

1 SPENCER HOSIE (CA Bar No. 101777)
shosie@hosielaw.com
2 BRUCE WECKER (CA Bar No. 078530)
bwecker@hosielaw.com
3 GEORGE F. BISHOP (CA Bar No. 89205)
gbishop@hosielaw.com
4 DIANE S. RICE (CA Bar No. 118303)
drice@hosielaw.com
5 HOSIE RICE LLP
6 188 The Embarcadero, Suite 750
San Francisco, CA 94105
7 (415) 247-6000 Tel.
8 (415) 247-6001 Fax

9 *Attorneys for Plaintiff*
BACKWEB TECHNOLOGIES, LTD.

10
11 UNITED STATES DISTRICT COURT
12 FOR THE NORTHERN DISTRICT OF CALIFORNIA
13

14 BACKWEB TECHNOLOGIES, LTD.,

15 Plaintiff,

16 v.

17 INTERNATIONAL BUSINESS MACHINES
18 CORPORATION,

19 Defendant.
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ORIGINAL
FILED

SEP 23 2010

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

E-filing

EMC

CV Case No. **10-4310**

ORIGINAL COMPLAINT AND
DEMAND FOR JURY TRIAL

1 Plaintiff BackWeb Technologies, LTD. ("BackWeb" or "Plaintiff") hereby files its
2 complaint against Defendant International Business Machines Corporation ("IBM" or
3 "Defendant"), for patent infringement. For its complaint, Plaintiff alleges, on personal
4 knowledge as to its own acts and on information and belief as to all other matters, as follows:

5 **PARTIES**

6 1. BackWeb is a corporation organized under the laws of the State of Israel, and
7 has its principal place of business in Rosh Ha'ayin, Israel. BackWeb's wholly owned
8 subsidiary, BackWeb Technologies, Inc. maintains its principal office in Santa Clara,
9 California. BackWeb is and at all pertinent times was the assignee and owner of the patents
10 at issue in this case.

11
12 2. Defendant IBM, on information and belief, is a corporation organized under
13 the laws of the State of New York. IBM is doing business in California, and has its principal
14 place of business in Armonk, New York.

15 **JURISDICTION AND VENUE**

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17 3. This complaint asserts a cause of action for patent infringement under the
18 Patent Act, 35 U.S.C. § 271. This Court has subject matter jurisdiction over this matter by
19 virtue of 28 U.S.C. § 1338(a). Venue is proper in this Court by virtue of 28 U.S.C. § 1391(b)
20 and (c) and 28 U.S.C. § 1400(b), in that Defendant IBM may be found in this district, has
21 committed acts of infringement in this district, and a substantial part of the events or
22 omissions giving rise to the claim occurred and a substantial part of property that is the
23 subject of the action is situated in this district.

24
25 4. This Court has personal jurisdiction over Defendant IBM because it has a
26 place of business in, and provides infringing products and services in, the Northern District
27 of California.

INTRADISTRICT ASSIGNMENT

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2 5. Pursuant to Civil LR 3-2(c), this case should be subject to district-wide
3 assignment because it is an Intellectual Property Action.

BACKGROUND

The BackWeb Patents

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6 6. Plaintiff owns a patent, U.S. Patent No. 5,913,040 (“’040 Patent”), issued on
7 June 15, 1999, to inventors Yuval Rakavy and Eli Barkat. A true and correct copy of the
8 ’040 Patent is attached as Exhibit “A” and is incorporated herein by reference. Plaintiff is
9 the legal and rightful owner of the ’040 Patent.
10

11 7. The ’040 Patent contains fourteen (14) patent claims covering unique and
12 novel methods and processes for transmitting digital information in background mode over a
13 communications link between a computer network and a local computer and throttling the
14 transfer speed to create minimal interference with other processes communicating over the
15 communications link. The digital information described in the patent could be in a variety of
16 forms, including, but not limited to, news, weather, stock quotes, sports scores, software
17 updates or trip reservation information.
18

19 8. Plaintiff also owns two continuation patents, U.S. Patent No. 6,317,789 (“’789
20 Patent”) and U.S. Patent No. 6,539,429 (“’429 Patent”), issued on November 13, 2001 and
21 March 25, 2003, respectively. A true and correct copy of the ’789 Patent is attached as
22 Exhibit “B” and is incorporated herein by reference. Plaintiff is the legal and rightful owner
23 of the ’789 Patent. A true and correct copy of the ’429 Patent is attached as Exhibit “C” and
24 is incorporated herein by reference. Plaintiff is the legal and rightful owner of the ’429
25 Patent. The two continuation patents contain twenty-eight (28) patent claims covering
26 unique and novel methods, processes and systems for transmitting digital information in
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1 background mode over a communications link between a computer network and a local
2 computer with minimal interference with other processes communicating over the
3 communications link. Plaintiff's three patents in this patent family will be referred to herein
4 as its Transparent Update Patents.

