IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

ROSEBUD LMS, INC. Plaintiff, v. SALESFORCE.COM, INC. Defendant.	C.A. No. 1:17-cv-01712-GMS **JURY TRIAL DEMANDED**

COMPLAINT

For its Complaint, Plaintiff Rosebud LMS, Inc. ("Rosebud"), by and through the undersigned counsel, alleges as follows:

THE PARTIES

1. Plaintiff Rosebud is a corporation incorporated under the laws of the State of Delaware with its principal place of business at 155 East 77th Street, New York, New York.

2. Defendant Salesforce.com, Inc. ("Salesforce") is a corporation incorporated under the laws of the State of Delaware with its principal place of business at The Landmark at One Market, Suite 300, San Francisco, California 94105.

JURISDICTION AND VENUE

3. This action arises under the patent laws of the United States, Title 35 of the United States Code, 35 U.S.C. § 1 *et seq*. This Court has subject matter jurisdiction over this action pursuant to 35 U.S.C. § 271, and 28 U.S.C. §§ 1331 and 1338.

4. This Court has personal jurisdiction over Salesforce for at least the following reasons: (1) Salesforce is incorporated under the laws of the State of Delaware; (2) Salesforce has committed acts of patent infringement and induced acts of patent infringement by others in Delaware; (3) Salesforce conducts substantial business in the forum by regularly doing or soliciting business, engaging in other persistent courses of conduct, and/or deriving substantial revenue from goods and services provided to persons in this district.

5. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b), (c) and (d), as well as 28 U.S.C. § 1400(b) because as a corporation incorporated in Delaware, Salesforce resides in this District.

THE PATENTS-IN-SUIT

6. On November 5, 2013, The United States Patent and Trademark Office ("USPTO") duly and lawfully issued United States Patent 8,578,280 B2 (the "'280 patent"), entitled "Method and Software for Enabling N-Way Collaborative Work Over a Network of Computers." A true and correct copy of the '280 patent is attached hereto as Exhibit A.

7. On April 4, 2017, the USPTO duly and lawfully issued United States Patent 9,614,879 B2 (the "'879 patent"), entitled "Method and Software for Enabling N-Way Collaborative Work Over a Network of Computers." A true and correct copy of the '879 patent is attached hereto as Exhibit B.

8. The '280 and '879 patents (collectively, the "Rosebud patents") are each valid and subsisting, and Rosebud is the assignee and owner of all right, title, and interest in and to the Rosebud patents, including the right to assert all causes of action arising under said patents and to any remedies for infringement of them.

FACTUAL BACKGROUND

9. Collaborative work over the Internet has been growing in popularity and has proven to be an effective way for participants in different physical locations to communicate and cooperate on a common project or endeavor. The ability to view a common document, direct participant attention to a specific item, add visible annotations, and edit the document are all common features of this type of collaborative work. Collaborative work over the Internet can either be synchronous or asynchronous. In synchronous work, all participants interact in real-time through online activities. In asynchronous work, participants' activities can occur at different times. Online collaborative work can also be one-way or n-way. In a one-way collaboration, only one participant manipulates the document while other participants are only able to view the document and the manipulating participant's actions. In an n-way collaboration, each of the participants can manipulate the document and those manipulations are visible by all other participants.

10. At the time of the inventions of the Rosebud patents, there were two common approaches used to provide the abilities described above for collaborative work over the Internet. The first approach uses a universal document representation scheme, such as HTML, represented on a common application installed on all participants' workstations, typically a web browser. The second approach, called "application sharing," uses a single participant's workstation to run an application for document manipulation while each of the other remote participants receive a snapshot view of the application screen from the single workstation. Under this latter approach, remote users can manipulate the jointly viewed document through the replication of low-level events executed on the snapshot window to the single workstation running the application.

