

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 HOSIE RICE LLP
 188 The Embarcadero, Suite 750
 5 San Francisco, CA 94105
 6 (415) 247-6000 Tel.
 (415) 247-6001 Fax
 7

8 *Attorneys for Plaintiff*
 9 **BACKWEB TECHNOLOGIES, LTD.**

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

13 BACKWEB TECHNOLOGIES, LTD.,

14 Plaintiff,

15 v.

16 MICROSOFT CORPORATION;
 17 IANYWHERE SOLUTIONS, INC.; and
 SYBASE, INC.

18 Defendants.
 19

Case No. CV 09-1224 CW

**FIRST AMENDED COMPLAINT AND
 DEMAND FOR JURY TRIAL**

1 Plaintiff BackWeb Technologies, LTD. (“BackWeb” or “Plaintiff”) hereby files its
2 complaint against Defendant Microsoft Corporation (“Microsoft”), iAnywhere Solutions,
3 Inc. and Sybase, Inc. (collectively “Sybase Defendants”) (collectively “Defendants”) for
4 patent infringement. For its complaint, Plaintiff alleges, on personal knowledge as to its own
5 acts and on information and belief as to all other matters, as follows:

6 **PARTIES**

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

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14 2. Defendant Microsoft, on information and belief, is a corporation organized
15 under the laws of the State of Washington. Microsoft is doing business in Washington, and
16 has its principal place of business in Redmond, Washington.

17
18 3. Defendant iAnywhere Solutions, Inc. on information and belief, is a
19 corporation organized under the laws of the State of Delaware. It is a majority-owned
20 subsidiary of Sybase, Inc., and certain employees of Sybase, Inc. iAnywhere Solutions, Inc.
21 is doing business in California, and has its principal place of business in Dublin, California.
22 Sybase, Inc., on information and belief, is a corporation organized under the laws of the State
23 of Delaware. Sybase is doing business in California, and has its principal place of business in
24 Dublin, California.

25 **JURISDICTION AND VENUE**

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27 4. This complaint asserts a cause of action for patent infringement under the
28 Patent Act, 35 U.S.C. § 271. This Court has subject matter jurisdiction over this matter by

1 virtue of 28 U.S.C. § 1338(a). Venue is proper in this Court by virtue of 28 U.S.C. § 1391(b)
2 and (c) and 28 U.S.C. § 1400(b), in that Defendants may be found in this district, have
3 committed acts of infringement in this district, and a substantial part of the events or
4 omissions giving rise to the claim occurred and a substantial part of property that is the
5 subject of the action is situated in this district.

6 5. This Court has personal jurisdiction over Defendants because they have places
7 of business in, and provide infringing products and services in, the Northern District of
8 California.
9

10 **INTRADISTRICT ASSIGNMENT**

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

13 **BACKGROUND**

14 **The BackWeb Patents**

15 7. Plaintiff owns a patent, U.S. Patent No. 5,913,040 (“’040 Patent”), issued on
16 June 15, 1999, to inventors Yuval Rakavy and Eli Barkat. A true and correct copy of the
17 ’040 Patent is attached as Exhibit “A” and is incorporated herein by reference. Plaintiff is
18 the legal and rightful owner of the ’040 Patent.
19

20 8. The ’040 Patent contains fourteen (14) patent claims covering unique and
21 novel methods and processes for transmitting digital information in background mode over a
22 communications link between a computer network and a local computer and throttling the
23 transfer speed to create minimal interference with other processes communicating over the
24 communications link. The digital information described in the patent could be in a variety of
25 forms, including, but not limited to, news, weather, stock quotes, sports scores, software
26 updates or trip reservation information.
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1 9. Plaintiff also owns two continuation patents, U.S. Patent No. 6,317,789 (“’789
2 Patent”) and U.S. Patent No. 6,539,429 (“’429 Patent”), issued on November 13, 2001 and
3 March 25, 2003, respectively. A true and correct copy of the ’789 Patent is attached as
4 Exhibit “B” and is incorporated herein by reference. Plaintiff is the legal and rightful owner
5 of the ’789 Patent. A true and correct copy of the ’429 Patent is attached as Exhibit “C” and
6 is incorporated herein by reference. Plaintiff is the legal and rightful owner of the ’429
7 Patent. The two continuation patents contain twenty-eight (28) patent claims covering
8 unique and novel methods, processes and systems for transmitting digital information in
9 background mode over a communications link between a computer network and a local
10 computer with minimal interference with other processes communicating over the
11 communications link. Plaintiff’s three patents in this patent family will be referred to herein
12 as its Transparent Update Patents.
13

