STATES DISTRICT COURT
DISTRICT OF MINNESOTA

MasterMine Software, Inc.,	Court File No. 13-CV-971 PJS/TNL
Plaintiff,	
v.	**SECOND AMENDED COMPLAINT AND JURY DEMAND**
Microsoft Corporation,	
Defendant.	

MasterMine Software, Inc. ("MasterMine"), by and through its undersigned

counsel, for its Amended Complaint against Microsoft Corporation ("Microsoft"), states

the following:

THE PARTIES

1.   Plaintiff MasterMine Software, Inc. is a small company that has been

developing and selling software since 1999. MasterMine is a corporation organized

under the laws of the State of Minnesota and has its principal place of business at 4200

Toledo Avenue South, Minneapolis, Minnesota 55416.

2.   Microsoft is a well-known software developer. On information and belief,

Microsoft is a corporation organized under the laws of the State of Washington, with its

principal place of business located at One Microsoft Way, Redmond, Washington 98052,

and is doing business in this judicial district and elsewhere. On information and belief,

Microsoft also has places of business located at 3601 West 76 Street, Minneapolis,

Minnesota 55435; 8300 Norman Center Drive, Bloomington, Minnesota 55437; and in

the Mall of America, 162 South Avenue, Bloomington, Minnesota 55425.

JURISDICTION AND VENUE

3.   This is a patent infringement lawsuit about computer systems and methods

for extracting (or "mining") data from large customer relationship management ("CRM")

databases and creating useful summary presentations of that data in a spreadsheet format,

called a "pivot table."

4.   This action arises under the patent laws of the United States, 35 U.S.C. § 1

et. seq., including without limitation 35 U.S.C. § 271 and 281. This Court has exclusive

jurisdiction over such actions under 28 U.S.C. §§ 1331 and 1338(a).

5.   This Court has general and specific personal jurisdiction over Microsoft at

least because Microsoft has places of business in Minnesota. This Court further has

jurisdiction over Microsoft at least because it systematically and continuously transacts

business in Minnesota, including the sale of infringing products.

6.   Venue is proper in this judicial district under 28 U.S.C. § 1400(b) because

infringement by Microsoft has occurred in this district. Venue is also proper under 28

U.S.C. §§ 1391(b) and 1391(c) because a substantial part of the events giving rise to the

claims occurred in this district, and Microsoft does business in this district and is subject

to personal jurisdiction in this district.

PATENT INFRINGEMENT

7.   MasterMine is the owner of United States Patent Nos. 7,945,850 ("the '850

patent") and 8,429,518 ("the '518 patent"), both of which are titled "Data Mining and

Reporting."   The '850 patent issued on May 17, 2011. A true and correct copy of the '850 patent is attached as Exhibit A. The '518 patent issued on April 23, 2013. A true and correct copy of the '518 patent is attached as Exhibit B. The '850 and '518 patents are hereinafter collectively referred to as "the patents-in-suit."

8.   The patents-in-suit relate generally to the interface between customer relationship management (CRM) applications and spreadsheet software applications. The patents disclose and claim novel methods and systems that mine data from CRM databases and automatically generate spreadsheet pivot tables presenting the potentially voluminous CRM data in useful summary reports.

9.   CRM databases are incredibly powerful tools, intended to aggregate all of the information about a company's customers, such as contact information and order history, into a single repository. Because CRM databases can store an enormous amount of raw data, covering all aspects of the customer relationship, they can provide companies with the opportunity to perform detailed statistical analysis of their businesses. However, because of the sheer volume of information involved, CRM databases also originally presented a considerable challenge for users to identify, extract, and manipulate the data they needed to perform the specific analysis at hand.

10.   MasterMine solved this problem in 1999, when it released the first version of its software for the GoldMine CRM database platform. With MasterMine's software, GoldMine users could create reports summarizing a wide variety of information from that database. The software created those reports in the form of interactive "pivot tables" in Microsoft Excel format, the most common spreadsheet application. Because a pivot table

is designed to allow the user to show the same set of data in multiple different ways, MasterMine's reports gave users an immediate high-level summary with the ability to dive deeper into the underlying data to perform additional analysis.

