

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

ACCENTURE GLOBAL SERVICES GmbH, )  
a Switzerland Corporation, and ACCENTURE )  
LLP, an Illinois Partnership, )  
 )  
 ) Plaintiffs, )  
 )  
 ) v. )  
 )  
 ) GUIDEWIRE SOFTWARE, INC., a Delaware )  
Corporation, )  
 )  
 ) Defendant. )

C.A. No. 07-826-SLR

**JURY TRIAL DEMANDED**

**SECOND AMENDED COMPLAINT FOR PATENT INFRINGEMENT, TRADE  
SECRET MISAPPROPRIATION, AND RELATED STATE LAW CLAIMS**

Plaintiffs ACCENTURE GLOBAL SERVICES GmbH, a Switzerland Corporation, and ACCENTURE LLP, an Illinois Limited Liability Partnership (collectively referred to herein as “Accenture”), by and through their attorneys, state as follows:

**JURISDICTION**

1. The claims in this patent infringement action arise under the patent laws of the United States, 35 U.S.C. § 1 *et seq.*, including but not limited to 35 U.S.C. § 271.
2. This Court has subject-matter jurisdiction over this controversy under 28 U.S.C. §§ 1331 and 1338(a).
3. This Court has supplemental jurisdiction over Accenture’s claims arising under Delaware state law pursuant to 28 U.S.C. § 1367(a) because these claims are so related to the claims under federal law that they form part of the same case and/or controversy and derive from a common nucleus of operative fact.

## **PARTIES**

4. Accenture Global Services GmbH, is a Switzerland Corporation and the owner of the intellectual property rights at issue in this action.

5. Accenture LLP is a limited liability partnership organized and existing under the laws of the State of Illinois and with a principal place of business in Chicago, Illinois. Accenture LLP is the owner and exclusive licensee of the intellectual property rights at issue in this action.

6. Accenture provides, among other things, claims management technology and services to the insurance industry. This technology is the result of more than a decade of development and many tens of millions of dollars of investment, and it is protected by the patent and copyright laws of the United States, as well as the trade secret laws of this and other States.

7. Guidewire, formerly known as Centrica Software Inc., is a corporation organized and existing under the laws of the State of Delaware and has its principal place of business in San Mateo, California. Guidewire competes in the insurance claims management business, including with its "Guidewire Insurance Suite" tools and services. Guidewire's sales and licenses in the United States represent a regular, continuous and substantial flow of interstate commerce.

## **VENUE**

8. Guidewire is incorporated in this judicial district and has sufficient contacts with this district to subject itself to the jurisdiction of this Court. Personal jurisdiction and venue are therefore proper in this district pursuant to 28 U.S.C. §§ 1391, 1400(b).

## INSURANCE CLAIMS MANAGEMENT

9. Broadly speaking, insurance claims management involves computer software and specialized consulting services to design processes through which an insurance company will optimize the handling of claims made under the insurer's policies.

10. Accenture's insurance industry client group helps property and casualty insurers, life insurers, reinsurers and insurance brokers improve business processes, modernize their technologies and improve the quality and consistency of risk selection decisions. Accenture's Insurance Claim Components Solution and associated services enable insurers to provide better customer service while optimizing claims costs, and bring products to market more quickly while reducing their costs.

11. Traditionally, claims handlers within an insurance company built up experience and individual practices over many years, with the result that each handler's practices were different, and junior claims handlers lacked the requisite expertise to ensure that each claim was properly, efficiently and—most importantly—consistently handled. These inefficiencies led to excess costs and poor customer service for insurers. The central goal of claims management software is to help an insurer have all handlers, whether experienced or very junior, follow that insurer's best practices for managing claims.

12. The Accenture Claim Components Solution tools and services are the result of significant investment by Accenture beginning in the 1990s, aimed at developing technology that could aid insurance companies by applying specially-designed computer software to these traditional problems of managing claims and claims handlers. In the mid-1990s, computer software at insurance companies was used almost exclusively for financial tracking, not for improving the practices or efficiency of the claims process.