14 10. Plaintiff owns a patent, U.S. Patent No. 6,374,289 (“’289 Patent”), issued on
15 April 16, 2002, to inventors Hubert Delaney, Adi Ruppin, Lior Hass, and Ofer Faigon. The
16 ’289 Patent contains twenty-three (23) patent claims covering a unique and novel method for
17 distributing data packages across a hybrid peer-to-peer network, the network featuring a
18 server, a plurality of peer clients attached to the network, and lists of data packages
19 identifying the location of the data package in at least one of the plurality of peer clients, for
20 transmission. A true and correct copy of the ’289 Patent is attached as Exhibit “D” and is
21 incorporated herein by reference. Plaintiff is the legal and rightful owner of the ’289 Patent.
22
23

Microsoft’s Infringing Goods and Services

24 11. In 2001, Microsoft introduced a technology that it calls Background
25 Intelligent Transfer Service (BITS). BITS transfers files in the foreground or background,
26 throttles the transfers to preserve the responsiveness of other network applications, and
27
28

1 automatically resumes file transfers after network disconnects and machine restarts. In 2007,
2 Microsoft began the commercial distribution of version 3.0 of BITS, that adds the capability
3 of transferring files in a peer to peer networking fashion. Microsoft manufactures, uses and
4 sells products that infringe the three Transparent Update Patents. With the introduction of
5 BITS Ver. 3.0, Microsoft has also infringed BackWeb's '289 Patent.

6 **Sybase's Infringing Goods And Services**

7
8 12. The Sybase Defendants manufacture products that maintain software for
9 mobile device management, wireless email, mobile middleware platforms, database and
10 synchronization. These products include Sybase Unwired Platform, SQL Anywhere, Afaria
11 and iAnywhere Mobile Office. The Sybase Defendants manufactures, uses and sells
12 products that infringe the three Transparent Update Patents.

13 **COUNT I**
14 **(Patent Infringement against all Defendants)**

15 13. Plaintiff incorporates by reference the allegations of paragraphs 1 through 12
16 above.

17 14. BackWeb is the owner of the '040, '789, and '429 patents.

18
19 15. Defendants have infringed and are still infringing the Transparent Update
20 Patents, by, without authority, consent, right or license, and in direct infringement of the
21 patents, making, using, offering for sale and/or selling digital information transfer products
22 using the methods, processes and apparatuses claimed in the patents in this country. This
23 conduct constitutes infringement under 35 U.S.C. § 271(a).

24 16. In addition, Defendants have infringed and are still infringing the Transparent
25 Update Patents in this country, through, *inter alia*, their active inducement of others to make,
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1 use, and/or sell the systems, products and methods claimed in one or more claims of the
2 patents. This conduct constitutes infringement under 35 U.S.C. § 271(b).

3 17. In addition, Defendants have infringed and are still infringing the Transparent
4 Update Patents in this country through, *inter alia*, providing and selling goods and services
5 including products designed for use in practicing one or more claims of the Transparent
6 Update Patents, where the goods and services constitute a material part of the invention and
7 are not staple articles of commerce, and which have no use other than infringing one or more
8 claims of the Transparent Update Patents. Defendants have committed these acts with
9 knowledge that the goods and services they provide are specially made for use in a manner
10 that directly infringes the Transparent Update Patents. This conduct constitutes infringement
11 under 35 U.S.C. § 271(c).
12

13 18. Defendant Microsoft's infringing conduct is unlawful and willful. This
14 conduct makes this an exceptional case as provided in 35 U.S.C. § 285.
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16 19. As a result of Defendants' infringement, Plaintiff has been damaged, and will
17 continue to be damaged, until they are enjoined from further acts of infringement.

18 20. Defendants will continue to infringe the Transparent Update Patents unless
19 enjoined by this Court. Plaintiff faces real, substantial and irreparable damage and injury of
20 a continuing nature from Defendant's infringement for which Plaintiff has no adequate
21 remedy at law.
22

23 **COUNT II**
(Patent Infringement against Defendant Microsoft only)

24 21. Plaintiff incorporates by reference the allegations of paragraphs 1 through 20
25 above.
26

27 22. BackWeb is the owner of the '289 Patent.
28

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

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

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

18 26. Microsoft's infringing conduct is unlawful and willful. Defendant Microsoft's
19 willful conduct makes this an exceptional case as provided in 35 U.S.C. § 285.