11.   MasterMine filed a provisional application for patent protection for its invention on January 7, 2000, which it followed with a full non-provisional application on December 15, 2000. The asserted patents are continuations of those original applications.

12.   MasterMine's software was a commercial success, and in 2000 the manufacturer of GoldMine presented MasterMine with an award as its independent software vendor "Developer of the Year" for GoldMine add-on software. MasterMine continued to win awards as the number one GoldMine "Partner's Choice" product in 2001 and a "Top GoldMine Technology Partner" in 2003.

13.   Microsoft released the first version of its own Dynamics CRM platform in early 2003. Notably, the original version of Dynamics CRM could not produce pivot table reports mining information from the database. To fill this gap, Microsoft representatives reached out directly to Rob Machalek – the founder of MasterMine and the inventor of the patents-in-suit – and asked him to create a version of the MasterMine software for Dynamics CRM.   In recommending that Microsoft sign up MasterMine as software development partner, Microsoft's representative explained to his colleagues that "[t]hese guys [*i.e.,* MasterMine] have done some pretty cool stuff with GoldMine."

14.   MasterMine was interested in the project if Microsoft could establish a large enough customer base for Dynamics CRM to make the effort and expense

worthwhile. Microsoft's initial release of Dynamics CRM in 2003 was not well received, however, and MasterMine waited for the sales numbers to improve.

15.   In late 2005 Microsoft released a redesigned version of the software branded as "version 3.0." When Mr. Machalek saw a copy of Dynamics version 3, he discovered that it contained reporting technology like that contained in MasterMine's product and described in MasterMine's then-pending patent application.

16.   Specifically, the redesigned software included an "Export to Excel" feature. The "Export to Excel" feature includes an option for creating a "Dynamic PivotTable" in a Microsoft Excel worksheet using MasterMine's patented methods and systems.

17.   The feature is illustrated below for the 2011 edition of Dynamics CRM:
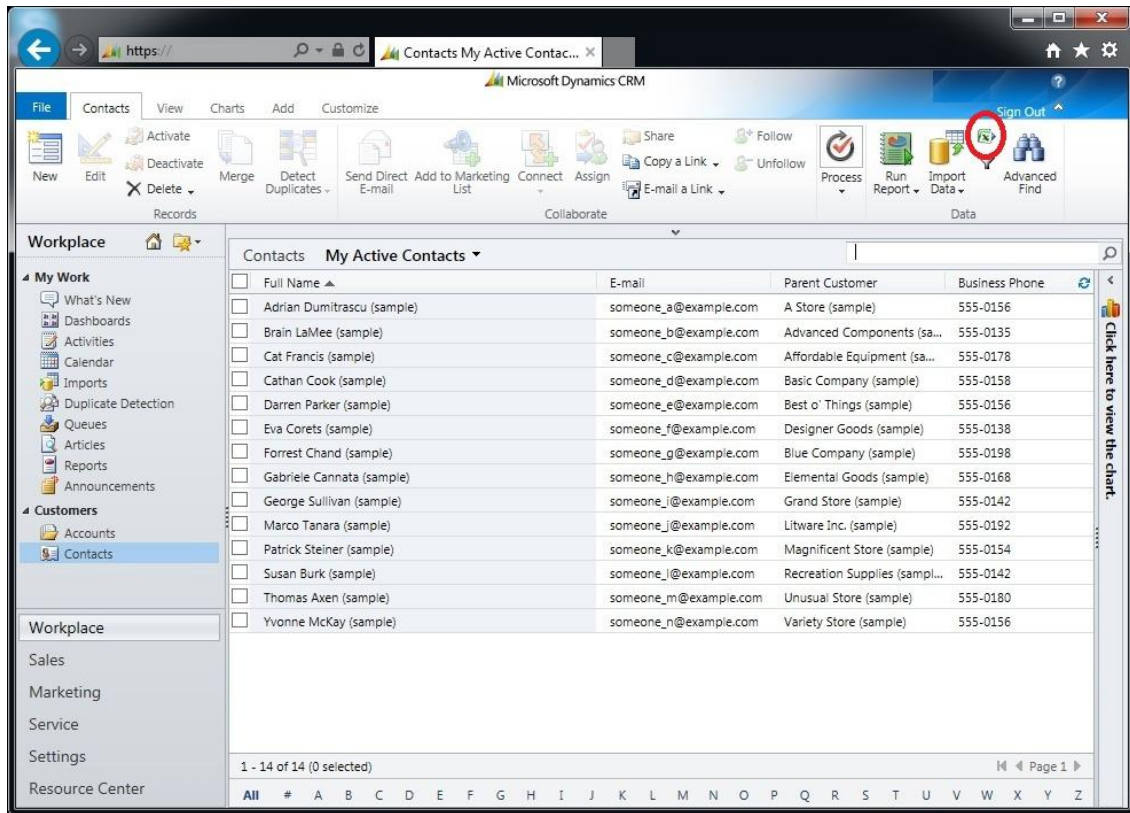
18.   When a user clicks on the "Export to Excel" button, a dialog box appears

