

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

UNITED SERVICES AUTOMOBILE
ASSOCIATION

Plaintiff

v.

PNC BANK, N.A.

Defendant

Civil Action No.: 2:20-cv-00319 JRG

JURY TRIAL DEMANDED

**FIRST AMENDED ANSWER TO
FIRST AMENDED COMPLAINT WITH COUNTERCLAIMS**

Defendant PNC Bank, N.A. (“PNC”) hereby answers the allegations of plaintiffs United Services Automobile Association (“USAA”) contained in its First Amended Complaint (“Complaint”) and asserts counterclaims, as follows. PNC files this answer with counterclaims at this time to preserve its ability to assert its counterclaims in the event that the Court denies both PNC’s pending motion to transfer the case to the Western District of Pennsylvania (ECF No. 31) and PNC’s motion to dismiss for failure to state a claim upon which relief may be granted (ECF No. 24). Should the court transfer USAA’s claims to W.D. Pa., PNC assumes the entire case will be transferred to W.D. Pa., or if only USAA’s claims are transferred, then PNC will voluntarily dismiss its counterclaims without prejudice and file them in W.D. Pa.

1. PNC does not interpret this prefatory paragraph to call for any response. To the extent a response is required, PNC admits that USAA has brought a lawsuit purporting to address PNC’s use of USAA’s patented technologies that relate to remote check deposit and purporting to seek remedies therefor; PNC denies that it uses USAA’s patented technologies that relate to remote check deposit; PNC denies that it uses those patented technologies without permission;

PNC denies that it has engaged in misconduct; and as to the remaining statements, PNC lacks knowledge or information sufficient to form a belief and, on that basis, denies such allegations.

II. THE PARTIES

2. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2, and on that basis denies them.

3. PNC admits that it is a national banking association organized under the laws of the United States of America. PNC admits that it does business in many states within the United States of America, including in this judicial district. PNC denies the remainder of the allegations in this paragraph.

III. JURISDICTION AND VENUE

4. The allegations in Paragraph 4 are legal conclusions to which no response is required. To the extent a response is required, PNC admits that the Court has subject matter jurisdiction over this lawsuit as currently alleged.

5. The allegations in Paragraph 5 are legal conclusions to which no response is required. To the extent a response is required, PNC admits that it conducts business in the State of Texas and in the Eastern District of Texas, and that this Court has personal jurisdiction over PNC, and otherwise denies the allegations in Paragraph 5.

6. The allegations in Paragraph 6 are legal conclusions to which no response is required. To the extent a response is required, PNC admits that venue is proper in the Eastern District of Texas and otherwise denies the allegations in Paragraph 6.

7. PNC admits that it does business at the Allen Solution Center, the Denton Solution Center, and the Plano Solutions Center, which are physical locations in Allen, Denton, and Plano (respectively). PNC admits that customers may receive banking services from PNC at

these locations. PNC admits that it maintains ATM locations in the Eastern District of Texas. PNC otherwise denies the allegations of Paragraph 7.

IV. BACKGROUND ALLEGATIONS

8. PNC does not interpret this prefatory paragraph to call for any response. To the extent a response is required, PNC admits that USAA has brought an action alleging infringement of patents it purports to have been assigned, and as to the remaining statements, PNC lacks knowledge or information sufficient to form a belief and, on that basis, denies such allegations.

9. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 9, and on that basis denies them.

10. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 10, and on that basis denies them.

11. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 11, and on that basis denies them.

12. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 12, and on that basis denies them.

13. PNC does not interpret this prefatory paragraph to call for any response. To the extent a response is required, PNC admits that USAA has brought an action purporting to assert infringement of U.S. Patent Nos. 10,482,432 (the “432 Patent”), 10,621,559 (the “559 Patent”), 8,977,571 (the “571 Patent”), and 8,699,779 (the “779 Patent”), and as to the remaining statements, PNC lacks knowledge or information sufficient to form a belief and, on that basis, denies such allegations.

14. PNC admits that the '432 and '559 Patents are entitled "Systems and methods for remote deposit of checks," and that the issued patents list as their inventors Charles Lee Oakes III, Randy Ray Morlen, Bharat Prasad, and Troy Bartlette Huth. PNC admits that the '432 and '559 Patents claim priority to Application No. 11/591,247, filed on October 31, 2006. PNC otherwise denies the allegations of Paragraph 14.

15. PNC lacks knowledge or information sufficient to form a belief as to what USAA allowed users to do or what effect that had on USAA or its members, and, on that basis, denies such allegations. PNC otherwise denies the allegations in Paragraph 15.

16. The allegations in Paragraph 16 are characterizations of the '432 and '559 Patents, which speak for themselves, and PNC denies these characterizations. PNC admits that the '432 and '559 Patents recite the elements set forth in the claims of those patents, and purport to describe an invention as set forth in the specification and claims of those patents. PNC otherwise denies the allegations of Paragraph 16.

17. PNC admits that the '571 Patent is entitled "Systems and methods for image monitoring of check during mobile deposit," and that the issued patent lists as inventors Michael Patrick Bueche Jr., Bharat Prasad, Minya Liang, Reynaldo Medina, and Charles Lee Oaks, III. PNC admits that the application for the '571 Patent, Application No. 12/545,127, was filed on August 21, 2009. The remaining allegations in Paragraph 17 are characterizations of the '571 Patent, which speaks for itself, and PNC denies these characterizations. PNC admits that the '571 Patent recites the elements set forth in the claims of that patent, and purports to describe an invention as set forth in the specification and claims of that patent. PNC otherwise denies the allegations of Paragraph 17.

18. PNC admits that the '779 Patent is entitled "Systems and methods for alignment of check during mobile deposit," and that the issued patent lists as inventors Bharat Prasad, Minya Liang, and Reynaldo Medina. PNC admits that the application for the '779 Patent, Application No. 12/549,443, was filed on August 28, 2009. The remaining allegations in Paragraph 18 are characterizations of the '779 Patent, which speaks for itself, and PNC denies these characterizations. PNC admits that the '779 Patent recites the elements set forth in the claims of that patent, and purports to describe an invention as set forth in the specification and claims of that patent. PNC otherwise denies the allegations of Paragraph 18.

19. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 19, and on that basis denies them.

20. PNC admits that the PTAB denied institution of CBM2019-00004 and CBM2019-00005 for the reasons stated by the PTAB in its decisions, which speak for themselves. PNC admits that the PTAB issued final written decisions in IPR2019-01082 and IPR2019-01083, which are set forth in those written decisions and which speak for themselves. PNC admits that the PTAB denied institution of IPR petitions brought by Mitek Systems, Inc. relating to the '571 and '779 Patents for the reasons stated by the PTAB in its decisions, which speak for themselves. To the extent the allegations in Paragraph 20 are characterizations of the PTAB's decisions, PNC denies these characterizations. PNC lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 20, and on that basis denies them.

21. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 21, and on that basis denies them.

22. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 22, and on that basis denies them.

23. PNC admits that the Accredited Standards Committee X9, Inc. is an organization accredited by the American National Standards Institute to develop standards for the U.S. financial services industry, including DSTU X9.27-2003, which relates to electronic check exchange. To the extent the allegations in Paragraph 23 are characterizations of DSTU X9.37-2003, which speaks for itself, PNC denies these characterizations. PNC otherwise denies the allegations of paragraph 23.

24. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 24, and on that basis denies them.

25. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 25, and on that basis denies them.

26. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations concerning the NCR white paper, and on that basis denies them. PNC otherwise denies the allegations in Paragraph 26.

27. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 27, and on that basis denies them.

28. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 28, and on that basis denies them.

29. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 29, and on that basis denies them.

30. PNC admits that it is a consumer and commercial bank in the United States. PNC admits that its website states that PNC customers deposit on average over 2 million checks per month using their mobile devices, based on average monthly usage determined as of November 1, 2019. PNC otherwise denies the allegations in Paragraph 30.

31. PNC does not interpret USAA's definition of "PNC Mobile Deposit" to call for any response. To the extent a response is required, PNC denies that "PNC Mobile Deposit" is a real or well-defined instrumentality. PNC admits that its website states: "See how easily you can deposit a check right from your smartphone — quickly, conveniently, and securely with mobile deposit and our mobile banking apps." PNC otherwise denies the allegations in Paragraph 31.

32. PNC admits that it has referred to mobile check deposit in video advertisements. PNC otherwise denies the allegations in Paragraph 32.

33. PNC admits that some of its customers download the PNC Mobile Banking app for iPhone or Android devices, and that some of those customers use mobile check deposit functionality. PNC otherwise denies the allegations of Paragraph 33.

34. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 34, and on that basis denies them.

35. PNC denies the allegations of Paragraph 35.

36. PNC admits that in 2018 USAA filed two complaints against Wells Fargo for infringement of certain mobile deposit patents, that the first complaint (which speaks for itself) was filed in June 2018 and included claims for infringement of the '571 and '779 Patents, that the second complaint (which speaks for itself) was filed in August 2018 and included claims for infringement of U.S. Patent No. 10,013,681, and that the '432 and '559 Patents claim priority to the application for U.S. Patent No. 10,013,681. PNC otherwise denies the allegations in Paragraph 36.

37. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 37, and on that basis denies them.

38. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 38, and on that basis denies them.

39. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 39, and on that basis denies them.

40. PNC admits that its website, at times, has referred to some information from American Banker, Bloomberg, Business Insider, and S&P Global. PNC otherwise denies the allegations in Paragraph 40.

