

Nos. 2023-2124, 2023-2125

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**UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT**

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**UNITED SERVICES AUTOMOBILE ASSOCIATION,**

*Appellant,*

**v.**

**PNC BANK N.A.,**

*Appellee.*

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On Appeal from Decisions of the United States Patent and Trademark Office, Patent  
Trial and Appeal Board in Nos. IPR 2021-01073 and IPR 2021-01070

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**APPELLANT'S PETITION FOR PANEL REHEARING AND REHEARING  
EN BANC**

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Lisa Glasser  
Anthony Rowles  
Stephen Payne  
IRELL & MANELLA LLP  
840 Newport Center Drive  
Suite 400  
Newport Beach, CA 92660  
(949) 760-0991

William M. Jay  
Rohiniyurie Tashima  
GOODWIN PROCTER LLP  
1900 N Street, N.W.  
Washington, DC 20036  
(202) 346-4000

Jason Sheasby  
IRELL & MANELLA LLP  
1800 Avenue of the Stars  
Los Angeles, CA 90067  
(310) 203-7937

April 4, 2025

*Counsel for Appellant*

## CERTIFICATE OF INTEREST

Counsel for Appellant certifies the following:

**1. The full name of every party represented by me is:**

United Services Automobile Association

**2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:**

None.

**3. All parent corporations and any publicly held companies that own 10% or more of the stock of the party represented by me are:**

None.

**4. The names of all law firms and the partners or associates that appeared for the party now represented by me in the originating agency or are expected to appear in this court (and who have not or will not enter an appearance in this case) are:**

IRELL & MANELLA LLP: Michael Fleming

**5. The title and number of any case known to me to be pending in this or any other court or agency that will directly affect or be directly affected by this Court's decision in the pending appeal are:**

*United Services Automobile Association v. PNC Bank N.A.*, No. 23-1778.

**6. Any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees):**

None.

April 4, 2025

/s/ William M. Jay  
William M. Jay

## TABLE OF CONTENTS

RULE 40 STATEMENT .....	v
INTRODUCTION .....	1
BACKGROUND .....	2
I.    The '571 and '779 patents .....	3
II.   The Board reaches opposite decisions in obviousness challenges by Wells Fargo and PNC.....	5
A.   The Board finds a skilled artisan would not have been motivated to combine Wells Fargo's references.....	5
B.   The Board reverses course and finds a motivation to combine PNC's materially identical references.....	7
III.  The panel signs off on the Board's about-face. ....	10
ARGUMENT .....	11
I.    The panel's decision tells the Board that this Court's <i>Vicor</i> decision—requiring one panel to give a reasoned basis for reaching the opposite holding from another—can be circumvented just by reciting the absence of “general findings of teachings away.” .....	11
II.   The panel's decision allowed the Board to skip over relevant teachings of the prior art by letting the patent challenger gerrymander the challenge. ....	14
CONCLUSION .....	17

## TABLE OF AUTHORITIES

	Page(s)
<b>Cases:</b>	
<i>BASF Corp. v. Enthone, Inc.</i> , 749 F. App'x 978 (Fed. Cir. 2018) .....	11, 13
<i>In re Dow Chem. Co.</i> , 837 F.2d 469 (Fed. Cir. 1988) .....	15, 16
<i>Emerson Elec. Co. v. SIPCO, LLC</i> , 745 F. App'x 369 (Fed. Cir. 2018) .....	11, 13
<i>In re Hedges</i> , 783 F.2d 1038 (Fed. Cir. 1986) .....	2, 15
<i>Martin v. Franklin Cap. Corp.</i> , 546 U.S. 132 (2005).....	14
<i>Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH</i> , 139 F.3d 877 (Fed. Cir. 1998) .....	16
<i>Vicor Corp. v. SynQor, Inc.</i> , 869 F.3d 1309 (Fed. Cir. 2017) .....	1, 11, 13, 17
<i>Westar Energy, Inc. v. FERC</i> , 473 F.3d 1239 (D.C. Cir. 2007).....	14

**GLOSSARY**

'571 patent	U.S. Patent No. 8,977,571
'779 patent	U.S. Patent No. 8,699,779
Acharya	U.S. Patent No. 8,768,836 (Appx1738-1752)
Acharya '436	WO 01/61436 A2 (Appx4223-4237)
Board or PTAB	Patent Trial and Appeal Board
Check 21 Act	Pub. L. No. 108-100, 117 Stat. 1177 (2003)
ImageNet	Presentation titled "ImageNet Mobile Deposit" by Mitek Systems (June 2008) (Appx2696-2710)
IPR	<i>inter partes</i> review
Luo	Chinese Patent Application Publication No. CN 1897644A with Certified Translation (Appx1753-1784)
Nepomniachtchi	U.S. Patent No. 7,778,457 (Appx4428-4464)
PNC	Petitioner-Appellee PNC Bank N.A.
PTO	U.S. Patent and Trademark Office
USAA	Patent Owner-Appellant United Services Automobile Association
Yoon	U.S. Patent Application Publication No. US 2007/0262148 A1 (Appx4313-4320)

## RULE 40 STATEMENT

Based on my professional judgment, I believe the panel decision is contrary to the following decisions of this Court:

1. *Vicor Corp. v. SynQor, Inc.*, 869 F.3d 1309 (Fed. Cir. 2017)
2. *In re Hedges*, 783 F.2d 1038 (Fed. Cir. 1986)

The panel overlooked the following points of law:

1. Because like cases must be decided alike, where the Board reaches “opposite holdings,” the Board “must at least provide some reasoned basis” for its change in position. *Vicor Corp. v. SynQor, Inc.*, 869 F.3d 1309, 1323 (Fed. Cir. 2017).
2. The “prior art as a whole must be considered,” and patent challengers may not “pick and choose” the portions of the prior art that “will support a given position, to the exclusion of other parts necessary to the full appreciation” of how a skilled artisan would understand the art as a whole. *In re Hedges*, 783 F.2d 1038, 1041 (Fed. Cir. 1986).