11. John J. Mohan, Moises Lejter, and Stephen Greene are the named inventors on both of the Rosebud patents. The inventors recognized significant limitations on both common

approaches used for collaborative work over the Internet at the time of their inventions. The first approach, using a universal document representation scheme, could not account and adjust for workstation-specific issues, such as screen resolution and size, making it difficult or impossible to notate the shared document in the same location on all participants' workstations. The second approach, application sharing, suffers from two main shortcomings. First, this approach can use an excessive amount of bandwidth to replicate the snapshot from the workstation onto all remote computers. Second, application sharing can create a security risk, since the same technology used to replicate low-level events can give a remote user complete control over the workstation where the application runs. Furthermore, efficient collaboration requires the ability to audibly and/or visually interact with other participants. Many of the collaborative applications available at the time of the inventions relied on cumbersome teleconference over regular telephone lines. While some applications provided for delivery of audio/visual ("a/v") information over the same computer network as the application, there remained a need for a solution that allowed for scalable delivery of a/v information that can adapt to the bandwidth available to each participant.

12. To solve these myriad problems, Mohan, Lejter, and Greene conceived a system, method, and software for synchronous collaborative work over a collection of computer workstations. These workstations, networked together, support a powerful, flexible, universal, and scalable mode of n-way collaborative work. In this model, a common application platform is enhanced by a software module. The software module can, in one embodiment, tie into the common application's internal event-processing engine to propagate any events that occur in one instance of the application across all instances in the application. The software module can also provide scalable a/v services from participants to see and hear each other when practical. The module also guarantees security in several possible ways: by limiting communications between

instances of the common application to only events that are meaningful within that application; by propagating no events that could have an effect outside of the application; by establishing protocols for participants to join a collaboration session and receive notifications of events on other participants' workstations; and by encrypting communications over the network that links participants' workstations.

13. Mohan, Lejter, and Greene's conception formed the basis for several inventions, including those claimed in the '280 and '879 patents.

14. Rosebud developed software that is available both as an internet-service and as an enterprise server. This software allows users to securely collaborate concurrently or independently without a browser on any platform and provides various features for communication between collaborators. Rosebud's software is covered by one or more claims of the Rosebud patents. An example of such software can be seen on http://www.rosebudplm.com/.

15. Several industry leaders in online collaborative work platforms have adopted the inventions disclosed and claimed in the '280 and '879 patents through licensing agreements with Rosebud.

16. Salesforce infringes the inventions claimed in the '280 and '879 patents through its "Quip" platform, *see* https://quip.com/about/, by producing and selling a system and method that utilizes common software that allows multiple users to replicate operations on the same object or file through a central hub accessible from multiple devices.

17. In late 2016, a representative of Rosebud first contacted Salesforce, which had recently acquired the Quip platform, to discuss the potential acquisition of Rosebud's patents and technology or, alternatively, a license to Rosebud's patents. At Salesforce's request, Rosebud identified its patent portfolio, including the '280 patent and the application from which the '879

patent issued, to Salesforce. Salesforce expressly confirmed to Rosebud that Salesforce was actively reviewing Rosebud's patents. Rosebud then continued its efforts to discuss its patents and technology with Salesforce, particularly in light of Salesforce's acquisition of Quip.

18. Beginning in the first half of 2017, Salesforce became unresponsive to Rosebud's attempts to discuss its patents and technology. Rosebud nevertheless continued its attempts, which included both phone calls and emails to attorneys in Salesforce's legal department.

19. On or about September 21, 2017, Rosebud again contacted Salesforce about discussing Rosebud's portfolio in light of Salesforce's continued integration of Quip into the Salesforce platform. Salesforce was informed that the '879 patent had issued and was provided with a copy of both the '280 and '879 patents. Rosebud clearly identified its patents as being relevant to the Quip platform, which was by that time being actively sold and promoted by Salesforce, including on its website.

20. Salesforce representatives have made numerous and repeated visits to Rosebud's website where, upon information and belief, they are reviewing and assessing the Rosebud software that embodies the inventions of Rosebud's patents. This review and assessment began only after Salesforce was made aware of Rosebud's patents and Rosebud's concerns that the Quip platform practices Rosebud's patented inventions.

21. Despite the foregoing, Salesforce has made no efforts and taken no steps to obtain Rosebud's permission to practice Rosebud's patented inventions in the over one and a half years since Salesforce first learned of and began reviewing Rosebud's patents and technology.