41. PNC admits that its website, at times, has referred to some information from the Washington Post. PNC denies its awareness of the coverage of USAA's Deposit@Mobile technology cited in paragraph 41. PNC lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 41, and on that basis denies them.

42. PNC lacks knowledge or information sufficient to form a belief as to the truth of the allegations concerning USAA's patent marking in Paragraph 42, including as to the timeframe, and on that basis denies them. The remaining allegations in Paragraph 42 are legal conclusions to which no response is required, but to the extent a response is required, PNC denies those allegations.

43. PNC denies the allegations in Paragraph 43.

44. PNC denies the allegations in Paragraph 44.

45. PNC admits that its counsel sent a letter dated October 2, 2020 to counsel for USAA, which speaks for itself. PNC otherwise denies the allegations of Paragraph 45.

46. PNC denies the allegations in Paragraph 46.

47. PNC denies the allegations in Paragraph 47.

V. FIRST CLAIM FOR RELIEF – '432 PATENT

48. PNC repeats and incorporates by reference each and every response stated herein to each allegation in USAA's Complaint, as if fully restated here.

49. PNC admits that the '432 Patent is entitled "Systems and methods for remote deposit of checks" and was issued on November 19, 2019. PNC lacks knowledge or information sufficient to form a belief as to the remaining allegations and, on that basis, denies such allegations.

50. PNC lacks knowledge or information sufficient to form a belief as to the allegations in Paragraph 50 and, on that basis, denies such allegations.

51. The allegations in Paragraph 51 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 51.

52. The allegations in Paragraph 52 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 52.

53. The allegations in Paragraph 53 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 53.

54. The allegations in Paragraph 54 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 54.

55. The allegations in Paragraph 55 are legal conclusions to which no response is required. To the extent a response is required, PNC admits the current PNC Mobile Banking app will display a message if the amount entered by the user does not appear to match the amount recognized on the check image, and otherwise denies the allegations in Paragraph 55.

56. The allegations in Paragraph 56 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 56.

57. The allegations in Paragraph 57 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 57.

58. The allegations in Paragraph 58 are legal conclusions to which no response is required. To the extent a response is required, PNC lacks knowledge or information sufficient to form a belief as to USAA's harm and, on that basis, denies such allegations, and otherwise denies the allegations in Paragraph 58.

59. The allegations in Paragraph 59 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 59.

VI. SECOND CLAIM FOR RELIEF – '559 PATENT

60. PNC repeats and incorporates by reference each and every response stated herein to each allegation in USAA's Complaint, as if fully restated here.

61. PNC admits that the '559 Patent is entitled "Systems and methods for remote deposit of checks" and was issued on April 14, 2020. PNC lacks knowledge or information sufficient to form a belief as to the remaining allegations and, on that basis, denies such allegations.

62. PNC lacks knowledge or information sufficient to form a belief as to the allegations in Paragraph 62 and, on that basis, denies such allegations.

63. The allegations in Paragraph 63 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 63.

64. The allegations in Paragraph 64 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 64.

65. The allegations in Paragraph 65 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 65.

66. The allegations in Paragraph 66 are legal conclusions to which no response is required. To the extent a response is required, PNC admits the current PNC Mobile Banking app will display a message if the amount entered by the user does not appear to match the amount recognized on the check image, and otherwise denies the allegations in Paragraph 66.

67. The allegations in Paragraph 67 are legal conclusions to which no response is required. To the extent a response is required, PNC admits the current PNC Mobile Banking app will display a message if the photograph taken is not clear enough to deposit the check, and otherwise denies the allegations in Paragraph 67.

68. The allegations in Paragraph 68 are legal conclusions to which no response is required. To the extent a response is required, PNC admits that the website <https://www.cleveland.com/moneymatters/2019/08/citizens-bank-customer-gives-someone-a-100-check-and-it-clears-twice-money-matters.html> speaks for itself, and otherwise denies the allegations in Paragraph 68.

69. The allegations in Paragraph 69 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 69.

70. The allegations in Paragraph 70 are legal conclusions to which no response is required. To the extent a response is required, PNC admits the current PNC Mobile Banking app will display a message if the deposit has been accepted, which includes an instruction for the user to retain the check for a period of time to ensure the deposit is credited to the user's account before destroying the check, and otherwise denies the allegations in Paragraph 70.

71. The allegations in Paragraph 71 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 71.

72. The allegations in Paragraph 72 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 72.

73. The allegations in Paragraph 73 are legal conclusions to which no response is required. To the extent a response is required, PNC lacks knowledge or information sufficient to form a belief as to USAA's harm and, on that basis, denies such allegations, and otherwise denies the allegations in Paragraph 73.

74. The allegations in Paragraph 74 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 74.

VII. THIRD CLAIM FOR RELIEF – '571 PATENT

75. PNC repeats and incorporates by reference each and every response stated herein to each allegation in USAA's Complaint, as if fully restated here.

76. PNC admits that the '571 Patent is entitled "Systems and methods for image monitoring of check during mobile deposit" and was issued on March 10, 2015. PNC lacks knowledge or information sufficient to form a belief as to the remaining allegations and, on that basis, denies such allegations.

77. PNC lacks knowledge or information sufficient to form a belief as to the allegations in Paragraph 77 and, on that basis, denies such allegations.

78. The allegations in Paragraph 78 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 78.

79. The allegations in Paragraph 79 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 79.

80. The allegations in Paragraph 80 are legal conclusions to which no response is required. To the extent a response is required, PNC admits the current PNC Mobile Banking app

will display a message if the deposit has been accepted, which includes an instruction for the user to retain the check for a period of time to ensure the deposit is credited to the user's account before destroying the check, and otherwise denies the allegations in Paragraph 80.

81. The allegations in Paragraph 81 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 81.

82. The allegations in Paragraph 82 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 82.

83. The allegations in Paragraph 83 are legal conclusions to which no response is required. To the extent a response is required, PNC lacks knowledge or information sufficient to form a belief as to USAA's harm and, on that basis, denies such allegations, and otherwise denies the allegations in Paragraph 83.

84. The allegations in Paragraph 84 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 74.

VIII. FOURTH CLAIM FOR RELIEF – '779 PATENT

85. PNC repeats and incorporates by reference each and every response stated herein to each allegation in USAA's Complaint, as if fully restated here.

86. PNC admits that the '779 Patent is entitled "Systems and methods for alignment of check during mobile deposit" and was issued on April 15, 2014. PNC lacks knowledge or information sufficient to form a belief as to the remaining allegations and, on that basis, denies such allegations.

87. PNC lacks knowledge or information sufficient to form a belief as to the allegations in Paragraph 87 and, on that basis, denies such allegations.

88. The allegations in Paragraph 88 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 88.

89. The allegations in Paragraph 89 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 89.

90. The allegations in Paragraph 90 are legal conclusions to which no response is required. To the extent a response is required, PNC admits the current PNC Mobile Banking app displays messages such as “Use check front,” “Center check,” and “Move closer,” and otherwise denies the allegations in Paragraph 90.

91. The allegations in Paragraph 91 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 91.

92. The allegations in Paragraph 92 are legal conclusions to which no response is required. To the extent a response is required, PNC admits the current PNC Mobile Banking app will display a message if the deposit has been accepted, which includes an instruction for the user to retain the check for a period of time to ensure the deposit is credited to the user’s account before destroying the check, and otherwise denies the allegations in Paragraph 92.

93. The allegations in Paragraph 93 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 93.

94. The allegations in Paragraph 94 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 94.

95. The allegations in Paragraph 95 are legal conclusions to which no response is required. To the extent a response is required, PNC lacks knowledge or information sufficient to form a belief as to USAA’s harm and, on that basis, denies such allegations, and otherwise denies the allegations in Paragraph 95.

96. The allegations in Paragraph 96 are legal conclusions to which no response is required. To the extent a response is required, PNC denies the allegations in Paragraph 96.

IX. PRAYER FOR RELIEF

PNC denies that USAA is entitled to any of the relief it seeks.

DEFENDANT PNC'S AFFIRMATIVE DEFENSES

Without assuming any burden of proof that it otherwise would not bear, PNC asserts the following separate and additional affirmative defenses, all of which are pleaded in the alternative.

First Defense: Failure to State a Claim

The Complaint fails to state a claim against PNC upon which relief can be granted.

Second Defense: Noninfringement

PNC does not infringe and has not infringed, either directly, contributorily, or by inducement, any claim of the '432, '559, '571, or '779 Patents (collectively, the "USAA Patents"), either literally or under the doctrine of equivalents. PNC does not make, use, offer for sale, sell, or import any product, method, or service in which all of the elements of an asserted claim are practiced, either literally or by the doctrine of equivalents. PNC does not offer to sell or sell a component of any product constituting a material part of any invention claimed in the USAA Patents knowing the component to be especially made or adapted for infringing those claims; and any such components are staples or commodities suitable for substantial noninfringing use. PNC does not actively induce and does not have knowledge of any induced acts that constitute infringement of any product or service in which all of the elements of an asserted claim are practiced, either literally or by the doctrine of equivalents.

Third Defense: Ineligible Subject Matter

All of the asserted claims of the USAA Patents are directed to ineligible subject matter pursuant to 35 U.S.C. § 101, including because they are directed to abstract ideas and do not recite additional elements amounting to an inventive concept.

