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19 SOFTVAULT SYSTEMS, INC.

20 **UNITED STATES DISTRICT COURT**
21 **CENTRAL DISTRICT OF CALIFORNIA**
22 **SOUTHERN DIVISION**

23 SOFTVAULT SYSTEMS, INC.,
24 Plaintiff,
25 vs.
26 BMW OF NORTH AMERICA, LLC,
27 Defendant.

CASE NO.

**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
2 Defendant BMW OF NORTH AMERICA, LLC, alleging as follows:

3 **THE PARTIES**

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

7 2. Upon information and belief, BMW OF NORTH AMERICA, LLC
8 (“BMW”) is a limited liability company organized and existing under the laws of
9 the State of Delaware, with its principal place of business at 300 Chestnut Ridge
10 Road, Woodcliff, New Jersey 07677. BMW may be served with process through
11 its registered agent, C T Corporation System at 818 W. 7th Street, Suite 930, Los
12 Angeles, California 90017, within this District.

13 **JURISDICTION AND VENUE**

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

16 4. Upon information and belief, BMW is subject to personal jurisdiction
17 by this Court. BMW maintains several regular and established places of business
18 within this District and Division. For example, BMW operates four dealerships
19 within Orange County, California, including: Crevier BMW at 1500 Auto Mall
20 Drive, Santa Ana, California 92705; Sterling BMW at 3000 W. Coast Highway,
21 Newport Beach, California 92663; BMW of Buena Park at 6750 Auto Center
22 Drive, Buena Park, California 90621; and, Irvine BMW at 9881 Research Drive,
23 Irvine, California 92618. Each of these dealerships also operates as a BMW
24 Certified Service Center.

25 5. Additionally, BMW has committed such purposeful acts and/or
26 transactions in the State of California that it reasonably knew and/or expected that
27 it could be hailed into a California court as a future consequence of such activity.
28 BMW makes, uses, and/or sells infringing products within the Central District of

1 California from at least the four dealerships and service centers it operates in this
2 District and Division whereby BMW has a continuing presence and the requisite
3 minimum contacts with the Central District of California, such that this venue is a
4 fair and reasonable one. Upon information and belief, BMW has transacted and, at
5 the time of the filing of this Complaint, is continuing to transact business within
6 the Central District of California from at least these dealerships and service
7 centers. For all of these reasons, personal jurisdiction exists and venue is proper in
8 this Court under 28 U.S.C. §§ 1391(b)(1), (2) and (c)(2) and 28 U.S.C. § 1400(b).

9 **PATENTS-IN-SUIT**

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

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

22 8. The ‘868 Patent and the ‘765 Patent are sometimes referred to herein
23 collectively as “the Patents-in-Suit.”

24 9. As it pertains to this lawsuit, the Patents-in-Suit, very generally
25 speaking, relate to a method and system of protecting electronic, mechanical, and
26 electromechanical devices and systems, such as for example a computer system,
27 and their components and software from unauthorized use. Specifically, certain
28 claims of the ‘868 and ‘765 Patents disclose the utilization of embedded agents

1 within system components to allow for the enablement or disablement of the
2 system component in which the agent is embedded. There are many examples in
3 the patent specifications of the type of systems that may be protected using this
4 technology including automotive systems and vehicles. The invention disclosed in
5 the Patents-in-Suit discloses a server that communicates with the embedded agent
6 through the use of one or more handshake operations to authorize the embedded
7 agent. When the embedded agent is authorized by the server, it enables the device
8 or component, and when not authorized the embedded agent disables the device or
9 component, such as by disabling the ignition system of a vehicle.

10 **FIRST CLAIM FOR RELIEF**

11 **(Patent Infringement)**

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

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

16 12. BMW has had knowledge of the Patents-in-Suit and of the
17 infringement claims made herein since at least November 30, 2017 when SoftVault
18 first sent a letter to BMW putting it on notice of its infringement. (**Exhibit C**).

