



with process by and through its President and CEO at Federal Reserve Bank of Atlanta, c/o Dennis P. Lockhart, 1000 Peachtree Street, N.E., Atlanta, Georgia 30309.

3. On information and belief, Defendant FEDERAL RESERVE BANK OF BOSTON is a corporation organized and existing under the laws of the United States of America, with its principal place of business in Boston, Massachusetts. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of Boston, c/o Eric S. Rosengren, 600 Atlantic Avenue, Boston, Massachusetts 02210-2204.

4. On information and belief, Defendant FEDERAL RESERVE BANK OF CHICAGO is a corporation organized and existing under the laws of the United States of America, with its principal place of business in Chicago, Illinois. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of Chicago, c/o Charles Evans, 230 South La Salle Street, Chicago, Illinois 60604.

5. On information and belief, Defendant FEDERAL RESERVE BANK OF CLEVELAND is a corporation organized and existing under the laws of the United States of America, with its principal place of business in Cleveland, Ohio. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of Cleveland, c/o Sandra Pianalto, 1455 East 6th Street, Cleveland, Ohio 44114.

6. On information and belief, Defendant FEDERAL RESERVE BANK OF DALLAS is a corporation organized and existing under the laws of the United States of America, with its principal place of business in Dallas, Texas. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of Dallas, c/o Richard W. Fisher, 2200 North Pearl Street, Dallas, Texas 75201.

7. On information and belief, Defendant FEDERAL RESERVE BANK OF KANSAS CITY is a corporation organized and existing under the laws of the United States of America, with its principal place of business in Kansas City, Missouri. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of Kansas City, c/o Esther L. George, 1 Memorial Drive, Kansas City, Missouri 64198.

8. On information and belief, Defendant FEDERAL RESERVE BANK OF MINNEAPOLIS is a corporation organized and existing under the laws of the United States of America, with its principal place of business in Minneapolis, Minnesota. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of Minneapolis, c/o Narayana R. Kocherlakota, 90 Hennepin Avenue, Minneapolis, Minnesota 55401.

9. On information and belief, Defendant FEDERAL RESERVE BANK OF NEW YORK is a corporation organized and existing under the laws of the United States of America, with its principal place of business in New York, New York. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of New York, c/o William C. Dudley, 33 Liberty Street, New York, New York 10045.

10. On information and belief, Defendant FEDERAL RESERVE BANK OF PHILADELPHIA is a corporation organized and existing under the laws of the United States of America, with its principal place of business in Philadelphia, Pennsylvania. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of Philadelphia, c/o Charles I. Plosser, Ten Independence Mall, Philadelphia, Pennsylvania 19106-1574.

11. On information and belief, Defendant FEDERAL RESERVE BANK OF RICHMOND is a corporation organized and existing under the laws of the United States of America, with its principal place of business in Richmond, Virginia. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of Richmond, c/o Jeff Lacker, 701 East Byrd Street, Richmond, Virginia 23219.

12. On information and belief, Defendant FEDERAL RESERVE BANK OF SAN FRANCISCO is a corporation organized and existing under the laws of the United States of America, with its principal place of business in San Francisco, California. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of San Francisco, c/o John C. Williams, 101 Market Street, San Francisco, California 94105.

13. On information and belief, Defendant FEDERAL RESERVE BANK OF ST. LOUIS is a corporation organized and existing under the laws of the United States of America, with its principal place of business in St. Louis, Missouri. This Defendant may be served with process by and through its President and CEO at Federal Reserve Bank of St. Louis, c/o James Bullard, 411 Locust Street, St. Louis, Missouri 63102.

14. The above-named Defendants are the twelve regional Federal Reserve Banks comprising the Federal Reserve System.

## **II. JURISDICTION AND VENUE**

15. This is an action for patent infringement arising under 35 U.S.C. §§ 271, 281, and 284-285, among others. This Court has subject matter jurisdiction of this action under Title 28 U.S.C. §1331 and §1338(a).

16. The Court has general and specific personal jurisdiction over each Defendant, and venue is proper pursuant to 28 U.S.C. §§ 1391 and 1400(b). On information and belief, each

Defendant has substantial contacts with the forum as a result of pervasive business activities conducted within the State of Texas, including this District. On information and belief, each Defendant conducts business in Texas and in this District, and derives substantial revenue from products, systems, and/or services provided to entities in Texas and in this District. On information and belief, each Defendant provides, and/or is the recipient of, secure transaction services from and/or to customers in this District through funds transfer system(s) (*e.g.*, FedLine Web, FedLine Direct, FedLine Command, FedLine Advantage). Upon information and belief, each Defendant conducts business relating to secure funds transfers involving customers residing in this District, or doing business in this District, through the provision and use of the FedLine Web, FedLine Direct, FedLine Command, and/or FedLine Advantage systems, as well as other proprietary funds transfer systems. Through the provision and use of such products, services, and/or systems, each Defendant has committed and continues to commit acts of patent infringement in the State of Texas and in this District.