COUNT I – DIRECT INFRINGEMENT OF THE '280 PATENT

22. Rosebud repeats and realleges the allegations of Paragraphs 1-22 as if fully set forth herein.

23. Salesforce has infringed and continues to infringe one or more claims of the '280 patent, including at least claim 1, by making, using, selling and/or offering for sale, within this District and elsewhere in the United States, Salesforce's "Quip" product. *See* https://www.salesforce.com/products/quip/overview/.

24. For example, Salesforce infringes claim 1 of the '280 patent, which provides:

A method for collaboration over a computer network that:

(1) intercepts data regarding one or more application level events that occur within a first instance of a stand-alone application operable to create and edit documents in response to user actions, wherein the one or more application level events reflect user actions that result in changes to a native document file generated by the first instance of the stand-alone application;

(2) transmits data comprising the native document file and the data regarding one or more application level events over the computer network, automatically and in real time, to a second instance of the stand-alone application;

(3) causes the second instance of the stand-alone application:

(i) to display a local copy of a document corresponding to a local copy of the native document file,

(ii) to receive and use the data comprising data regarding one or more application level events to replicate the events that occurred within the first instance,

(iii) to mirror the user actions performed in the first instance without user intervention by performing an equivalent action on the local copy of the native document file and thereby make corresponding changes to the local copy of the native document file, and

(iv) to display the changes to the local copy of the document, and

(4) wherein no events that have an effect outside the stand-alone application are propagated to provide security of the collaboration.

25. The Quip product performs every step of claim 1 and Salesforce has been placed on notice of its infringement by communications beginning at least as early as late 2016 shortly after Salesforce's acquisition of Quip.

26. Salesforce's Quip product is software that can run on multiple cloud-based devices, allowing collaboration and communication between multiple parties. *See* https://quip.com/blog/desktop. Quip allows its multiple users to simultaneously view the same document on multiple devices and simultaneously communicates changes made by individual users to all other approved users in real-time. *Id.*

27. More particularly, Quip can import, create, and edit documents or files using the Quip application. *See* https://quip.com/about/tour; For example, Quip allows the user to create a document in a format dictated by the Quip product (a "Quip native document file"). Quip can automatically identify and capture changes made to a document or file, including a Quip native document file, in real time by a user in one instance of the Quip application with operations that include, *inter alia*, bolding, italicizing, underlining, and striking through text, or adding text. *See* https://quip.com/features/documents.

28. Quip can replicate and share a document, including a Quip native document file, with multiple collaborators by transmitting the document over a network and displaying the document via separate instances of the Quip application operated by other individuals. *See* https://www.quipsupport.com/hc/en-us/articles/212427343-7-things-to-do-in-your-first-day-in-Quip. Quip can also replicate and share changes to a document or file, including a Quip native document file, made by a user in one instance of the Quip application by transmitting the changes over a network and displaying those changes to other collaborators on their instances of the Quip application. *See* https://quip.com/features/documents; https://www.quipsupport.com/hc/en-us/articles/115001140343-How-do-notifications-work-. Quip intercepts such changes even if the user is offline and transmits them once the user goes back online. *See* https://www.youtube.com/watch?v=25frX7d8eIc&t=1713s (at 23:00). The document and changes can be transmitted via Quip from one device running or operating an instance of the Quip application to another device running or operating an instance of the Quip application. Quip therefore acts as a common (stand-alone) application to create and edit documents in response to user actions.

29. Quip then displays or makes available for display the document or file, including the Quip native document file, and any changes made by a user via one instance of the application to all instances of the application operated by collaborators. *Id*. Quip also allows real time revision history, edit tracking, and conversation logs made via any single instance of the application to be viewed on all other instances of the application operated by collaborators. *Id*. Actions performed on one instance of the document or file by a first collaborator are mirrored on the instance of the document or file being accessed by another collaborator. Using Quip, each permitted user will see the same document and changes to it made by all permitted users, the document and changes will

have the same appearance to each permitted user, and each permitted user will have the ability to edit the document.

30. To provide security of the collaboration, Quip provides security features such as a required HTTPS connection, data transmission and encryption over SSL connections, firewall protection of servers to guard against unauthorized access or "eavesdropping." Quip also provides other measures to assure that only designated documents or data are accessed, and that only intended changes are made via the Quip application by authorized users, such as, *inter alia*, allowing access to and operations on a given document to be limited via the Quip application to designated user(s). *See* https://www.quipsupport.com/hc/en-us/articles/210436206-How-secure-are-my-documents-Who-can-view-the-content-; https://quip.com/blog/external-sharing-partners-vendors-quip.

