Apple, Visa Face Patent Infringement Lawsuit Over Apple Pay

by Christopher Yasiekko
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- Massachusetts company claims ownership of four patents
- Suit claims companies shunned partnership with patent owner

Apple Inc. and Visa Inc. are facing claims by Universal Secure Registry, a small Boston-area company, that their mobile-payment partnership infringes four of its patents.

In a federal lawsuit filed in Wilmington, Delaware, USR said it sent Apple a series of letters in 2010 describing its patented technology and seeking a partnership long before Apple Pay’s debut. One letter detailed USR’s patent for using biometrics to authenticate identity on a smartphone, according to the complaint filed May 21.

Kenneth P. Weiss, chief executive of USR, also pursued a partnership with Visa around the same time, engaging “in a series of confidential discussions with senior representatives,” according to the filing. Both Apple and Visa shunned USR’s offers in favor of a partnership with each other to incorporate the technology into Apple Pay.
According to the complaint, when Apple publicly announced its Apple Pay service in September 2014, the company “touted the same benefits that USR had introduced to Apple and Visa in 2010.”

“Just as USR disclosed to Apple and Visa that its patented technology eliminated the need to store or transmit payment-card account numbers, Apple bragged to its users that with Apple Pay ‘the credit card isn’t stored on the device,’” lawyers for USR said in the complaint.

Apple spokesman Josh Rosenstock, and Amanda Pires, a spokeswoman for Visa, both declined to comment on the complaint. USR, based in Newton, Massachusetts, wants cash compensation and an order that would block further unauthorized use of its inventions.

USR’s complaint was previously reported by the New York Times.

The case is Universal Secure Registry LLC v. Apple Inc., 17-00585, U.S. District Court, District of Delaware (Wilmington).

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