5 9. Plaintiff owns a patent, U.S. Patent No. 6,374,289 ("289 Patent"), issued on
6 April 16, 2002, to inventors Hubert Delaney, Adi Ruppin, Lior Hass, and Ofer Faigon. The
7 '289 Patent contains twenty-three (23) patent claims covering a unique and novel method for
8 distributing data packages across a hybrid peer-to-peer network, the network featuring a
9 server, a plurality of peer clients attached to the network, and lists of data packages
10 identifying the location of the data package in at least one of the plurality of peer clients, for
11 transmission. A true and correct copy of the '289 Patent is attached as Exhibit "D" and is
12 incorporated herein by reference. Plaintiff is the legal and rightful owner of the '289 Patent.
13 On March 26, 2010 the U.S. Patent and Trademark Office granted in part Microsoft
14 Corporation's request for *inter partes* re-examination of the '289 patent.
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17 **IBM's Infringing Goods and Services**

18 10. On July 20, 2010, IBM acquired BigFix, Inc. Before and after the acquisition,
19 BigFix has manufactured and sold software that allows organizations to secure computers by
20 managing and automating security and compliance updates on their computers. BigFix's
21 software facilitates the distribution of client anti-virus, anti-malware, firewall and network
22 access control software. These software updates are provided using bandwidth throttling
23 technologies that allow for the software to be transferred in the background without
24 disturbing the user's other network activities.
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26 11. IBM distributes and sells software for the management of enterprise
27 computer systems called IBM Tivoli Provisioning Manager for Software that facilitates the
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1 distribution of software over network connections. These software updates are provided
2 using bandwidth throttling technologies that allow for the software to be transferred in the
3 background without disturbing the user's other network activities. The Provisioning
4 Manager also provides for the sharing of data packages among the enterprises' client
5 computers.

6 **COUNT I**
7 **(Patent Infringement)**

8 12. Plaintiff incorporates by reference the allegations of paragraphs 1 through 10
9 above.

10 13. BackWeb is the owner of the '040, '789, and '429 patents.

11 14. IBM has infringed and is still infringing the Transparent Update Patents, by,
12 without authority, consent, right or license, and in direct infringement of the patents, making,
13 using, offering for sale and/or selling digital information transfer products using the methods,
14 processes and apparatuses claimed in the patents in this country. This conduct constitutes
15 infringement under 35 U.S.C. § 271(a).
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17 15. In addition, IBM has infringed and is still infringing the Transparent Update
18 Patents in this country, through, *inter alia*, its active inducement of others to make, use,
19 and/or sell the systems, products and methods claimed in one or more claims of the patents.
20 This conduct constitutes infringement under 35 U.S.C. § 271(b).
21

22 16. In addition, IBM has infringed and is still infringing the Transparent Update
23 Patents in this country through, *inter alia*, providing and selling goods and services including
24 products designed for use in practicing one or more claims of the Transparent Update
25 Patents, where the goods and services constitute a material part of the invention and are not
26 staple articles of commerce, and which have no use other than infringing one or more claims
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1 of the Transparent Update Patents. IBM has committed these acts with knowledge that the
2 goods and services it provides are specially made for use in a manner that directly infringes
3 the Transparent Update Patents. This conduct constitutes infringement under 35 U.S.C. §
4 271(c).

5 17. IBM's infringing conduct is unlawful and willful. IBM's willful conduct
6 makes this an exceptional case as provided in 35 U.S.C. § 285.

7 18. As a result of IBM's infringement, Plaintiff has been damaged, and will
8 continue to be damaged, until they are enjoined from further acts of infringement.
9

10 19. IBM will continue to infringe the Transparent Update Patents unless enjoined
11 by this Court. Plaintiff faces real, substantial and irreparable damage and injury of a
12 continuing nature from IBM's infringement for which Plaintiff has no adequate remedy at
13 law.

14 **COUNT II**
15 **(Patent Infringement)**

16 20. Plaintiff incorporates by reference the allegations of paragraphs 1 through 10
17 above.

18 21. BackWeb is the owner of the '289 Patent.