13. Accenture's vision was of software that would revolutionize the insurance industry by helping claims handlers apply best practices to every claim. No such system had been developed when Accenture began considering the problem, and there were many people in the industry who doubted it would be possible. As part of its ongoing research and development efforts, Accenture seeded the project with nearly a million dollars of person-hours for a team of its employees in the late 1990s.

14. That team outlined the vision, and some of the initial hurdles, and began discussing how the system might appear when running on a claims handler's computer. The team then began confidentially discussing the idea with several of Accenture's insurer clients—most of whom remained highly skeptical. Accenture recognized early on that the cost of development would be very high, likely in excess of fifty million dollars, and that the only way to make it practical would be to have a number of clients purchasing essentially the same base system, and then to customize each client's version to meet individual needs.

15. In mid-1997, St. Paul Insurance agreed to share some of the cost of development, with Accenture retaining the intellectual property and the right to sell the software to other insurers. Accenture devoted the resources of more than a hundred architects, business experts, and programmers to the project for the next several years, in the meantime winning a contract to develop a similar claims system for Reliance Insurance in 1998. In the course of these confidential projects, Accenture amassed a large body of knowledge on techniques that work well in claims management, as well as techniques that do not work well. All of this information relating to the design, coding, and implementation of a claims management system is referred to herein as the "Accenture Trade Secrets."

16. Accenture began compiling the Accenture Trade Secrets at least as early as 1996. With the exception of Trade Secrets that have later been disclosed, for example, through filings with the United States Patent and Trademark Office, all of the Accenture Trade Secrets have been kept confidential. The Accenture Trade Secrets are not generally known, are maintained in confidence by Accenture's employees, and are maintained in confidence by others who need to know them and who have been entrusted with them according to express and implied agreements. Accenture has at all times taken reasonable steps to protect such confidential information from being stolen and misused. These trade secrets would have been of great value if they became known to Accenture's existing or potential competitors.

17. In October of 1998, Accenture completed its internal development of the first "beta" version of the Claim Components Solution system for St. Paul, and by the end of the year, completed the a similar phase of the Claim Components Solution software for Reliance as well. While very substantial development, tuning, customization and integration with each client's financial systems remained to be done, it soon became clear that the software provided the clients with major cost savings and competitive advantages.

18. Accenture filed the application for what became U.S. Patent 7,013,284 (the "'284 patent") on May 4, 1999, the application for what became U.S. Patent 7,017,111 (the "'111 patent") on April 14, 2000, and continued to file for additional patent protection as the projects progressed. A copy of the '284 patent is attached as Exhibit A, and a copy of the '111 patent is attached as Exhibit B. In addition, Accenture ensured that the software and the accompanying services were protected by non-disclosure agreements and that information about the Claim Components Solution product was kept confidential.

19. Seeing the cost and consistency advantages of the Claim Components Solution, the market flocked to Accenture. Over the next several years, Accenture sold the Claim Components Solution product to such household names as Allstate, Chubb and numerous others, and because of its massive investment and the complexity involved in developing the Claim Components Solution product, Accenture had little serious competition.

20. In the late 1990s, CNA Insurance's Personal business unit purchased a Claim Components Solution system from Accenture. At the same time, Accenture proposed a similar system to CNA's Commercial business unit. Over the next few years, as the Claim Components Solution product was developed and brought into production in the Personal business unit, Accenture's project leaders continued to discuss the benefits of the Claims Solution with the Commercial unit.

21. In late 2000, CNA Commercial requested an "assessment" from Accenture. To generate an assessment, Accenture would spend months studying the prospective client's business, and develop an extremely detailed plan for implementing the Claim Components Solution system into the insurer's existing processes and computer systems. When the CNA Commercial assessment was completed, it consisted of more than 150 pages, containing everything from specifics of how the Claim Components Solution system would integrate into CNA's legacy financial system, to how the business logic should be programmed, to how the cost-benefit calculations of the return on investment played out, to sample screen displays of the Claim Components Solution product in action. For obvious reasons, Accenture has required of CNA and other clients, under non-disclosure agreements, that such assessments be held in confidence and destroyed if the client chose not to buy a Claim Components Solution from Accenture.

