

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

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**DATATREASURY CORPORATION**

**VS.**

**WELLS FARGO & COMPANY;  
WELLS FARGO BANK, NATIONAL  
ASSOCIATION**

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**Civil Action No. 2:05cv291**

**PLAINTIFF DATATREASURY’S MOTION TO LIFT STAY  
AND REQUEST FOR STATUS CONFERENCE**

Plaintiff DataTreasury Corporation (“DataTreasury”) respectfully requests that the Court immediately lift the stay of litigation as to the “Ballard Patents” – U.S. Patent Nos. 5,910,988 (“988 Patent”) and 6,032,137 (“137 Patent”) because, after conducting a thorough *ex parte* reexamination of both patents, the United States Patent and Trademark Office (“PTO”) recently re-affirmed the validity of *every* original patent claim in both patents and their patentability over prior art.<sup>1</sup> The PTO also granted DataTreasury seventy-three (73) additional new patent claims for both patents. The PTO’s findings wholly support DataTreasury’s longstanding belief in the validity of the Ballard Patents as originally issued. DataTreasury also requests a joint status conference in this and all other pending DataTreasury cases as soon as the Court can provide one.

Now that the United States Patent and Trademark Office has confirmed, for the second time, the validity of the Ballard Patents, the defendants who sought and supported the reexamination and the stay of litigation should, without further delay, now answer in the Eastern District of Texas for

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<sup>1</sup> This identical motion has been filed in all actions (except *DataTreasury v. Citibank, et al.*, Civ. No. 2:05-CV-294) in which a stay has been in effect based on the reexamination of the Ballard Patents. Those cases are: Civ. No. 2:06-CV-72; 2:05-CV-291; 2:05-CV-292; and 2:05-CV-293. In *DataTreasury v. Citibank, et al.*, Civ. No. 2:05-CV-294, DataTreasury and Citibank are, at the time of this filing, still conferring about whether Citibank opposes the lifting of the stay.

their past and continuing infringement of the Ballard Patents. Since there is now no tenable reason to continue the stay, DataTreasury requests that the Court lift the stay and permit the litigation to proceed forthwith as to the Ballard Patents.

DataTreasury has conferred with the Defendants and has determined that certain defendants<sup>2</sup> (“Unopposed Defendants”) do not oppose lifting the stay. However, there are certain other defendants<sup>3</sup> (“Opposing Defendants”) that oppose lifting the stay even though the PTO has concluded its reexamination of the Ballard Patents.<sup>4</sup> All of the Opposing Defendants have been sued for infringement of the Ballard Patents and the Randle Patents (also known as the “Huntington Patents”).<sup>5</sup>

## I. FACTUAL BACKGROUND

In November of 2005, defendant First Data Corporation requested *ex parte* reexamination of the ‘988 and ‘137 Patents (“Ballard Patents”) by the PTO.<sup>6</sup> On September 19, 2006, Defendants EDS, Harris, Key, PNC, and SunTrust filed a Motion to Sever and Stay all claims in Civ. No. 2:06-

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<sup>2</sup> The following defendants do not oppose lifting of the stay as to only the Ballard Patents in all cases as those patents are asserted against each of them: BancorpSouth Bank, and BancorpSouth, Inc.; Bank of America Corporation, and Bank of America, N.A.; Compass Bancshares, Inc., and Compass Bank; Cullen/Frost Banks, Inc., and Frost National Bank; Electronic Data Systems Corp.; First Data Corporation; First Horizon National Corporation, and First Tennessee Bank, N.A.; Harris Bankcorp, Inc. and Harris, N.A.; Remitco, L.L.C.; HSBC Bank USA, N.A., and HSBC North America Holdings, Inc.; SunTrust Bank, and SunTrust Banks, Inc.; TeleCheck Services, Inc.; Viewpointe Archive Services, L.L.C.; Wachovia Bank, N.A., and Wachovia Corporation; Wells Fargo & Company, and Wells Fargo Bank, N.A.; and Zions Bancorporation, and Zions First National Bank. These same defendants also do not oppose Plaintiff’s request for a status conference as soon as the Court can hold one.