19 22. IBM has infringed and is still infringing the '289 Patent, by, without authority,
20 consent, right or license, and in direct infringement of the patents, making, using, offering for
21 sale and/or selling digital information transfer products using the methods, processes and
22 apparatuses claimed in the patent in this country. This conduct constitutes infringement
23 under 35 U.S.C. § 271(a).
24

25 23. In addition, IBM has infringed and is still infringing the '289 Patent in this
26 country, through, *inter alia*, its active inducement of others to make, use, and/or sell the
27
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1 systems, products and methods claimed in one or more claims of the patent. This conduct
2 constitutes infringement under 35 U.S.C. § 271(b).

3 24. In addition, IBM has infringed and is still infringing the '289 Patent in this
4 country through, *inter alia*, providing and selling goods and services including products
5 designed for use in practicing one or more claims of the '289 Patent, where the goods and
6 services constitute a material part of the invention and are not staple articles of commerce,
7 and which have no use other than infringing one or more claims of the '289 Patent. IBM has
8 committed these acts with knowledge that the goods and services it provides are specially
9 made for use in a manner that directly infringes the '289 Patent. This conduct constitutes
10 infringement under 35 U.S.C. § 271(c).
11

12 25. IBM's infringing conduct is unlawful and willful. Defendant IBM's willful
13 conduct makes this an exceptional case as provided in 35 U.S.C. § 285.
14

15 26. As a result of IBM's infringement, Plaintiff has been damaged, and will
16 continue to be damaged, until they are enjoined from further acts of infringement.

17 27. IBM will continue to infringe the '289 Patent unless enjoined by this Court.
18 Plaintiff faces real, substantial and irreparable damage and injury of a continuing nature from
19 Defendant IBM's infringement for which Plaintiff has no adequate remedy at law.

20 WHEREFORE, Plaintiff prays:

21 (a) That this Court find Defendant has committed acts of patent infringement
22 under the Patent Act, 35 U.S.C. § 271;
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24 (b) That this Court enter judgment that:

25 (i) The Transparent Update Patents are valid and enforceable;

26 (ii) Defendant IBM has willfully infringed the Transparent Update

27 Patents;
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1 (iii) The '289 Patent is valid and enforceable; and

2 (iv) Defendant IBM has willfully infringed the '289 Patent;

3 (c) That this Court issue a preliminary and final injunction enjoining IBM, its
4 officers, agents, servants, employees and attorneys, and any other person in active concert
5 or participation with them, from continuing the acts herein complained of, and more
6 particularly, that IBM and such other persons be permanently enjoined and restrained
7 from further infringing the Transparent Update Patents;

8 (d) That this Court issue a preliminary and final injunction enjoining IBM, its
9 officers, agents, servants, employees and attorneys, and any other person in active concert
10 or participation with them, from continuing the acts herein complained of, and more
11 particularly, that IBM and such other persons be permanently enjoined and restrained
12 from further infringing the '289 Patent;

13 (e) That this Court award Plaintiff the damages to which it is entitled due to
14 Defendant IBM's patent infringement, with both pre-judgment and post-judgment
15 interest;

16 (f) That Defendant IBM's infringement of the BackWeb Patents be adjudged
17 willful and that the damages to Plaintiff be increased by three times the amount found or
18 assessed pursuant to 35 U.S.C. § 284;

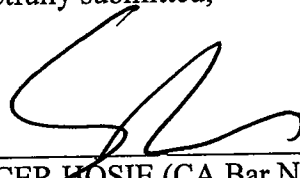
19 (g) That this be adjudged an exceptional case and that Plaintiff be awarded its
20 attorney's fees in this action pursuant to 35 U.S.C. § 285;

21 (h) That this Court award Plaintiff its costs and disbursements in this civil
22 action, including reasonable attorney's fees; and

23 (i) That this Court grant Plaintiff such other and further relief, in law or in
24 equity, both general and special, to which it may be entitled.
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1 Dated: September 23, 2010
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Respectfully submitted,



4 SPENCER HOSIE (CA Bar No. 101777)
shosie@hosielaw.com

5 BRUCE WECKER (CA Bar No. 078530)
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6 GEORGE F. BISHOP (CA Bar No. 89205)
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drice@hosielaw.com

8 HOSIE RICE LLP
188 The Embarcadero, Suite 750

9 San Francisco, CA 94105

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DEMAND FOR JURY TRIAL

Plaintiff, by its undersigned attorneys, demands a trial by jury on all issues so triable.

Dated: September 23, 2010

Respectfully submitted,



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drice@hosielaw.com
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Attorneys for Plaintiff
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