with the option to create a "Dynamic PivotTable":
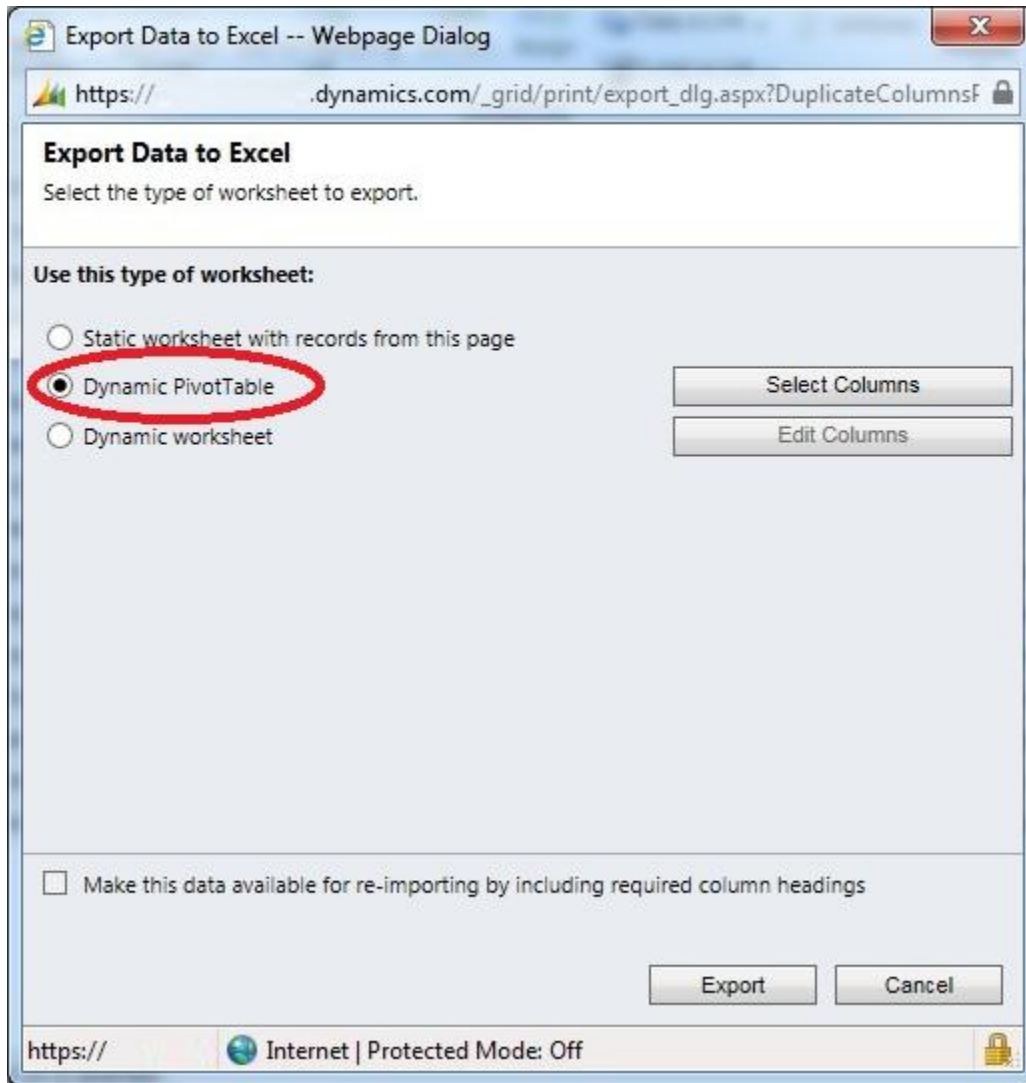
19.   Selecting the "Dynamic PivotTable" option launches a reporting module