Fourth Defense: Invalidity

All of the asserted claims of the USAA Patents are invalid pursuant to one or more provisions of the patent laws, including, but not limited to, 35 U.S.C. §§ 102, 103 and 112. The asserted claims are invalid under §§ 102 and 103 including because they are anticipated and/or rendered obvious by multiple items of prior art, such as prior art patents, publications, and systems. The asserted claims are invalid under § 112 including because they are not adequately supported or enabled by the written description, because they are indefinite, and because they do not claim the subject matter which the inventors regard as their invention.

Fifth Defense: Lack of Knowledge

To the extent that USAA asserts that PNC indirectly infringes, either by contributory infringement or inducement of infringement, PNC is not liable to USAA for the acts alleged to have been performed because PNC did not know that any acts that it induced would infringe the USAA Patents or that any components were specially designed for infringement and that their combination with other components would infringe the USAA Patents.

Sixth Defense: Prosecution History Estoppel and Disclaimer

USAA is estopped from asserting infringement of any claim of the USAA Patents by reason of the admissions, representations, and amendments made during the prosecutions of the USAA Patents and during the prosecutions of related applications.

Seventh Defense: Prosecution Laches

The asserted claims of the USAA Patents followed an unreasonable unexplained delay in prosecution, thereby causing prejudice to PNC and others, and thus USAA is barred under the doctrine of prosecution laches from enforcing those patent claims.

Eighth Defense: Inventorship

The true inventors of the USAA Patents were not correctly named in the patent applications. For example, application No. 11/591,247, the priority application for both the '432 Patent and the '559 Patent, was filed with drawings and declarations listing one inventor: Randy Ray Barth. Later, Randy Ray Barth was replaced by four different purported inventors. As another example, Michael Morris or other USAA employees may have played a role in the inventions of the USAA Patents but are not listed as inventors. As another example, testimony during USAA's second trial against Wells Fargo indicates that a member of USAA first used a digital camera to deposit a check before the filing of the application that eventually led to the '432 Patent and the '559 Patent.

Ninth Defense: Failure to Mark

USAA failed to properly mark its relevant products pursuant to 35 U.S.C. § 287, and so PNC has no liability for any alleged infringement prior to actual notification of USAA's claims of infringement, which occurred with the filing of the original and amended complaint in this action. Accordingly, USAA's claims for recovery of alleged damages may be limited by 35 U.S.C. § 287.

Tenth Defense: License, Release, and Exhaustion

On information and belief, USAA's claims are barred, at least in part, by the existence of licenses or releases between USAA and third parties. For example, USAA sued Mitek Systems, Inc., the leading technology company for mobile check deposit, in March 2012 in the United

States District Court for the Western District of Texas in connection with Mitek Systems' Mobile Deposit product and its patents related to mobile check deposit technology (with a provisional application filed as early as January 18, 2008). In September 2014, USAA and Mitek Systems reached a full settlement of all claims and issues between the parties, and in connection therewith, USAA dismissed with prejudice its claims and counterclaims of misappropriation of trade secrets, breach of contract, reimbursement, fraud and fraudulent inducement, correction of inventorship, and invalidity of Mitek Systems' patents asserted in that litigation. Like many other banks, PNC uses Mitek's Mobile Deposit product (under license through an intermediary). USAA's claims alleged in this case against PNC are barred by license, release, and/or exhaustion.

Eleventh Defense: Equitable Defenses

USAA's claims for relief are barred, in whole or in part, under principles of equity including, but not limited to, waiver, estoppel, acquiescence, and/or unclean hands.

Twelfth Defense: Adequate Remedy at Law

PNC contends that USAA is not entitled to injunctive relief under the factors that determine the availability of such relief. In particular, USAA's request for equitable relief is barred, in whole or in part, because USAA has an adequate remedy at law, because any alleged injury to USAA is not immediate or irreparable, and because the public interest does not favor an injunction.

Thirteenth Defense: Limitations on Recovery / No Willfulness

USAA's request for damages, costs, or attorney's fees is barred, in whole or in part, by 35 U.S.C. §§ 285, 286, and/or 288.

USAA cannot prove that this case is an exceptional case justifying the award of attorneys' fees. USAA cannot establish that any alleged infringement of the USAA Patents by

PNC was willful. PNC lacked intent to infringe a valid patent, PNC lacked knowledge that its acts or any acts that it induced or any combination of its components would constitute patent infringement, and PNC lacked knowledge that the asserted patents are valid.

Fourteenth Defense: Inconvenient Forum

This District constitutes an inconvenient forum for this action and it should be dismissed or transferred pursuant to the doctrine of forum non conveniens or 28 U.S.C. § 1404(a).

Fifteenth Defense: Improper Patent Term Extensions

The USPTO's calculation of the patent term extension for the '779 Patent was in error and did not comply with the requirements of 35 U.S.C. § 154(b); therefore, pursuant to 35 U.S.C. § 282(c), the patent term extension is invalid, in whole or in part. The '571 Patent is subject to a terminal disclaimer, which precludes USAA from asserting infringement of this patent beyond August 21, 2029.

Reservation of Defenses

PNC reserves the right to assert and rely on any additional defenses and affirmative defenses that may come available or apparent, and to amend its answer and/or defenses.

DEFENDANT PNC'S COUNTERCLAIMS

Defendant-Counterclaimant PNC Bank, N.A. ("PNC"), hereby asserts the following Counterclaims against United Services Automobile Association ("USAA") as follows:

NATURE OF THE ACTION

1. This is an action seeking declaratory judgment of non-infringement and invalidity of U.S. Patent Nos. 10,482,432 (the "'432 Patent") and 10,621,559 (the "'559 Patent"). This is also a civil action seeking a judgment of infringement of U.S. Patent No. 7,949,788 (the "'788 patent") (Ex. A), U.S. Patent No. 8,868,786 (the "'786 patent") (Ex. B), U.S. Patent Nos. 8,380,623

(the “’623 patent”) (Ex. C), and 8,682,754 (the “’754 patent”) (Ex. D) (collectively the “PNC Patents”) under the patent laws of the United States, 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. § 271, giving rise to the remedies specified under 35 U.S.C. § 281 and 283–85.

PARTIES

2. PNC is a nationally chartered banking association organized and existing under the National Bank Act with articles of association filed in Delaware and maintaining its principal place of business at The Tower at PNC Plaza, 300 Fifth Ave., Pittsburgh, Pennsylvania, 15222.

3. On information and belief, Defendant USAA is a reciprocal interinsurance exchange and an unincorporated association organized under the laws of the State of Texas having a principal place of business at 9800 Fredericksburg Road, San Antonio, Texas, 78288. On information and belief, USAA does business throughout the United States, including in this judicial district, and through its website at www.usaa.com and USAA Mobile smartphone applications.

JURISDICTION AND VENUE

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

5. The Court has personal jurisdiction over USAA because it has submitted to the jurisdiction of this Court through the filing of its Amended Complaint against PNC.

6. Venue is proper in this Court because USAA filed the Complaint in this action.

THE PNC PATENTS

7. PNC is a leader and innovator in online and web-based banking. The asserted patents include innovations in using a web services hub to facilitate seamless transactions between (1) a customer using a mobile app or web browser, (2) a bank offering online services such as remote check deposit, and (3) an external system, such as another bank or check clearinghouse.

PNC also pioneered new ways for online customers to interact with their banks and to visualize and manage their finances. The asserted patents include innovative methods for aggregating and displaying income and spending to a bank customer, as well as novel methods for managing and visualizing savings through online bank transfers. On information and belief, USAA has infringed and continues to willfully infringe PNC's online banking innovations through the USAA Mobile App and/or the USAA.com website and the associated computer systems executing and supporting these computer programs (collectively referred to as the "USAA products"). The infringing features of the USAA products include remote check deposit, personal budgeting tools, and funds transfer systems and methods, as further set forth herein.

8. On May 24, 2011, the United States Patent and Trademark Office ("PTO") duly and legally issued U.S. Patent No. 7,949,788 (the "'788 patent"), entitled "Apparatus, Systems and Methods for Transformation Services." A true and correct copy of the '788 patent is attached as Ex. A. The '788 patent claims priority to an application filed May 18, 2007. The '788 patent discloses a web services hub that receives a request from a data source system, transforms the request, and transmits the transformed request to an external system. The '788 patent also discloses a secure service router that is coupled to the web services hub, authenticates the data source system and locates a transformation service to transform the request.

9. PNC Bank, N.A owns by assignment the entire right, title, and interest in and to the '788 Patent, including the exclusive right to seek damages for past, current, and future infringement thereof.

10. The claims of the '788 Patent are not directed to basic tools of scientific and technological work, fundamental economic practices, or the use of an abstract idea or mathematical formula. Rather, the '788 Patent describes problems and shortcomings in the field of data

communications between computer applications or networks, including secure routing and data transformation over one or more communication networks, and claims novel and inventive technological improvements and solutions to such problems and shortcomings. For example, as explained in the patent, banks may accept customer information and may need to share customer information with external networks of partners or other organizations. Thus, there is a need for a web services hub to facilitate secure communication among the customer, bank, and external partners.

11. The '788 patent claims a particular technological solution to this problem, including, among other things, receiving a message from a data source system, the message comprising at least one header parameter field that is used to determine the message type, transmitting the message to a message transformation logic module, and receiving the message to be transformed from the data source system at the message transformation logic module from a secure service router. The method may further include transforming the message and transmitting the transformed message to an external system. The '788 Patent's improvements to data communications between computer applications or networks are further described in the specification.

