

ORIGINAL

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

FILED IN CLERK'S OFFICE
U.S.D.C. - Atlanta

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JAMES M. MATTHEW, Clerk
By: *[Signature]*
Clerk

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ISLAND INTELLECTUAL PROPERTY
LLC and INTRASWEEP LLC,

Plaintiffs,

v.

INSTITUTIONAL DEPOSITS CORP.,

Defendant.
-----X

Civil Action No.:

1 09 CV 3079

COMPLAINT

JEC

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiffs Island Intellectual Property LLC ("Island IP") and Intrasweep LLC ("Intrasweep") (collectively, the "Island Plaintiffs"), by and through their attorneys, bring forth their complaint against Defendant Institutional Deposits Corp. ("IDC").

The Island Plaintiffs allege as follows:

NATURE OF THE ACTION

1.

This is an action for patent infringement arising out of Defendant IDC's infringement of U.S. Patent No. 7,536,350 generally relating to computerized

account management techniques used with insured deposit accounts offered by multiple banks.

2.

Specifically, this Complaint asserts claims against Defendant IDC arising from its infringement of at least Claims 12 through 16 of U.S. Patent No. 7,536,350, issued on May 19, 2009, and entitled "Systems and Methods for Providing Enhanced Account Management Services for Multiple Banks" ("the '350 Patent").

3.

A true and correct copy of the '350 Patent is attached hereto as Exhibit A.

THE PARTIES

4.

Plaintiff Island IP is a limited liability company, organized and existing under the laws of the State of Delaware. Island IP's principal place of business is located at 1250 Broadway, Thirty-Second Floor, New York, NY 10001.

5.

Plaintiff Intrasweep is a limited liability company, organized and existing under the laws of the State of Delaware. Intrasweep's principal place of business is located at 1250 Broadway, Thirty-Second Floor, New York, NY 10001.

6.

Upon information and belief, Defendant IDC is a corporation organized and existing under the laws of the State of Florida with a place of business at 2103 Coral Way, Suite 202, Miami, Florida 33145. IDC also maintains an office at 4463 Cherokee St. # 200, Acworth, Georgia 30101, within this District.

JURISDICTION AND VENUE

7.

This is a civil action for patent infringement arising under the United States patent statutes, 35 U.S.C. § 1 *et seq.*

8.

This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§ 1331 and 1338(a).

9.

Upon information and belief, Defendant IDC is subject to this Court's personal jurisdiction because it does substantial business in this judicial district, including: (i) offering and/or operating its banking services within this State and this District; (ii) maintaining an office within this State and this District; and (iii) offering and/or operating its infringing insured deposit program within this State and in this District.

10.

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

FACTUAL BACKGROUND

11.

The Island Plaintiffs are industry leaders in providing cash management and monetary regulation systems.

12.

The principals of Double Rock Corp. (“Double Rock”), the corporate parent of Plaintiffs Island IP and Intrasweep, developed an innovative product known as “insured deposits,” which provides financial service institutions with the ability to offer customers FDIC-insured, interest bearing demand accounts, with unlimited checking.

13.

One type of insured deposits product, developed by Double Rock and now offered through Intrasweep, is an “on balance sheet” cash sweep solution for banks that helps banks grow core deposits.

14.

Since its first introduction, the principals of Double Rock developed improvements to the insured deposits product.

15.

Various improvements developed by the principals of Double Rock for the insured deposits product offered by banks relate to providing banks the ability to join a network where they can obtain reciprocity for funds put into the network, thus providing the banks' clients enhanced FDIC insurance protection while maintaining a greater amount of funds on the banks' balance sheets.

THE PATENT-IN-SUIT

16.

The '350 Patent claims a novel method of managing client funds by providing banks the ability to provide client accounts with increased FDIC insurance, yet maintain a corresponding amount of assets to the excess deposits on the banks' books.

17.

Island IP, a wholly-owned subsidiary of Double Rock, is the owner of all rights, title and interest in the '350 Patent.

18.

Intrasweep, also a wholly-owned subsidiary of Double Rock, is the exclusive licensee of Island IP for the '350 Patent with respect to, *inter alia*, providing cash management services for banks in connection with money market

deposit accounts and demand deposit accounts that facilitate the transfer of funds between money market deposit accounts and demand deposit accounts.

IDC'S INFRINGING PRODUCT

19.

Upon information and belief, Defendant IDC has developed a money management program designated as the "Money Market Account Xtra" ("the IDC MMAX"), which is a money market program for participating banks, which it offers to operate and administer within the United States for others, without authorization from Island IP or Intrasweep.

20.

Upon information and belief, the IDC MMAX provides a money market program using multiple aggregated or omnibus MMDA accounts at multiple program banks.

21.

Upon information and belief, the IDC MMAX product allows banks to obtain deposits from the system based on the amount of funds the participating bank puts into the system. This is known in the industry as reciprocity or a reciprocating MMDA sweep.

22.

Upon information and belief, IDC utilizes a computer system to allocate customers' balances amongst the program banks to provide them with extended FDIC insurance.

23.

Upon information and belief, IDC's computerized recordkeeping system allows for electronically updating individual account balances based on client activity and a reciprocating MMDA sweep program.

24.

Upon information and belief, banks participating in the IDC MMAX program maintain client funds in multiple banking institutions including the primary bank.

25.

Upon information and belief, the computer systems used in connection with IDC MMAX uses the methods claimed in at least Claims 12 through 16 of the '350 Patent.

26.

The IDC MMAX product competes directly with the products offered by Intrasweep.

COUNT ONE

(By Plaintiffs Island IP and Intrasweep for Patent Infringement by the Defendant IDC of the '350 Patent)

27.

Plaintiffs Island IP and Intrasweep incorporate by reference as if fully set forth herein the averments contained within Paragraphs 1 - 26 above.

28.

Defendant IDC has infringed at least Claims 12 through 16 of the '350 Patent, in violation of Title 35, United States Code section 271 through one or more of the following: (1) the manufacture, use, sale, and/or offer for sale of the invention claimed in the '350 Patent; (2) the active inducement of another to infringe the invention claimed the '350 Patent; and/or (3) contributing to the infringement by another of the invention claimed in the '350 Patent.

29.

Unless enjoined by this Court, the Defendant IDC will continue its acts of infringement causing substantial and irreparable harm to Plaintiffs Island IP and Intrasweep.

30.

Plaintiffs Island IP and Intrasweep are suffering and will continue to suffer damages as the direct and proximate result of the Defendant IDC's infringement of the '350 Patent.

31.

Plaintiffs Island IP and Intrasweep are suffering and will continue to suffer irreparable injury as the direct and proximate result of the Defendant IDC's infringement of the '350 Patent.

PRAYER FOR RELIEF

WHEREFORE, the Island Plaintiffs request judgment against Defendant IDC as follows:

A. That the Defendant IDC be held liable for infringement of at least Claims 12 through 16 of the '350 Patent.

B. That an injunction issue against the Defendant IDC, its officers, agents, servants, employees, attorneys, parent and subsidiary corporations, assigns and successors in interest, and those persons in active concert or participation with them, enjoining them from continued acts of infringement of the '350 Patent.

C. That the Defendant IDC be ordered to pay to the Island IP Plaintiffs damages adequate to compensate the Island Plaintiffs for the acts of

infringement of the Defendant IDC together with interest and costs, pursuant to 35 U.S.C. § 284.

D. That the Court award such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

32.

The Island Plaintiffs hereby request a trial by jury.

Submitted this 4th day of November, 2009.

Respectfully submitted,

JOYCE THRASHER KAISER & LISS, LLC

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