April 4, 2025

/s/ William M. Jay  
William M. Jay

## INTRODUCTION

The panel in this case has allowed the Patent Trial and Appeal Board to escape its obligation to explain itself when it reaches “opposite holdings.” *Vicor Corp. v. SynQor, Inc.*, 869 F.3d 1309, 1323 (Fed. Cir. 2017). The holdings here were diametrically opposite: in two challenges to the same pair of patents with the same priority date and (necessarily) the same universe of prior art, the Board reached opposite conclusions about the motivation to combine references to make the claimed invention. Both IPR challengers presented substantively the same combination: one from column A, one from column B. The two column A references taught the same thing, and so did the column B references. In the first case (not appealed), the Board found no motivation to combine. In the second case (this one), the Board found the opposite. It justified its about-face on two grounds: that the first case supposedly did not make “general findings of teachings away,” and that the IPR petitioner in the second case identified different references *in its IPR petition*—even though the prior art was the same and the previously cited references were *in the record*.

Both rationales were wrong, and the panel’s decision to bless the Board’s error is important. No factfinder *ever* makes “general findings of teachings away,” so if the *absence* of such findings is all the Board needs, then a non-substantive, cosmetic change in references—another from column A, another from column B—will

always allow for a different result. That would neutralize an important appellate check on panel-dependent decisionmaking. The issue was never whether the prior art references “generally” taught away. Rather, the issue was that the column A references were *interchangeable*, and the panel did not require the Board to justify how using interchangeable prior art references could lead to the exact opposite result.

Worse, the two references from the first IPR were not just in the prior art, but *in the record* for the second IPR, because they represented the state of the art. A finding that those references taught away from the combination does not have to be “generalized” to be controlling in a subsequent case involving *those same references*. Yet the Board deliberately blinded itself to references included in the record but not in the patent challenger’s proposed combination, and the panel sustained the Board’s factfinding without correcting that legal error, despite this Court’s clear statements that the prior art must be considered “as a whole.” *In re Hedges*, 783 F.2d 1038, 1041 (Fed. Cir. 1986).

Unless corrected, the panel’s decision will erode fundamental norms of administrative procedure and mark out a path for prior-art gamesmanship.

## **BACKGROUND**

United Services Automobile Association (USAA) is a member-owned association serving members of the U.S. military, as well as their families. To better

serve its members deployed around the globe, USAA pioneered and patented remote check deposit technology.

**I. The '571 and '779 patents**

Images of checks can be used for deposit in the United States only if they meet the strict quality criteria to be “Check-21 compliant.” Given these criteria, the specifications of both patents explain, remote deposit using a mobile phone and an image of the check “requires the efficient and accurate detection and extraction” from the digital image “of the information pertaining to [the] check.” Appx200(1:29-32); Appx230(1:31-33).

The '571 patent is thus directed, as relevant here, to a means of autocapturing an image of a check only when its quality is sufficient for deposit. Specifically, “the image is monitored for compliance with one or more monitoring criteria, prior to the image of the check ... being captured.” Appx201(3:54-58). The patent discloses specific monitoring criteria that are relevant to whether the information in a check can be processed, including “light contrast on the image, light brightness of the image, positioning of the image, dimensions, tolerances, character spacing, skewing, warping, corner detection, and MICR (magnetic ink character recognition) line detection.” Appx201(4:3-7). And it explains that, “[t]o increase the likelihood of capturing a digital image of the check ... that may be readable and processed such that the check ... can be cleared, the image is monitored for compliance with one or

more monitoring criteria, prior to the image of the check ... being captured.” Appx201(3:54-58). When the image “passes the monitoring criteria, an image may be taken by the camera,” with that image capture “performed automatically by the camera.” Appx201(4:14-16, 27-28). By using this process, “the number of non-conforming images of checks is reduced during presentment of the images to a financial institution for processing and clearing.” Appx201(4:17-22).

Claim 1 of the '571 patent, which is representative for the issues presented in this rehearing petition, requires “depositing a check” by “monitor[ing] an image of the check in a field of view of a camera of a mobile device with respect to a monitoring criterion using an image monitoring and capture module of the mobile device”; “captur[ing] the image of the check with the camera when the image of the check passes the monitoring criterion”; and “provid[ing] the image of the check from the camera to a depository via a communication pathway” for deposit. Appx210(21:6-17). The '779 patent claims a similar procedure, except that alignment must be used as one of the monitoring criteria: it claims “project[ing] an alignment guide in the display of the mobile device,” and “automatically captur[ing] the image of the check when the image of the check is determined to align with the alignment guide.” Appx238(18:36-51). The claims do not constrain what additional criteria should be used beyond alignment. But whatever criteria are used, to infringe, the result must be an image in a form sufficient for deposit.