that guides the user through selecting the relevant report template and database fields

necessary for Microsoft Dynamics CRM and Microsoft Excel to generate the pivot table.

20.   Microsoft's customers complete infringement of MasterMine's method

claims when they click on the "Export to Excel" button in Microsoft Dynamics CRM,

choose the "Dynamic PivotTable" option, and select the report template and database fields necessary to generate the pivot table, which Dynamics CRM prompts them to do.

21.   The Dynamic PivotTable option within the "Export to Excel" feature is a distinct component within the Dynamics CRM software. The Dynamic PivotTable feature is specifically designed to perform the methods claimed in the patents-in-suit and can only be used in a manner that infringes.

22.   The Dynamic PivotTable feature is not a staple article of commerce suitable for substantial non-infringing uses. The Dynamic PivotTable feature only infringes and can be used for no non-infringing purpose.

23.   Microsoft is actively encouraging users to infringe the patents-in-suit by selling Microsoft CRM for use in connection with Microsoft Excel and teaching users how to use the software to infringe the MasterMine patents.

24.   Microsoft provides detailed instructions directing users to operate the Dynamic PivotTable feature of Microsoft Dynamics CRM to create pivot tables within Excel worksheets in the manner disclosed and claimed by the patents-in-suit, and specifically intends for its customers to use that functionality.

25.   For example, Microsoft provides the following instructions in its on-line help module:

Microsoft Dynamics CRM Online Resource Center   Microsoft Dynamics CRM

Export to an Excel PivotTable to see patterns and trends in data
▶ Can I do this task?

1. In any area with a list of records, on the **<Record Type>** tab, in the **Share Data** group, click the **Export to Excel**.
2. Click **Dynamic PivotTable**.
3. To add or remove a column in the report, click **Select Columns**.
4. In the **Select PivotTable Columns** list, select or clear the check boxes for the fields as needed, and then click **OK**.
   By default, the **PivotTable Field List** includes only fields that are displayed in the **Select PivotTable Columns** list.
5. Click **Export**.
6. Open the file containing the PivotTable:
   a. To view the PivotTable, click **Open**.
   b. If you are using Microsoft Office Excel 2007:
      - You will see a message that says the file that you are trying to open is in a different format than specified by the file extension. Click **Yes**.
      - If you see the security warning **Data connections have been disabled**, click **Options**, click **Enable this content**, and then click **OK**.
   If you are using Microsoft Excel 2010:
      - You will see a message that says the file that you are trying to open is in a different format than specified by the file extension. Click **Yes**.
      - You will see a message that says that the file was opened from a potentially unsafe location. Click **Enable Editing**.
      - If you see the security warning **Data connections have been disabled**, click **Enable Content**, and then click **OK**.
7. Drag the fields from the **PivotTable Field List** to the PivotTable. For more information, see Microsoft Office Excel Help.
8. To refresh data in the file, on the **Data** tab in the **Connections** group, click **Refresh All**.
9. Save the exported data to a file.

   If you are using Microsoft Office Excel 2007, click the Microsoft Office Button   , and then click **Save**.
   If you are using Microsoft Excel 2010, on the **File** tab, click **Save**.
   Each time you open the file, if you have the Microsoft Dynamics CRM Online for Outlook installed, you will have the option to refresh data from Microsoft Dynamics CRM Online.

