**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

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| DAEDALUS BLUE, LLC,<br><br>               *Plaintiff*,<br><br>    v.<br><br>MICROSOFT CORPORATION,<br><br>              *Defendant*. | Case No.  6:20-cv-1152     <br><br>**JURY TRIAL DEMANDED** |

## DAEDALUS BLUE, LLC'S COMPLAINT FOR PATENT INFRINGEMENT

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff, Daedalus Blue, LLC for its Complaint against Defendant Microsoft Corporation ("Microsoft") hereby alleges as follows:

### INTRODUCTION

1. The novel inventions disclosed in the Asserted Patents in this matter were invented by International Business Machines Corporation ("IBM"). IBM pioneered the field of shared resources and cloud computing. Every year, IBM spends billions of dollars on research and development to invent, market, and sell new technology, and IBM obtains patents on many of the novel inventions that come out of that work, including the Asserted Patents. The 5 patents asserted in this case are the result of the work from 14 different IBM researchers, spanning a period of nearly a decade.

2. Over the years, the inventions claimed in the Asserted Patents have been licensed to many companies, including Amazon Web Services and Oracle Corporation.

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**THE PARTIES**

3.       Daedalus Blue, LLC ("Daedalus") is the current owner and assignee of the Asserted Patents.

4.       Plaintiff Daedalus is a Delaware limited liability company with its principal place of business located at 51 Pondfield Road, Suite 3, Bronxville, NY 10708.

5.       Defendant Microsoft Corporation is a Washington Corporation with a principal place of business at One Microsoft Way, Redmond, Washington.  Microsoft Corporation also maintains corporate sales offices in this District, located at 10900 Stonelake Boulevard, Suite 225, Austin, Texas, and at Concord Park II 401 East Sonterra Boulevard, Suite 300, San Antonio, Texas.

6.       Microsoft conducts business in Texas and in the Western District of Texas, as set forth below.

**JURISIDICTION AND VENUE**

7.       This is an action arising under the patent laws of the United States, 35 U.S.C. § 101, *et seq*.  Accordingly, this Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

8.       Defendant Microsoft is subject to this Court's personal jurisdiction in accordance with due process and/or the Texas Long Arm Statute because, in part, Microsoft "[r]ecruits Texas residents, directly or through an intermediary located in this state, for employment inside or outside this state."  *See* Tex. Civ. Prac. & Rem. Code § 17.042.

9.       This Court also has personal jurisdiction over Defendant Microsoft because it committed and continue to commit acts of direct and/or indirect infringement in this judicial district in violation of at least 35 U.S.C. §§ 271(a) and (b).  In particular, on information and

belief, Microsoft has made, used, offered to sell and sold licenses for, or access to, the accused products in this judicial district, and have induced others to use the accused products in this judicial district.

10.     Defendant Microsoft is subject to the Court's personal jurisdiction, in part, because it regularly conducts and solicits business, or otherwise engages in other persistent courses of conduct in this district, and/or derives substantial revenue from the sale and distribution of infringing goods and services provided to individuals and businesses in this district.

11.     This Court has personal jurisdiction over Defendant Microsoft because, *inter alia*, Defendant (1) has substantial, continuous, and systematic contacts with this State and this judicial district; (2) owns, manages, and operates facilities in this State and this judicial district; (3) enjoys substantial income from its operations and sales in this State and this judicial district; (4) employs Texas residents in this State and this judicial district; and (5) solicits business and market products, systems and/or services in this State and judicial district including, without limitation, those related to the infringing accused products.

12.     Venue is proper in this District pursuant to at least 28 U.S.C. §1319(b)-(c) and §1400(b), at least because Defendant Microsoft, either directly or through its agents, have committed acts within this judicial district giving rise to this action, and continue to conduct business in this district, and/or has committed acts of patent infringement within this District giving rise to this action.

## FACTUAL ALLEGATIONS

### Daedalus Patents

13.     The IBM inventions contained in the Asserted Patents in this case relate to groundbreaking improvements to cloud infrastructure, cloud management, network security, database management, data processing, and data management and have particular application in the cloud-based computing environments as will be further described below.

### U.S. Patent No. 7,177,886

14.     On February 13, 2007, the U.S. Patent and Trademark Office duly and lawfully issued United States Patent No. 7,177,886 ("the '886 Patent"), entitled "Apparatus and Method for Coordinating Logical Data Replication with Highly Available Data Replication."  A true and correct copy of the '886 Patent is attached hereto as **Exhibit 1.**

15.     Daedalus is the owner and assignee of all right, title, and interest in and to the '886 Patent, including the right to assert all causes of action arising under said patent and the right to any remedies for infringement of it.

16.     The '886 Patent describes, among other things, a novel apparatus configuration that improves data storage techniques that provides for faster, more reliable backup of data files to remote servers, which ensures against data loss and system failure.  These inventive technological improvements solved then-existing problems in the field of data replication for databases.  For example, as described in the '886 Patent, relational database systems distribute data across a plurality of computers, servers, or other platforms.   Distributed database systems typically include a central database and various remote servers that are synchronized with the central database.  (Ex. 1 at 1:34-36).  The central database server provides a repository for all database contents, and its contents are preferably highly robust against server failures.  (*Id.* at

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1:47-49).  Remote databases which store some or all information contained in the central database are typically maintained by synchronous or asynchronous data replication.  In synchronous replication, a transaction updates data on each target remote database before completing the transaction.

17.     However, as described in the '886 Patent, traditional synchronous replication methods introduce substantial delays into data processing, because the replication occurs as part of the user transaction.  This increases the cost of the transaction, making it too expensive.  Moreover, a problem at a single database can result in an overall system failure.  Hence, synchronous replication is usually not preferred, except in transactions which require a very high degree of robustness against database failure.  (*Id*. at 2:9-24).

18.     As also described in the '886 Patent, known methods of asynchronous replication were preferred for most data distribution applications.  In asynchronous replication, transaction logs of the various database servers are monitored for new transactions.  When a new transaction is identified, a replicator rebuilds the transaction from the log record and distributes it to other database instances, each of which apply and commit the transaction at that instance.  Such replicators have a high degree of functionality, and readily support multiple targets, bi-directional transmission of replicated data, replication to dissimilar machine types, and the like.  However, asynchronous replicators have a substantial latency between database updates, sometimes up to a few hours for full update propagation across the distributed database system, which can lead to database inconsistencies in the event of a failure of the central database server.  Hence, asynchronous replicators are generally not considered to be fail-safe solutions for high data availability.  (Ex. 1 at 25-41).

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