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SOFTVAULT SYSTEMS, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

SOFTVAULT SYSTEMS, INC.,

Plaintiff,

vs.

SAMSUNG ELECTRONICS AMERICA,
INC.,

Defendant.

CASE NO.

**ORIGINAL 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 SAMSUNG ELECTRONICS AMERICA, INC., 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 principal place of business in the
6 State of Washington.

7 2. Upon information and belief, SAMSUNG ELECTRONICS AMERICA, INC.
8 (“Samsung”) is a corporation organized and existing under the laws of the State of New York,
9 with its principal place of business at 85 Challenger Road, Ridgefield Park, New Jersey.
10 Samsung may be served with process through its registered agent, CT Corporation System at 818
11 W. 7th Street, suite 930, Los Angeles, California 90017.

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, Samsung is subject to personal jurisdiction by this
16 Court. Samsung 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. Samsung 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, Samsung 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 BI (“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 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 by remotely locking the device.

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. Samsung has had knowledge of, or was willfully blind to, the existence of the
27 Patents-in-Suit since the filing of this Complaint, if not earlier.

28 12. Upon information and belief, Samsung is liable under 35 U.S.C. §271(a) for direct

1 infringement of the Patents-in-Suit because it manufactures, makes, has made, uses, practices,
2 imports, provides, supplies, distributes, sells, and/or offers for sale products and/or systems that
3 practice one or more claims of the Patents-in-Suit.

4 13. Upon information and belief, Samsung is also liable under 35 U.S.C. §271(b) for
5 inducing infringement of, and under 35 U.S.C. §271(c) for contributory infringement of the
6 Patents-in-Suit because it manufactures, makes, has made, uses, practices, imports, provides,
7 supplies, distributes, sells, and/or offers for sale products and/or systems that practice one or
8 more claims of the Patents-in-Suit.

9 14. More specifically, Samsung infringes the Patents-in-Suit because it makes, uses,
10 sells, and offers for sale products and systems which prevent unauthorized use of a computer
11 system through the ability to enable or disable the operation of a device's components utilizing
12 an authorization process performed by an embedded agent in the component and a server. By
13 way of example only, Samsung's KNOX Platform (and its SDS EMM and CellWe software)
14 which includes mobile device management features, at a minimum, in the past directly infringed
15 and continues to directly infringe at least claims 1 and 44 of the '868 Patent, as well as at least
16 claim 9 of the '765 Patent.

17 15. Samsung provides its KNOX Platform that includes the capability to enable or
18 disable a mobile device, such as a tablet or smart phone, to prevent misuse of the system. The
19 KNOX Platform includes an agent (the "KNOX client software") that is installed and embedded
20 within a mobile device and communicates with a KNOX server. This communication includes a
21 series of message exchanges, memorialized by digital certificates ("Certificate Authority"),
22 constituting a handshake operation between the KNOX server and the KNOX client software.
23 Through these exchanges the server and the embedded agent mutually authenticate one another,
24 resulting in the authorization of a device in which the KNOX client software is embedded. When
25 the agent is authorized by the server, the mobile device operates normally and when the agent is
26 not authorized, the mobile device is remotely locked, wiped, and/or disabled.

27 16. By providing the Samsung KNOX Platform, Samsung has, in the past and
28 continues to induce its customers and/or end users to infringe at least claims 1 and 44 of the '868

1 Patent, as well as at least claim 9 of the '765 Patent. For example, end users of the accused
2 products directly infringe at least claims 1 and 44 of the '868 Patent, as well as at least claim 9 of
3 the '765 Patent, when using or employing these systems.

4 17. On information and belief, Samsung possessed a specific intent to induce
5 infringement by at a minimum, providing user guides and other sales-related materials, and by
6 way of advertising, solicitation, and provision of product instruction materials, that instruct its
7 customers and end users on the normal operation of the accused products and the mobile device
8 management features that infringe the Patents-in-Suit.

9 18. By providing these systems, Samsung has, in the past and continues to contribute
10 to the infringement of their customers and/or end users of at least claims 1 and 44 of the '868
11 Patent, as well as at least claim 9 of the '765 Patent.

12 19. Upon information and belief, the remote lock features within Samsung's accused
13 products have no substantial non-infringing uses, and Samsung knows that these features are
14 especially made or especially adapted for use in a product that infringes the Patents-in-Suit.

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

19 **PRAYER FOR RELIEF**

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

- 22 a. Judgment that one or more claims of the Patents-in-Suit have been infringed,
23 either literally and/or under the doctrine of equivalents, by Samsung;
- 24 b. Judgment that Samsung account for and pay to SoftVault all damages to and costs
25 incurred by SoftVault because of Samsung's infringing activities and other
26 conduct complained of herein;
- 27 c. That Samsung, its officers, agents, servants and employees, and those persons in
28 active concert and participation with any of them, be permanently enjoined from

1 infringement of the Patents-in-Suit. In the alternative, if the Court finds that an
2 injunction is not warranted, SoftVault requests an award of post judgment royalty
3 to compensate for future infringement;

4 d. That SoftVault be granted pre-judgment and post-judgment interest on the
5 damages caused to it by reason of Samsung's infringing activities and other
6 conduct complained of herein;

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

9 f. That SoftVault be granted such other and further relief as the Court may deem just
10 and proper under the circumstances.

11 **JURY DEMAND**

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

14 DATED: August 19, 2016

/s/ Mark W. Good

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