**II. The Board reaches opposite decisions in obviousness challenges by Wells Fargo and PNC.**

Despite rejecting Wells Fargo’s obviousness challenge that relied on a combination of references materially indistinct from the one PNC raised, the Board concluded the ’571 and ’779 patents were not obvious with respect to Wells Fargo’s petitions for *inter partes* review but reversed course here with no explanation.

**A. The Board finds a skilled artisan would not have been motivated to combine Wells Fargo’s references.**

In challenging claims 1-13 of the ’571 patent and claims 1-18 of the ’779 patent as unpatentable, Wells Fargo relied on a combination of two references disclosing the remote deposit of checks using a mobile phone (Nepomniachtchi and Acharya ’436) and a reference disclosing the autocapture of images of business cards when they conformed with an alignment guide (Yoon). Nepomniachtchi is a patent directed to systems for processing images, including images of checks, to make it easier to extract information and recognized the difficulties associated with extracting information from images captured from mobile phones. *See* Appx4428-4464. More specifically, Nepomniachtchi noted that “[o]ptical defects, such as out-of-focus images ..., unequal contrast or brightness, or other optical defects, might make it difficult to process an image of a document.” Appx4454(7:4-17). Meanwhile, Yoon is a U.S. patent application that discloses “an apparatus and method for allowing a business card to be automatically photographed by detecting

the boundary lines of the business card.” Appx4317(¶3). Once the business card is aligned, Yoon captures the image. Appx4317-4319(¶¶6, 19, 28). Lastly, Wells Fargo also relied on Acharya ’436, an international patent application under which customers are prompted and use a remote computer terminal to “capture[] the image of the third-party check on the scanner, and forward[] the digital image to the” bank. Appx4226(3:10-21).

Wells Fargo argued that a skilled artisan would have been motivated to combine Nepomniachtchi’s mobile remote check deposit with Yoon’s autocapture of business cards to reduce computational burden, ensure the check was properly aligned, and “minimize the need to ask the user to retake the photo.” Appx4524, Appx9713. The Board disagreed. With respect to the computational burden, the Board found that a skilled artisan would have actually expected combining Nepomniachtchi and Yoon to “*increase* computational burden on the mobile device.” Appx4535, Appx9724 (emphasis added). The Board likewise rejected Wells Fargo’s alignment argument, recognizing that a skilled artisan would have expected Yoon’s alignment guide alone to have solved many of the potential alignment problems, making the additional benefit from alignment-based autocapture minimal. Appx4542, Appx9731-9732. Finally, combining Nepomniachtchi with Yoon threatened to increase, not minimize, the need for retakes, with the Board finding that autocapturing images based on alignment would

lead to check images that are “better *aligned*, but not necessarily check images that are more *suitable for deposit*, which is based on numerous factors other than alignment.” Appx4555, Appx9745 (italics in original).

**B. The Board reverses course and finds a motivation to combine PNC’s materially identical references.**

Almost a year before the Board issued its decisions in *Wells Fargo*, PNC filed the two IPRs at issue in this appeal, which simply substituted Luo’s disclosure of alignment-based autocapture of business cards for Yoon’s, and Acharya’s disclosure of mobile remote check deposit for Nepomniachtchi’s. Like Yoon, Luo discloses a “method and system for capturing images using a digital camera, especially (but not exclusively) a method and system for capturing images of documents such as business cards.” Appx1756. More specifically, Luo discloses displaying “reference lines” that indicate when the “straight edge” of a business card “is substantially parallel to the corresponding reference line.” Appx1761; *see also* Appx1754. At that point, the user can then manually capture the image or, alternatively, “when the straight edge ... displayed on the preview window ... is substantially parallel ... the system ... can automatically capture the selected image.” Appx1761.

Just like Nepomniachtchi, Acharya—a patent from the same inventor as Wells Fargo’s Acharya ’436 reference—discloses “a system and method for allowing banking customers to deposit financial instruments, including third-party checks, from remote locations.” Appx1746(2:20-29). Indeed, PNC’s expert’s only attempt

to distinguish Acharya’s teachings from Nepomniachtchi’s was to explain that Acharya disclosed even *less*—more specifically, that Nepomniachtchi taught embodiments that “included suitable techniques for addressing projective distortion” while “Acharya is silent as to the projective (or perspective) distortion problem[.]” Appx3497. And as PNC and its expert admitted, Nepomniachtchi already successfully addressed image distortion, as shown through its commercial embodiment, ImageNet. Appx3497; Appx1006; Appx6639.

Notably, even after swapping Acharya for Nepomniachtchi, PNC continued to rely on Nepomniachtchi and its commercial embodiment, ImageNet, to show the state-of-the-art at the time of the invention. *See, e.g.*, Appx453; Appx1636-1637; Appx1710-1711. As PNC itself explained, ImageNet’s implementation of Nepomniachtchi “enabled check images captured with a camera phone to be used in a Check 21-compliant check deposit process”; “the user enters the amount of the check being deposited” and then “snap[s] a picture of the front and then the back of the check.” Appx453 (citation, alteration, and quotation marks omitted). ImageNet was undisputedly successful at capturing check images for deposit, and PNC’s own expert conceded he had no opinion as to whether, by 2008 when ImageNet was “being marketed,” “folks were still concerned that the [ImageNet] system couldn’t address ... projective distortion and blur issues.” Appx5295-5296.