26.   Following the instructions Microsoft has published infringes MasterMine's patents.

27.   Microsoft has known about the MasterMine patent family since at least November 7, 2005, when it submitted the original Patent Office publication of the first MasterMine patent application, Pub. No. 2002/013786, as prior art to one of Microsoft's own patent applications.   MasterMine's patent application issued as U.S. Pat. No. 7,185,279 ("the '279 patent"), the immediate predecessor of the '850 patent-in-suit.

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Following the '279 patent's issuance, Microsoft cited it as prior art in multiple applications before the Patent Office.

28.   MasterMine's '850 patent is a continuation of the '279 patent, and has the same specification as the parent patent. The application for the '850 patent was originally published by the Patent Office as Pub. No. 2007/0143661. Microsoft has known about the '850 application since at least October 24, 2007, when a patent examiner cited it as prior art in another of Microsoft's patent applications.

29.   On or about October 10, 2006, Microsoft filed U.S. Patent Application No. 11/539,971, listing Mehmet Kiziltunc, Claus Andersen, Lars-Bo Christiansen, and Julia Lisovaya as inventors. That patent application issued in 2013 as U.S. Patent No. 8,380,742 (the "Kiziltunc patent").

30.   The Kiziltunc patent states that it relates to the reporting functionality of Microsoft Dynamics CRM. For example, the preamble to claim 1 of the patent states that the alleged invention is "[a] method of implementing a customer relationship management system that accesses a database system to create a report[.]" The Kiziltunc patent specification repeatedly identifies Microsoft Dynamics as a commercial example of such a system.

31.   On or about January 21, 2008, the World Intellectual Property Organization's International Searching Authority mailed a search report to Microsoft's in-house patent department regarding application PCT/US2007/077272, the international version of the Kiziltunc patent application. The international search report identified MasterMine's original published patent application as "the most relevant state of the art"

to Microsoft's application. The search report also identified MasterMine's issued '279

patent and its published '850 application as "patent family members" of the '279 patent.

32.   In another example, on or about October 23, 2012, the European Patent

Office rejected pending claims of Microsoft's European Patent Application No.

06802599 over the MasterMine prior art patent disclosure. Microsoft's attorneys filed a

response amending its claims in that application on or about January 17, 2013.

33.   In yet another example, on or about October 29, 2013, the U.S. Patent

Office cited the application for MasterMine's asserted '518 patent as prior art to

Microsoft's pending U.S. Patent Application No. 13/298,285. MasterMine's '518 patent

is a continuation of the '850 patent and has the same specification as the '279 and '850

patents.

34.   Altogether, MasterMine's patents and patent applications have been cited

by at least 15 United States patents issued to Microsoft. MasterMine's patents and patent

applications have also been cited in at least one of Microsoft's pending U.S. patent

applications, and various foreign patent applications.

35.   Microsoft's patents and patent applications citing the MasterMine prior art

collectively name at least 49 individuals as inventors. The patents and applications were

(and continue to be) prosecuted by at least two separate United States law firms, as well

as multiple foreign firms.

36.   Microsoft had actual knowledge of (or was willfully blind to) the '850

patent-in-suit before this lawsuit was filed based upon its interest in the MasterMine

technology, its knowledge of the patent application that led to the '850 patent, its

knowledge of other patents in the family, its own patent activity in the field, and its commercial interest in the MasterMine product, which was marked with the '850 patent after the patent issued.

37. At the very latest, Microsoft has had knowledge of the patents-in-suit and the manner in which Microsoft's products are operated to infringe the patents-in-suit since at least April 26, 2013, when it was served with a copy of the Complaint in this action.

38. Despite such knowledge, and in at least reckless disregard of the risk that it infringes MasterMine's patents, Microsoft has sold and continues to sell products that are specifically designed to operate in an infringing manner, and continues to instruct users to operate the products in an infringing manner.

39. MasterMine has been and continues to be irreparably harmed, and has suffered and continues to suffer damages as a result of Microsoft's willful infringement of the patents-in-suit.

40. MasterMine is entitled to recover damages that adequately compensate it for the infringement in an amount to be determined at trial, which cannot by law be less than a reasonable royalty.

