

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

UNITED SERVICES AUTOMOBILE
ASSOCIATION,

v. *Plaintiff,*

PNC BANK N.A.,

Defendant.

Case No. 2:20-CV-00319-JRG-RSP

ORDER

Before the Court is motion *in limine* no. 16 (“MIL 16”) filed by Plaintiff United Services Automobile Association (“USAA”), Dkt. No. 511, the related proffer filed by Defendant PNC Bank N.A. (“PNC”), Dkt. No. 561, and USAA’s Supplemental Brief Regarding PNC’s Admissions as to MIL 16. Dkt. No. 599. Having considered the parties’ arguments, the Court **DENIES** MIL 16.

I. Background

In this suit, USAA alleges that PNC infringes U.S. Patent Nos. 10,482,432 (“‘432 Patent”), 10,621,559 (“‘559 Patent”), 10,013,681 (“‘681 Patent”), 10,013,605 (“‘605 Patent”), 8,977,571 (“‘571 Patent”), and 8,699,779 (“‘779 Patent”). PNC sought *inter partes* review (“IPR”) of all six asserted patents; however, the PTAB only instituted IPRs on three of the six patents: the ‘571 Patent, IPR2021-01070, Paper 20 (P.T.A.B. Jan. 24, 2022); the ‘779 Patent, IPR2021-01073, Paper 20 (P.T.A.B. Jan. 24, 2022); and the ‘559 Patent, IPR2021-01077, Paper 21 (P.T.A.B. Jan. 24, 2022). In each IPR petition, PNC made the following stipulation: “if this IPR is instituted, it will not advance the grounds that are raised or reasonably could have been raised in this IPR in the co-pending district court proceeding.” Dkt. No. 561 at 1 n. 1.

USAA, through its MIL 16, asks the Court to enforce the stipulation and preclude PNC from raising grounds in this case that reasonably could have been raised in the IPR. Dkt. No. 511 at 11-12. Specifically, USAA argues that PNC could have raised in the IPR—and thus should be precluded from raising here—invalidity arguments based on (1) written description or (2) anticipation and/or obviousness using the following printed publications:

<u>Alleged Prior Art Reference</u>	<u>Printed Materials Relied on by Dr. Kia (Ex. 29)</u>
Garcia-Verdugo	Garcia-Verdugo patent application (Kia ¶ 201)
VX9800	Online reviews, VX9800 User Manual / Guide (Kia ¶¶ 208–215)
KNFB Reader	Press releases, brochures, presentations, articles (Kia ¶¶ 216–223)
Jones	Jones Patent (Kia ¶¶ 206, 224)
BankServ Electronic Deposit	Help Guide, articles (Kia ¶¶ 248–257) (“workflow” document cited as redundant of help guide)
iPAQ	Articles and online posts, user guides (Kia ¶¶ 279–283)
CAM	Articles and presentations, online video (Kia ¶¶ 294–297)
Desktop Deposit	Brochures, articles, Wells Fargo patent (Kia ¶¶ 311–317)
Maeda	Maeda patent publication (Kia ¶ 334).
Nepomniachtchi	Nepomniachtchi patent (Kia ¶ 345)
Samsung SCH-i910	Online articles and reviews, user manual (Kia ¶¶ 355–363)
Motorola Rokr E6	Online articles and videos, user manual (Kia ¶¶ 364)
ImageNet	Online articles and videos, press releases, User guides (Kia ¶¶ 393–394)

Id. at 511.

II. Legal Standard

The Patent Act provides that a “petitioner in an *inter partes* review may request to cancel as unpatentable 1 or more claims of a patent only a ground that could be raised under section 102 or 103 and only on the basis of patents and *printed publications*.” 35 U.S.C. § 311(b) (emphasis added). “Accordingly, prior art ‘systems’ cannot be raised during IPR proceedings.” *General Access Solus. v. Sprint Spectrum LLC*, No. 2:20-cv-00007-RWS, 2021 WL 5154085, *3 (E.D. Tex. July 21, 2021) (citing *Biscotti Inc. v. Microsoft Corp.*, No. 2:13-cv-1015-JRG-RSP, 2017 WL 2526231, at *8 (E.D. Tex. May 11, 2017)).

III. Analysis

a. Section 102 or 103 System Art

USAA argues that, because the list of prior art references above are publicly-available patents or printed publications, these references could have been raised in the IPR and PNC should be precluded from raising invalidity arguments under section 102 or 103 based on these references. Dkt. No. 511 at 12. USAA further argues that the stipulation should preclude PNC from asserting “system” references that are related to the printed publications. Dkt. No. 566 at 1. PNC, in its proffer, argues that the system references it asserts in this case could not have been raised in the IPRs and have relevant features not disclosed in related publications. Dkt. No. 561 at 4. Thus, the issue between the parties is whether PNC is estopped from asserting a system reference in this case based on the fact that the system reference has a related printed publication that could have been raised in the IPR.

District courts are divided on the issue of whether a party is estopped from asserting a system reference in a district proceeding when a related printed publication could have been raised before the PTAB. *See, e.g., Wasica Finance GmbH v. Schrader Int'l, Inc.*, 432 F.Supp.3d 448, 454 n.6 (D. Del. 2020) (collecting cases demonstrating the division among district courts). It is also not clear on this record that the related publications fully describe all relevant features of the asserted systems. Given the uncertainty in the law and the fact that this issue is presented via a motion *in limine*, the Court declines to find that PNC is precluded from raising section 102 or 103 invalidity arguments based on these system references.

b. Section 112 Written Description

USAA argues that PNC should be precluded from making an invalidity argument based on lack of written description because PNC could have included a ground challenging written

description given that “the PTAB is authorized to consider whether patent claims in a continuation application are supported by the original parent application.” Dkt. No. 511 at 12 (citing *Indivior UK Ltd. v. Dr. Reddy’s Labs. S.A.*, 18 F.4th 1323, 1326-27 (Fed. Cir. 2021). Furthermore, USAA cites examples of where it argues “PNC expressly relied on § 112 in its IPR.” Dkt. No. 566 at 10.

The Court finds that the stipulation does not preclude PNC from raising invalidity arguments under § 112. First, the statute is clear that a “petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only a ground that could be raised under section 102 or 103” 35 U.S.C. § 311(b). Therefore, invalidity arguments based on lack of written description under § 112 are not a ground that could have been raised in an IPR.

Second, *Indivior*, upon which USAA relies to support its argument, did not hold that the PTAB can consider whether a claim is valid based solely on written description. In *Indivior*, the Federal Circuit affirmed the PTAB’s determination that certain challenged claims were *anticipated* by a reference that became prior art due to the fact that claims in a continuation application could not claim an earlier application filing date due to a lack of written description support in the earlier application. *Indivior*, 18 F.4th at 1330. In essence, USAA seeks to expand this holding to estop invalidity arguments under § 112; however, the Court declines to do so. Although PNC did argue that certain claims lacked written description support in its IPR petitions, PNC did not argue that the PTAB should find the claims invalid solely for a lack of written description. Because PNC could not raise in the IPR lack of written description as a ground to invalidate the claims of the Asserted Patents, PNC is not precluded from raising invalidity arguments under § 112, including arguments related to a lack of written description arguments.

IV. Conclusion

MIL 16 states, “Motion to preclude PNC from raising any ground of invalidity at trial that it could have raised before the PTAB.” Dkt. No. 579 at 6. PNC is not seeking to raise here the grounds that the Court finds were covered by the stipulation in the IPR. Accordingly, MIL 16 is denied.

SIGNED this 28th day of April, 2022.



ROY S. PAYNE
UNITED STATES MAGISTRATE JUDGE