But when faced with references that PNC's own expert could not distinguish from Wells Fargo's, the Board departed from its *Wells Fargo* decisions and found a motivation to combine PNC's substantively indistinct references without explaining its reasons for that departure. PNC's motivation-to-combine argument was virtually identical to the one the Board had rejected in *Wells Fargo*. As the Board put it, PNC's argument was that "Acharya expressly identifies technology that it uses to capture information from documents, namely optical character recognition, and Luo expressly describes a technique designed to reduce projective distortion when capturing an image of a document, such that optical character recognition can be performed more accurately." Appx31-32, Appx114. In other words, PNC argued that a skilled artisan would have been motivated to combine Acharya and Luo to "ensure that the check was properly aligned" and "minimize the need to ask the user to retake the photo," Appx4524, Appx9713, an argument the *Wells Fargo* panels cleanly rejected.

After considering the same arguments on interchangeable prior art references, however, the Board came to the opposite conclusion of the *Wells Fargo* panels and found a motivation to combine Acharya and Luo. To support this about-turn, the Board claimed it could ignore Nepomniachtchi, even though PNC itself relied on Nepomniachtchi to represent the state of the art, merely because PNC had chosen not to include Nepomniachtchi in its proposed prior-art combination. As the Board

opined, USAA’s “arguments largely depend on the teachings of Nepomniachtchi, which [PNC] does not rely on for this ground,” Appx41, Appx124, and so long as Acharya did not disclose Nepomniachtchi’s teachings of correcting for projective distortion, then there was no need for the Board to consider it. More broadly, the Board rejected USAA’s arguments and the *Wells Fargo* decisions for a simple reason: USAA’s “evidence of disadvantages is unpersuasive and *rests primarily on its analysis of prior art references not asserted by [PNC]* and of marginal relevance to this proceeding.” Appx56, Appx138-139 (emphasis added).

### **III. The panel signs off on the Board’s about-face.**

As relevant to this petition, the panel affirmed the Board’s change in position. The panel summarized the Board’s decisions as “not understand[ing] the Wells Fargo IPR panel to have made general findings of teachings away that would be applicable to prior art references [Acharya and Luo] not asserted in that proceeding.” Op. 5-6 (alteration in original) (citation omitted). The panel’s analysis consisted of a single sentence: “We agree with the Board and thus reject USAA’s argument that the Board erred in issuing inconsistent IPR decisions without rational explanation.” Op. 6. Thus, the absence of a “general finding[] of teachings away” carried the day for PNC.

## ARGUMENT

**I. The panel’s decision tells the Board that this Court’s *Vicor* decision—requiring one panel to give a reasoned basis for reaching the opposite holding from another—can be circumvented just by reciting the absence of “general findings of teachings away.”**

This Court has been clear—where the Board reaches “opposite holdings,” it “must at least provide some reasoned basis.” *Vicor Corp. v. SynQor, Inc.*, 869 F.3d 1309, 1323 (Fed. Cir. 2017); *see also BASF Corp. v. Enthone, Inc.*, 749 F. App’x 978, 985-86 (Fed. Cir. 2018) (vacating because of “[a]bsen[ce] [of] any reasoned explanation for this inconsistent result” (alteration, citation, and quotation marks omitted)); *Emerson Elec. Co. v. SIPCOC, LLC*, 745 F. App’x 369, 374 (Fed. Cir. 2018) (vacating where Board reached “seemingly opposite conclusions” in different IPRs). Both Wells Fargo and PNC claimed the ’571 and ’779 patents were obvious over a reference disclosing mobile remote check deposit (Acharya for PNC, and Nepomniachtchi for Wells Fargo) and a reference disclosing the automatic capture of the image of a business card when it satisfied an alignment guide (Luo for PNC, and Yoon for Wells Fargo). But despite reaching opposite conclusions as to whether the ’571 and ’779 patents are obvious over functionally identical prior art, the Board failed to provide that “reasoned basis” here, and the panel’s decision blessed that lack of reasoning and about-face.

In waving away *Vicor*’s requirements, the panel claimed the Board “did not understand the Wells Fargo IPR panel to have made general findings of teachings

away that would be applicable to prior art references [Acharya and Luo] not asserted in that proceeding.” Op. 5-6 (alteration in original) (citation and quotation marks omitted). But USAA’s argument was never that Nepomniachtchi and Yoon included general principles that taught away from their combination. Rather, USAA argued that the prior art references Wells Fargo included— Nepomniachtchi and Yoon— were substantively identical to the references PNC used—Acharya and Luo. Both Acharya and Nepomniachtchi disclosed a system to permit customers to deposit checks from remote locations. Nepomniachtchi, however, also addressed “suitable techniques for addressing projective distortion,” while Acharya was “silent” on that issue. Appx3497. Indeed, PNC’s expert could not identify anything in Acharya that conflicted with Nepomniachtchi, and his primary basis for distinguishing the two references was that Acharya taught even *less* than Nepomniachtchi. Appx5383-5389. Meanwhile, both Luo and Yoon disclosed systems for automatically capturing business documents based on alignment, and PNC’s expert once again could not identify any substantive difference between the two references. Appx5328-5330.