<sup>3</sup> The following defendants oppose the lifting of the stay: Bank of New York and Bank of New York Co.; Bank of Tokyo-Mitsubishi UFJ, Ltd.; BB&T Corporation and BB&T Company; Citizens Financial Group, Inc.; City National Corporation and City National Bank; The Clearing House Payments Company, L.L.C.; Comerica Bank & Trust, N.A. and Comerica, Inc.; Deutsche Bank Trust Company Americas; First Citizens Bancshares, Inc., and First Citizens Bank & Trust Company; KeyBank, N.A., and KeyCorp, Inc.; LaSalle Bank Corporation, and LaSalle Bank, N.A.; M&T Bank, and M&T Bank Corporation; National City Bank, and National City Corporation; PNC Bank, N.A., and PNC Financial Services Group, Inc.; Small Value Payments Company, L.L.C.; U.S. Bancorp, and U.S. Bank, N.A.; UBS Americas, Inc.; Union Bank of California, N.A., and UnionBancal Corporation. These same defendants, however, do not oppose Plaintiff’s request for a status conference as soon as the Court can hold one.

<sup>4</sup> DataTreasury’s understanding of the Defendants’ respective positions derives from DataTreasury counsel’s communications with Bank of America counsel Brett Johnson and Tom Melsheimer, who were communicating with DataTreasury on behalf of the Defendants.

<sup>5</sup> The Randle patents include U.S. Patent Nos. 5,717,868 (“the ‘868 patent”), 5,265,007 (“the ‘007 patent”), 5,583,759 (“the ‘759 patent”), and 5,930,778 (“the ‘778 patent”).

<sup>6</sup> The PTO granted First Data’s request for reexamination of the Ballard Patents on January 6, 2006.

CV-72 relating to the Ballard Patents pending an *ex parte* reexamination by the PTO. *See* Civ. No. 2:06-CV-72, at Dkt No. 260. On October 25, 2006, after briefing by the parties and a hearing on the matter, the Court conditionally granted Defendants’ motions to sever and stay. The stay issued by the Court was conditioned on Defendants’ acceptance of the stipulation outlined within the Court’s Order.

On January 12, 2007, at the Defendants’ request and over DataTreasury’s objection, the Court modified the stipulation required to effectuate the stay. *Id.*, at Dkt No. 411. The Court “ordered that as to each Defendant entering into the stipulation, a stay of the proceeding to the ‘Ballard Patents’ in this case shall ensue.” *Id.* The Court added, however, that “[t]he Plaintiff may file a motion to lift the stay following further Office Action in the reexamination proceeding.” *Id.* Soon after, all Defendants accused of infringing the ‘988 and ‘137 Patents signed the modified stipulation, thereby severing and staying all claims relating to the Ballard Patents. The Court entered a stay on January 22, 2007 in *DataTreasury v. Wells Fargo & Co., et al.*, Civ. No. 2:06-CV-72, pending the outcome of the PTO’s reexamination. *Id.*, at Dkt No. 429. The Court subsequently entered identical stay orders in the following cases: *DataTreasury v. Wells Fargo & Co.*, Civ. No. 2:05-CV-291; *DataTreasury v. Bank of America Corp., et al.*, Civ. No. 2:05-CV-292; *DataTreasury v. Wachovia Corp.*, Civ. No. 2:05-CV-293.

The present Motion to Lift Stay follows the PTO’s recent issuance of the *ex parte* reexamination certificates for the ‘988 and ‘137 Patents, reaffirming the validity and patentability of all 50 claims in the ‘988 Patent and all 43 claims in the ‘137 Patent, and issuing numerous additional new claims for each patent. On October 23, 2007, the PTO issued the Ex Parte Reexamination Certificate on the ‘988 Patent. *See* Exh. A. On December 25, 2007, the PTO issued the Ex Parte Reexamination Certificate on the ‘137 Patent. *See* Exh. B.