31. The foregoing structure, function and operation of the Quip application meets all limitations of at least claim 1 of the '280 patent.

32. Quip can also import, create, and edit documents and files using "Live Apps," applications the functionality of which is integrated with the Quip functionality using a plugin. *See* https://quip.com/about/live-apps; https://marketplace.atlassian.com/plugins/quip.jira.liveapp/cloud/overview. For example, a document can be created or edited in a Live App format (a "Live App native document file") via the Quip functionality. Quip can then automatically identify and capture changes made to the document or file, including the Live App native document file, in real time by a user in one instance of the Quip/Live App with operations made available through the Quip application.

33. Upon information and belief, Quip can replicate and share a document within an integrated Quip/Live App, including a Live App native document file, with multiple collaborators

by transmitting the document over a network and displaying the document on separate instances of the Live App and/or Quip/Live App operated by other individuals. Quip can also replicate and share the changes to the document or file, including a Live App native document file, in the integrated Quip/Live App made by one user in one instance of the Quip/Live App by transmitting the changes over a network and displaying those changes or making them available for display to other collaborators on their instances of the Live App and/or Quip/Live App. The document and changes can be transmitted via Quip from one device running or operating an instance of the Quip/Live App to another device running or operating an instance of the Live App and/or Quip/Live App.

34. Upon information and belief, Quip displays or makes available for display the document or file, including a Live App native document file, and any changes made by a user in an integrated Quip/Live App in one instance of the Quip application to all instances of the Live App and/or Quip/Live App operated by designated collaborators. Quip also allows real time revision history, edit tracking, and conversation logs made via any single instance of the integrated Quip/Live App to be viewed on all other instances of the Quip/Live App operated by designated collaborators. Actions performed on one instance of the document or file by a first collaborator are mirrored on the instance of the document or file being accessed by another collaborator. Using Quip, each permitted user will see the same document and changes to it made by all permitted users, the document and changes will have the same appearance to each permitted user, and each permitted user will have the ability to edit the document.

35. Upon information and belief, Quip allows the data of the integrated Quip/Live App, including a Live App native document file, to be updated securely using security features in the Quip application, such that the data and resulting updated document are only available to those

authorized to access the document and data, and an authorized user's access is limited to the specific document and data. *See* https://www.youtube.com/watch?v=xDZnEVt_NXI (at 1:00).

36. The foregoing structure, function and operation of the integrated Quip/Live Apps therefore meets all limitations of at least claim 1 of the '280 patent.

37. In the alternative, Salesforce has partnered with third parties to practice all elements of at least claim 1 of the '280 patent, including, *inter alia*, Atlassian, Facebook., Google, Lucid Software, Smartsheet, and Docusign, such that the acts of these third parties are attributable to Salesforce.

38. Upon information and belief, Salesforce directs and/or controls the actions of these third party Live App developers regarding the functions of the Live Apps necessary to practice at least claim 1 of the '280 patent, as well as the actions of users of Quip and the Live Apps pertaining to those functions. Salesforce facilitates the embedding of a Live App into Quip pursuant to Salesforce's direction and specifications. Salesforce produces the application programming interface (API) code necessary to integrate the functionality of Quip and a Live App, and actively encourages developers to integrate that code into a Live App. The functionality of the Live App is thereby directed and controlled via Quip, and Salesforce directs users to use Quip to operate the Live App in a manner that practices all elements of at least claim 1 of the '280 patent as described above in Paragraphs 26-30.

39. Alternatively, upon information and belief, Salesforce and the third party Live App developers form a joint enterprise. Salesforce and each of the third party Live App developers expressly or impliedly agree to work together by modifying their respective software applications to assure that they operate in the manner that practices all elements of at least claim 1 of the '280 patent. Salesforce and the third party Live App developers share a common purpose to provide

collaborative workplace software that performs the actions described above in Paragraphs 26-30. Salesforce and the third party Live App developers share in a pecuniary interest in consumers jointly using their products. Salesforce and the third party Live App developers both have an equal right to a voice in deciding to allow compatibility with one another's software applications.