41. The foregoing allegations are incorporated into the claims below.

COUNT ONE
(Infringement of U.S. Patent No. 7,945,850)

42. MasterMine owns the '850 patent.

43.   Microsoft infringes '850 patent by performing, using, selling, and/or offering to sell Microsoft Dynamics CRM for use with Microsoft Excel.

44.   Microsoft has further induced or contributed to the infringement of one or more claims of the '850 patent by others through the use of the Dynamic PivotTable feature of Microsoft Dynamics CRM.

45.   Microsoft had knowledge of the '850 patent prior to this lawsuit, and has known about the '850 application since at least October 24, 2007, when a patent examiner cited it as prior art in one of Microsoft's patent applications.

46.   Microsoft undeniably knew of the '850 patent no later than April 26, 2013, when it received a copy of the Complaint in this lawsuit.

47.   Nonetheless, in at least reckless disregard of the risk that it infringes the '850 patent, Microsoft has sold and continues to sell versions of Microsoft Dynamics CRM that are specifically designed to operate in the manner described and claimed in the '850 patent. Microsoft also directed and continues to direct its customers to use Microsoft Dynamics CRM in combination with Microsoft Excel in the manner described in the '850 patent.

48.   MasterMine is entitled to recover damages that will adequately compensate it for the infringement in an amount to be determined at trial, but in any case no less than a reasonable royalty.

49.   MasterMine is further entitled to a finding that Microsoft's infringement is and has been willful.

50.   MasterMine will continue to be damaged in the future and will suffer further irreparable harm, for which MasterMine has no adequate remedy at law, unless Microsoft is enjoined from infringing, inducing infringement, and contributing to the infringement of the '850 patent.

COUNT TWO
(Infringement of U.S. Patent No. 8,429,518)

51.   MasterMine owns the '518 patent.

52.   Microsoft infringes the '518 patent by performing, using, selling, and/or offering to sell Microsoft Dynamics CRM for use with Microsoft Excel.

53.   Microsoft has further induced or contributed to the infringement of one or more claims of the patents-in-suit by others through the use of the Dynamic PivotTable feature of Microsoft Dynamics CRM.

54.   Microsoft had knowledge of the MasterMine patents and patent applications prior to this lawsuit. Microsoft undeniably knew of the '518 patent no later than April 26, 2013, when it received a copy of the Complaint in this lawsuit.

55.   Nonetheless, in at least reckless disregard of the risk that it infringes the '518 patent, Microsoft has sold and continues to sell versions of Microsoft Dynamics CRM that are specifically designed to operate in the manner described and claimed in the '518 patent. Microsoft also directed and continues to direct its customers to use Microsoft Dynamics CRM in combination with Microsoft Excel in the manner described in the '518 patent.

56.   MasterMine is entitled to recover damages that will adequately compensate it for the infringement in an amount to be determined at trial, but in any case no less than a reasonable royalty.

57.   MasterMine is further entitled to a finding that Microsoft's infringement is and has been willful.

58.   MasterMine will continue to be damaged in the future and will suffer further irreparable harm, for which MasterMine has no adequate remedy at law, unless Microsoft is enjoined from infringing, inducing infringement, and contributing to the infringement of the '518 patent.

JURY DEMAND

59.   MasterMine requests a trial by jury.

PRAYER FOR RELIEF

60.   MasterMine respectfully requests that the Court enter judgment in its favor and against Microsoft as follows:

A.   An entry of judgment that Microsoft has directly and indirectly infringed the '850 and '518 patents, either literally or under the doctrine of equivalents;

B.   An entry of judgment that Microsoft's infringement has been willful;

C.   A permanent injunction against Microsoft's further infringement of the patents-in-suit;

D.   An award of damages adequate to compensate MasterMine for Microsoft's

infringement, together with prejudgment interest from the date the

infringement began;

E.   An award of enhanced damages and attorney fees for Microsoft's willful

infringement, and any other damages permitted under 35 U.S.C. §§ 284 and

285; and

F.   Such other and further relief that this Court or a jury may deem just and

proper.

Dated: May 22, 2014   *s/ Adam R. Steinert*
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