

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

UNITED SERVICES AUTOMOBILE)
ASSOCIATION)
a Texas reciprocal inter-insurance exchange,)

Plaintiff,)

v.)

PNC BANK N.A.,)

Defendant.)

Civil Action No. 2:21-CV-110

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff United Services Automobile Association (“USAA”), by its undersigned counsel, for its Complaint against defendant PNC Bank, National Association (“PNC”), states as follows, with knowledge as to its own acts, and on information and belief as to the acts of others:

1. This lawsuit is brought to address PNC’s use of USAA’s patented technology relating to remote check deposit for mobile banking systems. This patented technology enables USAA to connect members of the military and their families across the globe to financial services. USAA developed this technology as part of its mission to improve the financial security of its members. In its decades of serving the military community, USAA has worked to innovate in serving the needs of its members, including a lifestyle that can make getting to a bank branch difficult, particularly if they are out to sea or deployed outside the United States. PNC has chosen to use USAA’s patented technologies without permission for its own commercial gain. This lawsuit seeks remedies for PNC’s misconduct.

II. THE PARTIES

2. Plaintiff USAA is a reciprocal inter-insurance exchange and unincorporated association organized under the laws of the State of Texas having its principal place of business at 9800 Fredericksburg Road, San Antonio, Texas 78288. The USAA family of companies is dedicated to the financial well-being of members of the military and their families through the provision of insurance and banking products and services, and investing services. USAA does business in this judicial district.

3. On information and belief, PNC is a national banking association organized under the laws of the United States of America. PNC does business throughout the United States, including in this judicial district.

III. JURISDICTION AND VENUE

4. Subject matter jurisdiction is based on 28 U.S.C. § 1338, in that this action arises under federal statute, the patent laws of the United States (35 U.S.C. §§ 1, *et seq.*).

5. The Court has personal jurisdiction over PNC because it has substantial, systematic and continuous contacts with this judicial district. PNC has a regular and established place of business in the State of Texas and in the Eastern District of Texas, including operating several physical branches in this judicial district, and conducting business with customers residing in this judicial district both through its branches and its mobile banking services. PNC has committed acts of patent infringement and, as detailed below, contributed to or induced acts of patent infringement by others in this judicial district. PNC is registered to do business in Texas and maintains an agent authorized to receive service of process within Texas.

6. Venue is proper under 28 U.S.C. § 1400(b) because PNC has committed acts of infringement and maintains a regular and established place of business in this judicial district.

7. PNC occupies several permanent, physical places within this District from which PNC carries out its business. For example, PNC has physical “solution center” branches in the following locations in this District: (1) Allen Solution Center, 829B W Stacy Road, Suite 100, Allen, Texas 75013; (2) Denton Solution Center, 2310 W. University Drive, #1540, Denton, Texas

76201; and (3) Plano Solution Center, 7300 Dallas Pkwy, Suite A140, Plano, Texas 75024. PNC conducts business from these solution centers using physical equipment and employees located within the District. For example, on information and belief, each of these solution center branches allows customers to obtain certain banking services from PNC via in-person appointments with PNC employees. In addition, each of these locations offers customers the opportunity to conduct banking business via video tellers and/or traditional ATM machines. As a further example, PNC maintains several additional ATM locations in this district.

IV. BACKGROUND ALLEGATIONS

USAA's Investments And Pioneering Innovations

8. This is an action for infringement of patents awarded to research and development teams at USAA for their years of work developing and improving technologies that, among other things, allow banking customers to easily and conveniently deposit paper checks into their accounts from their smartphones – wherever they might be in the world.

9. USAA has been serving present and former members of the U.S. military and their families since 1922 and is one of America's leading insurance and financial services companies. USAA offers its members a wide range of insurance and banking products and services, and investing services designed to help them meet their financial security needs. Headquartered in San Antonio, Texas, with offices in several states and Europe, USAA employs more than 33,000 people to provide for the financial well-being of over 12 million members.

10. Unlike traditional banks, which usually maintain a network of brick-and-mortar bank branches or ATMs for customers to use, USAA typically interacts with its members remotely, either by mail, telephone, or with increasing frequency through its usaa.com website or USAA's mobile application. USAA's online and mobile presence is critical to its members' well-being, particularly as USAA's military members are often stationed in distant locations around the world with limited access to traditional banking services.

