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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 HEWLETT PACKARD ENTERPRISE
20 COMPANY and HP INC.,

21 Defendants.

CASE NO. 4:16-cv-00379-JSW

**FIRST AMENDED 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 First Amended Complaint against
2 Defendants HEWLETT PACKARD ENTERPRISE COMPANY and HP INC., alleging as
3 follows:

4 **THE PARTIES**

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

8 2. Upon information and belief, HEWLETT PACKARD ENTERPRISE
9 COMPANY (“HPE”) is a corporation organized and existing under the laws of the State of
10 Delaware, with its principal place of business in Palo Alto, California. HPE may be served with
11 process through its registered agent, CT Corporation System at 818 West Seventh Street, Suite
12 930, Los Angeles, CA 90017.

13 3. Upon information and belief, HP, INC. (“HPI”) is a corporation organized and
14 existing under the laws of the State of Delaware, with its principal place of business in Palo Alto,
15 California. HPI may be served with process through its registered agent, The Corporation Trust
16 Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801.

17 **JURISDICTION AND VENUE**

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

20 5. Upon information and belief, HPE is subject to personal jurisdiction by this Court.
21 HPE has committed such purposeful acts and/or transactions in the State of California that it
22 reasonably knew and/or expected that it could be hailed into a California court as a future
23 consequence of such activity. HPE makes, uses, and/or sells infringing products within the
24 Northern District of California and has a continuing presence and the requisite minimum
25 contacts with the Northern District of California, such that this venue is a fair and reasonable
26 one. Upon information and belief, HPE has transacted and, at the time of the filing of this
27 Complaint, is continuing to transact business within the Northern District of California. For all
28

1 of these reasons, personal jurisdiction exists and venue is proper in this Court under 28 U.S.C.
2 §§ 1391(b)(1), (2) and (c)(2) and 28 U.S.C. § 1400(b).

3 6. Upon information and belief, HPI is subject to personal jurisdiction by this Court.
4 HPI has committed such purposeful acts and/or transactions in the State of California that it
5 reasonably knew and/or expected that it could be hailed into a California court as a future
6 consequence of such activity. HPI makes, uses, and/or sells infringing products within the
7 Northern District of California and has a continuing presence and the requisite minimum
8 contacts with the Northern District of California, such that this venue is a fair and reasonable
9 one. Upon information and belief, HPI has transacted and, at the time of the filing of this
10 Complaint, is continuing to transact business within the Northern District of California. For all
11 of these reasons, personal jurisdiction exists and venue is proper in this Court under 28 U.S.C.
12 §§ 1391(b)(1), (2) and (c)(2) and 28 U.S.C. § 1400(b).

13 **PATENTS-IN-SUIT**

14 7. On June 19, 2001, United States Patent No. 6,249,868 BI (“the ‘868 Patent”) was
15 duly and legally issued for “METHOD AND SYSTEM FOR EMBEDDED, AUTOMATED,
16 COMPONENT-LEVEL CONTROL OF COMPUTER SYSTEMS AND OTHER COMPLEX
17 SYSTEMS.” A true and correct copy of the ‘868 Patent is attached hereto as Exhibit A and
18 made a part hereof.

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

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

26 10. As it pertains to this lawsuit, the Patents-in-Suit, very generally speaking, relate to
27 a method and system of protecting electronic, mechanical, and electromechanical devices and
28 systems, such as for example a computer system, and their components and software from

1 unauthorized use. Specifically, certain claims of the '868 and '765 Patents disclose the
2 utilization of embedded agents within system components to allow for the enablement or
3 disablement of the system component in which the agent is embedded. The invention disclosed
4 in the Patents-in-Suit discloses a server that communicates with the embedded agent through the
5 use of one or more handshake operations to authorize the embedded agent. When the embedded
6 agent is authorized by the server, it enables the device or component, and when not authorized
7 the embedded agent disables the device or component by remotely locking the device.

8 **FIRST CLAIM FOR RELIEF**

9 **(Patent Infringement)**

10 11. SoftVault repeats and realleges every allegation set forth above.

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

14 13. The predecessor company to HPE and HPI, Hewlett-Packard Company ("HPC"),
15 was split into the two entities HPE and HPI in November of 2015. HPC has had actual notice of
16 the Patents-in-Suit at least as early as November 8, 2012, the date on which SoftVault sent its
17 first letter to HPC. Thereafter, SoftVault sent a letter to HPC on September 15, 2015 specifically
18 describing HPC's infringement of the Patents-in-Suit by virtue of its sale of the Touchpoint
19 manager software. Accordingly, HPC, HPE, and HPI have had knowledge of, or were willfully
20 blind to, the existence of the Patents-in-Suit since November 8, 2012, if not earlier.