12. On October 21, 2014, the United States Patent and Trademark Office ("PTO") duly and legally issued U.S. Patent No. 8,868,786 (the "'786 patent"), entitled "Apparatus, Systems and Methods for Transformation Services." A true and correct copy of the '786 patent is attached as Ex. B. The '786 patent claims priority to a parent application filed May 18, 2007 that issued as the '788 patent. The '786 patent discloses a web services hub that receives a request from a data source system, transforms the request, and transmits the transformed request to an external system. The

'786 patent also discloses a secure service router that is coupled to the web services hub, authenticates the data source system and locates a transformation service to transform the request.

13. PNC Bank, N.A. owns by assignment the entire right, title, and interest in and to the '786 Patent, including the exclusive right to seek damages for past, current, and future infringement thereof.

14. The claims of the '786 Patent are not directed to basic tools of scientific and technological work, fundamental economic practices, or the use of an abstract idea or mathematical formula. Rather, the '786 Patent describes problems and shortcomings in the field of data communications between computer applications or networks, including secure routing and data transformation over one or more communication networks, and claims novel and inventive technological improvements and solutions to such problems and shortcomings. For example, as explained in the patent, banks may accept customer information and may need to share customer information with external networks of partners or other organizations. Thus, there is a need for a web services hub to facilitate secure communication among the customer, bank, and external partners.

15. The '786 patent claims a particular technological solution to this system that includes, for example, components including a web services hub that is comprised of hardware including memory and a processor, and that is configured to receive a request from a data source system that is external to the web services hub, as well as a secure service router coupled to the web services hub, and particular functionality for the web services hub and the secure services router that facilitates communication among the data source system, the web services hub, and an external system. The '786 Patent's improvements to data communications between computer applications or networks are further described in the specification.

16. On February 19, 2013, the United States Patent and Trademark Office (“PTO”) duly and legally issued U.S. Patent No. 8,380,623 (the “’623 patent”), entitled “Systems and Methods for Enabling Financial Savings.” A true and accurate copy of the ’623 patent is attached as Ex. C. The ’623 patent claims priority to a provisional application filed June 19, 2008. The ’623 patent discloses a computer-assisted method for facilitating financial savings, including accepting a funds transfer request by the user of an amount of funds between a funding account and at least one receiving account and accepting, from a user, a designation of an intended purpose of use of the amount of funds and a date of intended use of the amount of funds.

17. PNC Bank, N.A. owns by assignment the entire right, title, and interest in and to the ’623 Patent, including the exclusive right to seek damages for past, current, and future infringement thereof.

18. The claims of the ’623 Patent are not directed to basic tools of scientific and technological work, fundamental economic practices, or the use of an abstract idea or mathematical formula. Rather, the ’623 Patent describes problems and shortcomings with existing online or electronic banking systems, and claims novel and inventive technological improvements and solutions to such problems and shortcomings. These solutions include, for example, a method for facilitating financial savings including accepting and executing funds transfer requests using a processor and generating, using the processor, for display on a graphical banking interface, a graphical representation of information related to those transfers. The ’623 Patent’s improvements to electronic banking systems are further described in the specification.

19. On March 25, 2014, the PTO duly and legally issued U.S. Patent No. 8,682,754 (the “’754 patent”), entitled “Tracking Customer Spending and Income.” A true and accurate copy of the ’754 patent is attached as Ex. D. The ’754 patent claims priority to U.S. Patent 8,229,806,

filed on May 12, 2008. The '754 patent discloses computer implemented methods of tracking customer spending and income.

20. PNC Bank, N.A. owns by assignment the entire right, title, and interest in and to the '754 Patent, including the exclusive right to seek damages for past, current, and future infringement thereof.

21. The claims of the '754 Patent are not directed to basic tools of scientific and technological work, fundamental economic practices, or the use of an abstract idea or mathematical formula. Rather, the '754 Patent describes problems and shortcomings with existing online or electronic banking systems, and claims novel and inventive technological improvements and solutions to such problems and shortcomings. These solutions include, for example, a computer-implemented method of tracking customer spending and income including aggregation of spending transactions, estimation of income during a time period, and displaying a customer user interface that conveys the relationship between the spending and the income. The '754 Patent's improvements to electronic banking systems are further described in the specification.

BACKGROUND

22. PNC is a leading national banking and asset management institution based in in the Western District of Pennsylvania, in Pittsburgh. PNC traces its roots to the Pittsburgh National Bank, founded in 1852. Today, PNC provides employment for over 50,000 professionals worldwide. PNC continuously invests in evolving technology and innovation to enhance customer experiences in electronic and mobile banking.

23. USAA provides insurance, banking, investment, and retirement products and services throughout the United States and across the world, including in this judicial district.

24. USAA provides computer program products in the form of its USAA.com website and USAA Mobile smartphone apps. Both products provide functionality for performing

electronic banking transactions, including remote check deposit, electronic transfers of funds between online accounts, and graphical comparison of income and spending.

25. USAA was on notice and has actual knowledge of its infringement of the Patents-in-Suit no later than the filing of this Complaint and/or the date this Complaint was served upon USAA. Further, to the extent that USAA contends it lacked actual knowledge of its infringement of the PNC Patents before the time of service of this Complaint, it was willfully blind to PNC's patent rights. PNC informs the public and competitors that it has patents covering online banking services. For example, PNC's website states that "PNC has numerous patents/pending patent applications directed at various features and functions of Virtual Wallet." As detailed below, USAA's conduct with respect to remote check deposit, funds transfers and money management features constitutes willful infringement of PNC's Patents. USAA's use of the PNC Patents is not licensed or authorized by PNC in any way.

26. USAA has profited, and continues to profit, including by providing its infringing remote check deposit, funds transfer, and money management service to millions of USAA customers without PNC's permission and without any compensation to PNC, materially harming PNC.

COUNTERCLAIM I

(Declaratory Judgment of Non-Infringement of the '432 Patent)

27. PNC incorporates the preceding paragraphs as if fully set forth herein.

28. In its Amended Complaint, USAA alleges that PNC makes, uses, sells, and/or offers to sell in the United States, and/or imports into the United States products that infringe one or more claims of the '432 Patent under 35 U.S.C. § 271(a), (b) and (c). USAA in its Amended Complaint has accused *PNC Mobile Deposit* and *PNC Deposit On-Site Mobile*®, referred to collectively in the Amended Complaint and herein as "PNC Mobile Deposit," of infringing the '432 Patent.

29. PNC does not infringe and has not infringed any asserted, valid and enforceable claim of the '432 Patent under any theory of infringement.

30. Accordingly, there exists an actual and justiciable controversy between PNC and USAA with respect to infringement of the '432 Patent.

31. PNC hereby seeks entry of a declaratory judgment that it does not infringe any asserted claim of the '432 Patent.

COUNTERCLAIM II

(Declaratory Judgment of Non-Infringement of the '559 Patent)

32. PNC incorporates the preceding paragraphs as if fully set forth herein.

33. In its Amended Complaint, USAA alleges that PNC makes, uses, sells, and/or offers to sell in the United States, and/or imports into the United States products that infringe one or more claims of the '559 Patent under 35 U.S.C. § 271(a), (b) and (c). USAA in its Amended Complaint has accused PNC Mobile Deposit of infringing the '559 Patent.

34. PNC does not infringe and has not infringed any asserted, valid and enforceable claim of the '559 Patent under any theory of infringement.

35. Accordingly, there exists an actual and justiciable controversy between PNC and USAA with respect to infringement of the '559 Patent.

36. PNC hereby seeks entry of a declaratory judgment that it does not infringe any asserted claim of the '559 Patent.

COUNTERCLAIM III

(Declaratory Judgment of Invalidity of the '432 Patent)

37. PNC incorporates the preceding paragraphs as if fully set forth herein.

38. The asserted claims of the '432 Patent are invalid for failure to comply with the requirements of Title 35, United States Code, including but not limited to sections 101, 102, 103,

and/or 112 and the rules, regulations, and laws pertaining thereto. For example, and without limitation, the claims of the '432 Patent are unpatentable under 35 U.S.C. § 103 in view of the Wells Fargo Desktop Deposit system and the Philips PCVC690K Vesta Pro Scan product (including camera and associated software).

39. Based on the Amended Complaint, and the allegations of this Counterclaim, an actual and justiciable controversy exists between PNC and USAA with respect to the alleged validity of the '432 Patent.

40. PNC hereby seeks a declaratory judgment that the asserted claims of the '432 Patent are invalid.

COUNTERCLAIM IV

(Declaratory Judgment of Invalidity of the '559 Patent)

41. PNC incorporates the preceding paragraphs as if fully set forth herein.

42. The asserted claims of the '559 Patent are invalid for failure to comply with the requirements of Title 35, United States Code, including but not limited to sections 101, 102, 103, and/or 112 and the rules, regulations, and laws pertaining thereto. For example, and without limitation, the claims of the '559 Patent are unpatentable under 35 U.S.C. § 103 in view of the Wells Fargo Desktop Deposit system and the Philips PCVC690K Vesta Pro Scan product (including camera and associated software).

43. Based on the Amended Complaint, and the allegations of this Counterclaim, an actual and justiciable controversy exists between PNC and USAA with respect to the alleged validity of the '559 Patent.