11. Driven by its mission to serve its members, starting in or around 2004, USAA invested substantial research and development resources into developing and implementing

systems and methods that would provide USAA's members with a real-time capability to deposit a financial instrument from just about anywhere. These pioneering systems and methods resulted in a prototype developed by 2005, and the launch in 2006, of a consumer device remote check deposit system under the name Deposit@Home®. In 2009, USAA launched an application branded as Deposit@Mobile®, which today is available and used worldwide on devices such as iPhones, iPads and Android-based mobile devices. For the first time in banking history, USAA's patented systems allowed customers to deposit checks anytime, anywhere by taking photographs with consumer electronics that consumers actually own or can easily acquire, such as a mobile phone's digital camera. USAA has invested millions of dollars and thousands of employee-hours in the development and implementation of its mobile deposit technologies.

The Asserted USAA Patents

12. This action involves two of the patents that protect USAA's investments in its mobile deposit technologies: U.S. Patent Nos. 10,013,605 (the "'605 Patent") and 10,013,681 (the "'681 Patent") (collectively, "USAA Patents").

13. The '605 Patent is entitled "Digital camera processing system," and its inventors are Charles Lee Oakes III, Randy Ray Morlen, Michael Frank Morris, Reynaldo Bartlette Medina III, Greg Alan Harpel, Gabriel Glenn Gavia, Bharat Prasad, Frank Kyle Major, and Jeffrey Neal Pollack. The '605 Patent derives its effective filing date from an application that USAA filed on October 31, 2006.

14. The '605 Patent's claims solve discrete, technological problems associated with computing systems used as part of capturing images of checks for deposit, representing new, novel and useful improvements over the existing and/or patentably distinct means and methods. For example, the inventions in the '605 Patent's claims provide improved functionality over conventional techniques, resulting in an enhanced user interface for the customer's mobile device and enhanced performance. As another example, the '605 Patent's claims improve the quality of captured check images by using the mobile device's display and camera systems to provide instructions to the user while the user is attempting to capture check images. Additionally, the '605

Patent's inventions help to make remote check deposit systems commercially viable by reducing error rates, reducing fraud, and improving security, for example, through validation of check information and error detection, and logging of information related to the check, such as an image of the check in a particular format, or authentication of the user. The '605 Patent's improvements to mobile check depositing systems are further described in its specification.

15. On March 22, 2021, the '605 Patent overcame a petition for Inter Partes Review ("IPR") (IPR2020-01742). The Patent Trial and Appeal Board ("PTAB") denied institution, finding no reasonable likelihood that Mitek would prevail in proving any claim of the '605 Patent unpatentable. According to the PTAB, Mitek had not shown its combined references "achieve[] more security, mobility, and accuracy over the mobile check deposit process," which were the goals and benefits of the '605 Patent. *Id.* at 22-23. This is the second time that the '605 Patent overcame post-grant review.

16. When denying institution of IPR, the PTAB provided the following characterization of the '605 Patent and its benefits:

The '605 patent describes a system for depositing checks remotely from a handheld mobile device. Ex. 1001, code (57), 2:33-54, 8:32-34.

Figure 1 of the '605 patent is reproduced below.

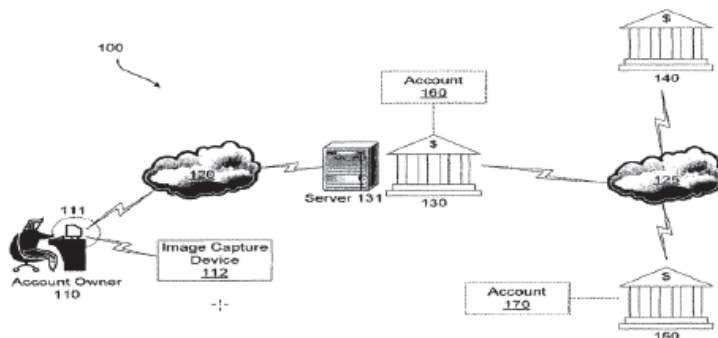


FIGURE 1

Figure 1 above illustrates a system for remote check deposits. System 100 includes server 131 located at financial institution 130, publicly accessible network 120, and general purpose computer 111 coupled to image capture device 112. *Id.* at 3:36-47. For example, account owner 110 (a bank customer), who has account 160 at financial institution 130, may use general purpose computer 111 to generate images of a check and send the images to server 131, via publicly accessible network 120. *Id.* General purpose computer 11 "may be in a desktop or *laptop* configuration." *Id.*

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