40. The actions regarding the Live Apps are therefore attributable to Salesforce, who is directly liable for any infringement resulting from the actions of the joint enterprise.

41. Salesforce's actions are without license and authorization.

42. Upon information and belief, Salesforce has had knowledge and notice of the '280 patent, as well as of its own infringement of the '280 patent, since well before the filing of this Complaint, but has taken no action to obtain permission to practice Rosebud's patents.

43. Salesforce's unauthorized actions therefore constitute direct infringement of Rosebud's exclusive rights pursuant to 35 U.S.C. § 271(a), and Rosebud is entitled to recover from Salesforce the damages sustained as a result of Salesforce's infringement of the '280 patent in an amount to be determined at trial, which amount shall be no less than a reasonable royalty, together with interest and costs as fixed by this Court pursuant to 35 U.S.C. § 284. Furthermore, Salesforce has acted and continues to act in willful infringement of the '280 patent, justifying an award to Rosebud of increased damages under 35 U.S.C. § 284.

COUNT II – INDIRECT INFRINGEMENT OF THE '280 PATENT

44. Rosebud repeats and realleges the allegations of Paragraphs 1-43 as if fully set forth herein.

45. Salesforce has induced and continues to induce infringement of at least claim 1 of the '280 patent under 35 U.S.C § 271(b).

46. In addition to directly infringing the '280 patent, Salesforce indirectly infringes the '280 patent by knowlingly instructing, encouraging, directing, and/or otherwise requiring others, including customers, users, and developers, to practice one or more claims of the '280 patent, including claim 1. Salesforce had knowledge and notice of the '280 patent since at least late 2016, and, as a result of its review of the patent and communications with Rosebud, was on notice that the Quip product infringes the '280 patent well before the initial complaint was filed.

47. Salesforce knowingly and actively supported the direct infringement of the '280 patent by instructing and encouraging customers, users, and developers to use Quip in an infringing manner as set forth in Paragraphs 26-30 above. Such instructions and encouragement include, *inter alia*, advertising and promoting the use of Quip in an infringing manner, providing the Quip product to third parties for use in an infringing manner, and providing guidelines and instructions to third parties on how to use Quip in such an infringing manner.

48. Salesforce updates and maintains a website to advertise and promote the use of Quip in an infringing manner as set forth in Paragraphs 26-30 above, to provide Quip for sale to third parties, and to provide guidelines and instructions on how to use Quip in an infringing manner. *See*, https://quip.com/about/home-1; https://www.quipsupport.com/hc/en-us/categories/201457866-Get-Started-Guides. Furthermore, Salesforce updates and maintains a series of videos and video playlist on the Youtube.com website in order to advertise and promote the use of Quip in an infringing manner and to provide guidelines and instructions on how to use Quip in an infringing manner. *See*, *e.g.*, https://www.youtube.com/channel/UCe2SstU9zzBTr6eqO1T8sQA/videos.

49. Salesforce's unauthorized actions therefore constitute indirect infringement of Rosebud's exclusive rights pursuant to 35 U.S.C. § 271(b), and Rosebud is entitled to recover from

Salesforce the damages sustained as a result of Salesforce's infringement of the '280 patent in an amount to be determined at trial, which amount shall be no less than a reasonable royalty, together with interest and costs as fixed by this Court pursuant to 35 U.S.C. § 284. Furthermore, Salesforce has acted and continues to act in willful infringement of the '280 patent, justifying an award to Rosebud of increased damages under 35 U.S.C. § 284.

COUNT III – DIRECT INFRINGEMENT OF THE '879 PATENT

50. Rosebud repeats and realleges the allegations of Paragraphs 1-49 as if fully set forth herein.

51. Salesforce has infringed and continues to infringe one or more claims of the '879 patent, including at least claim 1, by making, using, selling and/or offering for sale, within this District and elsewhere in the United States, Salesforce's "Quip" product. *See* https://www.salesforce.com/products/quip/overview/.