Claiming that the *Wells Fargo* panels did not make “general findings of teachings away” is no answer to PNC’s proffered art being substantively indistinguishable from Wells Fargo’s. *See* Op. 6. Indeed, just as PNC’s expert could not distinguish PNC and Wells Fargo’s references, the Board too never identified anything in PNC’s Acharya or Luo references that conflicted with the *Wells Fargo*

panels' findings that a skilled artisan, reading Nepomniachtchi or Yoon, would not have been motivated to combine a mobile-remote-deposit system with business-card-autocapture functionality to create an alignment-based autocapture system for the mobile remote deposit of checks. Nor could it have, given PNC's own expert's admissions that there are no material differences between Nepomniachtchi and Acharya, and Yoon and Luo. *See* Appx5328-5330; Appx5383-5389. And to the extent the Board claimed that Wells Fargo's "admission that Nepomniachtchi's skew correction algorithm was computationally intensive was one factor undermining [Wells Fargo's] reduced computational burden theory," Op. 6, PNC had no countervailing evidence on this point—PNC's expert did not even analyze computational burden. Appx5288-5289.

Because Nepomniachtchi is interchangeable with Acharya and Yoon with Luo, swapping Yoon with the substantively identical Luo and Nepomniachtchi with the functionally identical Acharya should have led to the same result—that the '571 and '779 patents were not obvious. The Board's failure to provide any reasoned explanation for why it so markedly departed from the *Wells Fargo* panels' findings should have been fatal. The panel's decision to nevertheless affirm flies in the face of this Court's longstanding requirement that the agency provide a reasonable explanation for its conflicting holdings. *See Vicor*, 869 F.3d at 1323; *BASF Corp.*, 749 F. App'x at 985-86; *Emerson Elec.*, 745 F. App'x at 374. Unless corrected, the

panel's decision will upend the rule "that like cases should be decided alike," a rule that was until now a "fundamental norm of administrative procedure" and "basic principle of justice." *Martin v. Franklin Cap. Corp.*, 546 U.S. 132, 139 (2005); *Westar Energy, Inc. v. FERC*, 473 F.3d 1239, 1241 (D.C. Cir. 2007).

**II. The panel's decision allowed the Board to skip over relevant teachings of the prior art by letting the patent challenger gerrymander the challenge.**

In addition to signing off on the Board's lack of reasoning, the panel also effectively endorsed the Board's approval of patent challengers gerrymandering the prior art. In attempting to distinguish this case from the *Wells Fargo* decisions, the Board dismissed Nepomniachtchi and Yoon as irrelevant because PNC had declined to include those references in its prior-art combination here. *See, e.g.*, Appx41, Appx124. For instance, when USAA argued, as the *Wells Fargo* panels found, that a skilled artisan reading Nepomniachtchi would have seen little benefit to autocapture because of Nepomniachtchi's disclosure of post-capture error correction for alignment issues, the Board rejected that argument because it "depend[s] on the teachings of Nepomniachtchi, which Petitioner does not rely on for this ground." Appx41, Appx124 (emphasis added). Despite acknowledging that "Nepomniachtchi might teach techniques to correct for projective distortion at a server that receives an image of a check," the Board concluded that USAA "points to no persuasive evidence that Acharya [PNC's chosen reference] includes that disclosure." Appx41, Appx124 (emphasis added). But that Acharya did not include

Nepomniachtchi's disclosure of post-capture image correction does not undermine Nepomniachtchi's teachings. PNC itself admitted that "Nepomniachtchi already taught ... suitable techniques for addressing projective distortion." Appx1006. And neither PNC nor the Board disputed that a skilled artisan reading Acharya would also have read Nepomniachtchi with PNC's expert admitting that "Acharya and Nepomniachtchi are directed to the same problem." Appx5299.

To justify carving out Nepomniachtchi from its consideration, the Board repeatedly claimed Nepomniachtchi was irrelevant solely because PNC had chosen to omit it from its combination. *See, e.g.*, Appx29 n.15, Appx111 n.9; Appx29 n.16, Appx112 n.10; Appx33 n.17; Appx116 n.11; Appx39 n.18, Appx122 n.12. But this Court has repeatedly held that "the prior art *as a whole* must be considered" and the "teachings are to be viewed as they would have been viewed by one of ordinary skill." *In re Hedges*, 783 F.2d 1038, 1041 (Fed. Cir. 1986) (emphasis added). In other words, it is "impermissible" for a patent challenger to "pick and choose" the parts of the art that "will support a given position, to the exclusion of other parts necessary to the full appreciation" of how a skilled artisan would understand the art as a whole. *See id.* (citation omitted); *see also In re Dow Chem. Co.*, 837 F.2d 469, 473 (Fed. Cir. 1988) (explaining "selective hindsight" has no place in "the combination of prior art teachings"). Granting special status to references a patent challenger selects with the benefit of full knowledge of the invention "reveals

improper hindsight in the selection of the prior art relevant to obviousness.” *Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH*, 139 F.3d 877, 881 (Fed. Cir. 1998).

