

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

POLLIN PATENT LICENSING, LLC and
AUTOSCRIBE CORPORATION,

Plaintiffs,

v.

PRINCIPAL FINANCIAL GROUP, INC.,

Defendant.

Case No.

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiffs Pollin Patent Licensing, LLC and Autoscribe Corporation complain of Defendant Principal Financial Group, Inc. as follows:

1. This is a claim for patent infringement that arises under the patent laws of the United States, Title 35 of the United States Code. This Court has original jurisdiction over the subject matter of this claim under 28 U.S.C. §§ 1331 and 1338(a).
2. Pollin Patent Licensing, LLC ("PPL") is a Florida limited liability company with a business address of 401 E. Las Olas Boulevard, Suite 1400, Fort Lauderdale, Florida 33304.
3. Autoscribe Corporation ("Autoscribe") is a Maryland corporation with a principal place of business at 9801 Washingtonian Boulevard, Suite 200, Gaithersburg, Maryland 20878.
4. On October 3, 2006, the United States Patent and Trademark Office granted U.S. Patent No. 7,117,171, entitled "System and Method for Making a Payment from a Financial Account" and naming Robert Pollin as the inventor (the "'171 Patent"), which claims priority from an application filed on October 15, 1992. A true and accurate copy of the '171 Patent is attached hereto as Exhibit 1.

5. As of October 3, 2006, Autoscribe became the owner by assignment of all legal rights, title, and interest in and to the '171 Patent.

6. Autoscribe has been in business for over twenty years. Autoscribe is in the business of, and specializes in, various forms of electronic payment solutions, including software and services for payment capture, risk management, ACH processing and check by phone payment (see, e.g., www.paymentvision.com). In addition to its other business activities, Autoscribe practices the check by phone methods claimed in the '171 Patent.

7. PPL is the exclusive licensee to rights in the '171 Patent and is responsible for the licensing of the '171 Patent.

8. Autoscribe and PPL have standing to sue for infringement of the '171 Patent because they collectively own all right, title and interest in and to the '171 Patent and the Autoscribe processes and products covered by that patent, including the right to collect for past damages. Autoscribe and PPL have each suffered injury from the Defendant's acts of patent infringement.

9. Principal Financial Group ("Principal") is an Iowa corporation with a principal place of business at 711 High Street, Des Moines, Iowa 50392.

10. Principal is a global financial services company that provides a wide range of financial services including, but not limited to, retirement planning, insurance and investment banking. Principal conducts business throughout the United States, including in Iowa and this judicial district.

11. In support of its various financial services offerings, including those in Iowa and this judicial district, Principal maintains call centers including at least in Des Moines, Iowa. Through such call centers, Principal provides check-by-phone payment processing services that infringe at least claims 6 and 12 of the '171 Patent.

12. This Court has general and specific personal jurisdiction over Principal. Principal has purposely availed itself of the privileges and benefits of conducting business in the State of Iowa. Principal has, among other things: (a) provided payment processing services in Iowa, including this judicial district; (b) contracted by mail or otherwise with Iowa residents, which contracts were to be performed in whole or in part in Iowa, including this judicial district; (c) operated at least one call center and collected debt from debtors' checking accounts through the use of live operators in Iowa, including this judicial district; and (d) violated certain patent laws, which are the subject of this action in Iowa, including this judicial district.

13. Accordingly, as set forth above, this Court has personal jurisdiction over Principal because, among other things, it transacts substantial business in Iowa and this judicial district.

14. Venue is proper in this district under 28 U.S.C. §§ 1391(b)-(d) and 1400(b).

INFRINGEMENT OF U.S. PATENT NO. 7,117,171

15. Principal infringed the '171 Patent until its expiration on October 15, 2012 by, among other activities, making, using and/or conducting business through its call centers to collect debt over the telephone from checking or other demand deposit accounts in a manner that is covered by at least independent method claims 6 and 12 of the '171 Patent. A representative claim chart is attached as Exhibit 2.

16. Specifically, Principal offers a service whereby customers may make payments over the telephone, through a conversation with a live operator, from a checking account or other demand deposit account. Principal does not appear to publicly advertise any particular name for this checks-by-telephone service.

17. Principal's checks-by-telephone system includes a computing system with an input screen and requires entry of a customer's financial institution routing and account numbers.

18. The required routing and account numbers are obtained by a live operator of Principal's checks-by-telephone system.

19. Principal's checks-by-telephone system confirms the identity of the customer's financial institution based on the routing number provided by the customer and, in instances where the provided routing number does not match a valid routing number in a database, the system provides an indication to the operator that there is an error.

20. Principal creates electronic records containing the information obtained from a customer and Principal processes and transmits those records to a clearing system to cause a transfer of funds.

21. Principal may operate more than one system to obtain payments from customers' checking accounts over the telephone. An opportunity for discovery will enable Plaintiffs to identify all systems that infringed the '171 Patent with greater particularity.

22. At all times, Autoscribe and PPL have complied with the provisions of 35 U.S.C. § 287 as and to the extent required by law.

23. Principal's direct infringement of the '171 Patent has injured Plaintiffs and Plaintiffs are entitled to recover damages adequate to compensate them for such infringement, but in no event less than a reasonable royalty.

PRAYER FOR RELIEF

WHEREFORE, Autoscribe and PPL respectfully ask this Court to enter judgment against Principal Financial Group, Inc., as well as its subsidiaries, successors, parents, affiliates, officers, directors, agents, servants and employees, and all persons in active concert or participation with them, granting the following relief:

A. The entry of judgment in favor of Plaintiffs and against Principal;

- B. An award of damages adequate to compensate Plaintiffs for the infringement that occurred through the expiration of the '171 Patent, but in no event less than a reasonable royalty as permitted by 35 U.S.C. § 284, together with prejudgment interest from the date the infringement began or February 2008, whichever is later;
- C. Increased damages and/or attorneys' fees as permitted under 35 U.S.C. § 284 and § 285;
- D. Such other relief, in law or equity, to which Plaintiffs are entitled, and any other and further relief that this Court or a jury may deem just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury of all issues so triable.

Respectfully submitted,



Matthew G. Sease
KEMP & SEASE
604 Locust St., Suite 500
Des Moines, IA 50309
(515) 883-2222
Fax: (515) 883-2233
msease@kempsease.com

Raymond P. Niro
Robert A. Vitale, Jr.
Laura A. Kenneally
Gabriel I. Opatken
NIRO, HALLER & NIRO
181 W. Madison, Suite 4600
Chicago, IL 60602
(312) 236-0733
Fax: (312) 236-3137
RNiro@nshn.com; Vitale@nshn.com;
LKenneally@nshn.com; GOpatken@nshn.com
Attorneys for Plaintiffs