21 14. Upon information and belief, one or both of HPE and HPI are currently infringing
22 the Patents-in-Suit, and one or both of HPE and HPI are liable for past infringement, including
23 infringement by the predecessor company HPC.

24 15. Upon information and belief, HPE and HPI are liable under 35 U.S.C. §271(a) for
25 direct infringement of the Patents-in-Suit because they manufacture, make, have made, use,
26 practice, import, provide, supply, distribute, sell, and/or offer for sale products and/or systems
27 that practice one or more claims of the Patents-in-Suit.

1 16. Upon information and belief, HPE and HPI are also liable under 35 U.S.C.
2 §271(b) for inducing infringement of, and under 35 U.S.C. §271(c) for contributory infringement
3 of the Patents-in-Suit because they manufacture, make, have made, use, practice, import,
4 provide, supply, distribute, sell, and/or offer for sale products and/or systems that practice one or
5 more claims of the Patents-in-Suit.

6 17. More specifically, HPE and HPI infringe the Patents-in-Suit because they make,
7 use, sell, and offer for sale products and systems which prevent unauthorized use of a computer
8 system through the ability to enable or disable the operation of a device's components utilizing
9 an authorization process performed by an embedded agent in the component and a server. By
10 way of example only, HPE and HPI's Touchpoint Manager software, at a minimum, in the past
11 directly infringed and continues to directly infringe at least claims 1 and 44 of the '868 Patent, as
12 well as at least claim 9 of the '765 Patent.

13 18. HPE and HPI's Touchpoint Manager software includes the capability to enable or
14 disable a mobile device, such as a tablet or smart phone, to prevent misuse of the system. The
15 HPE and HPI Touchpoint Manager software includes an agent (client application) that is
16 installed and embedded within a mobile device and communicates with an HPE/HPI Touchpoint
17 Manger server. This communication includes a series of message exchanges using Transport
18 Layer Security (TLS) and/or Secure Sockets Layer (SSL), constituting a handshake operation
19 between the server and the client application. Through these exchanges the server and the
20 embedded agent mutually authenticate one another, resulting in the authorization of a device in
21 which the client application is embedded. When the agent is authorized by the server, the mobile
22 device operates normally and when the agent is not authorized, the mobile device is remotely
23 locked and disabled.

24 19. By providing the HPE and HPI Touchpoint Manager software, HPE and HPI
25 have, in the past and continue to induce its customers and/or end users to infringe at least Claims
26 1 and 44 of the '868 Patent, as well as at least Claim 9 of the '765 Patent. For example, end users
27 of the accused products directly infringe at least Claims 1 and 44 of the '868 Patent, as well as at
28 least Claim 9 of the '765 Patent, when using or employing these systems.

1 20. On information and belief, HPE and HPI possessed a specific intent to induce
2 infringement by at a minimum, providing user guides and other sales-related materials, and by
3 way of advertising, solicitation, and provision of product instruction materials, that instruct its
4 customers and end users on the normal operation of the accused products and the remote lock
5 feature that infringes the Patents-in-Suit.

6 21. By providing these systems, HPE and HPI have, in the past and continue to
7 contribute to the infringement of their customers and/or end users of at least Claims 1 and 44 of
8 the '868 Patent, as well as at least Claim 9 of the '765 Patent.

9 22. Upon information and belief, the remote lock features within HPE and HPI's
10 accused products have no substantial non-infringing uses, and HPE and HPI know that the these
11 features are especially made or especially adapted for use in a product that infringes the Patents-
12 in-Suit.

13 23. SoftVault has been damaged as a result of HPE and HPI's infringing conduct.
14 HPE and HPI are, thus, liable to SoftVault in an amount that adequately compensates SoftVault
15 for HPE and HPI's infringement, which, by law, cannot be less than a reasonable royalty,
16 together with interest and 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 HPE and HPI, and that the
19 Court 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 HPE and HPI;
- 22 b. Judgment that HPE and HPI account for and pay to SoftVault all damages to and
23 costs incurred by SoftVault because of HPE and HPI's infringing activities and
24 other conduct complained of herein;
- 25 c. That HPE and HPI, their officers, agents, servants and employees, and those
26 persons in active concert and participation with any of them, be permanently
27 enjoined from infringement of the Patents-in-Suit. In the alternative, if the Court
28 finds that an injunction is not warranted, SoftVault requests an award of post

1 judgment royalty to compensate for future infringement;

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

5 e. 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 f. 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 DATED: February 18, 2016

/s/ Mark W. Good

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