22. Over the next two years, Accenture continued to work with CNA Commercial in refining the assessment. In late 2002, CNA requested a working copy of the Accenture Claim Components Solution system for testing purposes, and Accenture installed the Claim Components Solution software on computers at CNA and submitted a bid to implement that software for CNA Commercial. During this period, Accenture learned of the existence of a new entrant in the market, Guidewire Software (“Guidewire”). Accenture did not view Guidewire as a serious threat, given its small size and recent arrival in the market—by this point, Accenture had spent nearly a decade and tens of millions of dollars on its products and services.

23. In 2002, Michael Conroy and Wayne Hoeschen had joined Guidewire’s “Board of Advisors.” Mr. Conroy had formerly been employed at St. Paul—Accenture’s first customer for the Claim Components Solution—as St. Paul’s Executive Vice President, and on information and belief, Mr. Conroy was closely involved with the implementation of the Accenture Claim Components Solution at St. Paul. Indeed, Guidewire has acknowledged that while at St. Paul, Mr. Conroy “reinvented the claims organization...and introduced multiple new management systems and claim handling processes, saving the company hundreds of millions of dollars in annual claim handling costs”—a reference, on information and belief, to Mr. Conroy’s significant involvement during St. Paul’s implementation of Accenture’s Claim Components Solution, where Mr. Conroy would have had access, in confidence, to the Accenture Trade Secrets. *See Exhibit C.*

24. Similarly, Mr. Hoeschen had previously worked as St. Paul’s Chief Information Officer, and on information and belief, was closely involved in the implementation and technological development of the Claim Components Solution at St. Paul. Guidewire has stated that Mr. Hoeschen “led The St. Paul through four major merger integrations and migrated the

company's architecture from mainframe systems to client/server and Web-based systems"—a reference, on information and belief, to Mr. Hoeschen's significant involvement during St. Paul's implementation of Accenture's Claim Components Solution, where Mr. Hoeschen would have had access, in confidence, to the Accenture Trade Secrets. *See* Exhibit C.

25. CNA's former Chairman and Chief Executive Officer, Dennis Chookaszian, had also joined Guidewire's "Board of Advisors" during this period. On information and belief, Mr. Chookaszian had overseen the development and implementation of a Claim Components Solution installation at the CNA Personal business unit, and had reviewed the confidential Accenture assessment at the CNA Commercial business unit. Guidewire has said that Mr. Chookaszian "has deep experience in insurance technology, having previously been CIO [Chief Information Officer] of CNA." *See* Exhibit C.

26. On information and belief, Messrs. Conroy, Hoeschen and Chookaszian each possessed, under obligations of confidence, detailed information about the Accenture Trade Secrets—information that would have been extremely valuable to an Accenture competitor.

27. In early 2003, CNA informed Accenture that an unnamed competitor would engage in a joint project with CNA to develop and install software of similar functionality, for more than ten million dollars less than Accenture proposed to charge. Accenture later learned that this competitor was Guidewire.

28. In the course of implementation of the Guidewire Insurance Suite product at CNA Commercial's business unit, CNA staffed the project with some of the *same* CNA employees who had been intimately involved with the Accenture assessment, and who, on information and belief, had had access under non-disclosure agreements to the Accenture Trade Secrets. Specifically, at least CNA's Richard Affenit and Jerome Reynolds, as well as other executives at