44. PNC hereby seeks a declaratory judgment that the asserted claims of the '559 Patent are invalid.

COUNTERCLAIM V





(Infringement of the '788 Patent)

45. PNC incorporates the preceding paragraphs as if fully set forth herein.

46. PNC is informed and believes, and on this basis alleges, that USAA, agents of USAA, and/or third parties acting under USAA's direction and control, have committed and continue to commit acts of direct infringement of one or more claims of the '788 Patent, including, for example, Claim 1, literally and/or under the doctrine of equivalents, by making, using, selling, offering to sell and/or importing into the United States the USAA products. For example, on information and belief, the USAA products are operated and/or controlled by USAA and provide computerized functionality for receiving a message from a data source system, the message comprising at least one header parameter stored in at least one header parameter field, the message to be transmitted to an external system; determining the message type based on the at least one header parameter; verifying access and transmission rights of the data source system and the external system; transmitting the message to a message transformation logic module; and receiving the message to be transformed from the data source system at the message transformation logic module from a secure service router, the message comprising the at least one header parameter stored in the at least one header parameter field.

47. For example, the USAA products include software that enables a smartphone or personal computer to connect with USAA's online banking system, to provide services such as remote check deposit. USAA's online banking system is accessible through USAA.com using a web browser and through Android or iOS smartphones using the USAA Mobile App.

48. USAA's online banking system receives messages from customer personal computers or smartphones, such as requests to deposit checks, through the USAA Deposit@Home (in the case of personal computers) and Deposit@Mobile (in the case of smartphones) functionality:

MY USAA MY TOOLS PRODUCTS ADVICE CLAIMS HELP   

USAA Deposit@Home

1 Scan Check 2 Enter Details 3 Select Front of Check 4 Select Back of Check 5 Confirmation

NEED EXPERT HELP?
Call 1-800-845-8024

Print Version




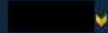
In order for us to accept a check image, please ensure that it is:

A grayscale image with resolution of 200 dots per inch (DPI), file size less than 300 kilobytes (KB), and that it is saved as jpg or jpeg. [Learn more about changing scanner settings.](#)

- Scan the front of your check** by placing it (with the front side facing down) at the origin of the scanner. See examples of [good and bad images](#).
- Save the image** in a location where you can easily find it, such as your desktop.
- Sign the back of your check:**
For a checking or savings account: "For Mobile Deposit at USAA FSB Account Number XXXXXXXXX."
- Scan the back of your check** by placing it at the origin of the scanner. See examples of [good and bad images](#).
- Save the image** in a location where you can easily find it, such as your desktop.

[Bank Terms and Conditions](#)

Previous Cancel Next

MY USAA MY TOOLS PRODUCTS ADVICE CLAIMS HELP   

USAA Deposit@Home Ask USAA


1 Scan Check 2 Enter Details 3 Select Front of Check 4 **Select Back of Check** 5 Confirmation


Verify Amount and Select Check Images:


Deposit Account	USAA CLASSIC CHECKING #280378645
Check Amount	\$10.00

Filename	Side	Size
Scan0001.jpg	Front	193.16 KB
Scan0002.jpg	Back	136.37 KB
		Total: 329.54 KB

Remove All Previous Cancel Submit

 **USAA COMMUNITY** Get Support. Discuss. Explore. Visit the USAA Community.

 **Financial Advice** Questions & Answers


 **GO MOBILE** apps & more

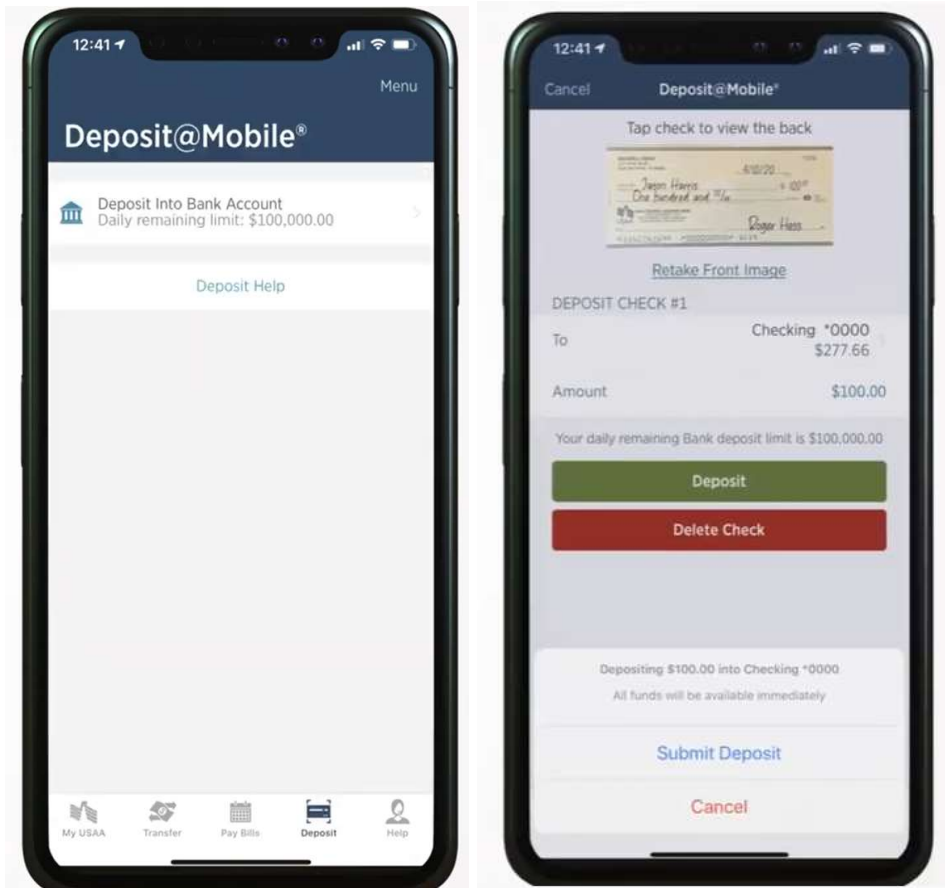
[Corporate Info & Media](#) [News Center](#) [Privacy](#) [Careers](#) [Accessibility](#) [Contact Us](#) [Site Map](#) [FAQs](#) [Site Terms](#)

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Eligibility for USAA Deposit@Mobile® and Deposit@Home® will be based on your account history with USAA Bank. Deposits may not be available for immediate withdrawal. USAA's Deposit@Mobile and Deposit@Home products, including the corresponding portions of this website or application, may be covered by one or more of the following [United States Patents](#).

Bank products provided by USAA Federal Savings Bank, Member FDIC.





49. The customer message such as the remote check deposit request comprises at least one header parameter stored in at least one header parameter field. For example, a remote check deposit request from the USAA.com website includes the header parameter field “Referrer” and the header parameter “https://www.usaa.com/inet/bank_deposit/BkHomeDeposit.” On information and belief, USAA’s online banking computer systems determine the message type based on a header perimeter. On information and belief, the remote check deposit request message is transformed into an image check letter (ICL) file and is transmitted by USAA to an external system such as a Federal Reserve Bank, clearinghouse exchange, or correspondent institution computer system.

50. USAA verifies the transmission rights of the customer personal computer system or mobile device. For example, prior to accessing the USAA Deposit@Home and

Deposit@Mobile functionality, the customer must log on to the USAA.com website or the Mobile App. USAA authenticates the customer personal computer system or mobile device using the log on information provided by the customer, such as, for example, one or more of an Online ID, password, Token, PIN, browser recognition, or biometrics. On information and belief, the authentication is performed by a secure services router provided by or under the control of USAA.

51. On information and belief, USAA's computer system also verifies the access and transmission rights of the external system such as the computer system of the Federal Reserve Bank, clearinghouse exchange, or correspondent institution that receives the ICL file. For example, the Check 21 Guide to Connectivity Options, available at <https://www.frbservices.org/assets/financial-services/check/setup/guide-to-connectivity-options.pdf>, provides three connectivity options. Under the first two options, "Files are transferred between the Federal Reserve Banks and your organization via HTTPS. Data encryption is provided by a mutually authenticated session using Federal Reserve Bank-issued credentials." Under the third option, "Security is provided through point-to-point router linkages with IPSec, VPN tunneling and a dedicated WAN connection." Each case includes verification of the access and transmission rights of the Federal Reserve Bank system.

52. Prior to transmitting the customer check image and deposit request to an external system such a Federal Reserve Bank, clearinghouse exchange, or correspondent institution computer system, on information and belief, USAA transforms the message into an image cash letter (ICL) file. On information and belief, USAA's online banking computer systems utilize a message transformation logic module to perform this functionality, where the customer check deposit request to be transformed is received at the message transformation logic module from the

secure service router, the message comprising at least one header parameter stored in the at least one header parameter field.

53. As a result of USAA's infringement of the '788 Patent, PNC has been damaged. In addition, USAA's infringing acts and practices have caused and are causing immediate and irreparable harm to PNC. PNC is entitled to recover for damages sustained as a result of USAA's wrongful acts in an amount yet to be determined and to receive such other and further relief, including equitable relief, as this Court deems just and proper.

54. PNC is further informed, and on this basis alleges, that USAA's infringement of the '788 Patent has been and continues to be deliberate and willful, and, therefore, this is an exceptional case warranting an award of enhanced damages for up to three times the actual damages awarded and attorney's fees to PNC pursuant to 35 U.S.C. §§ 284-285. As discussed above, USAA had knowledge or was willfully blind to the '788 Patent and its infringement thereof, and is on notice of the '788 patent at least of the date of this Counterclaim, and yet has deliberately continued to infringe in a wanton, malicious, and egregious manner, with reckless disregard for USAA's patent rights.

