

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

NO MAGIC, INC,

Plaintiff,

v.

THALES E-SECURITY, INC,

Defendant.

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Civil Action No. 2:15-CV-945

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

No Magic, Inc. (“No Magic” or “Plaintiff”), by and through its attorneys, for its Complaint against Defendant Thales e-Security, Inc. (“Thales” or “Defendant”), hereby alleges as follows:

I. NATURE OF THE ACTION

1. This is a patent infringement action to end Defendant’s unauthorized and infringing manufacture, use, sale, offering for sale, and/or importation of methods and products incorporating Plaintiff’s patented inventions.

2. No Magic is owner of all right, title, and interest in and to United States Patent No. 8,929,552 (the “’552 Patent”), issued January 6, 2015, for “Electronic Information and Cryptographic Key Management System.” A true and correct copy of the ‘552 Patent is attached hereto as Exhibit A.

3. Defendant manufactures, provides, sells, offers for sale, imports, and/or distributes infringing products and services; and/or induces others to make and use its products and services in an infringing manner, including their customers, who directly infringe the '552 Patent.

4. Plaintiff No Magic seeks injunctive relief to prevent Defendant from continuing infringement of Plaintiff's valuable patent rights. Plaintiff No Magic further seeks monetary damages and prejudgment interest for Defendant's past infringement of the '552 Patent.

II. THE PARTIES

5. Plaintiff No Magic is a corporation organized and existing under the laws of the State of Wyoming, with its principal place of business located at One Allen Center, 700 Central Expressway South, Suite 110, Allen, Texas 75013.

6. No Magic is a twenty-year-old company whose primary focus is on the development of software products and solutions for a wide variety of customers. With over 10,000 customer companies, No Magic offers award-winning software products and services to a wide variety of industries, including the energy, automotive, financial, logistics, telecommunications and space exploration (NASA) industries.

7. Upon information and belief, Thales e-Security, Inc. is a Pennsylvania corporation with its principal place of business located at 900 South Pine Island Road, Suite 710, Plantation, Florida 33324. Upon information and belief, Thales e-Security, Inc. is authorized to do business in Texas and has appointed CT Corporation System, 1999 Bryan Street, Suite 900, Dallas, Texas 75201 as its agent for service of process.

III. JURISDICTION AND VENUE

8. This is an action for patent infringement which arises under the Patent Laws of the United States, in particular, 35 U.S.C. §§271, 281, 283, 284, and 285. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§1331 and 1338(a).

9. This Court has personal jurisdiction over Defendant, and venue is proper in this Court pursuant to 28 U.S.C. §§1391(b), (c), and 1400.

IV. PLAINTIFF'S '552 PATENT

10. The '552 Patent discloses systems and methods for the securement of electronic information. Electronic information and cryptographic keys are secured through the use of a cryptographic key management system that provides for the confirmation that one or more cryptographic keys have been secured to the key management system.

11. No Magic has obtained all substantial right and interest to the '552 Patent, including all rights to recover for all past and future infringements thereof.

VI. DEFENDANT'S ACTS

12. Thales manufactures, provides, sells, offers for sale, and/or distributes infringing systems. An exemplary infringing product is Thales' "nShield Connect" hardware security module which provides cryptographic processing, key protection, and key management.

13. Thales has had knowledge of the '552 Patent at least as early as the service of this Complaint.

14. With knowledge of the '552 Patent, Thales intentionally provides services and instructions for the installation and infringing operation of infringing products (including, by way of example, the resources and materials available at <https://support.thales-esecurity.com>) to the customers of its products, who directly infringe through the operation of those products.

15. Through its actions, Thales has infringed the '552 Patent and actively promoted others to infringe the '552 Patent throughout the United States, including by customers within the Eastern District of Texas. On information and belief, Thales induces its customers to infringe and contributes to the infringement of its customers by instructing or specifying that its customers install and operate Thales hardware security modules and other Thales products in an infringing manner. Thales specifies that the infringing products operate in an infringing manner by providing installation services, training services, and other support services related to their infringing products. Additionally, Thales constructs and configures their infringing products to operate in an infringing manner and to prevent unauthorized modification to this infringing manner of operation by its customers (see, for example, the discussion of tamper-resistant security at <https://www.thales-esecurity.com/solutions/by-technology-focus/tamper-resistant-security>).

16. Thales, with knowledge of the '552 Patent, contributes to the infringement of the '552 Patent, by having its direct and indirect customers sell, offer for sale, use, or import its hardware security modules, including but not limited to the nShield Connect product, with knowledge that such products infringe the '552 Patent. Thales' accused instrumentalities are especially made or adapted for infringing the '552 Patent, and have no substantially non-infringing uses.

17. No Magic has been and will continue to suffer damages as a result of Defendant Thales' infringing acts unless and until enjoined.

COUNT ONE
PATENT INFRINGEMENT—U.S. PATENT NO. 8,929,552

18. Plaintiff No Magic realleges and incorporates herein paragraphs 1–17.

19. Defendant has infringed the '552 Patent.

20. Defendant has indirectly infringed the '552 Patent by inducing the infringement of the '552 Patent and contributing to the infringement of the '552 Patent.

21. Upon information and belief, Defendant has jointly infringed the '552 Patent, including by controlling and/or directing others to perform one or more of the claimed method steps.

22. Defendant's aforementioned acts have caused damage to No Magic and will continue to do so unless and until enjoined.

VII. JURY DEMAND

23. Plaintiff No Magic hereby demands a jury on all issues so triable.

VIII. REQUEST FOR RELIEF

WHEREFORE, Plaintiff No Magic respectfully requests that the Court:

- A. Enter judgment that Defendant infringes one or more claims of the '552 Patent literally and/or under the doctrine of equivalents;
- B. Permanently enjoin Defendant, its agents, servants, and employees, and all those in privity with Defendant or in active concert and participation with Defendant, from engaging in acts of infringement of the '552 Patent;
- C. Award Plaintiff No Magic past and future damages together with prejudgment and post-judgment interest to compensate for the infringement by Defendant of the '552 Patent in accordance with 35 U.S.C. §284, and increase such award by up to three times the amount found or assessed in accordance with 35 U.S.C. §284;

- D. Declare this case exceptional pursuant to 35 U.S.C. §285; and
- E. Award Plaintiff No Magic its costs, disbursements, attorneys' fees, and such further and additional relief as is deemed appropriate by this Court.

Respectfully submitted,



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