

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

UNITED SERVICES AUTOMOBILE
ASSOCIATION,

Plaintiff,

v.

PNC BANK N.A.,

Defendant.

§
§
§
§
§
§
§
§
§

Case No. 2:20-CV-00319-JRG-RSP

ORDER

Before the Court is the Motion to Sever Defendant PNC Bank N.A.’s Counterclaims Five Through Eight, filed by Plaintiff United Services Automobile Association (“USAA”). Dkt. No. 63. Defendant PNC Bank N.A.’s (“PNC”) counterclaims allege various features of USAA’s banking platforms infringe four of PNC’s patents. Dkt. No. 114 at 28–51. Previously, the Motion was carried to allow for “further development of the issues . . . before determining whether PNC’s counterclaim patents should be tried together with USAA’s patents.” Dkt. No. 171. Should these patent infringement claims be tried together there is a strong likelihood the parties’ respective patent rights may be prejudiced. Severance is warranted.

“A district court is afforded ‘broad discretion to sever issues to be tried before it.’” *Harris Corp. v. Huawei Device USA, Inc.*, No. 2:18-cv-00439-JRG, 2019 U.S. Dist. LEXIS 228541, *8 (E.D. Tex. June 12, 2019) (quoting *Brunet v. United Gas Pipeline Co.*, 15 F.3d 500, 505 (5th Cir. 1994)). When deciding to whether to sever claims the Court should consider “(1) whether the claims arose out of the same transaction or occurrence, (2) whether the claims present common questions of law or fact, (3) whether settlement or judicial economy would be promoted, (4) whether prejudice would be averted by severance, and (5) whether different witnesses and documentary proof are required.” *In re Rolls Royce Corp.*, 775 F.3d 671, 675 n.6 (5th Cir. 2014).

Expanding the scope of the technologies presented to the jury adds unnecessary complexity to an already complex matter, thereby increasing the risk of jury confusion. *See Harris*, 2019 U.S. Dist. LEXIS 228541 at *10-11. PNC's claims do not arise from the same transaction or occurrence that give rise to USAA's suit against PNC. Though there is some technological overlap between PNC's asserted patents and USAA's asserted patents, half of PNC's asserted patents relate to distinct technologies not at issue in USAA's claims. Indeed, PNC's Pat. Nos. 6,380,623 ("623 Patent") and 8,682,754 ("754 Patent") are directed to transferring funds and tracking income versus spending, respectively; unlike USAA's asserted patents which are directed towards check deposit technology.

Few common questions of fact or law exist between USAA's claims and PNC's counterclaims since PNC's counterclaims have separate experts and documentary proof. Thus, little witness efficiency is gained by trying these matters together.

Any alleged prejudice from severing PNC's counterclaims has been greatly reduced. Fact and expert discovery are closed, dispositive motion practice is largely complete. The only additional prejudice is the burden of an additional trial. Though having two trials will expend more resources, simplifying the issues for the upcoming trial will reduce the time necessary for the first trial and allow for both parties to present robust argument.

Considering little technological overlap, little witness overlap, and the benefits of reduced risk of jury confusion, the Court finds that severance of the trials is proper and in the interest of justice. Accordingly, the Court **SEVERES** the trial of PNC's counterclaims Five through Eight into a separate trial. Fed. R. Civ. P. 21. Counterclaims one through four will remain joined with the upcoming trial of this matter.

It is **ORDERED** that the parties file a joint notice detailing the effect of severance on the currently pending motions. The joint notice shall be filed no later than February 28, 2022. Any

motions no longer relevant to the claims in the upcoming trial will not be addressed at this time.

At the pretrial conference in this matter, a schedule for the severed counterclaims will be discussed.

SIGNED this 23rd day of February, 2022.



ROY S. PAYNE
UNITED STATES MAGISTRATE JUDGE