

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PAYRANGE INC.,

Plaintiff,

v.

KIOSOFT TECHNOLOGIES, LLC and
TECHTREX, INC.,

Defendants.

CASE NO.: 1:20-cv-24342-RNS

**FIRST AMENDED COMPLAINT
FOR PATENT INFRINGEMENT**

JURY TRIAL DEMANDED

1. Founded in 2013, Plaintiff PayRange Inc. (“PayRange” or “Plaintiff”) developed the original mobile payment systems for non-networked unattended retail machines based on its patented technology. PayRange’s innovations were widely acclaimed and accepted by customers. Unfortunately, TechTrex, Inc. (“TechTrex”) and KioSoft Technologies, LLC (“KioSoft”) (collectively, “Defendants”) have blatantly disregarded PayRange’s patent rights by attempting to poach PayRange’s customers with a copycat product and solicit new business with copycat product. PayRange seeks recovery of its damages based on lost profits, royalties and/or price erosion, as well as a permanent injunction to prevent Defendants’ continued and future infringement by selling, maintaining, and supporting copycat products (e.g., mobile apps). PayRange, through their undersigned counsel, therefore, brings this action against Defendants, alleging as follows:

NATURE OF ACTION

2. This is a civil action for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code.

3. As set forth in more detail below, Defendants have been infringing PayRange’s patents, namely, United States Patent Nos. 10,719,833; 10,891,608; and 10,891,614 (the “’833 Patent,” “’608 Patent,” and “’614 Patent” respectively or, collectively the “patents-in-suit”), and continue to do so through the present date.

4. In a related case in this District, *PayRange Inc. v. KioSoft Technologies, LLC and TechTrex, Inc.*, No. 1:20-cv-20970-RS, PayRange filed a patent infringement lawsuit against Defendants asserting infringement of PayRange's United States Patent Nos. 9,659,296 and 9,134,994.

THE PARTIES

5. PayRange is a Tennessee corporation with its principal place of business at 9600 NE Cascades Pkwy, Suite 280, Portland, OR 97220.

6. TechTrex is a Canadian corporation with its principal place of business at 3610 Nashua Drive, Suite 5, Mississauga, Ontario L4V1L2, Canada.

7. KioSoft is a Florida limited liability company with its principal place of business at 3600 S. Congress Avenue, Suite O, Boynton Beach, FL 33426. Upon information and belief, KioSoft is a wholly owned subsidiary of TechTrex.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction over this patent infringement action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

9. This Court has personal jurisdiction over Defendants because, upon information and belief, each Defendant conducts business in this District, and KioSoft distributes products within this State. TechTrex has directed and controlled such conduct. Defendants have further purposefully availed themselves of the opportunity to conduct commercial activities in this forum and have committed acts of patent infringement in this District as alleged in this Complaint.

10. This Court also has personal jurisdiction over KioSoft because, upon information and belief, KioSoft has a principal place of business in this District.

11. Venue is proper in this District pursuant to 28 U.S.C. § 1400(b) because, upon information and belief, this is a judicial district where KioSoft has committed acts of patent infringement as alleged in this Complaint, and this is a judicial district where KioSoft has a

regular and established place of business. Further, Kiosoft is incorporated in this state with its principal place of business in this District.

12. Venue is proper in this District against TechTrex pursuant to 28 U.S.C. § 1391(c)(3), because the entity is foreign and therefore may be sued in any judicial district.

13. Defendants, upon information and belief, have used, sold, imported and/or offered for sale products, including at least the “CleanPay Mobile” and “CleanReader Solutions” products, that infringe the patents-in-suit in this District.

14. Defendants disputed neither jurisdiction nor venue in *PayRange Inc. v. KioSoft Technologies, LLC and TechTrex, Inc.*, No. 1:20-cv-20970-RS, thereby waiving such arguments in this action.

BACKGROUND

A. PayRange’s Products and Intellectual Property

15. Founded in 2013, PayRange is a technology company offering innovative mobile payment solutions for various self-help retail industries.