COUNTERCLAIM VI

(Infringement of the '786 Patent)

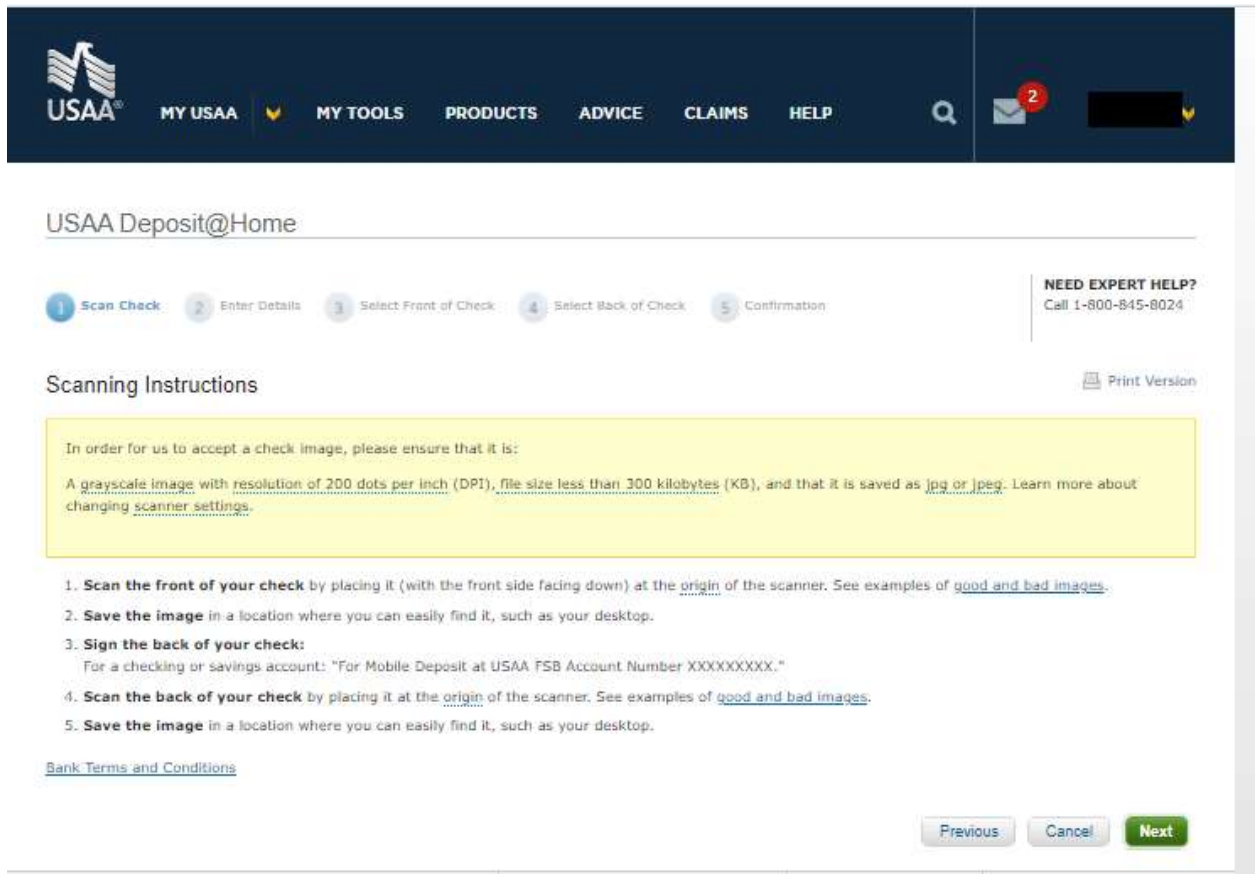
55. PNC incorporates the preceding paragraphs as if fully set forth herein.

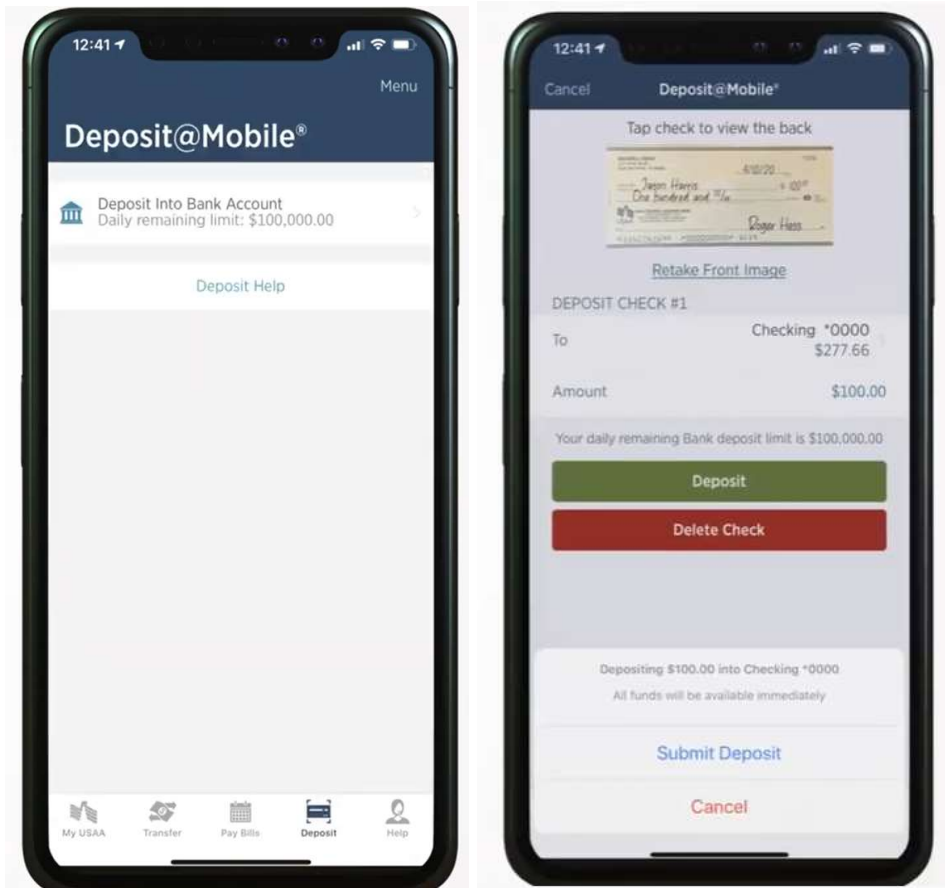
56. PNC is informed and believes, and on this basis alleges, that USAA, agents of USAA, and/or third parties acting under USAA's direction and control, have committed and continue to commit acts of direct infringement of one or more claims of the '786 Patent, including, for example, Claim 1, literally and/or under the doctrine of equivalents, by making, using, selling, offering to sell and/or importing into the United States the USAA products. For example, on information and belief, the USAA products are operated and/or controlled by USAA and provide

a web services hub comprised of hardware, the hardware comprising at least one non-transitory memory connected to at least one processor, the web services hub configured to receive a request from a data source system that is external to the web services hub; transform the request into a transformed request, and transmit the transformed request to an external system, the request to be transformed by the web services hub into the transformed request by a process comprising: the web services hub evaluating the data source system identified in the request as being a source of the request, the web services hub identifying a business service handler configured to transform the request, the web services hub transforming the request via the business service handler such that the transformed request is in a format that is understandable and processable by the external system; and the web services hub to receive a response to the transformed request from the external system after the external system has completed processing of the transformed request and transmitted a response to the transformed request, the web services hub to parse the response to the transformed request for the data source system and transform the response to the transformed request into a transformed response to send to the data source system such that the transformed response is understandable and processable by the data source system; a secure service router coupled to the web services hub, the secure service router to authenticate the data source system prior to the transformed request being sent to the external system.

57. For example, the USAA products include systems that enables a smartphone or personal computer to connect with USAA's online banking system, to provide services such as remote check deposit. On information and belief, USAA's systems are comprised of hardware, comprising at least one non-transitory memory connected to at least one processor. USAA's online banking system is accessible through USAA.com using a web browser and through Android or iOS smartphones using the USAA Mobile App.

58. USAA's system receives requests from customer personal computers or smartphones, such as requests to deposit checks and check images through the USAA Deposit@Home (in the case of personal computers) and Deposit@Mobile (in the case of smartphones) functionality:





59. On information and belief, USAA transforms these requests to transformed requests. For example, prior to transmitting the deposit request to an external system such a Federal Reserve Bank, clearinghouse exchange, or correspondent institution computer system, USAA transforms the customer’s deposit request into an image cash letter (ICL) file.

60. The USAA system evaluates the customer system that is sending the deposit request, such as the customer mobile device or personal computer, as being the source of the request. For example, the USAA website transmits a CSFRTOKEN value in conjunction with a check deposit request. On information and belief, USAA uses this value to evaluate to customer device as being the source of the request. On information and belief, the USAA system identifies a business service handler to transform the request by, for example, transforming a customer

deposit request into an ICL file, such that it is understandable by an external system such as a Federal Reserve Bank, clearinghouse exchange, or correspondent institution computer system.

61. On information and belief, the USAA system receives a response to the transformed request from the external system such as the Federal Reserve Bank, clearinghouse exchange, or correspondent institution computer system. For example, services such as FedReturn Services provide financial institutions with the ability to deposit ICL files of return items (“return ICLs”). Thus, in the case of a request to deposit a check, on information and belief, the USAA system receives a return ICL that may indicate, for example, insufficient funds to honor the customer’s check deposit request. On information and belief, the USAA system parses the return ICL and transforms the return ICL to send a response to the customer system, such as personal computer accessing the USAA.com website or the smartphone accessing the USAA Mobile App such that it is understandable and processable by the customer system.