Yet, that is precisely what the Board permitted and the panel ratified here. PNC repeatedly cited Nepomniachtchi as representing the state of the art and described Nepomniachtchi as teaching “suitable techniques for addressing projective distortion.” Appx1006; Appx3497. The Board, however, decided it could ignore any prior art references, including Nepomniachtchi, that did not make PNC’s carefully curated selection, even where those references were included in the record. The panel’s silence here is telling. “Evidence that supports, rather than negates, patentability must be fairly considered,” *see In re Dow*, 837 F.2d at 473, but the panel did not mention—let alone attempt to correct—the Board’s decision to blind itself to all references not included in PNC’s handpicked combination. PNC not only included Nepomniachtchi in the record but affirmatively relied on it. PNC’s decision not to include Nepomniachtchi in its proposed combination does not permit the Board to pretend Nepomniachtchi does not exist. The panel’s affirmance of this error not only conflicts with this Court’s precedent barring the gerrymandering of prior art but also encourages patent challengers like PNC to omit significant art from their proposed prior art combinations in the future.

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The panel's affirmance speaks volumes to future litigants. Even where a patent owner prevails before one panel, a subsequent panel can reverse that outcome just by switching to a combination of references that is cosmetically different but substantively identical. And the second challenger can aid that process by gerrymandering the first set of references out of the petition.

Unless the panel's decision is corrected, the incentives for patent challengers are clear: it will always be worth taking a second shot, or a third, because neither this Court's *Vicor* decision nor the obligation to consider the *entire* prior art will provide any meaningful restraint on a subsequent Board panel coming out the opposite way.

### **CONCLUSION**

This Court should grant panel rehearing or rehearing en banc.

April 4, 2025

Lisa Glasser  
Anthony Rowles  
Stephen Payne  
IRELL & MANELLA LLP  
840 Newport Center Drive  
Suite 400  
Newport Beach, CA 92660  
(949) 760-0991

Respectfully submitted,

/s/ William M. Jay  
William M. Jay  
Rohiniyurie Tashima  
GOODWIN PROCTER LLP  
1900 N Street, N.W.  
Washington, DC 20036  
(202) 346-4000

Jason Sheasby  
IRELL & MANELLA LLP  
1800 Avenue of the Stars  
Los Angeles, CA 90067  
(310) 203-7937

*Counsel for Appellant*

# **ADDENDUM**

NOTE: This disposition is nonprecedential.

**United States Court of Appeals  
for the Federal Circuit**

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**UNITED SERVICES AUTOMOBILE ASSOCIATION,**  
*Appellant*

v.

**PNC BANK N.A.,**  
*Appellee*

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2023-2124, 2023-2125

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Appeals from the United States Patent and Trademark Office, Patent Trial and Appeal Board in Nos. IPR2021-01070, IPR2021-01073.

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Decided: February 3, 2025

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WILLIAM M. JAY, Goodwin Procter LLP, Washington, DC, argued for appellant. Also represented by ROHINIYURIE TASHIMA; LISA GLASSER, STEPHEN PAYNE, ANTHONY ROWLES, Irell & Manella LLP, Newport Beach, CA; JASON SHEASBY, Los Angeles, CA.

GREGORY H. LANTIER, Wilmer Cutler Pickering Hale and Dorr LLP, Washington, DC, argued for appellee. Also represented by DAVID LANGDON CAVANAUGH, RONALD

2 UNITED SERVICES AUTOMOBILE ASSOCIATION v. PNC BANK N.A.

GREGORY ISRAELSEN; ANDREW J. DANFORD, MARK CHRISTOPHER FLEMING, MONICA GREWAL, Boston, MA.

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Before DYK, PROST, and CUNNINGHAM, *Circuit Judges*.

PROST, *Circuit Judge*.

United Services Automobile Association (“USAA”) appeals two final written decisions of the Patent Trial and Appeal Board (“Board”) in inter partes reviews (“IPR”) determining claims 1–6, 9, 10, 12, and 13 of U.S. Patent No. 8,977,571 (“the ’571 patent”) and claims 1, 2, 7–10, and 15–17 of U.S. Patent No. 8,699,779 (“the ’779 patent”) are unpatentable. For the following reasons, we affirm.

#### BACKGROUND

PNC Bank, N.A. (“PNC”) petitioned for IPR of claims 1–6, 9, 10, 12, and 13 of the ’571 patent. *PNC Bank, N.A. v. United Servs. Auto. Ass’n*, No. IPR2021-01073, 2023 WL 317521 (P.T.A.B. Jan. 19, 2023) (“*IPR2021-01073*”). The ’571 patent describes a system and method for monitoring a check image for mobile deposit such that “[w]hen the image of the check in the field of view passes monitoring criteria, an image may be taken by the camera and provided from the mobile device to a financial institution.” ’571 patent col. 1 ll. 43–46. In its final written decision, the Board determined that all challenged claims of the ’571 patent are unpatentable as obvious over four prior art references. *IPR2021-01073*, 2023 WL 317521, at \*36–37.

PNC also petitioned for IPR of claims 1, 2, 7–10, and 15–17 of the ’779 patent. *PNC Bank, N.A. v. United Servs. Auto. Ass’n*, No. IPR2021-01070, 2023 WL 316806 (P.T.A.B. Jan. 19, 2023) (“*IPR2021-01070*”). The ’779 patent describes a system and method for the alignment of a check during mobile deposit, which includes the use of “[a]n alignment guide . . . in the field of view of a camera associated with a mobile device used to capture an image of a

UNITED SERVICES AUTOMOBILE ASSOCIATION v. PNC BANK N.A. 3

check.” ’779 patent col. 1 ll. 40–42. “When the image of the check is within the alignment guide in the field of view, an image may be taken by the camera and provided from the mobile device to a financial institution.” *Id.* at col. 1 ll. 42–45. In its final written decision, the Board determined that all challenged claims of the ’779 patent are unpatentable as obvious over prior art references Acharya<sup>1</sup> and Luo.<sup>2</sup> *IPR2021-01070*, 2023 WL 316806, at \*24.