16. PayRange’s innovative technology allows customers to pay by phone when using self-help retail machines. For example, while a traditional laundry machine requires customers to insert coins to use the machine, PayRange offers smart solutions to enable customers to make a cashless purchase using apps on their cell phones.

17. PayRange provides quick and inexpensive solutions to vendors (called “operators” in the industry). Operators only need to install a small device manufactured by PayRange on their existing machines or kiosks. The PayRange device communicates wirelessly with the customer’s cell phone running the app to complete the transaction. For example, PayRange’s BluKey mobile payment device is designed to work with laundry machines and other types of machines that accept payments and allows consumers to conveniently use a mobile app to pay in seconds any coin operated machine or in-person merchant accepting payment via PayRange’s technology. The BluKey laundry products are among PayRange’s most sought after and sold products.

18. To protect its unique and innovative technologies and intellectual property rights, PayRange filed for patents.

19. On July 21, 2020, the United States Patent and Trademark Office (“USPTO”) issued the ’833 Patent, titled “Method and System For Performing Mobile Device-To-Machine Payments.” A true and correct copy of the ’833 Patent is attached hereto as **Exhibit 1**.

20. On January 12, 2021, the United States Patent and Trademark Office (“USPTO”) issued the ’608 Patent, titled “Method and system for an offline-payment operated machine to accept electronic payments.” A true and correct copy of the ’608 Patent is attached hereto as **Exhibit 2**.

21. On January 12, 2021, the United States Patent and Trademark Office (“USPTO”) issued the ’614 Patent, titled “Method and system for presenting representations of payment accepting unit events.” A true and correct copy of the ’614 Patent is attached hereto as **Exhibit 3**.

B. Defendants’ Infringing Products

22. Defendants directly compete with PayRange. In particular, Defendants offer a so-called “single-source” solution, i.e., they manufacture and sell the payment-collecting kiosks or terminals in which the mobile payment functionalities are built-in. For example, Defendants’ laundry solution includes its CleanPayMobile cell phone app, its CleanPay Kiosks, and/or its CleanReader Solutions terminals.

23. On or about February 12, 2019, senior executives of PayRange and Defendants had business meetings in Portland, Oregon, during which the parties discussed a potential business and licensing relationship. On information and belief, Defendants have had knowledge of PayRange and PayRange’s products embodying the inventions claimed in the patents-in-suit since at least February 12, 2019.

24. Upon information and belief, by making and selling kiosks with built-in mobile payment functionalities, Defendants directly or indirectly infringe the patents-in-suit.

25. As a result of Defendants' infringement of the patents-in-suit, PayRange has suffered monetary damages and is entitled to a money judgment in an amount adequate to compensate for Defendants' infringement, together with interest and costs as fixed by the Court.

26. Defendants' infringement has been and is willful and, pursuant to 35 U.S.C. § 284, PayRange is entitled to treble damages. Defendants' willful infringement is based at least on its knowledge of PayRange, its products, and the '833 Patent since at least September 10, 2020, when PayRange's counsel notified Defendants' counsel of its intent to assert the '833 Patent against Defendants. Defendants' counsel did not provide any non-infringement and/or invalidity defenses in response. Defendants have either willfully and wantonly infringed the '833 Patent or have recklessly avoided knowledge of their own infringement.

COUNT I
INFRINGEMENT OF THE '833 PATENT

27. Plaintiff realleges and incorporates the allegations of the preceding paragraphs of this complaint as if fully set forth herein.

28. PayRange is the assignee and owner of all right, title, and interest in and to the '833 Patent. PayRange has the exclusive right to make, use, sell, and offer to sell any product embodying the '833 Patent throughout the United States, and to import any product embodying the '833 Patent into the United States.

29. The '833 Patent is an invention of systems and methods for identifying an automatic retail machine at a mobile device and requesting authorization from a server to complete a cashless transaction with the automatic retail machine.

30. Upon information and belief, Defendants have been and are now infringing at least claim 1 of the '833 Patent in this State, in this District, and elsewhere in the United States, by, among other things, directly or through intermediaries, making, using, selling and/or offering for sale products with built-in mobile payment functionalities, covered by one or more claims of the '833 Patent to the injury of PayRange. Defendants are directly infringing, literally

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