52. For example, Salesforce infringes claim 1 of the '879 patent, which provides:

> A method for collaboration over a computer network that:
>
> (1) tracks one or more application level events that occur within a first instance of a stand-alone application operable to create and edit documents in response to user actions wherein the one or more application level events reflect user actions that result in changes to a native document file generated by the first instance of the stand-alone application;
>
> (2) transmits data comprising the native document file and data regarding one or more application level events over the computer network, automatically and in real time, to a second instance of the stand-alone application;

(3) causes the second instance of the stand-alone application:

(i) to display a local copy of a document corresponding to a local copy of the native document file,

(ii) to receive and use the data comprising data regarding one or more application level events to replicate the events that occurred within the first instance,

(iii) to mirror the user actions performed in the first instance without user intervention by performing an equivalent action on the local copy of the native document file and thereby make corresponding changes to the local copy of the native document file, and

(iv) to display the changes to the local copy of the document, and

(4) wherein, in order to provide security for the collaboration, no events that have an effect outside the stand-alone application are propagated.

53. The Quip product performs every step of claim 1 and Salesforce has been placed on notice of its infringement by communications beginning at least as early as late 2016 shortly after Salesforce's acquisition of Quip.

54. Salesforce's "Quip" product is software that can run on multiple cloud-based devices, allowing collaboration and communication between multiple parties. *See* https://quip.com/blog/desktop. Quip allows its multiple users to simultaneously view the same document on multiple devices and simultaneously communicates changes made by individual users to all other approved users in real-time. *Id.*

55. More particularly, Quip can import, create, and edit documents or files using the Quip application. *See* https://quip.com/about/tour. For example, Quip allows the user to create a

document in a format dictated by the Quip product (a "Quip native document file"). Quip can automatically track changes made to a document or file, including a Quip native document file, in real time by a user in one instance of the Quip application with operations that include, *inter alia*, bolding, italicizing, underlining, and striking through text, or adding text. *See* https://quip.com/features/documents.

56. Quip can replicate and share a document with multiple collaborators by transmitting the document, including a Quip native document file, over a network and displaying the document via separate instances of the Quip application operated by other individuals. *See* https://www.quipsupport.com/hc/en-us/articles/212427343-7-things-to-do-in-your-first-day-in-Quip. Quip can also replicate and share changes to a document or file, including a Quip native document file, made by a user in one instance of the Quip application by transmitting the changes over a network and displaying those changes to other collaborators on their instances of the Quip application. *See* https://quip.com/features/documents; https://www.quipsupport.com/hc/en-us/articles/115001140343-How-do-notifications-work-. Quip tracks such changes even if the user is offline and transmits them once the user goes back online. *See* https://www.youtube.com/watch?v=25frX7d8eIc&t=1713s (at 23:00). The document and changes can be transmitted via Quip from one device running or operating an instance of the Quip application to another device running or operating an instance of the Quip application. Quip therefore acts as a common (stand-alone) application to create and edit documents in response to user actions.

57. Quip then displays or makes available for display the document or file, including the Quip native file, and any changes made by a user via one instance of the application to all instances of the application operated by collaborators. *Id*. Quip also allows real time revision

history, edit tracking, and conversation logs made on any single instance of the application to be viewed on all other instances of the application operated by collaborators. *Id*. Actions performed on one instance of the document of file by a first collaborator are mirrored on the instance of the document or file being accessed by another collaborator. Using Quip, each permitted user will see the same document and changes to it made by all permitted users, the document and changes will have the same appearance to each permitted user, and each permitted user will have the ability to edit the document.

58. To provide security of the collaboration, Quip provides security features such as a required HTTPS connection, data transmission and encryption over SSL connections, firewall protection of servers to guard against unauthorized access or "eavesdropping." Quip also provides other measures to assure that only designated documents or data are accessed, and that only intended changes are made via the Quip application by authorized users, such as, *inter alia*, allowing access to and operations on a given document to be limited via the Quip application to designated user(s). *See* https://www.quipsupport.com/hc/en-us/articles/210436206-How-secure-are-my-documents-Who-can-view-the-content-; https://quip.com/blog/external-sharing-partners-vendors-quip.

59. The foregoing structure, function and operation of the Quip application meets all limitations of at least claim 1 of the '879 patent.