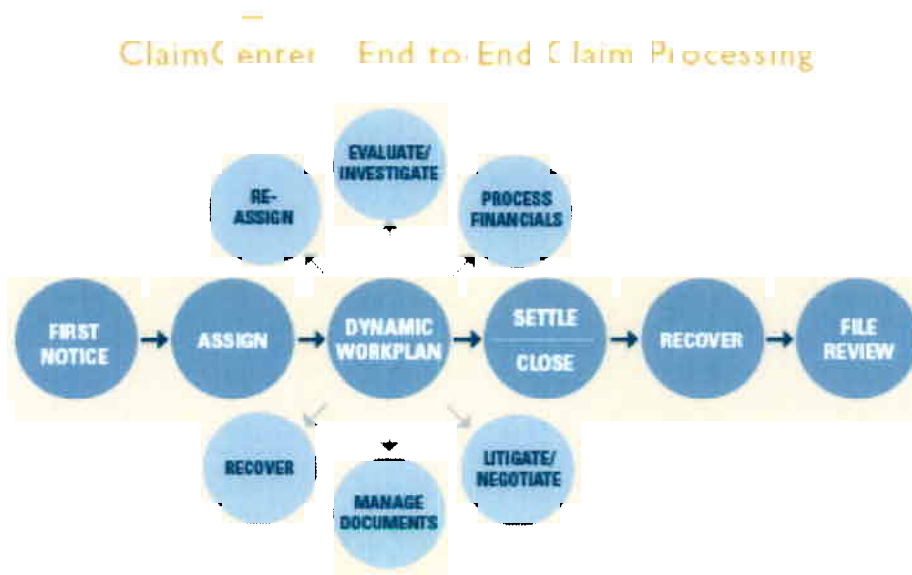
CNA, had had access to the Accenture Trade Secrets and later worked on implementing a Guidewire claims system. CNA's natural desire to get the best solution from the Guidewire development, given what it knew in confidence from Accenture, made these executives ideal conduits for transfer of the Accenture Trade Secrets to Guidewire.

29. Accenture does not presently know whether CNA or former St. Paul employees knowingly provided the Accenture Trade Secrets to Guidewire; whether Guidewire convinced those employees to inadvertently reveal the Accenture Trade Secrets; whether Guidewire surreptitiously obtained this information from those employees' files under false pretenses; or whether Guidewire in some other way encouraged and enabled the improper disclosure to it. However, considering that Guidewire, a complete newcomer to the insurance market, was able to develop its product in approximately 28 months, compared to nearly a decade for Accenture's pioneering development, and considering that Guidewire's product, as described below, bears an uncanny similarity to Accenture's, it is reasonable to conclude that at least a significant portion of the Accenture Trade Secrets were improperly disclosed to, and used by, Guidewire.

30. On information and belief, Guidewire obtained the Accenture Trade Secrets through improper means, through either (a) former St. Paul employees Conroy and/or Hoeschen, or (b) former and present CNA employees, including but not limited to Chookaszian, Affenit, and/or Reynolds, (c) from other as yet unknown employees at St. Paul or CNA, or (d) a combination of (a), (b) and (c) above. On information and belief, Guidewire knew or should have known that such information was confidential to Accenture, and knew or should have known that its access was in violation of confidentiality agreements between Accenture, on the one hand, and St. Paul and/or CNA, on the other.

31. On information and belief, Guidewire extracted from CNA a great deal of information concerning the system's requirements, business rules, schemes for integration with legacy systems, mock-ups of screens, data mapping requirements and the like—all of which was based on the Accenture Trade Secrets, and all of which Guidewire knew or should have known it was not authorized to access or use.

32. On information and belief, Guidewire used the Accenture Trade Secrets in developing its products. For instance, publicly-available information about the Guidewire Insurance Suite states that the core of the Guidewire claims handling product is the “dynamic workplan” shown below—a component that bears a striking resemblance to the Accenture trade secret components “event processor” and “task engine,” (which provide a structure for responding to and processing events). Similarly, Guidewire states that its “business rules engine provides complete control over the claim process - segmentation and assignment, activity generation, collaboration, responses to new information, exception handling, etc.,” and it bears a striking resemblance to Accenture's trade secret component that provides underlying logic to determine which tasks need to be performed in response to claim events, based on each claim's characteristics, using rules-processing logic.



33. Accenture continued to enjoy considerable success in the market, but as time passed, Guidewire emerged more and more frequently as a challenger to Accenture. As noted above, it had developed its product in such a short time that it was very unlikely to have done so independently of access to the Accenture Trade Secrets. This was particularly compelling in light of its small size and relatively light experience in the insurance market. As an interview with the Guidewire founders reported, “When John Seybold and his partners founded Guidewire (originally Centrica Software) in 2001, he knew little more about the insurance industry than an informed consumer... *none of them had direct experience in the industry.*” Exhibit D (emphasis added).