20 27. As a result of Microsoft's infringement, Plaintiff has been damaged, and will
21 continue to be damaged, until they are enjoined from further acts of infringement.

22 28. Microsoft will continue to infringe the '289 Patent unless enjoined by this
23 Court. Plaintiff faces real, substantial and irreparable damage and injury of a continuing
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1 nature from Defendant Microsoft's infringement for which Plaintiff has no adequate remedy
2 at law.

3 WHEREFORE, Plaintiff prays:

4 (a) That this Court find Defendants have committed acts of patent
5 infringement under the Patent Act, 35 U.S.C. § 271;

6 (b) That this Court enter judgment that:

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

8 (ii) Defendants have infringed the Transparent Update Patents; and

9 (iii) Defendant Microsoft's infringement of the Transparent Update
10 Patents has been willful.

11 (iv) The '289 Patent is valid and enforceable;

12 (v) Defendant Microsoft has infringed the '289 Patent; and

13 (vi) Defendant Microsoft's infringement of the '289 Patent has been
14 willful.
15

16 (c) That this Court issue a preliminary and final injunction enjoining
17 Defendants, their officers, agents, servants, employees and attorneys, and any other
18 person in active concert or participation with them, from continuing the acts herein
19 complained of, and more particularly, that Defendants and such other persons be
20 permanently enjoined and restrained from further infringing the Transparent Update
21 Patents;
22

23 (d) That this Court issue a preliminary and final injunction enjoining
24 Defendants, their officers, agents, servants, employees and attorneys, and any other
25 person in active concert or participation with them, from continuing the acts herein
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1 complained of, and more particularly, that Defendants and such other persons be
2 permanently enjoined and restrained from further infringing the '289 Patent;

3 (e) That this Court award Plaintiff the damages to which it is entitled due to
4 Defendants' patent infringement, with both pre-judgment and post-judgment interest;

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

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

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

12 (i) That this Court grant Plaintiff such other and further relief, in law or in
13 equity, both general and special, to which it may be entitled.
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15

16 Dated: April 15, 2009

Respectfully submitted,

17
18 /s/ Bruce Wecker
19 SPENCER HOSIE (CA Bar No. 101777)
20 shosie@hosielaw.com
21 BRUCE WECKER (CA Bar No. 078530)
22 bwecker@hosielaw.com
23 GEORGE F. BISHOP (CA Bar No. 89205)
24 gbishop@hosielaw.com
25 HOSIE RICE LLP
188 The Embarcadero, Suite 750
San Francisco, CA 94105
(415) 247-6000 Tel.
(415) 247-6001 Fax

26 *Attorneys for Plaintiff*
27 **BACKWEB TECHNOLOGIES, LTD.**
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DEMAND FOR JURY TRIAL

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

Dated: April 15, 2009

Respectfully submitted,

/s/ Bruce Wecker
SPENCER HOSIE (CA Bar No. 101777)
shosie@hosielaw.com
BRUCE WECKER (CA Bar No. 078530)
bwecker@hosielaw.com
GEORGE F. BISHOP (CA Bar No. 89205)
gbishop@hosielaw.com
HOSIE RICE LLP
188 The Embarcadero, Suite 750
San Francisco, CA 94105
(415) 247-6000 Tel.
(415) 247-6001 Fax

Attorneys for Plaintiff
BACKWEB TECHNOLOGIES, LTD.

CERTIFICATE OF SERVICE

I, Janine DeAndre, am a citizen of the United States and am employed in the County of San Francisco, State of California. I am over the age of 18 years and am not a party to the within action. My business address is Hosie Rice LLP, 188 The Embarcadero, Suite 750, San Francisco, California, 94105.

On April 15, 2009, I served the following attached

- **FIRST AMENDED COMPLAINT AND DEMAND FOR JURY TRIAL**

by Federal Express at San Francisco, California, addressed to the following party:

Stephen P. McGrath
Microsoft Corporation
One Microsoft Way
Redmond, WA 98052-6399

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATED: April 15, 2009

/s/ Janine DeAndre
Janine DeAndre

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