

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

OANDA Corporation,

*Plaintiff*

v.

GAIN Capital Holdings, Inc.;  
GAIN Capital Group, LLC.

*Defendants.*

Civil Action No. 2:20-cv-5784

**JURY TRIAL DEMANDED**

**FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff OANDA Corporation (“OANDA” or “Plaintiff”) complains and alleges as follows against defendants GAIN Capital Holdings, Inc. and GAIN Capital Group, LLC (dba FOREX.com) (collectively, “GAIN” or “Defendants”). These allegations are made based on personal knowledge as to OANDA with respect to its own actions, and upon information and belief as to all other matters.

**THE PARTIES**

1. Plaintiff OANDA is a Delaware corporation, having offices at 1441 Broadway 6<sup>th</sup> Floor, Suite 6027, New York, New York 10018.

2. OANDA is a global leader in online multi-asset trading services and currency data and analytics.

3. OANDA is the owner, by assignment, of U.S. Patents No. 7,146,336 (the '336 Patent) and 8,392,311 (the '311 Patent), attached as Exhibit A and Exhibit B, respectively.

4. On information and belief, Defendant GAIN Capital Holdings, Inc. is a Delaware corporation, with its global headquarters at 135 U.S. Highway 202/206, Bedminster, New Jersey 07921.

5. On information and belief, Defendant GAIN Capital Group, LLC is a Delaware limited liability company, with its global headquarters at 135 U.S. Highway 202/206, Bedminster, New Jersey 07921.

6. On information and belief, GAIN Capital Group, LLC owns and operates the website <https://forex.com>, among others, which provides foreign exchange (also known as “forex” or “FX”) trading and brokerage services, including an online trading platform, and which infringes OANDA’s patent rights as described herein.

7. On information and belief, GAIN Capital Holdings, Inc. owns and operates the website <https://www.gaincapital.com> and uses the services of GAIN Capital Group, LLC, including the application programming interfaces (APIs) provided by <https://forex.com>, to operate automated trading platform(s).

### JURISDICTION AND VENUE

8. This is an action for patent infringement arising under 35 U.S.C. §1, *et seq.*

9. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §1331.

10. This Court has both general and specific personal jurisdiction over Defendants. Each of the Defendants has sufficient minimum contacts within the State of New Jersey (including via Defendants locating their worldwide headquarters here, as well as sales of Defendants' products and services in New Jersey), pursuant to due process and/or the New Jersey Long Arm Statute, because Defendants purposefully availed themselves of the privileges of conducting business in New Jersey, because Defendants regularly conduct and solicit business within New Jersey, and because Plaintiff's causes of action arise directly from Defendants' business contacts and other activities in the State of New Jersey.

11. Venue is proper in this District pursuant to 28 U.S.C. §1400(b) because Defendants have committed acts of infringement in this District, including at least those acts complained of herein, and have regular and established places of business in New Jersey.

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## THE SCHOLARSHIP & INVENTIONS OF OANDA

12. OANDA, a market leader in currency data and currency trading, was founded in 1996 by Dr. Michael Stumm and Dr. Richard Olsen.

13. Dr. Michael Stumm is a teacher, researcher, entrepreneur, and executive. As a professor in the University of Toronto's Department of Electrical and Computer Engineering, he has published over 100 papers in top-tier conference proceedings and scientific journals. Dr. Stumm is the inventor or co-inventor on fifteen U.S. patents related to market and currency trading and telecommunications networks.

14. Dr. Richard Olsen is an academic, entrepreneur, and founder of Olsen Ltd., a leading econometric research and development firm. Dr. Olsen is the lead author of the textbook, *An Introduction to High-Frequency Finance* (Academic Press, 2001), which provides the first and only source of unified information about high-frequency data, with a particular emphasis on foreign exchange markets. Dr. Olsen is the inventor or co-inventor on nine U.S. patents related to market and currency trading.

15. Dr. Stumm and Dr. Olsen's vision in founding OANDA was to make currency exchange rate information more accessible to a broader audience. By the mid-1990s, even with the advent of the internet, there were no centralized, transparent exchanges for currencies that retail investors could access, as there were

for stocks. That lack of transparency allowed large banks and currency dealers to maintain large “spreads” (the price difference between where a trader may purchase or sell an underlying asset) for retail customers.

16. In 1996, OANDA launched the world’s largest and most accurate database of currency prices, employing Dr. Stumm’s technological expertise and Dr. Olsen’s expertise in currency markets. OANDA soon became the gold standard for forex prices and interbank exchange rates online, relied upon by major corporations, auditing firms, and individual traders alike.

17. In 2000, Dr. Stumm and Dr. Olsen had the idea to create an online automated trading platform, through which they could offer individual investors the more favorable rates banks used to trade currency among themselves. Prior to that, while OANDA had made accurate exchange rates more available to the public, banks and currency dealers continued to charge consumers large spreads when trading currency. While some online trading platforms existed at that time, they suffered from a number of deficiencies. In the then-existing online currency market, for example, a trade went through three steps from initiation to execution: (1) the trader specified to a dealer the “currency pair” (a price quote of the exchange rate for two different currencies traded in forex markets) and the amount that the trader would want to trade (without specifying whether he or she would like to buy or sell); (2) the dealer specified to the trader both a bid and an ask price and gave the trader

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