19 13. Upon information and belief, BMW is liable under 35 U.S.C. §271(a)
20 for direct infringement of the Patents-in-Suit because it manufactures, makes, has
21 made, uses, practices, imports, provides, supplies, distributes, sells, and/or offers
22 for sale products and/or systems that practice one or more claims of the Patents-in-
23 Suit.

24 14. Upon information and belief, BMW is also liable under 35 U.S.C.
25 §271(b) for inducing infringement of, and under 35 U.S.C. §271(c) for
26 contributory infringement of the Patents-in-Suit because it manufactures, makes,
27 has made, uses, practices, imports, provides, supplies, distributes, sells, and/or
28

1 offers for sale products and/or systems that practice one or more claims of the
2 Patents-in-Suit.

3 15. BMW also infringes the Patents-in-Suit by making, using, selling, and
4 offering for sale vehicles with its Car Access System (“CAS”) controlling an
5 immobilizer system (“Immobiliser”) via the Digital Motor Electronics (“DME”)
6 module. These systems and modules work in conjunction with a key fob and
7 prevent unauthorized use of a vehicle by enabling or disabling the ignition based
8 on communications between the key fob (server) and the Immobiliser (embedded
9 agent). The Immobiliser in the vehicle and the key fob communicate through a
10 series of RF signals to mutually authenticate one another and establish whether the
11 vehicle is authorized to operate. When the key fob authorizes the Immobiliser, the
12 vehicle’s ignition may operate normally and the car can be started. If the key fob
13 does not authorize the Immobiliser, the vehicle’s ignition system remains disabled
14 and the car cannot be started. By providing its key fobs and the Immobiliser
15 functionality in its vehicles, BMW has directly infringed at least claims 1 and 44 of
16 the ‘868 Patent, as well as at least claims 1, 2, and 9 of the ‘765 Patent.

17 16. The BMW key fobs and Immobiliser provided in BMW vehicles are
18 collectively referred to herein as the Accused Products. By providing the BMW
19 Accused Products, BMW has induced its customers and/or end users to infringe at
20 least claims 1 and 44 of the ‘868 Patent, as well as at least claims 1, 2, and 9 of the
21 ‘765 Patent. For example, end users of the accused products directly infringed at
22 least claims 1 and 44 of the ‘868 Patent, as well as at least claims 1, 2, and 9 of the
23 ‘765 Patent, when using or employing these systems.

24 17. On information and belief, BMW possessed a specific intent to induce
25 infringement by at a minimum, providing user guides and other sales-related
26 materials, and by way of advertising, solicitation, and provision of product
27 instruction materials, that instruct its customers and end users on the normal
28

1 operation of the Accused Products and the features described herein that infringe
2 the Patents-in-Suit.

3 18. By providing these systems, BMW has contributed to the
4 infringement of their customers and/or end users of at least claims 1 and 44 of the
5 '868 Patent, as well as at least claims 1, 2, and 9 of the '765 Patent.

6 19. Upon information and belief, the BMW Immobiliser and key fobs
7 have no substantial non-infringing uses, and BMW knows that these features were
8 especially made or especially adapted for use in a product that infringes the
9 Patents-in-Suit.

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

15 **PRAYER FOR RELIEF**

16 SoftVault requests that the Court find in its favor and against BMW, and that
17 the Court grant SoftVault the following relief:

18 1. Judgment that one or more claims of the Patents-in-Suit have been
19 infringed, either literally and/or under the doctrine of equivalents, by BMW;

20 2. Judgment that BMW account for and pay to SoftVault all damages to
21 and costs incurred by SoftVault because of BMW's infringing activities and other
22 conduct complained of herein;

23 3. That SoftVault be granted pre-judgment and post-judgment interest on
24 the damages caused to it by reason of BMW's infringing activities and other
25 conduct complained of herein;

26 4. That this Court declare this an exceptional case and award SoftVault
27 its reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and
28

