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SOFTVAULT SYSTEMS, INC.

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

SOFTVAULT SYSTEMS, INC.,

Plaintiff,

vs.

KONY, 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 KONY,  
2 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, KONY, INC. (“Kony”) is a corporation organized  
8 and existing under the laws of the State of Delaware, with its principal place of business at 7380  
9 Sandy Lake Road, #390, Orlando, FL 32819. Kony may be served with process through its  
10 registered agent, Incorporating Services, Ltd., 7801 Folsom Boulevard, Suite 202, Sacramento,  
11 CA 95826.

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

1           12.     Upon information and belief, Kony is liable under 35 U.S.C. §271(a) for direct  
2 infringement of the Patents-in-Suit because it manufactures, makes, has made, uses, practices,  
3 imports, provides, supplies, distributes, sells, and/or offers for sale products and/or systems that  
4 practice one or more claims of the Patents-in-Suit.

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

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

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



- 1 c. That Kony, its officers, agents, servants and employees, and those persons in  
2 active concert and participation with any of them, be permanently enjoined from  
3 infringement of the Patents-in-Suit. In the alternative, if the Court finds that an  
4 injunction is not warranted, SoftVault requests an award of post judgment royalty  
5 to compensate for future infringement;
- 6 d. That SoftVault be granted pre-judgment and post-judgment interest on the  
7 damages caused to it by reason of Kony's infringing activities and other conduct  
8 complained of herein;
- 9 e. That this Court declare this an exceptional case and award SoftVault its  
10 reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and
- 11 f. That SoftVault be granted such other and further relief as the Court may deem just  
12 and proper under the circumstances.

13 **JURY DEMAND**

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

1 DATED: November 4, 2016

/s/ Mark W. Good

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