## II. ARGUMENT AND AUTHORITIES

In requesting a stay pending reexamination, the Defendants argued for a stay based on their expectation that the Ballard Patents would be invalidated or narrowed in scope. Indeed, the Defendants cited a “71% chance that the claims of a patent undergoing *ex parte* reexamination will be at least narrowed in scope, if not eliminated altogether.” *See* Civ. No. 2:06-CV-72, at Dkt. No. 260, at 17; *see also* Dkt. No. 292, at 8-9. However, the Defendants miscalculated in predicting “at the end of the day we are either going to get no claims or we are going to get claims that are severely limited that are more tailored to what the patent ought to be doing.” *See* Exh. C, Oct. 19, 2006 Scheduling Conf. Tr., at 39:13-16.

As DataTreasury expected – given the significance of Mr. Ballard’s inventions – the original claims of the Ballard Patents were neither invalidated nor narrowed in scope. In fact, the reexamination proceeding as to the Ballard Patents has concluded with the PTO confirming the patentability and validity of every original claim of the ‘988 Patent and ‘137 Patent – ninety three claims in all. With the reexamination now concluded, a stay is no longer necessary. It is appropriate and timely for the stay as to the Ballard Patents to be lifted so that discovery and trial preparations can resume promptly. “When circumstances have changed such that the court’s reasons for imposing the stay no longer exist or are inappropriate, the court may lift the stay.” *Canady v. Argo Electro-Surgical Corp.*, 271 F.Supp.2d 64, 74 (Dist. D.C. 2002).

While numerous certain defendants do not oppose lifting the stay, there remain certain Opposing Defendants that oppose lifting the stay even though the PTO has concluded its reexamination of the Ballard Patents. DataTreasury’s understanding is that the Opposing Defendants seek to continue the stay because they are sued for infringement of the Ballard Patents and one or more of the four Randle Patents (also referred to as the “Huntington Patents”), each which are now undergoing an *ex parte* reexamination before the PTO. It is apparently the Opposing Defendants’ position that because so many similarities exist as between the Ballard and Randle Patents, in order to

avoid overly duplicative discovery, the stay should remain in effect until the reexaminations of all four of the Randle Patents are over. This argument, however, directly contradicts the positions taken by the defendants in the fall of 2006. In seeking a stay and severance, the defendants argued strenuously to this Court that the Ballard and Randle Patents **are different**:

Severance is appropriate in this case, as **the claims related to the Ballard patents are discrete and separate from the claims relating to the Huntington patents**. While both sets of patents are generally directed to the broad field of check processing, **“the inventions, the dates of invention, the inventors, [and] places of invention” are different**. *See General Tire*, 50 F.R.D. at 114. **There is no overlap in inventorship or ownership between the Huntington patents and the Ballard patents. Similarly, resolution of the infringement issues concerning the Huntington patents will not control the resolution of the infringement issues concerning the Ballard patents.** [citations omitted] (emphasis added)

*See* Exh. D, EDS, Harris, Key, PNC, and SunTrust Defendants’ Motion to Sever and Stay Claims (2:06-CV-72, Dkt. No. 260), at p. 12. Defendants Key and PNC, who were among the moving defendants seeking a stay and severance, are now among the Opposing Defendants. Additionally, all other Opposing Defendants filed motions joining in Key and PNC’s Motion to Stay, thereby adopting the arguments presented by Key and PNC in their Motion to Stay.<sup>7</sup>

In focusing on the lack of similarity between the Ballard and Randle Patents, the Opposing Defendants successfully persuaded the Court to issue a stay. And every one of the Opposing Defendants agreed to the stay by signing the modified Antor stipulation. Yet, now that the Ballard Patents have come out of reexamination with all claims upheld as to their validity, the Opposing

