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SOFTVAULT SYSTEMS, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

SOFTVAULT SYSTEMS, INC.,

Plaintiff,

vs.

CENTRIFY CORPORATION,

Defendant.

CASE NO.

**COMPLAINT FOR INFRINGEMENT
OF
U.S. PATENT NOS. 6,249,868 AND
6,594,765**

JURY TRIAL DEMANDED

1 Plaintiff SOFTVAULT SYSTEMS, INC. files its Complaint against Defendant
2 CENTRIFY CORPORATION, alleging as follows:

3 **THE PARTIES**

4 1. Plaintiff SOFTVAULT SYSTEMS, INC. (“SoftVault”) is a corporation organized
5 and existing under the laws of the State of Washington with its principle place of business in the
6 State of Washington.

7 2. Upon information and belief CENTRIFY CORPORATION (“CENTRIFY”) is a
8 corporation organized and existing under the laws of the State of Delaware, with its principal
9 place of business in Santa Clara, California. CENTRIFY may be served with process through its
10 registered agent, Timothy Steinkopf at 3393 Octavious Drive, Suite 100, Santa Clara, CA 95054.

11 **JURISDICTION AND VENUE**

12 3. This is an action for infringement of United States patents. This Court has
13 exclusive jurisdiction of such action under Title 28 U.S.C. § 1338(a).

14 4. Upon information and belief, CENTRIFY is subject to personal jurisdiction by
15 this Court. CENTRIFY has committed such purposeful acts and/or transactions in the State of
16 California that it reasonably knew and/or expected that it could be haled into a California court
17 as a future consequence of such activity. CENTRIFY makes, uses, and/or sells infringing
18 products within the Northern District of California and has a continuing presence and the
19 requisite minimum contacts with the Northern District of California, such that this venue is a fair
20 and reasonable one. Upon information and belief, CENTRIFY has transacted and, at the time of
21 the filing of this Complaint, is continuing to transact business within the Northern District of
22 California. For all of these reasons, personal jurisdiction exists and venue is proper in this Court
23 under 28 U.S.C. §§ 1391(b)(1), (2) and (c)(2) and 28 U.S.C. § 1400(b).

24 **PATENTS-IN-SUIT**

25 5. On June 19, 2001, United States Patent No. 6,249,868 BI (“the ‘868 Patent”) was
26 duly and legally issued for “METHOD AND SYSTEM FOR EMBEDDED, AUTOMATED,
27 COMPONENT-LEVEL CONTROL OF COMPUTER SYSTEMS AND OTHER COMPLEX
28

1 SYSTEMS.” A true and correct copy of the ‘868 Patent is attached hereto as Exhibit A and
2 made a part hereof.

3 6. On July 15, 2003, United States Patent No. 6,594,765 B2 (“the ‘765 Patent”) was
4 duly and legally issued for “METHOD AND SYSTEM FOR EMBEDDED, AUTOMATED,
5 COMPONENT-LEVEL CONTROL OF COMPUTER SYSTEMS AND OTHER COMPLEX
6 SYSTEMS.” A true and correct copy of the ‘765 Patent is attached hereto as Exhibit B and
7 made a part hereof.

8 7. The ‘868 Patent and the ‘765 Patent are sometimes referred to herein collectively
9 as “the Patents-in-Suit.”

10 8. As it pertains to this lawsuit, the Patents-in-Suit, very generally speaking, relate to
11 a method and system of protecting electronic, mechanical, and electromechanical devices and
12 systems, such as for example a computer system, and their components and software from
13 unauthorized use. Specifically, certain claims of the ‘868 and ‘765 Patents disclose the
14 utilization of embedded agents within system components to allow for the enablement or
15 disablement of the system component in which the agent is embedded. The invention disclosed
16 in the Patents-in-Suit discloses a server that communicates with the embedded agent through the
17 use of one or more handshake operations to authorize the embedded agent. When the embedded
18 agent is authorized by the server, it enables the device or component, and when not authorized
19 the embedded agent disables the device or component.