60. Quip can also import, create, and edit documents and files using "Live Apps," applications the functionality of which is integrated with the Quip functionality using a plugin. *See* https://quip.com/about/live-apps; https://marketplace.atlassian.com/plugins/quip.jira.liveapp/cloud/overview. For example, a document can be created or edited in a Live App format (a "Live App native document file") via

the Quip functionality. The integrated Quip/Live App can then automatically track changes made to the document or file, including the Live App native document file, in real time by a user in one instance of the Quip/Live App with operations made available through the Quip application.

61. Upon information and belief, Quip can replicate and share a document within an integrated Quip/Live App, including a Live App native document file, with multiple collaborators by transmitting the document over a network and displaying the document on separate instances of the Live App and/or Quip/Live App operated by other individuals. Quip can also replicate and share the changes to the document or file, including a Live App native document file, in the integrated Quip/Live App made by one user in one instance of the Quip/Live App by transmitting the changes over a network and displaying those changes to other collaborators on their instances of the Live App and/or Quip/Live App. The document and changes can be transmitted via Quip from one device running or operating an instance of the Quip/Live App to another device running or operating an instance of the Live App and/or Quip/Live App.

62. Upon information and belief, Quip displays or makes available for display the document or file, including the Live App native document file, and any changes made by a user in an integrated Quip/Live App in one instance of the Quip application to all instances of the Live App and/or Quip/Live App operated by designated collaborators. Quip also allows real time revision history, edit tracking, and conversation logs made via any single instance of the integrated Quip/Live App to be viewed on all other instances of the Quip/Live App operated by designated collaborators. Actions performed on one instance of the document or file by a first collaborator are mirrored on the instance of the document or file being accessed by another collaborator. Using Quip, each permitted user will see the same document and changes to it made by all permitted

users, the document and changes will have the same appearance to each permitted user, and each permitted user will have the ability to edit the document.

63. Upon information and belief, Quip allows the data of the integrated Quip/Live App, including a Live App native document file, to be updated securely using security features in the Quip application, such that the data and resulting updated document are only available to those authorized to access the document and data, and an authorized user's access is limited to the specific document and data. *See* https://www.youtube.com/watch?v=xDZnEVt_NXI (at 1:00).

64. The foregoing structure, function and operation of the integrated Quip/Live Apps meets all limitations of at least claim 1 of the '879 patent.

65. In the alternative, Salesforce has partnered with third parties to practice all elements of at least claim 1 of the '879 patent, including, *inter alia*, Atlassian, Facebook., Google, Lucid Software, Smartsheet, and Docusign, such that the acts of these third parties are attributable to Salesforce.

66. Upon information and belief, Salesforce directs and/or controls the actions of these third party Live App developers regarding the functions of the Live Apps necessary to practice at least claim 1 of the '879 patent, as well as the actions of users of Quip and the Live Apps pertaining to those functions. Salesforce facilitates the embedding of a Live App into Quip pursuant to Salesforce's direction and specifications. Salesforce produces the application programming interface (API) code necessary to integrate the functionality of Quip and a Live App, and actively encourages developers to integrate that code into a Live App. The functionality of the Live App is thereby directed and controlled via Quip, and Salesforce directs users to use Quip to operate the Live App in a manner that practices all elements of at least claim 1 of the '879 patent as described above in Paragraphs 54-58.

67. Alternatively, upon information and belief, Salesforce and the third party Live App developers form a joint enterprise. Salesforce and each of the third party Live App developers expressly or impliedly agree to work together by modifying their respective software applications to assure that they operate in the manner that practices all elements of at least claim 1 of the '879 patent. Salesforce and the third party Live App developers share a common purpose to provide collaborative workplace software that performs the actions described above in Paragraphs 54-58. Salesforce and the third party Live App developers share in a pecuniary interest in consumers jointly using their products. Salesforce and the third party Live App developers both have an equal right to a voice in deciding to allow compatibility with one another's software applications.

68. The actions regarding the Live Apps are therefore attributable to Salesforce, who is directly liable for any infringement resulting from the actions of the joint enterprise. *See Id.*

69. Salesforce's actions are without license and authorization.

70. Upon information and belief, Salesforce has had knowledge and notice of the '879 patent, as well as of its own infringement of the '879 patent, since well before the filing of this Complaint, but has taken no action to obtain permission to practice Rosebud's patents.

