IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS EASTERN DIVISION

RAIN COMPUTING, INC.,)	
Plaintiff,)	
v.) Case No.	
SAMSUNG ELECTRONICS CO., LTD.; SAMSUNG ELECTRONICS AMERICA, INC.; AND SAMSUNG RESEARCH AMERICA, INC.,))) Jury Trial Demand))	ded
Defendants.)))	

RAIN COMPUTING, INC.'S COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Rain Computing, Inc. ("Rain Computing") brings this Complaint for patent infringement against Defendants Samsung Electronics Co., Ltd. ("SEC"), Samsung Electronics America, Inc. ("SEA"), and Samsung Research America, Inc. ("SRA") (collectively, "Samsung"). The "Asserted Patent," attached hereto as Exhibit 1 and incorporated herein by reference, is U.S. Patent No. 9,805,349, first filed November 22, 2007, and issued October 31, 2017, after a successful appeal to the Patent Trial and Appeal Board, *Ex parte Chang*, Appeal No. 2015-003805 (Aug. 23, 2017).

THE PARTIES

- 1. Rain Computing is a Delaware corporation with its principal place of business at 1 Broadway, 14th Floor, Cambridge, MA 02142.
- 2 Rain Computing, founded in 2007, is so named to contrast its technology and services from the more common "cloud computing" offerings of other companies. Whereas

"cloud computing" connects end-users of "local" computing devices to remote "server" computers (often to execute software applications at such servers), Rain Computing's then-new paradigm of delivery ("raining") enables software applications to execute "natively" on a subscribed end-user's computer in the manner disclosed and claimed in the Asserted Patent. Rain Computing develops software deployment systems based on this paradigm to support independent software vendors, enterprise information technology departments, and end-users—which allows, among other things, conditions such as payment terms to be set through a subscription and local-coupling scheme. Among other advantages, this allows the vendor and end-user to "meter" use securely at price that is a fraction of the price previously charged for a copy of the software package.

- 3. On information and belief, SEC is a foreign corporation of South Korea with its principal place of business at 129, Samsung-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, 16677, South Korea.
- 4. On information and belief, SEA is a New York corporation with its principal place of business at 85 Challenger Road, Ridgefield Park, NJ 07660. On information and belief, SEA is a wholly owned subsidiary of SEC.
- 5. On information and belief, SRA is a California corporation with its principal place of business at 665 Clyde Avenue, Mountain View, CA 94043. On information and belief, SRA is a wholly owned subsidiary of SEA.

JURISDICTION AND VENUE

6. This action arises under the patent laws of the United States, 35 U.S.C. §§ 1 *et seq.* This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

- 7. Samsung maintains at least a place of business in the District of Massachusetts at 3 Van de Graaff Drive, Burlington, MA 01803. On information and belief, Samsung has also maintained an office at 255 Main Street, Suite #702 Cambridge, MA 02142. Samsung regularly engages in business in Massachusetts by, for example, offering and selling products and services to customers in Massachusetts. This Court has personal jurisdiction over Samsung because, among other things, Samsung conducts business in Massachusetts and thus enjoys the privileges and protections of Massachusetts law.
- 8. In furtherance of its business in Massachusetts, Samsung distributes software to customers in Massachusetts by, for example, selling electronic devices to customers and providing app stores that customers use to access software applications to which they are subscribed. These activities, among others, by Samsung that occur in Massachusetts give rise to this patent infringement action. Venue is proper in the District of Massachusetts under 28 U.S.C. §§ 1391 and 1400(b).

U.S. PATENT NO. 9,805,349

- 9. Hsuanyeh Chang, Ph.D. ("Dr. Chang"), is the inventor of the Asserted Patent. Dr. Chang is the founder of Rain Computing. The Asserted Patent has been assigned to Rain Computing.
- 10. Prior to 2007, Dr. Chang invented new processes for deploying software. At that time, a conventional channel for a user to obtain software for application on a computing device involved the user (a) walking into a brick-and-mortar store; (b) browsing a selection of boxes containing CD or DVD copies of software applications; (c) paying the full price for a copy of a software application that may be minimally used or bundled with unwanted software; (d) manually inserting the CD or DVD into the user's computer optical drive to install the software