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<sup>7</sup> *See* Dkt No. 263 (Bank of New York and Bank of New York Co.); Dkt Nos. 276 and 281 (Bank of Tokyo-Mitsubishi UFJ, Ltd.); Dkt 292 (BB&T Corporation and BB&T Company); Dkt No. 285 (Citizens Financial Group, Inc.); Dkt. No. 262 (City National Corporation and City National Bank); Dkt No. 267 (The Clearing House Payments Company, L.L.C.); Dkt No. 292 (Comerica Bank & Trust, N.A. and Comerica, Inc.); Dkt Nos. 277 and 282 (Deutsche Bank Trust Company Americas); Dkt No. 289 (First Citizens Bancshares, Inc., and First Citizens Bank & Trust Company); Dkt. No. 319 (HSBC Bank USA, N.A., and HSBC North America Holdings, Inc.); Dkt No. 260 (KeyBank, N.A., and KeyCorp, Inc.); Dkt No. 284 (LaSalle Bank Corporation, and LaSalle Bank, N.A.); Dkt No. 292 (M&T Bank, and M&T Bank Corporation); Dkt No. 271 (National City Bank, and National City Corporation); Dkt No. 260 (PNC Bank, N.A., and PNC Financial Services Group, Inc.); Dkt No. 284 (Small Value Payments Company, L.L.C.); Dkt No. 271 (U.S. Bancorp, and U.S. Bank, N.A.); Dkt No. 290 (UBS Americas, Inc.); Dkt No. 263 (Union Bank of California, N.A., and UnionBancal Corporation).

Defendants do not want to face the music. They have done a complete about-face and seek to continue the stay by focusing not on the differences between the Ballard and Randle Patents as they did before, but on their similarities. These defendants cannot have it both ways. Their reasoning for continuing the stay rings hollow in light of their previous arguments that the Ballard and Randle Patents are dissimilar. That the Opposing Defendants persist in seeking to continue the stay despite the conclusion of the reexamination is a brazen attempt to thwart the orderly progress of this litigation.

DataTreasury's motion to lift the stay is timely and appropriate. *See* January 12, 2007 Order, Civ. No. 2:06-CV-72, Dkt. No. 411 (“[t]he Plaintiff may file a motion to lift the stay following further Office Action in the reexamination proceeding.”), at p. 2; Exh. E, Jan. 10, 2007 Hearing Tr., at 49:20-23 (Folsom, J.: “As soon as the PTO rules on the next phase, if claims are reinstated, rewritten, whatever the case is, file your motion to lift the stay and I am inclined to go forward on those at that time.”). Continuing the stay until such time that reexamination of the Randle Patents has concluded is inappropriate and would only serve the Opposing Defendants' tactic of creating further delay. The relevant inquiry for the Court in considering whether to lift the stay is – Has the reexamination of the Ballard Patents concluded? It is undisputed that the reexamination of the Ballard Patents has concluded with the validity of all 93 claims upheld, and thus, the stay is no longer necessary. Accordingly, the Court should lift the stay.

### **III. CONCLUSION**

Given that the PTO has rendered its final decision upholding the validity of every claim of the Ballard Patents and the purpose of the stay has been fulfilled, DataTreasury respectfully moves the Court to lift the stay as to the Ballard Patents and to set a joint status conference to address case scheduling, trial plan, and other related matters as soon as the Court can provide one.

Dated: January 15, 2008

Respectfully submitted,



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**ATTORNEYS FOR PLAINTIFF  
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### **CERTIFICATE OF CONFERENCE**

DataTreasury has conferred with counsel for Defendants, and DataTreasury was informed that certain Defendants do not oppose this motion, but that other Defendants do oppose the motion.



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**Nix, Patterson & Roach LLP**

**CERTIFICATE OF SERVICE**

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a) and served via the Court's electronic filing system on all counsel who have consented to electronic service on this the 15th day of January, 2008.



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**Nix, Patterson & Roach LLP**