34. On information and belief, Guidewire was aware of Accenture’s prospective contract with CNA’s Commercial business unit for the Claim Components Solution software and services, Guidewire interfered with that contract by using the improperly-acquired Accenture Trade Secrets to undercut Accenture’s price, and owing to this improper conduct by Guidewire,

CNA Commercial awarded the contract to Guidewire, causing damages to Accenture in the tens of millions of dollars.

35. When the '284 and '111 patents issued in March of 2006, Accenture undertook a review of the intellectual property protection for the Claim Components Solution assets. After comparing the claims of the '284 patent and information available regarding the Guidewire software, Accenture realized that Guidewire infringed the patent and, on information and belief, had gained access to and used the Accenture Trade Secrets in creating its software and services. Accenture filed this action as a result.

### **CLAIMS FOR RELIEF**

#### **CLAIM 1 – INFRINGEMENT OF ACCENTURE'S '284 PATENT**

36. Accenture repeats and realleges each and every allegation above with the same force and effect as if here set forth in full.

37. On information and belief, Guidewire has infringed and continues to infringe; has induced and continues to induce others to infringe; and/or has committed and continues to commit acts of contributory infringement of, one or more of the claims of the '284 patent. Guidewire's infringing activities in the United States and this District include the development, manufacture, use, importation, sale, and/or offer for sale of products, including but not limited to Guidewire Insurance Suite and Guidewire ClaimCenter, and contributing to and inducing others to do the same. Such products have no substantial non-infringing use. Guidewire's infringing activities violate 35 U.S.C. § 271.

38. On information and belief, Guidewire's infringement has been, and continues to be, willful and deliberate, and has caused substantial damage to Accenture.

39. On information and belief, Guidewire's infringement in violation of the federal patent laws will continue to injure Accenture unless otherwise enjoined by this Court.

**CLAIM 2 – INFRINGEMENT OF ACCENTURE'S '111 PATENT**

40. Accenture repeats and realleges each and every allegation above with the same force and effect as if here set forth in full.

41. On information and belief, Guidewire has infringed and continues to infringe; has induced and continues to induce others to infringe; and/or has committed and continues to commit acts of contributory infringement of, one or more of the claims of the '111 patent. Guidewire's infringing activities in the United States and this District include the development, manufacture, use, importation, sale, and/or offer for sale of products, including but not limited to Guidewire Insurance Suite and Guidewire ClaimCenter, and contributing to and inducing others to do the same. Such products have no substantial non-infringing use. Guidewire's infringing activities violate 35 U.S.C. § 271.

42. On information and belief, Guidewire's infringement has been, and continues to be, willful and deliberate, and has caused substantial damage to Accenture.

43. On information and belief, Guidewire's infringement in violation of the federal patent laws will continue to injure Accenture unless otherwise enjoined by this Court.

**CLAIM 3 – TRADE SECRET MISAPPROPRIATION**

44. Accenture repeats and realleges each and every allegation above with the same force and effect as if here set forth in full.

45. On information and belief, Guidewire has obtained and used or intends to use Accenture's Trade Secrets without authorization in its own process to design, develop,

manufacture and/or sell claims management software and services, and to assist it in its ongoing efforts to compete against Accenture in the claims management market.

46. On information and belief, Guidewire has also used Accenture Trade Secrets in connection with applying for and obtaining United States Patents.

47. On information and belief, Guidewire has acted with knowledge that the information it used was Accenture's Trade Secrets and that it was not authorized to possess or use these Trade Secrets; Guidewire has therefore acted willfully and maliciously.

48. On information and belief, Guidewire's acts of misappropriation will continue, causing great and irreparable harm to Accenture, unless enjoined by this Court.

**CLAIM 4 – TORTIOUS INTERFERENCE WITH BUSINESS RELATIONS**

49. Accenture repeats and realleges each and every allegation above with the same force and effect as if here set forth in full.

