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SOFTVAULT SYSTEMS, INC.

**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SAN JOSE DIVISION**

SOFTVAULT SYSTEMS, INC.,  
  
Plaintiff,  
  
vs.  
  
ELSTER SOLUTIONS, LLC,  
  
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 ELSTER  
2 SOLUTIONS, LLC, 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 ELSTER SOLUTIONS, LLC (“ELSTER”) is a  
8 limited liability company organized and existing under the laws of the State of Delaware, with its  
9 principle place of business in Raleigh, North Carolina. ELSTER may be served with process  
10 through its registered agent Corporation Service Company dba CSC-Lawyers Incorporating  
11 Service at 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833.

12 **JURISDICTION AND VENUE**

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

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

25 **PATENTS-IN-SUIT**

26 5. On June 19, 2001, United States Patent No. 6,249,868 B1 (“the ‘868 Patent”) was  
27 duly and legally issued for “METHOD AND SYSTEM FOR EMBEDDED, AUTOMATED,  
28 COMPONENT-LEVEL CONTROL OF COMPUTER SYSTEMS AND OTHER COMPLEX

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 remotely enabling and disabling electronic, mechanical, and  
12 electromechanical devices and systems, such as for example a computer system, an electricity  
13 meter containing a computer system, or an energy system. Specifically, certain claims of the  
14 ‘868 and ‘765 Patents disclose the utilization of embedded agents within system components to  
15 allow for the enablement or disablement of the system component or device in which the agent is  
16 embedded. The invention disclosed in the Patents-in-Suit discloses a server that communicates  
17 with the embedded agent through the use of one or more handshake operations to authorize the  
18 embedded agent. When the embedded agent is authorized by the server, it enables the device or  
19 component, and when not authorized 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, ELSTER is liable under 35 U.S.C. §271(a) for direct  
27 infringement of the Patents-in-Suit because it manufactures, makes, has made, uses, practices,  
28

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

3 12. More specifically, ELSTER, through its EnergyAxis System and its Smart Meter  
4 product offerings – including the A3 ALPHA, REX2, and REXUniversal Smart Meters  
5 (ELSTER’s “Smart Meters”) – infringes the Patents-in-Suit because it makes, uses, sells, and  
6 offers for sale products and systems that include the capability to remotely enable and disable a  
7 computer-based electricity, gas, or water meter. ELSTER’s Smart Meter offerings have the  
8 ability to enable or disable the operation of a Smart Meter through an authorization process  
9 performed by an embedded agent within the Smart Meter and a remote server. By way of  
10 example only, the ELSTER EnergyAxis System, operating with Smart Meters such as the A3  
11 ALPHA, REX2, and REXUniversal meters, at a minimum, in the past directly infringed and  
12 continue to directly infringe at least claim 44 of the ‘868 Patent, as well as at least claims 9 and  
13 15 of the ‘765 Patent.

14 13. ELSTER’s EnergyAxis software includes the capability to enable or disable the  
15 ELSTER Smart Meters. The ELSTER Smart Meters include software, containing an agent, that  
16 is installed and embedded within the Smart Meter and communicates with a server. This  
17 communication includes a series of message exchanges constituting a handshake operation  
18 between the server and the Smart Meter. When the agent is authorized by the server, it will  
19 connect/reconnect the Smart Meter and allow it to supply electricity to the house or building to  
20 which it is attached. When the agent is not authorized by the server, the Smart Meter is remotely  
21 disconnected and disabled such that it cannot supply electricity to the house or building.

22 14. ELSTER 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 ELSTER’s infringing conduct.  
25 ELSTER is, thus, liable to SoftVault in an amount that adequately compensates SoftVault for  
26 ELSTER’s infringement, which, by law, cannot be less than a reasonable royalty, together with  
27 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 ELSTER, 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 ELSTER;
- b. Judgment that ELSTER account for and pay to SoftVault all damages to and costs incurred by SoftVault because of ELSTER's infringing activities and other conduct complained of herein;
- c. That ELSTER, 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 ELSTER'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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