20 **FIRST CLAIM FOR RELIEF**

21 **(Patent Infringement)**

22 9. SoftVault repeats and realleges every allegation set forth above.

23 10. SoftVault is the owner of the Patents-in-Suit with the exclusive right to enforce
24 the Patents-in-Suit against infringers, and collect damages for all relevant times, including the
25 right to prosecute this action.

26 11. Upon information and belief, CENTRIFY is liable under 35 U.S.C. §271(a) for
27 direct infringement of the Patents-in-Suit because it manufactures, makes, has made, uses,
28

1 practices, imports, provides, supplies, distributes, sells, and/or offers for sale products and/or
2 systems that practice one or more claims of the Patents-in-Suit.

3 12. More specifically, CENTRIFY infringes the Patents-in-Suit because it makes,
4 uses, sells, and offers for sale products and systems which prevent unauthorized use of a
5 computer system through the ability to enable or disable the operation of a device's components
6 utilizing an authorization process performed by an embedded agent in the component device and
7 a server. By way of example only, CENTRIFY Enterprise Mobility Management Software, sold
8 individually and also part of its Identity Service, at a minimum, in the past directly infringed and
9 continues to directly infringe at least claims 1 and 44 of the '868 Patent, as well as at least claim
10 9 of the '765 Patent.

11 13. CENTRIFY's Enterprise Mobility Management Software includes the capability
12 to enable or disable a mobile device, such as a tablet or smart phone, to prevent misuse of the
13 system. The CENTRIFY Enterprise Mobility Management Software includes an agent (the
14 "CENTRIFY App") that is installed and embedded within a mobile device and communicates
15 with a CENTRIFY server. This communication includes a series of message exchanges,
16 memorialized by authentication certificates ("Certificate Authority"), constituting a handshake
17 operation between the CENTRIFY server and the CENTRIFY client application. Through these
18 exchanges the server and the embedded agent mutually authenticate one another, resulting in the
19 authorization of a device in which the CENTRIFY App is embedded. When the agent is
20 authorized by the server, the mobile device operates normally and when the agent is not
21 authorized, the mobile device is remotely locked, wiped, and/or disabled.

22 14. CENTRIFY has actual notice of the Patents-in-Suit at least as early as the filing of
23 this Complaint.

24 15. SoftVault has been damaged as a result of CENTRIFY's infringing conduct.
25 CENTRIFY is, thus, liable to SoftVault in an amount that adequately compensates SoftVault for
26 CENTRIFY's infringement, which, by law, cannot be less than a reasonable royalty, together
27 with interest and costs as fixed by this Court under 35 U.S.C. § 284.
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PRAYER FOR RELIEF

SoftVault requests that the Court find in its favor and against CENTRIFY, and that the Court grant SoftVault the following relief:

- a. Judgment that one or more claims of the Patents-in-Suit have been infringed, either literally and/or under the doctrine of equivalents, by CENTRIFY;
- b. Judgment that CENTRIFY account for and pay to SoftVault all damages to and costs incurred by SoftVault because of CENTRIFY's infringing activities and other conduct complained of herein;
- c. That CENTRIFY, its officers, agents, servants and employees, and those persons in active concert and participation with any of them, be permanently enjoined from infringement of the Patents-in-Suit. In the alternative, if the Court finds that an injunction is not warranted, SoftVault requests an award of post judgment royalty to compensate for future infringement;
- d. That SoftVault be granted pre-judgment and post-judgment interest on the damages caused to it by reason of CENTRIFY's infringing activities and other conduct complained of herein;
- e. That this Court declare this an exceptional case and award SoftVault its reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and
- f. That SoftVault be granted such other and further relief as the Court may deem just and proper under the circumstances.

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JURY DEMAND

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

DATED: March 4, 2015.

/s/ Benedict O'Mahoney

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