### **III. PATENT INFRINGEMENT**

17. On August 11, 1998, United States Patent No. 5,793,302 (“the ‘302 patent”) was duly and legally issued for a “Method for Securing Information Relevant to a Transaction.” A true and correct copy of the ‘302 patent is attached hereto as Exhibit A.

18. On August 10, 1999, United States Patent No. 5,936,541 (“the ‘541 patent”) was duly and legally issued for a “Method for Securing Information Relevant to a Transaction.” A true and correct copy of the ‘541 patent is attached hereto as Exhibit B.

19. Stambler is the inventor and owner of all rights, title, and interest in and to the ‘302 and ‘541 patents, and Stambler possesses all rights of recovery under them.

**COUNT I (INFRINGEMENT OF U.S. PATENT NO. 5,793,302)**

20. Defendants FEDERAL RESERVE BANK OF ATLANTA, FEDERAL RESERVE BANK OF BOSTON, FEDERAL RESERVE BANK OF CHICAGO, FEDERAL RESERVE BANK OF CLEVELAND, FEDERAL RESERVE BANK OF DALLAS, FEDERAL RESERVE BANK OF KANSAS CITY, FEDERAL RESERVE BANK OF MINNEAPOLIS, FEDERAL RESERVE BANK OF NEW YORK, FEDERAL RESERVE BANK OF PHILADELPHIA, FEDERAL RESERVE BANK OF RICHMOND, FEDERAL RESERVE BANK OF SAN FRANCISCO, AND FEDERAL RESERVE BANK OF ST. LOUIS (together, “the Reserve Banks”) have infringed and continue to infringe claimed methods of the ‘302 patent.

21. The Reserve Banks have been and now are directly infringing at least (i) claims 41 and 47 of the ‘302 patent by performing secure funds transfer transactions, including accepting and processing funds transfers initiated using the Reserve Banks’ secure funds transfer products and/or services (*e.g.*, FedLine access solutions, such as FedLine Direct, FedLine Command, FedLine Advantage) and (ii) claims 31, 33, and 34 of the ‘302 patent by issuing and/or authenticating public key certificates (*e.g.*, X.509 Version 3 certificates) provided by one or more certificate authorities operated by the Reserve Banks (*e.g.*, Federal Reserve Banks’ Certification Authority, Federal Reserve Banks’ Services Certification Authority).

22. Stambler has been damaged as a result of the Reserve Banks’ infringing conduct. The Reserve Banks are, thus, liable to Stambler in an amount that adequately compensates him for their infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

## **COUNT II (INFRINGEMENT OF U.S. PATENT NO. 5,936,541)**

23. The Reserve Banks have been and now are directly infringing claims of the '541 patent, including (for example) at least claim 20 of the '541 patent by securing information relevant to transactions (*e.g.*, funds transfers, payments) initiated using the Reserve Banks' secure funds transfer products and/or services (*e.g.*, FedLine access solutions, such as FedLine Web, FedLine Direct, FedLine Command, FedLine Advantage) using public key certificates provided by one or more certificate authorities operated by the Reserve Banks (*e.g.*, Federal Reserve Banks' Certification Authority, Federal Reserve Banks' Services Certification Authority) and encrypting and/or encoding information relevant to the transactions.

24. Stambler has been damaged as a result of the Reserve Banks' infringing conduct. The Reserve Banks are, thus, liable to Stambler in an amount that adequately compensates him for their infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

## **IV. JOINDER OF PARTIES**

25. On information and belief, the Reserve Banks jointly operate and participate in the secure funds transfer products and/or services (*e.g.*, FedLine access solutions, such as FedLine Web, FedLine Direct, FedLine, Command, FedLine Advantage) and jointly operate the one or more certificate authorities (*e.g.*, Federal Reserve Banks' Certification Authority, Federal Reserve Banks' Services Certification Authority) that are the subject of Counts I and II. Thus, for these Counts, the right to relief against the Reserve Banks is asserted jointly, severally, or in the alternative against the Reserve Banks.

26. The alleged infringement of counts I and II arises out of the same transaction, occurrence, or series of transactions or occurrences relating to the use of secure funds transfer products and/or services and public key certificates provided by the Reserve Banks.

27. Questions of fact common to all defendants will arise in this action including, for example, infringement of the asserted methods.

28. Thus, joinder of the Reserve Banks is proper in this litigation pursuant to 35 U.S.C. § 299(a).

## **V. JURY DEMAND**

Stambler hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

## **VI. PRAYER FOR RELIEF**

Stambler requests that the Court find in his favor and against Defendants, and that the Court grant Stambler the following relief:

- a. Judgment that one or more claims of United States Patent Nos. 5,793,302 and 5,936,541 have been infringed, either literally and/or under the doctrine of equivalents, by one or more Defendants;
- b. Judgment that Defendants account for and pay to Stambler all damages to and costs incurred by Stambler because of Defendants' infringing activities and other conduct complained of herein;
- c. That Stambler be granted pre-judgment and post judgment interest on the damages caused by Defendants' infringing activities and other conduct complained of herein;
- d. That the Court declare this an exceptional case and award Stambler his reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and
- e. That Stambler be granted such other and further relief as the Court may deem just and proper under the circumstances.



Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bumgardner", is written over a horizontal line.

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