71. Salesforce's unauthorized actions therefore constitute direct infringement of Rosebud's exclusive rights pursuant to 35 U.S.C. § 271(a), and Rosebud is entitled to recover from Salesforce the damages sustained as a result of Salesforce's infringement of the '879 patent in an amount to be determined at trial, which amount shall be no less than a reasonable royalty, together with interest and costs as fixed by this Court pursuant to 35 U.S.C. § 284. Furthermore, Salesforce has acted and continues to act in willful infringement of the '879 patent, justifying an award to Rosebud of increased damages under 35 U.S.C. § 284.

COUNT IV – INDIRECT INFRINGEMENT OF THE '879 PATENT

72. Rosebud repeats and realleges the allegations of Paragraphs 1-71 as if fully set forth herein.

73. Salesforce has induced and continues to induce infringement of at least claim 1 of the '879 patent under 35 U.S.C § 271(b).

74. In addition to directly infringing the '879 patent, Salesforce indirectly infringes the '879 patent by knowlingly instructing, encouraging, directing, and/or otherwise requiring others, including customers, users, and developers, to practice one or more claims of the '879 patent, including claim 1. Salesforce had knowledge and notice of the '879 patent since at least late 2016, and, as a result of its review of the patent and communications with Rosebud, was on notice that the Quip product infringes the '879 patent well before the initial complaint was filed.

75. Salesforce knowingly and actively supported the direct infringement of the '879 patent by instructing and encouraging customers, users, and developers to use Quip in an infringing manner as set forth in Paragraphs 54-58 above. Such instructions and encouragement include, *inter alia*, advertising and promoting the use of Quip in an infringing manner, providing the Quip product to third parties for use in an infringing manner, providing guidelines and instructions to third parties on how to use Quip in such an infringing manner.

76. Salesforce updates and maintains a website to advertise and promote the use of Quip in an infringing manner in an infringing manner as set forth in Paragraphs 54-58 above, to provide Quip for sale to third parties, and to provide guidelines and instructions on how to use Quip in an infringing manner. *See* https://quip.com/about/home-1; https://www.quipsupport.com/hc/en-us/categories/201457866-Get-Started-Guides. Furthermore, Salesforce updates and maintains a series of videos and video playlist on the Youtube.com website

in order to advertise and promote the use of Quip in an infringing manner and to provide guidelines and instructions on how to use Quip in an infringing manner. *See, e.g.*, https://www.youtube.com/channel/UCe2SstU9zzBTr6eqO1T8sQA/videos.

77. Salesforce's unauthorized actions therefore constitute indirect infringement of Rosebud's exclusive rights pursuant to 35 U.S.C. § 271(b), and Rosebud is entitled to recover from Salesforce the damages sustained as a result of Salesforce's infringement of the '879 patent in an amount to be determined at trial, which amount shall be no less than a reasonable royalty, together with interest and costs as fixed by this Court pursuant to 35 U.S.C. § 284. Furthermore, Salesforce has acted and continues to act in willful infringement of the '280 patent, justifying an award to Rosebud of increased damages under 35 U.S.C. § 284.

JURY DEMAND

Rosebud hereby demands a trial by jury on all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Rosebud requests that this Court enter judgment against Salesforce as follows:

A. Adjudicating and declaring that Defendant Salesforce.com, Inc. has infringed the '280 patent, directly and/or by inducement;

B. Adjudicating and declaring that Defendant Salesforce.com, Inc. has infringed the '879 patent, directly and/or by inducement;

C. Awarding damages to be paid by Defendant adequate to compensate Rosebud for Defendant's past infringement of the '280 and '879 patents and any continuing or future infringement through the date such judgment is entered, including interest, costs, expenses and an accounting of all infringing acts including, but not limited to, those acts not presented at trial;

D. Enhancing the damages awarded to Rosebud up to three times;

E. Awarding Rosebud pre-judgment and post-judgment interest;

F. Declaring this case to be exceptional under 35 U.S.C. § 285, and awarding Rosebud its reasonable attorneys' fees and costs; and

G. Awarding Rosebud such other and further relief at law or in equity as this Court deems just and proper.

Respectfully submitted,

Date: February 9, 2018

/s/ Stamatios Stamoulis

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