under the laws of the State of Delaware, with a principal place of business located at 12202 Airport Way, Suite # 100, Broomfield, Colorado, 80021. Plaintiff's executive headquarters is located in this Judicial District at 5400 LBJ Freeway, Suite 900, Dallas, Texas 75240.

12. Upon information and belief, Defendant Protegrity Corp. is a corporation organized under the laws of The Cayman Islands, with a mailing address of P.O. Box 309, Ugland House, South Church Street, Grand Cayman, Cayman Islands. Although Protegrity Corp. does business in the State of Texas, it has not designated an agent for service of process with the Texas Secretary of State. Protegrity Corp. can be served with process through the Texas Secretary of State.

13. Upon information and belief, Defendant Protegrity USA is a corporation organized under the laws of Delaware with its principal place of business at 5 High Ridge Park, Stamford, Connecticut 06905. Protegrity USA can be served with process through its registered agent, Corporation Service Company, at 50 Weston Street, Hartford, Connecticut, 06120.

14. Upon information and belief, Protegrity Corp.'s principal activities are conducted through Protegrity USA.

15. Upon information and belief, Protegrity USA is the principal operating subsidiary for Protegrity Corp. in the United States.

16. Upon information and belief, Protegrity Corp. carries out its commercial utilization of its technology and intellectual property through its wholly owned subsidiary Protegrity USA, which sells and offers to sell within the United States the products that Protegrity Corp. claims embody the patents-in-suit.

17. Upon information and belief, Protegrity USA has an exclusive license to use, make, sell and offer to sell embodiments of the patents-in-suit.

18. Upon information and belief, the Defendants have established a regular distribution channel for its products in the State of Texas through its reseller partner, Accuvant, Inc.

### **JURISDICTION AND VENUE**

19. This is a civil action regarding allegations of patent infringement. Thus, the Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1338, 2201 and 2202.

20. An actual, live, and justiciable controversy exists between Plaintiff and Defendant by virtue of Defendant's Letter accusing Plaintiff of patent infringement.

21. The Court has personal jurisdiction over Defendant because, upon information and belief, Defendant has sold or advertised for sale its products or services in this district; because Defendants have established a regular distribution channel for its products in the State of Texas; and because Defendants operate an e-commerce website, <http://www.protegrity.com>, which is readily accessible by persons residing in this district and which offers products and services to persons residing in this district.

22. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 and 1400 and for the reasons stated above.

### **FIRST CAUSE OF ACTION** **(Declaratory Judgment of Non-Infringement of the '201 Patent)**

23. Plaintiff hereby incorporated its allegations contained in paragraphs 1 through 22 of this Complaint as though fully set forth herein.

24. Defendants contend that Plaintiff sells products and/or services that have infringed and continue to infringe the claims of the '201 patent.

25. Plaintiff has not and does not directly or indirectly infringe the '201 patent.

26. An actual, live, and justiciable controversy therefore exists between Plaintiff and Defendants as to whether Plaintiff's products and/or services infringe the claims of the '201 patent.

27. Accordingly, Plaintiff seeks and is entitled to a judgment against Defendant that its products and/or services do not infringe the claims of the '201 patent.

**SECOND CAUSE OF ACTION**  
**(Declaratory Judgment of Non-Infringement of the '129 Patent)**

28. Plaintiff hereby incorporated its allegations contained in paragraphs 1 through 27 of this Complaint as though fully set forth herein.

29. Defendants contend that Plaintiff sells products and/or services that have infringed and continue to infringe the claims of the '129 patent.

30. Plaintiff has not and does not directly or indirectly infringe the '129 patent.

31. An actual, live, and justiciable controversy therefore exists between Plaintiff and Defendants as to whether Plaintiff's products and/or services infringe the claims of the '129 patent.

32. Accordingly, Plaintiff seeks and is entitled to a judgment against Defendants that its products and/or services do not infringe the claims of the '129 patent.