in the computer system; and (e) then repeating the process perhaps a year later when an updated version of the software application was released. Even with the alternative channel by which a user downloaded a software application from a web distribution source, the user generally paid a one-time fee to possess and use that downloaded copy of a software application, regardless of the amount of actual usage. The one-time fee for either distribution channel, set to reflect the value of the software and its unlimited (until obsolescence) use, is unattractive to and sometimes prohibitive for the infrequent user. Dr. Chang invented improved systems and methods for controlling access of software deployed over computer networks based on user subscription and identification coupling with the user device and claimed this in part in the Asserted Patent. Among other applications of the claimed invention is the technological conditioning of full deployment (through execution) of software according to the user subscription, which may include payment or other benefit to the operator of the system for uses limited by, for example, subscription time periods.

11. In particular, the Asserted Patent discloses methods and systems for delivering software packages to client terminals based on a subscription service by which a user is charged for specific applications that the user is subscribed to use. Ex. 1 at abs. For example, the Asserted Patent discloses that a user on a client terminal can subscribe to software services of a service provider and be presented with a list of application packages included in the user's subscription. *Id.* at 4:9-13, 23-26, 5:36-42. The user can select a specific application package from the list and then download, install, and run the application package on the client terminal. *Id.* at 5:51-63. The user may be charged based on the application packages that the user is subscribed to. *Id.* at 6:51-52.

COUNT I: INFRINGEMENT OF U.S. PATENT NO. 9,805,349

- 12. Rain Computing incorporates the allegations of paragraphs 1 through 11 above.
- 13. Samsung is a multinational conglomerate with numerous affiliated businesses. In particular, Samsung makes, imports, offers to sell, and sells electronic devices in the United States, including smartphones, such as its Galaxy S7, S8, S9, and S9+ smartphones.
- 14. In addition to the electronic devices, Samsung develops software applications that can be downloaded, installed, and executed on the electronic devices in the United States. Samsung provides these numerous "apps," such as the Samsung Smart Home app, to users in the United States.
- 15. Samsung makes its software applications, as well as software applications developed by others, available to the electronic devices through app stores, such as the Galaxy Apps app store, in the United States. Samsung deploys the software applications through the app stores to the electronic devices in the United States in a manner claimed by the Asserted Patent.
- applications for delivery through the app stores. Samsung controls access to the apps stores by requiring the users to register, subscribe, and/or agree to certain terms before that user can receive apps offered through the app stores. Users of the electronic devices who desire to use the apps available through the app stores must download and install those apps on the electronic devices. Samsung further establishes the manner in which the users perform such download and installation by requiring the users to access the app stores to do so.
- 17. Samsung has infringed and continues to infringe at least claims 1-3, 5-12, 14-19, 21-24, and 26-27 of the Asserted Patent in violation of 35 U.S.C. § 271(a) by using the claimed methods in the United States to deliver apps (including but not limited to Samsung Smart

Home) to users of Samsung's electronic devices (including but not limited to Samsung Galaxy S7, S8, S9, and S9+ smartphones) via users' subscriptions to the app stores (including but not limited to Samsung Galaxy Apps app store). Samsung's infringement is based on literal infringement or infringement under the doctrine of equivalents.

18. Samsung is practicing the Asserted Patent without permission from Rain Computing. Samsung's infringement of the Asserted Patent has injured and continues to injure Rain Computing. Rain Computing will continue to be irreparably harmed unless this Court enjoins Samsung.

PRAYER FOR RELIEF

WHEREFORE, Rain Computing respectfully requests the following:

- A. A judgment declaring that Samsung infringes the Asserted Patent;
- B. A judgment awarding Rain Computing damages resulting from Samsung's infringement of the Asserted Patent;
- C. A judgment requiring Samsung to pay Rain Computing costs, expenses, and prejudgment and post-judgment interest for Samsung's infringement of each of the Asserted Patent;
- D. A permanent injunction preventing Samsung, its officers, directors, attorneys, agents, servants, employees, parties in privity with, and all persons in active concert or participation with any of the foregoing, from infringing the Asserted Patent; and
 - E. Such other relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Rain Computing respectfully demands a jury trial of all issues triable to a jury.

Respectfully submitted,

Dated: December 26, 2018 By: <u>/s/ Stephen Y. Chow</u>

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