USAA timely appealed, and we have jurisdiction under 28 U.S.C. § 1295(a)(4)(A).

#### DISCUSSION

USAA makes two principal arguments on appeal: (1) the Board erred by issuing conflicting IPR decisions without providing a rational explanation, and (2) a skilled artisan would not have been motivated to combine Acharya and Luo.<sup>3</sup> We reject both arguments.

“We review the Board’s factual findings for substantial evidence and its legal conclusions without deference.” *Kenametal, Inc. v. Ingersoll Cutting Tool Co.*, 780 F.3d 1376, 1381 (Fed. Cir. 2015) (cleaned up). “[T]he subsidiary obviousness questions of whether a skilled artisan would be motivated to combine prior art references and whether a skilled artisan had a reasonable expectation of success in

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<sup>1</sup> U.S. Patent No. 8,768,836 (“Acharya”), J.A. 1738–52.

<sup>2</sup> Chinese Patent App. Pub. No. CN 1897644A (“Luo”), J.A. 1753–84.

<sup>3</sup> USAA’s arguments apply to both the ’571 patent and the ’779 patent. The relevant sections of the IPRs are almost identical. *Compare IPR2021-01073*, 2023 WL 317521, at \*12–24 *with IPR2021-01070*, 2023 WL 316806, at \*10–22. While we discuss and cite to the ’571 patent and the corresponding IPR, the analysis applies equally with respect to the ’779 patent and associated IPR.

4 UNITED SERVICES AUTOMOBILE ASSOCIATION v. PNC BANK N.A.

making such a combination are factual, and we review them for substantial evidence.” *Schwendimann v. Neenah, Inc.*, 82 F.4th 1371, 1380 (Fed. Cir. 2023).

## I

We first address USAA’s argument that the Board erred in issuing inconsistent IPR decisions without rational explanation. USAA contends that a prior-art combination in a different IPR proceeding (“Wells Fargo IPR”)<sup>4</sup> “was in substance the same as PNC’s: a reference disclosing mobile remote check deposit with manual capture . . . and a reference disclosing either manual or automatic capture of the image of a business card when it satisfied an alignment guide.” Appellant’s Br. 33. Because the Wells Fargo IPR panel found that a skilled artisan would not have been motivated to combine the prior art presented, USAA argues that the Board should have found likewise here, that a skilled artisan would not have been motivated to combine the “functionally identical prior art” Acharya and Luo. USAA also relies heavily on *Vicor* to argue that the Board erred in reaching its inconsistent decisions without providing a rational explanation. *See Vicor Corp. v. SynQor, Inc.*, 869 F.3d 1309, 1323 (Fed. Cir. 2017) (“Because the Board did not provide any reasoned explanation for the inconsistent result across the two reexaminations, we *vacate* and *remand* the Board’s decision.”).

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<sup>4</sup> We refer to Wells Fargo’s IPR challenging the ’571 patent as the “Wells Fargo IPR.” *Wells Fargo Bank, N.A. v. United Servs. Auto. Ass’n*, No. IPR2019-01082, 2019 WL 6826497 (P.T.A.B. Dec. 13, 2019). Wells Fargo also brought an IPR, involving similar arguments, against the ’779 patent. *See Wells Fargo Bank, N.A. v. United Servs. Auto. Ass’n*, No. IPR2019-01083, 2020 WL 6938004 (P.T.A.B. Nov. 24, 2020).

UNITED SERVICES AUTOMOBILE ASSOCIATION v. PNC BANK N.A. 5

PNC responds that “[t]his case is completely different from cases like *Vicor*, ‘where a panel simultaneously issue[d] opinions on the same technical issue between the same parties on the same record, and reache[d] opposite results without explanation.’” Appellee’s Br. 43 (quoting *Vicor*, 869 F.3d at 1322) (cleaned up). Unlike *Vicor*, PNC contends that the “Board’s decisions here and in [the] Wells Fargo [IPR] assessed different motivations to combine different references asserted by a different party on a different record.” *Id.* (cleaned up). And, according to PNC, if a “direct conflict” between the Board’s decision and the Wells Fargo IPR decision existed (which PNC denies), “affirmance is still warranted as long as the Board ‘at least provide[d] some reasoned basis for its opposite holdings,’” which the Board here did. *Id.* at 44 (quoting *Vicor*, 869 F.3d at 1323).

In the Board’s decision denying USAA’s request for rehearing, the Board addressed USAA’s argument that the Board failed to justify its departure from the Wells Fargo IPR panel’s findings. The Board “not[ed] that the Wells Fargo [IPR] panel’s findings were based on the particular technical features of prior art references not asserted in this proceeding.” J.A. 161. And in its final written decision, the Board found that the Wells Fargo IPR “panel determined that adding pre-capture monitoring and auto-capturing features on Nepomniachtchi’s<sup>[5]</sup> mobile device (per the teachings of Yoon<sup>[6]</sup>) would not have decreased computational burden on the mobile device, because Nepomniachtchi teaches correcting skew at the server, not the mobile device.” *IPR2021-01073*, 2023 WL 317521, at \*20. The Board here did “not understand the Wells

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<sup>5</sup> U.S. Patent No. 7,778,457 (“Nepomniachtchi”), J.A. 4428–64.

