

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

POLLIN PATENT LICENSING, LLC and
AUTOSCRIBE CORPORATION,

Plaintiffs,

v.

HSBC BANK USA, N.A.; HSBC FINANCE
CORPORATION; and HSBC CARD
SERVICES, INC.,

Defendants.

Case No.

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiffs Pollin Patent Licensing, LLC and Autoscribe Corporation complain of Defendants HSBC Bank USA, N.A., HSBC Finance Corporation and HSBC Card Services, 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 9801 Washingtonian Boulevard, Suite 200, Gaithersburg, Maryland 20878.

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 (the "'171 patent") from an application filed on October 15, 1992, entitled "System and Method for Making a Payment from a Financial Account" and naming Robert Pollin as the inventor.

5. Autoscribe is the owner by assignment of all legal rights, title, and interest in and to the '171 patent.

6. PPL is an exclusive licensee to rights in the '171 patent.

7. Among other activities, Autoscribe specializes in various forms of electronic payment solutions, including software and services for payment capture, risk management, ACH processing and check by phone (see, e.g., www.paymentvision.com). Among other things, PPL 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 Defendants' acts of patent infringement.

9. Upon information and belief, HSBC Bank USA, N.A. ("HSBC Bank") is a chartered national bank which is chartered to do business throughout the United States, having a business address in McLean, Virginia. HSBC Bank has branches throughout the United States, including in Illinois. Upon information and belief, HSBC Bank provides a full range of banking products and services to individuals, corporations and institutions through its branches, online and over the telephone. Also upon information and belief, HSBC Bank is the principal subsidiary of HSBC USA, Inc., which is an indirect, wholly owned subsidiary of HSBC North America Holdings, Inc.

10. HSBC Finance Corporation ("HSBC Finance") is a Delaware corporation with a headquarters in Mettawa, Illinois and having a registered agent at CT Corporation System, 208 South LaSalle Street, Suite 814, Chicago, Illinois 60604. Upon information and belief, HSBC Finance provides credit card, insurance and loan services to customers throughout the United

States, including Illinois. Also upon information and belief, HSBC Finance is a wholly owned subsidiary of HSBC North America Holdings, Inc.

11. Upon information and belief, HSBC Card Services, Inc. ("HSBC Card") is a Delaware corporation with a place of business in Schaumburg, Illinois and having a registered agent at CT Corporation System, 208 South LaSalle Street, Suite 814, Chicago, Illinois 60604. Upon information and belief, HSBC Card provides credit card services throughout the United States, including Illinois. Also upon information and belief, HSBC Card is the United States consumer credit card segment of and subsidiary of HSBC Holdings PLC.

12. Upon information and belief, HSBC Bank, HSBC Finance and HSBC Card conduct credit card, insurance and/or loan business in Illinois and this judicial district through local branches, the internet and by telephone, such as through call centers located in this judicial district. Also upon information and belief, HSBC Bank, HSBC Finance and/or HSBC Card owns, operates, controls, directs the activities of and/or collects funds through call centers, including call centers in Maywood, Hoffman Estates and Chicago, IL, through which debt is collected using a telephone.

13. Accordingly, upon information and belief, and as set forth above, this Court has personal jurisdiction over HSBC Bank, HSBC Finance and HSBC Card because, among other things, they transact substantial business in Illinois and this judicial district, including the collection of debt from a debtor's checking account through the use of telephones in this judicial district from residents of Illinois and this judicial district.

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

15. HSBC Bank has infringed and continues to infringe the '171 patent by, among other activities, making, using and/or conducting business through its call centers to collect debt throughout the United States, including within this judicial district, in a manner which is covered

by at least claims 6 and 12 of the '171 patent. Alternatively, HSBC Bank will have also infringed the '171 patent with actual notice of infringement through the filing of this Complaint, by knowingly and actively inducing others to infringe and by contributing to the infringement of others by making, using and/or conducting check by phone business through its call centers.

16. HSBC Finance has infringed and continues to infringe the '171 patent by, among other activities, making, using and/or conducting business through its call centers to collect debt throughout the United States, including within this judicial district, in a manner which is covered by at least claims 6 and 12 of the '171 patent. Alternatively, HSBC Finance will have also infringed the '171 patent with actual notice of infringement through the filing of this Complaint, by knowingly and actively inducing others to infringe and by contributing to the infringement of others by making, using and/or conducting check by phone business through its call centers.

17. HSBC Card has infringed and continues to infringe the '171 patent by, among other activities, making, using and/or conducting business through its call centers to collect debt throughout the United States, including within this judicial district, in a manner which is covered by at least claims 6 and 12 of the '171 patent. Alternatively, HSBC Card will have also infringed the '171 patent with actual notice of infringement through the filing of this Complaint, by knowingly and actively inducing others to infringe and by contributing to the infringement of others by making, using and/or conducting check by phone business through its call centers.

18. Autoscribe and PPL have complied with the provisions of 35 U.S.C. § 287.

19. Each Defendant's infringement, contributory infringement and/or inducement to infringe 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.

20. Each Defendant's infringing activities have caused irreparable harm to Plaintiffs, which have no adequate remedy at law, and will continue to injure Plaintiffs, unless and until this

Court enters an injunction prohibiting each Defendant from further infringement, contributing to and/or inducing infringement of the '171 patent.

Prayer for Relief

WHEREFORE, Autoscribe and PPL respectfully ask this Court to enter judgment against each of Defendants, HSBC Bank, HSBC Finance and HSBC Card, as well as their respective 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 each Defendant;
- B. An award of damages adequate to compensate Plaintiffs for the infringement that has occurred, 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;
- C. A permanent injunction prohibiting further infringement, inducement and/or contributory infringement of the '171 patent;
- D. Increased damages and/or attorneys' fees as permitted under 35 U.S.C. § 284 and § 285;
- E. Such other relief that Plaintiffs are entitled to under law, 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 properly triable to a jury.

Respectfully submitted,

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