50. As a provider of insurance claims software and related services, Accenture has business relationships with customers and prospective customers in the United States and around the world, such as CNA. On information and belief, Guidewire has knowledge of Accenture's customer and prospective customer relationships, such as the prospective contract with CNA in 2002 and 2003. Through the acts complained of above, Guidewire has specifically and intentionally interfered with those business relationships, with either the sole purpose of harming Accenture, or by using dishonest, unfair, or improper means. As a result of Guidewire's interference, Accenture's relationships with its customers and prospective customers have been injured and Accenture has suffered damages in an amount to be fully determined at trial.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs pray as follows:

(a) that the Court render judgment declaring that Guidewire has infringed, induced the infringement of, and contributorily infringed the '284 and '111 patents in violation of 35 U.S.C. § 271;

(b) that the Court render judgment declaring Guidewire's infringement of the '284 and '111 patents willful and deliberate;

(c) that Accenture be awarded damages adequate to compensate Accenture for Guidewire's infringement of the '284 and '111 patents;

(d) that Accenture be awarded prejudgment interest on all damages awarded;

(e) that the Court temporarily, preliminarily and permanently enjoin Guidewire, its successors, assigns, subsidiaries and transferees, and its officers, directors, agents, employees, as follows:

1. from selling or offering to sell any product falling within the scope of the claims of the '284 and '111 patents, including but not limited to Guidewire Insurance Suite and Guidewire ClaimCenter;
2. from importing any product into the United States which falls within the scope of the claims of the '284 and '111 patents;
3. from manufacturing any product falling within the scope of the claims of the '284 and '111 patents;
4. from using any product or method falling within the scope of any of the claims of the '284 and '111 patents;

5. from actively inducing others to infringe any of the claims of the '284 and '111 patents;
6. from engaging in acts constituting contributory infringement of any of the claims of the '284 and '111 patents;
7. from all other acts of infringement of any of the claims of the '284 and '111 patents;

(f) that the Court award treble damages to Accenture for the unlawful practices described in this Complaint;

(g) that the Court enter judgment against Guidewire for the maximum penalties determined by the Court to be just and proper;

(h) that the Court render judgment declaring this to be an exceptional case;

(i) that Accenture be awarded its costs of suit, including reasonable attorneys' fees;

(j) that the Court temporarily, preliminarily and permanently enjoin Guidewire, its successors, assigns, subsidiaries and transferees, and its officers, directors, agents, employees, as follows:

1. restraining Guidewire from using or disclosing any Accenture Trade Secrets relating to claims management;
2. restraining Guidewire from marketing or offering for sale any claims management software or services which have been developed using any part of Accenture's Trade Secrets, including but not limited to Guidewire Insurance Suite and Guidewire ClaimCenter;



3. requiring Guidewire to return forthwith to Accenture and not to copy, or use or disclose in any way, any materials which contain or describe any part of Accenture's Trade Secrets.

(k) That the Court impose a constructive trust on the fruits of Guidewire's misappropriation, including rights to patents and patent applications and any other ill-gotten gains;

(l) That Accenture be awarded damages (in an amount to be proved at trial) adequate to compensate Accenture for Guidewire's trade secret misappropriation;

(m) That Accenture be awarded increased damages as provided by the Uniform Trade Secrets Act § 3(b);

(n) That Accenture be granted temporary, preliminary and permanent injunctive relief against Guidewire's interference with business relations; as well as damages in compensation thereof, and costs and attorneys' fees pursuant to the same; and

(o) that Accenture be awarded such other and further relief as the Court deems just and proper.

**DEMAND FOR JURY TRIAL**

Plaintiffs hereby demand trial by jury of all issues so triable under the law as provided by Rule 38(a) of the Federal Rules of Civil Procedure.

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Dated: December 17, 2008  
895333 / 32523

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**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

**CERTIFICATE OF SERVICE**

I, David E. Moore, hereby certify that on December 17, 2008, the attached document was electronically filed with the Clerk of the Court using CM/ECF which will send notification to the registered attorney(s) of record that the document has been filed and is available for viewing and downloading.

I further certify that on December 17, 2008, the attached document was Electronically Mailed and mailed via U.S. First Class Mail to the following person(s):

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