62. The USAA system authenticates the customer system prior to submitting a deposit request to the Federal Reserve Bank, clearinghouse exchange, or correspondent institution computer system on behalf of the customer. For example, prior to accessing the USAA Deposit@Home and Deposit@Mobile functionality, the customer must log on to the USAA USAA.com website or the Mobile App. On information and belief, a secure services router provided by USAA authenticates the customer personal computer system or mobile device using the log on information provided by the customer, such as, for example, one or more of an Online ID, password, Token, PIN, browser recognition, or biometrics.

63. As a result of USAA’s infringement of the ’786 Patent, PNC has been damaged. In addition, USAA’s infringing acts and practices have caused and are causing immediate and irreparable harm to PNC. PNC is entitled to recover for damages sustained as a result of USAA’s

wrongful acts in an amount yet to be determined and to receive such other and further relief, including equitable relief, as this Court deems just and proper.

64. PNC is further informed, and on this basis alleges, that USAA's infringement of the '786 Patent has been and continues to be deliberate and willful, and, therefore, this is an exceptional case warranting an award of enhanced damages for up to three times the actual damages awarded and attorney's fees to PNC pursuant to 35 U.S.C. §§ 284-285. As discussed above, USAA had knowledge or was willfully blind to the '786 Patent and its infringement thereof, and is on notice of the '788 patent at least of the date of this Counterclaim, and yet has deliberately continued to infringe in a wanton, malicious, and egregious manner, with reckless disregard for USAA's patent rights.

COUNTERCLAIM VII

(Infringement of the '623 Patent)

65. PNC incorporates the preceding paragraphs as if fully set forth herein.

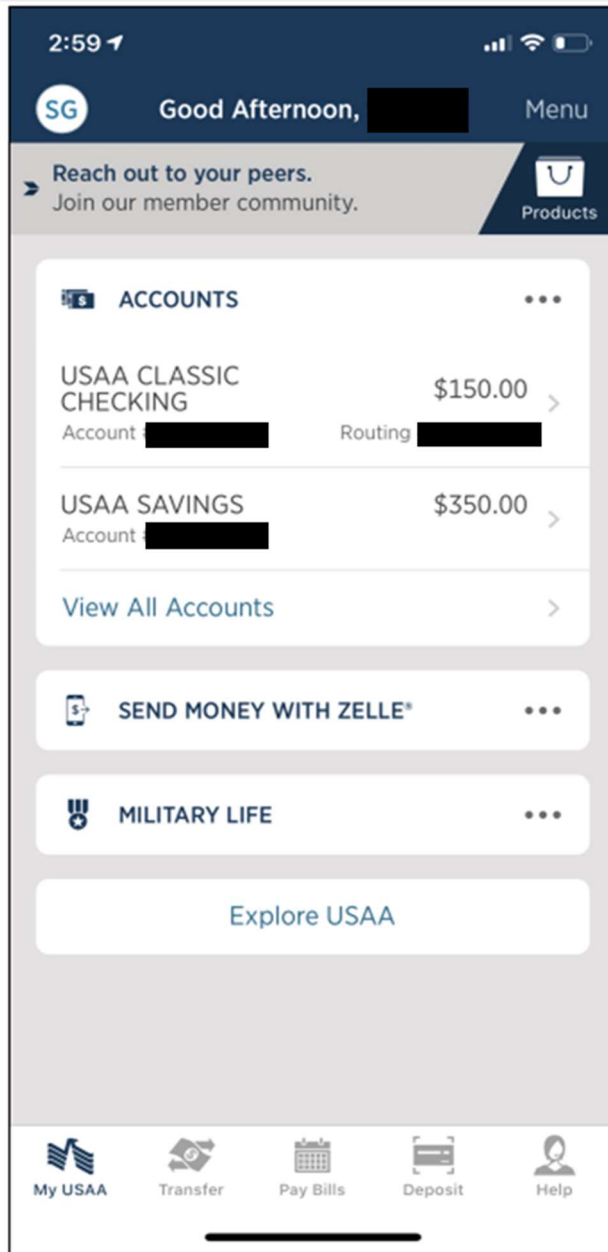
66. PNC is informed and believes, and on this basis alleges, that USAA, agents of USAA, and/or third parties acting under USAA's direction and control, have committed and continue to commit acts of direct infringement of one or more claims of the '623 Patent, including, for example, Claim 1, literally and/or under the doctrine of equivalents, by making, using, selling, offering to sell and/or importing into the USAA products. For example, on information and belief, the USAA products are operated and/ or controlled by USAA and provide computerized functionality for facilitating financial savings, including: accepting, using a processor, a funds transfer request by a user of an amount of funds between a funding account and at least one receiving account, wherein the funding account and the receiving account are separate accounts; accepting, from the user, using the processor, a designation of an intended purpose of use of the amount of funds and a date of intended use of the amount of funds; transferring the amount of

funds from the funding account to the at least one receiving account; generating, using the processor, for display on a graphical banking interface, a graphical representation of the designation of the intended purpose of use of the amount of funds; and transferring the amount of funds from the at least one receiving account to the funding account on the date of intended use.

67. For example, on information and belief, the USAA products include computer program software that enables a smartphone or personal computer to connect with USAA's system, to provide computer-assisted financial savings. USAA's system is accessible through USAA.com using a web browser:



68. USAA’s system is also accessible through Android or iOS smartphones using the USAA Mobile App:



69. The USAA products accept a funds transfer request of an amount of funds between a funding account (in this example, “Transfer From USAA classic checking”) and at least one receiving account (in this example, “Transfer To USAA savings”), where the funding account and

the receiving account are separate accounts. This functionality is available through USAA.com, as well as through the USAA Mobile App:

Enter Details Step 1 of 3

Transfer From
USAA CLASSIC CHECKING * [REDACTED]
Available Balance: \$200.00

Transfer To
USAA SAVINGS * [REDACTED]
Available Balance: \$300.01

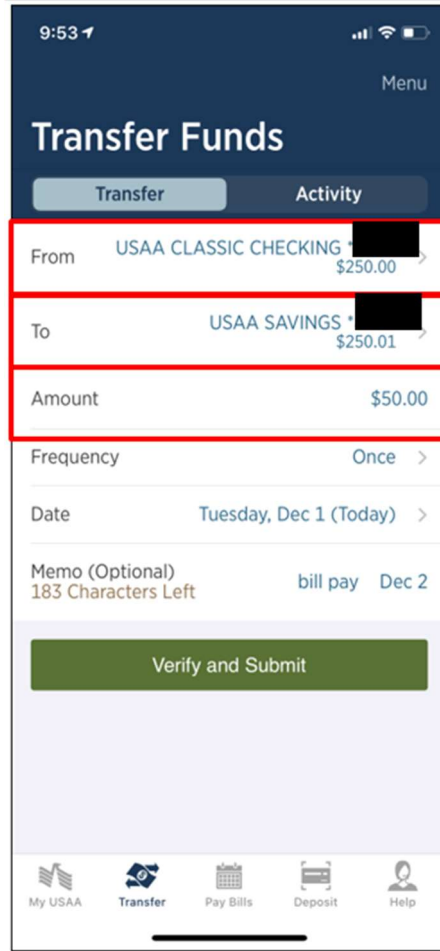
Amount
\$40

Frequency
Once

Transfer Date
MM/DD/YYYY
12/01/2020
Tuesday, December 1st (Today)

Memo Optional
for bill pay December 2
177 Characters Left

Verify And Submit



70. When the user submits the funds transfer request, the USAA products provide the functionality of transferring the amount of funds from the funding account to the receiving account.

71. The USAA products provide the functionality of accepting, from the user, using the processor, a designation of an intended purpose of use of the amount of funds and a date of intended use of the amount of funds, as well as generating a graphical representation thereof. For example, both the USAA.com graphical user interface and the USAA Mobile app interface accept and generate a graphical representation of a user input of a “Memo” designating the intended purpose of use of the transferred funds, as well as a date of intended use:

Enter Details Step 1 of 3

Transfer From
USAA CLASSIC CHECKING [REDACTED]
Available Balance: \$200.00

Transfer To
USAA SAVINGS [REDACTED]
Available Balance: \$300.01

Amount
\$40

Frequency
Once

Transfer Date
MM/DD/YYYY
12/01/2020
Tuesday, December 1st (Today)

Memo: Optional
for bill pay December 2
177 Characters Left

Verify And Submit

Verify Details Step 2 of 3

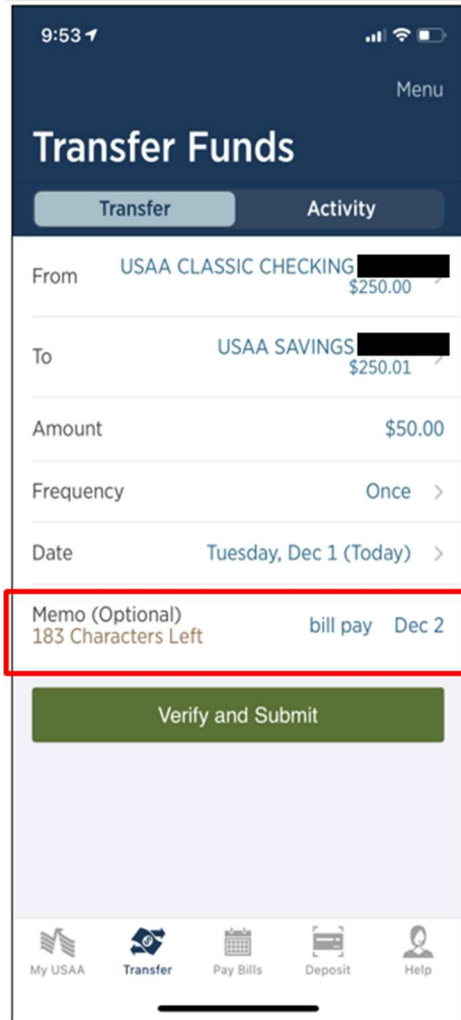
Money transferred between your USAA accounts will be available today.

