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11 Attorneys for Plaintiff  
12 SOFTVAULT SYSTEMS, INC.

13 **UNITED STATES DISTRICT COURT**  
14 **NORTHERN DISTRICT OF CALIFORNIA**  
15 **SAN JOSE DIVISION**

16 SOFTVAULT SYSTEMS, INC.

17 Plaintiff,

18 vs.

19 SAGE SOFTWARE, INC.,

20 Defendant.

CASE NO.

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

**JURY TRIAL DEMANDED**

21  
22 Plaintiff SOFTVAULT SYSTEMS, INC. files its Complaint against Defendant SAGE  
23 SOFTWARE, INC., alleging as follows:

24 **THE PARTIES**

25 1. Plaintiff SOFTVAULT SYSTEMS, INC. (“SOFTVAULT”) is a corporation  
26 organized and existing under the laws of the State of Washington with its principle place of  
27 business in the State of Washington.  
28





1           13. More specifically, Sage infringes the Patents-in-Suit because it manufactures,  
2 makes, has made, uses, practices, imports, provides, supplies, distributes, sells, and/or offers for  
3 sale products and systems which prevent unauthorized use of a computer system through the  
4 ability to enable or disable the operation of a device's components through an authorization  
5 process performed by an embedded agent in the application software and a server, known as  
6 product activation. Upon information and belief, many of Sage's software products include the  
7 accused product activation features, including Sage 50 – U.S. Edition.

8           14. All Sage products which include its product activation features have, at a  
9 minimum, in the past directly infringed and continue to directly infringe at least Claim 44 of the  
10 '868 Patent, as well as at least Claim 11 of the '765 Patent.

11           15. Sage includes the product activation features in its software applications to  
12 enforce licensing policies and ensure that only authorized copies of Sage software applications  
13 may be installed and used on a client computer. The product activation feature requires that a  
14 portion of the code in the installed Sage application communicate with a Sage license server over  
15 the Internet to activate (or enable) the application. Upon installation of a Sage application, the  
16 product activation feature prompts a user to activate the application by entering in an activation  
17 key. The license server exchanges messages constituting a handshake operation with the product  
18 activation code in the application to determine whether the license for the application is valid.  
19 When the product activation code in the application is authorized by the license server, it enables  
20 the application in which it is embedded to operate normally. When the product activation code is  
21 not authorized by the license server, the application is disabled.

22           16. By providing these systems, Sage has, in the past and continues to induce its  
23 customers and/or end users to infringe at least Claim 44 of the '868 Patent, as well as at least  
24 Claim 11 of the '765 Patent. For example, end users of the accused products directly infringe at  
25 least Claim 44 of the '868 Patent, as well as at least Claim 11 of the '765 Patent, when using or  
26 employing these systems.

27           17. On information and belief, Sage possessed a specific intent to induce infringement  
28 by at a minimum, providing user guides and other sales-related materials, by way of advertising,

1 solicitation, and provision of product instruction materials, instructing its customers and end  
2 users on the normal operation of the accused products that infringe the Patents-in-Suit.

3 18. Sage has actual notice of the Patents-in-Suit at least as early as the filing of this  
4 Complaint. Therefore, Sage had knowledge of, or was willfully blind to, the existence of the  
5 Patents-in-Suit since the time of the filing of this Complaint, if not earlier.

6 19. By providing these systems, Sage has, in the past and continues to contribute to  
7 the infringement of its customers and/or end users of at least Claim 44 of the '868 Patent, as well  
8 as at least Claim 11 of the '765 Patent.

9 20. Upon information and belief, the product activation feature within Sage's  
10 Accused Products has no substantial non-infringing uses, and Sage knows that the product  
11 activation feature is especially made or especially adapted for use in a product that infringes the  
12 Patents-in-Suit.

13 21. SoftVault has been damaged as a result of Sage's infringing conduct. Sage is,  
14 thus, liable to SoftVault in an amount that adequately compensates SoftVault for Sage's  
15 infringement, which, by law, cannot be less than a reasonable royalty, together with interest and  
16 costs as fixed by this Court under 35 U.S.C. § 284.

17 **PRAYER FOR RELIEF**

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

- 20 a. Judgment that one or more claims of the Patents-in-Suit have been infringed,  
21 either literally and/or under the doctrine of equivalents, by Sage;
- 22 b. Judgment that Sage account for and pay to SoftVault all damages to and costs  
23 incurred by SoftVault because of Sage' infringing activities and other conduct  
24 complained of herein;
- 25 c. That Sage, its officers, agents, servants and employees, and those persons in  
26 active concert and participation with any of them, be permanently enjoined from  
27 infringement of the Patents-in-Suit. In the alternative, if the Court finds that an  
28 injunction is not warranted, SoftVault requests an award of post judgment royalty

1 to compensate for future infringement;

2 e. That SoftVault be granted pre-judgment and post-judgment interest on the  
3 damages caused to it by reason of Sage' infringing activities and other conduct  
4 complained of herein;

5 f. That this Court declare this an exceptional case and award SoftVault its  
6 reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and

7 g. That SoftVault be granted such other and further relief as the Court may deem just  
8 and proper under the circumstances.

9 **JURY DEMAND**

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

12  
13 DATED: June 25, 2015.

/s/ Benedict O'Mahoney

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