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

23 SOFTVAULT SYSTEMS, INC.,
24
25 Plaintiff,
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27 vs.
28
29 VOLVO CAR USA LLC,
30
31 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 Defendant VOLVO
2 CAR USA LLC., 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, VOLVO CAR USA LLC (“Volvo”) is a corporation
8 organized and existing under the laws of the State of Delaware, with its principal place of
9 business in New Jersey. Volvo may be served with process through its registered agent, C T
10 Corporation System at 818 W. 7th Street, Suite 930, Los Angeles, California 90017.

11 **JURISDICTION AND VENUE**

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

14 4. Upon information and belief, Volvo is subject to personal jurisdiction by this
15 Court. Volvo maintains two regular and established places of business within this District and
16 Division: Volvo Cars of Orange County at 1400 Dan Gurney Drive, Santa Ana, California
17 92705; and, Volvo Cars of Mission Viejo at 28730 Marguerite Parkway, Mission Viejo,
18 California 92692. Both of these dealerships include certified Volvo service centers.

19 5. Additionally, or alternatively, Volvo has committed such purposeful acts and/or
20 transactions in the State of California that it reasonably knew and/or expected that it could be
21 haled into a California court as a future consequence of such activity. Volvo makes, uses,
22 and/or sells infringing products within the Central District of California and has a continuing
23 presence and the requisite minimum contacts with the Central District of California, such that
24 this venue is a fair and reasonable one. Upon information and belief, Volvo has transacted and,
25 at the time of the filing of this Complaint, is continuing to transact business within the Central
26 District of California from at least the two dealerships and service centers identified herein. For
27 all of these reasons, personal jurisdiction exists and venue is proper in this Court under 28 U.S.C.
28 §§ 1391(b)(1), (2) and (c)(2) and 28 U.S.C. § 1400(b).

PATENTS-IN-SUIT

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

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

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

14 9. As it pertains to this lawsuit, the Patents-in-Suit, very generally speaking, relate to
15 a method and system of protecting electronic, mechanical, and electromechanical devices and
16 systems, such as for example a computer system, and their components and software from
17 unauthorized use. Specifically, certain claims of the ‘868 and ‘765 Patents disclose the
18 utilization of embedded agents within system components to allow for the enablement or
19 disablement of the system component in which the agent is embedded. There are many
20 examples in the patent specifications of the type of systems that may be protected using this
21 technology including automotive systems and vehicles. The invention disclosed in the Patents-in-
22 Suit discloses a server that communicates with the embedded agent through the use of one or
23 more handshake operations to authorize the embedded agent. When the embedded agent is
24 authorized by the server, it enables the device or component, and when not authorized the
25 embedded agent disables the device or component, such as by disabling the ignition system of a
26 vehicle.

FIRST CLAIM FOR RELIEF

(Patent Infringement)

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

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

12. Volvo has had knowledge of the Patents-in-Suit since at least November 8, 2017 when SoftVault sent a notice letter to Volvo detailing SoftVault’s claims of patent infringement against Volvo consistent with those presented herein. The November 8, 2017 notice letter is attached hereto as Exhibit C. Subsequent notice letters were sent on April 30, 2018 and September 19, 2018. To date, Volvo has provided no response.

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

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

15. Volvo also infringes the Patents-in-Suit by making, using, selling, and offering for sale vehicles with its Immobilizer system, sometimes referred to in Volvo product literature as “start inhibitor,” along with key fobs. The Immobilizer is a component of the vehicle’s overall computer system within its Engine Control Unit (ECU). This system prevents unauthorized use of a vehicle by enabling or disabling the ignition based on communications between the key fob (server) and the Immobilizer (embedded agent) of the vehicle. The Immobilizer in the vehicle and the key fob mutually authenticate one another and communicate through a series of messages to establish whether the vehicle is authorized to operate. When the key fob authorizes

1 the Immobilizer via transmission of an authentication code to an antenna in the ignition slot of
2 the vehicle, the vehicle's ignition operates normally and the car can be started. When the key fob
3 does not authorize the Immobilizer, the vehicle's ignition system is disabled and the car cannot
4 be started. By providing its key fobs and the Immobilizer in its vehicles, Volvo has directly
5 infringed at least claims 1 and 44 of the '868 Patent, as well as at least claims 1, 2, and 9 of the
6 '765 Patent.

7 16. The combined systems comprising a Volvo key fob and the Immobilizer system
8 provided in Volvo vehicles is referred to herein as the Accused Products. By providing the
9 Accused Products, Volvo has induced its customers and/or end users to infringe at least claims 1
10 and 44 of the '868 Patent, as well as at least claims 1, 2, and 9 of the '765 Patent. For example,
11 end users of the accused products directly infringed at least claims 1 and 44 of the '868 Patent, as
12 well as at least claims 1, 2, and 9 of the '765 Patent, when using or employing these systems.

13 17. On information and belief, Volvo possessed a specific intent to induce
14 infringement by at a minimum, providing user guides and other sales-related materials, and by
15 way of advertising, solicitation, and provision of product instruction materials, that instruct its
16 customers and end users on the normal operation of the Accused Products and the features
17 described herein that infringe the Patents-in-Suit.

18 18. By providing the Accused Products, Volvo has contributed to the infringement of
19 their customers and/or end users of at least claims 1 and 44 of the '868 Patent, as well as at least
20 claims 1, 2, and 9 of the '765 Patent.

21 19. Upon information and belief, the Accused Products have no substantial non-
22 infringing uses, and Volvo knows that these features were especially made or especially adapted
23 for use in a product that infringes the Patents-in-Suit.

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

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PRAYER FOR RELIEF

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

- a. Judgment that one or more claims of the Patents-in-Suit have been infringed, either literally and/or under the doctrine of equivalents, by Volvo;
- b. Judgment that Volvo account for and pay to SoftVault all damages to and costs incurred by SoftVault because of Volvo’s infringing activities and other conduct complained of herein;
- d. That SoftVault be granted pre-judgment and post-judgment interest on the damages caused to it by reason of Volvo’s infringing activities and other conduct complained of herein;
- e. That this Court declare this an exceptional case and award SoftVault its reasonable attorney’s fees and costs in accordance with 35 U.S.C. § 285; and
- f. That SoftVault be granted such other and further relief as the Court may deem just and proper under the circumstances.

JURY DEMAND

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

DATED:

/s/ Brandon C. Fernald

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