Transfer From USAA CLASSIC CHECKING [REDACTED] Available Balance: \$200.00	Transfer To USAA SAVINGS [REDACTED] Available Balance: \$300.01
Amount \$40.00	Frequency Once
Transfer Date 12/01/2020 Tuesday, December 1st (Today)	Memo for bill pay December 2

Transfer Authorization

By submitting this transfer you agree to authorize a one-time transfer from USAA CLASSIC CHECKING ending in [REDACTED] USAA SAVINGS ending in 8653 on 12/01/2020. Your account will be debited for \$40.00 on 12/01/2020. Once you submit this transfer, the transaction can not be canceled. If you have questions call us at [210-531-USAA \(8722\)](tel:210-531-USAA).

Back Submit Transfer



72. The USAA products further provide for a processor to accept and display a date of intended use by allowing a user to indicate, and displaying, a scheduled date for a funds transfer from the receiving account to the funding account, in this example, a scheduled transfer from USAA savings to USAA classic checking:

Enter Details Step 1 of 3

Transfer From
USAA SAVINGS [REDACTED]
Available Balance: \$340.01

Transfer To
USAA CLASSIC CHECKING [REDACTED]
Available Balance: \$160.00

Amount
\$40

Frequency
Once

Transfer Date
MM/DD/YYYY
12/02/2020
Wednesday, December 2nd (Tomorrow)

Memo (Optional)
for bill pay December 2
177 Characters Left

Verify And Submit

9:57 [Signal] [Wi-Fi] [Battery]

Menu

Transfer Funds

Transfer Activity

From USAA SAVINGS [REDACTED]
\$300.01

To USAA CLASSIC CHECKING [REDACTED]
\$200.00

Amount \$50.00

Frequency Once

Date Wednesday, Dec 2, 2020

Memo (Optional) E.g. Monthly Savings
183 Characters Left

Verify and Submit

My USAA Transfer Pay Bills Deposit Help

73. The USAA products provide the functionality of transferring the amount of funds from the receiving account to the funding account on the date of intended use. On information and belief, USAA customers have used and continue to use the foregoing functionality for facilitating financial savings, and USAA has performed the foregoing method using the USAA products.

74. As a result of USAA's infringement of the '623 Patent, PNC has been damaged. In addition, USAA's infringing acts and practices have caused and are causing immediate and irreparable harm to PNC. PNC is entitled to recover for damages sustained as a result of USAA's wrongful acts in an amount yet to be determined and to receive such other and further relief, including equitable relief, as this Court deems just and proper.

75. PNC is further informed, and on this basis alleges, that USAA's infringement of the '623 Patent has been and continues to be deliberate and willful, and, therefore, this is an exceptional case warranting an award of enhanced damages for up to three times the actual damages awarded and attorney's fees to PNC pursuant to 35 U.S.C. §§ 284-285. As discussed above, USAA had knowledge or was willfully blind to the '623 Patent and its infringement thereof, and is on notice of the '623 patent at least of the date of this Counterclaim, and yet has deliberately continued to infringe in a wanton, malicious, and egregious manner, with reckless disregard for USAA's patent rights.

COUNTERCLAIM VIII

(Infringement of the '754 Patent)

76. PNC incorporates the preceding paragraphs of as if fully set forth herein.

77. PNC is informed and believes, and on this basis alleges, that USAA, agents of USAA, and/or third parties acting under USAA's direction and control, have committed and continue to commit acts of direct infringement of one or more claims of the '754 Patent, including, for example, Claim 1, literally and/or under the doctrine of equivalents, by making, using, selling,

offering to sell and/or importing into the United States, the USAA products. For example, on information and belief, the USAA products are operated and/ or controlled by USAA and provide computer tracking of customer spending and income, including: aggregating spending transactions by a customer during a first time period; estimating income to the customer during the first time period; and displaying a user interface to the customer, wherein the user interface comprises: a first bar, wherein a dimension of the first bar is proportional to the estimated income to the customer during the first time period; and a second bar, wherein a dimension of the second bar is proportional to the aggregate spending transactions by the customer during the first time period, wherein the second bar is positioned within the first bar, and wherein the dimension of the first bar is parallel to the dimension of the second bar.

78. The USAA products include computer program software that enables a smartphone or personal computer to connect with USAA's system, to provide tracking of customer spending and income. USAA's system is accessible through Android or iOS smartphones using the USAA Mobile App, or through USAA.com using a web browser.

79. The USAA products aggregate spending transactions by a customer during a first time period, and estimate income to the customer during the first time period. For example, USAA's Personal Budgeting Tools analyze a customer's income vs. spending by visualizing "how money flows into and out of your accounts over time":



80. The USAA products use computer processing to generate and display a user interface to the customer. For example, the “Trends” tab of USAA’s Personal Budgeting Tools of the USAA products provides an interface that displays income and spending during a period of time.

81. The USAA products provide a user interface that includes a first bar having a dimension proportional to the estimated income to the customer during the first time period. For

example, the Trends interface of USAA's Personal Budgeting Tools displays an income bar with a vertical dimension proportional to the income estimated for a period of time.

82. The USAA products provide an interface that includes a second bar having a dimension proportional to the aggregate spending transactions by the customer during the first time period. For example, the Trends interface of USAA's Personal Budgeting Tools displays a spending bar with a vertical dimension proportionate to spending amounts over the same time period as the income bar.

83. The USAA products provide an interface displaying the second bar is positioned within the first bar, and the dimension of the first bar is parallel to the dimension of the second bar. For example, USAA's Personal Budgeting Tools display the spending bar(s) positioned within the income bar. Both bars are displayed with parallel dimensions, at least because both bars represent amount on the vertical axis and time in the horizontal axis.

84. As a result of USAA's infringement of the '754 Patent, PNC has been damaged. In addition, USAA's infringing acts and practices have caused and are causing immediate and irreparable harm to PNC. PNC is entitled to recover for damages sustained as a result of USAA's wrongful acts in an amount yet to be determined and to receive such other and further relief, including equitable relief, as this Court deems just and proper.

85. PNC is further informed, and on this basis alleges, that USAA's infringement of the '754 Patent has been and continues to be deliberate and willful, and, therefore, this is an exceptional case warranting an award of enhanced damages for up to three times the actual damages awarded and attorney's fees to PNC pursuant to 35 U.S.C. §§ 284-285. As discussed above, USAA had knowledge or was willfully blind to the '754 Patent and its infringement thereof, and is on notice of the '754 patent at least of the date of this Counterclaim, and yet has deliberately

continued to infringe in a wanton, malicious, and egregious manner, with reckless disregard for USAA's patent rights.

PRAYER FOR RELIEF

WHEREFORE, PNC demands a trial by jury on all issues so triable, and PNC respectfully requests entry of judgment in its favor as follows:

PRAYER FOR RELIEF

WHEREFORE, PNC respectfully requests entry of judgment granting the following relief:

- (a) That the Amended Complaint in its entirety be dismissed with prejudice;
- (b) That USAA takes nothing by its Amended Complaint, including that USAA is not entitled to an award of compensatory damages, attorneys' fees, costs, prejudgment or post-judgment interest under 35 U.S.C. §§ 284 or 285, or any applicable law;
- (c) That PNC be awarded the costs of defending this action, including attorneys' fees, costs, and disbursements;
- (d) Denial of any and all of USAA's requests for relief;
- (e) That USAA has not infringed, and is not infringing, any valid and enforceable claim of the '432 patent and the '559 patent;
- (f) That the asserted claims of the '432 patent and the '559 patent are invalid;
- (g) That USAA has infringed, and continues to infringe, each of the PNC patents;
- (h) That each claim of each of the PNC patents is valid and enforceable;
- (i) Awarding PNC damages adequate to compensate PNC for USAA's infringement, together with interest and costs under 35 U.S.C. § 284;

- (j) Ordering USAA to pay pre-judgment and post-judgment interest on the damages assessed;
- (k) Ordering USAA to pay supplemental damages to PNC, including interest, with an accounting as needed, of all infringements and/or damages not presented at trial;
- (l) Declaring USAA's infringement as willful and that enhancing damages awarded to PNC up to three times the actual damages awarded;
- (m) Awarding PNC damages for its costs, disbursements, expert witness fees, and attorneys' fees and costs incurred in prosecution of this action, with interest, including damages for an exceptional case pursuant to 35 U.S.C. § 285 and as otherwise provided by law; and
- (n) An order awarding PNC such other and further relief, including any and all injunctive and other equitable relief, as this Court deems just and proper.

JURY DEMAND

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, PNC respectfully demands a jury trial of all issues triable to a jury in this action.

DATED: June 7, 2021

Respectfully submitted,

/s/ Eric P. Tuttle

Gregory P. Stone (*pro hac vice*)

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CERTIFICATE OF SERVICE

I certify that the foregoing document was filed electronically and served on all counsel of record by the Court's CM/ECF system on June 7, 2021.

/s/ Matthew Miyamoto
Matthew Miyamoto