<sup>6</sup> U.S. Patent App. Pub. No. 2007/0262148 (“Yoon”), J.A. 4313–20.

6 UNITED SERVICES AUTOMOBILE ASSOCIATION v. PNC BANK N.A.

Fargo IPR panel to have made general findings of teachings away that would be applicable to prior art references [Acharya and Luo] not asserted in that proceeding.” *Id.* Additionally, in the Wells Fargo IPR, the “panel found that [p]atent [o]wner’s evidence undermined the petitioner’s argument on the particular facts of that proceeding, including the particular technical features of prior art references not asserted here.” *Id.* Thus, the Board concluded that “the Wells Fargo IPR panel’s findings [we]re of marginal relevance here.” *Id.*

In its request for rehearing decision, the Board distinguished the Wells Fargo IPR panel’s findings from its findings in *IPR2021-01070* and *IPR2021-01073*. “The Wells Fargo [IPR] panel found that the petitioner’s admission that Nepomniachtchi’s skew correction algorithm was computationally intensive was one factor undermining the petitioner’s reduced computational burden theory.” J.A. 161. And though the Board found that the Wells Fargo IPR “petitioner had failed to persuasively support its theory of reduced computational burden and, therefore, did not meet its burden,” such “arguments and evidence particular to the Wells Fargo IPR and the findings based on those arguments and evidence are not general findings of teachings away that would be applicable to other prior art references, such as Acharya and Luo.” J.A. 161–62.

We agree with the Board and thus reject USAA’s argument that the Board erred in issuing inconsistent IPR decisions without rational explanation.

## II

Next, we consider USAA’s argument that a skilled artisan would not have been motivated to combine Acharya and Luo. USAA argues that “an on-screen alignment guide . . . and add[ed] autocapture would increase computational burden, capture aligned images that could not be deposited, and fail to capture non-aligned images that could be deposited.” Appellant’s Br. 51 (emphasis omitted). USAA

contends, based on PNC's expert testimony (from a district court proceeding), that "a skilled artisan would not have viewed alignment as sufficient to ensure a usable check image; instead, identifying the correct 'monitoring criteria' and 'appropriate ranges' would have been 'extremely difficult.'" Appellant's Br. 54 (quoting J.A. 5850–51). And, according to USAA, "[g]iven how the proposed combination would have led to both overinclusive and underinclusive image capturing, a skilled artisan would not have been motivated to combine Acharya and Luo." Appellant's Br. 61.

Here, the Board found PNC's evidence of obviousness to be "particularly strong and straightforward." *IPR2021-01073*, 2023 WL 317521, at \*12–24. The Board found "the benefits of Luo's alignment guide and automatic capture to document capture, such as in Acharya, are not uncertain and, instead, are straightforward and expressly stated in Luo." *Id.* at \*24. The Board also found that "Luo expressly teaches automatic capture used in conjunction with reference lines, and describes the combined solution as one technique to reduce projective distortion in a captured image, resulting in more accurate optical character recognition." *Id.* at \*23. The Board determined that "even if the evidence suggested that manual capture had advantages over automatic capture (it does not), 'just because better alternatives exist in the prior art does not mean that an inferior combination is inapt for obviousness purposes.'" *Id.* (quoting *In re Mouttet*, 686 F.3d 1322, 1334 (Fed. Cir. 2012)). Additionally, the Board noted that the expert testimony that USAA relied upon was about enablement, not obviousness. The Board found "little, if any, relevance by the testimony of a person who is not a witness in [its] proceeding regarding an issue that [was] not present in [its] proceeding." *Id.* at \*28.

Thus, substantial evidence supports the Board's findings that a skilled artisan would have been motivated to combine Acharya and Luo.

8 UNITED SERVICES AUTOMOBILE ASSOCIATION v. PNC BANK N.A.

CONCLUSION

We have considered USAA's remaining arguments and find them unpersuasive. For the foregoing reasons, we affirm the Board's determination that claims 1–6, 9, 10, 12, and 13 of the '571 patent and claims 1, 2, 7–10, and 15–17 of the '779 patent are unpatentable.

**AFFIRMED**

### **CERTIFICATE OF SERVICE**

I, William M. Jay, hereby certify that on April 4, 2025, I electronically transmitted the foregoing document to the Clerk's Office using the CM/ECF System. I certify that all participants in this case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

/s/ William M. Jay  
William M. Jay

### **CERTIFICATE OF COMPLIANCE**

This petition complies with the type-volume limitation of Fed. R. App. P. 35(b)(2)(A) because it contains 3,802 words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(f) and Federal Circuit Rule 32(b)(2).

This petition complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6). This petition has been prepared in a proportionally spaced typeface, 14-point Times New Roman font, using Microsoft Word for Office 365. As permitted by Fed. R. App. P. 32(g), the undersigned has relied upon the word count feature of this word processing system in preparing this certificate.

/s/ William M. Jay  
William M. Jay