**THIRD CAUSE OF ACTION**  
**(Declaratory Judgment of Non-Infringement of the '248 Patent)**

33. Plaintiff hereby incorporated its allegations contained in paragraphs 1 through 32 of this Complaint as though fully set forth herein.

34. Defendants contend that Plaintiff sells products and/or services that have infringed and continue to infringe the claims of the '248 patent.

35. Plaintiff has not and does not directly or indirectly infringe the '248 patent.

36. An actual, live, and justiciable controversy therefore exists between Plaintiff and Defendants as to whether Plaintiff's products and/or services infringe the claims of the '248 patent.

37. Accordingly, Plaintiff seeks and is entitled to a judgment against Defendants that its products and/or services do not infringe the claims of the '248 patent.

**FOURTH CAUSE OF ACTION**  
**(Declaratory Judgment of Non-Infringement of the '980 Patent)**

38. Plaintiff hereby incorporated its allegations contained in paragraphs 1 through 37 of this Complaint as though fully set forth herein.

39. Defendants contend that Plaintiff sells products and/or services that have infringed and continue to infringe the claims of the '980 patent.

40. Plaintiff has not and does not directly or indirectly infringe the '980 patent.

41. An actual, live, and justiciable controversy therefore exists between Plaintiff and Defendants as to whether Plaintiff's products and/or services infringe the claims of the '980 patent.

42. Accordingly, Plaintiff seeks and is entitled to a judgment against Defendants that its products and/or services do not infringe the claims of the '980 patent.

**FIFTH CAUSE OF ACTION**  
**(Declaratory Judgment of Non-Infringement of the '281 Patent)**

43. Plaintiff hereby incorporated its allegations contained in paragraphs 1 through 42 of this Complaint as though fully set forth herein.

44. Defendants contend that Plaintiff sells products and/or services that have infringed and continue to infringe the claims of the '281 patent.

45. Plaintiff has not and does not directly or indirectly infringe the '281 patent.

46. An actual, live, and justiciable controversy therefore exists between Plaintiff and Defendants as to whether Plaintiff's products and/or services infringe the claims of the '281 patent.

47. Accordingly, Plaintiff seeks and is entitled to a judgment against Defendants that its products and/or services do not infringe the claims of the '281 patent.

#### **DEMAND FOR JURY TRIAL**

48. Plaintiff hereby demands a trial by jury on all issues triable or right to a jury under Rule 38 of the Federal Rules of Civil Procedure.

#### **PRAYER FOR RELIEF**

For these reasons, Plaintiff respectfully requests the court to:

- a. Grant and enter judgment declaring that Plaintiff has not infringed and is not infringing any valid and enforceable claim of the '201 patent.
- b. Grant and enter judgment declaring that Plaintiff has not infringed and is not infringing any valid and enforceable claim of the '129 patent.
- c. Grant and enter judgment declaring that Plaintiff has not infringed and is not infringing any valid and enforceable claim of the '248 patent.
- d. Grant and enter judgment declaring that Plaintiff has not infringed and is not infringing any valid and enforceable claim of the '980 patent.
- e. Grant and enter judgment declaring that Plaintiff has not infringed and is not infringing any valid and enforceable claim of the '281 patent.
- f. Enter an injunction enjoining Defendants from claiming infringement by Plaintiff of the patents-in-suit.
- g. That such other and further relief as the Court deems just, equitable, and proper be awarded to Plaintiff.

Dated: July 30, 2014

Respectfully Submitted,

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Jon B. Hyland

Jon B. Hyland

State Bar No. 24046131

Em: [jhyland@munsch.com](mailto:jhyland@munsch.com)

Ye-Whei Peter Chen

State Bar No. 24065038

Em: [pchen@munsch.com](mailto:pchen@munsch.com)

3800 Lincoln Plaza

500 N. Akard Street

Dallas, Texas 75201-6659

Tel: (214) 855-7500

Fax: (214) 855-7584

**COUNSEL FOR PLAINTIFF**