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21 UNITED STATES DISTRICT COURT
22 CENTRAL DISTRICT OF CALIFORNIA

23 YARDI SYSTEMS, INC.,

24 Plaintiff,

25 v.

26 PROPERTY SOLUTIONS
27 INTERNATIONAL INC.,

28 Defendant.

Case No. 2:13-CV-07764-FMO-CW

**FIRST AMENDED COMPLAINT
FOR DAMAGES ARISING FROM:**

1. **COPYRIGHT INFRINGEMENT**
– 17 U.S.C. § 101 et seq.;
 2. **MISAPPROPRIATION OF
TRADE SECRETS – CAL. CIV.
CODE §§ 3426-3426.11;**
 3. **INTENTIONAL
INTERFERENCE WITH
CONTRACTUAL RELATIONS;**
 4. **BREACH OF EXPRESS
CONTRACT;**
 5. **BREACH OF IMPLIED
CONTRACT; AND**
 6. **VIOLATION OF DIGITAL
MILLENNIUM COPYRIGHT ACT**
– 17 U.S.C. § 1201
- DEMAND FOR JURY TRIAL**

1 Plaintiff Yardi Systems, Inc. (“Yardi”), by and through its attorneys,
2 Brownstein Hyatt Farber Schreck, hereby submits the following First Amended
3 Complaint and Demand for Jury Trial against Defendant Property Solutions
4 International Inc. (“Property Solutions”) and alleges as follows:

5 **INTRODUCTION**

6 1. This case stems from Property Solutions’ exploitation of its
7 relationship with Yardi and Yardi’s customers, and its improper and unauthorized
8 access to and copying of Yardi’s flagship, proprietary Voyager[®] software system.

9 2. Property Solutions has never had any right to copy, possess, and use
10 the Voyager software. When asked by Yardi on several occasions, Property
11 Solutions repeatedly assured Yardi that it did not have a copy of the Voyager
12 software, and that it had not misappropriated Yardi’s trade secrets or violated
13 Yardi’s copyrights.

14 3. However, Yardi has confirmed that these representations were false.
15 Property Solutions surreptitiously acquired and used a copy of the Voyager
16 software in violation of Yardi’s copyrights, sought to discover and exploit Yardi’s
17 proprietary trade secrets, misled Yardi’s customers about Property Solutions’ right
18 to use and access the Voyager software, and took advantage of Yardi’s willingness
19 to provide Property Solutions with certain technical support and assistance for the
20 benefit of the parties’ mutual clients. In addition, Property Solutions lied to Yardi
21 about working to develop a competing product, which, upon information and belief,
22 was developed using Yardi’s copyrighted and proprietary information.

23 4. When Yardi confronted Property Solutions about its behavior and its
24 illegal and unauthorized copy of the Voyager software, Property Solutions
25 effectively told Yardi to prove it. Before filing this lawsuit, Yardi provided that
26 information – and the response from Property Solutions has been only silence.

27 5. Yardi brings this action in order to stop Property Solutions from
28 wrongfully accessing, copying, using, and making derivative works of Yardi’s

1 copyrighted software and trade secrets, and to stop Property Solutions from
2 benefiting from its illicit conduct in the development and sale of what Property
3 Solutions proclaims to be a distinctive, competing property management software –
4 but which in reality appears to be little more than an incomplete copy of the
5 Voyager software.

6 **PARTIES**

7 6. Yardi is a California corporation with its principal place of business at
8 430 South Fairview Avenue, Santa Barbara, California 93117.

9 7. Property Solutions is a Delaware corporation with its principal place of
10 business at 2912 Executive Parkway, Suite 100, Lehi, Utah 84043.

11 **JURISDICTION AND VENUE**

12 8. This Court has subject matter jurisdiction over this action pursuant to
13 28 U.S.C. §§ 1331 and 1338 because Yardi’s first claim arises under the federal
14 Copyright Act, 17 U.S.C. § 101 et seq. and because the action relates to copyrights.

15 9. This Court has supplemental subject matter jurisdiction over Yardi’s
16 state law claims pursuant to 28 U.S.C. § 1367 because those claims are so related to
17 Yardi’s federal copyright claim as to form part of the same case or controversy.

18 10. This Court also has subject matter jurisdiction pursuant to 28 U.S.C. §
19 1332 because the matter in controversy exceeds the sum or value of \$75,000,
20 exclusive of interests and costs, and is between citizens of different states.

21 11. This Court has personal jurisdiction over Property Solutions because
22 Yardi’s claims arise out of Property Solutions’ intentional torts aimed at a
23 California resident, Property Solutions’ activities purposefully directed toward
24 California, and Property Solutions’ purposeful availment of the privilege of
25 conducting activities in California. Among other things, Property Solutions:

26 a. Willfully and intentionally infringed copyrights owned by
27 Yardi, a corporation that Property Solutions knew to have its principal place of
28 business in the Central District of California;

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1 b. Misappropriated trade secret information that was developed
2 and maintained by Yardi in the Central District of California;

3 c. Intentionally interfered with a contract between Yardi, a resident
4 of the Central District of California, and a Yardi client also located in California;

5 d. Contacted a Yardi client located in California to request that the
6 client disclose Yardi’s copyrighted and trade secret information regarding Yardi’s
7 Voyager software, in violation of that client’s license agreement with Yardi;

8 e. Accessed Yardi’s computer network located in the Central
9 District of California through an unauthorized copy of the Voyager software;

10 f. Made false representations to Yardi representatives at a meeting
11 in Santa Barbara, California and through letters sent to Yardi representatives in
12 Santa Barbara, California, regarding Property Solutions’ access to the Voyager
13 software and development of a competing property management system; and

14 g. Markets and sells its property management software and other
15 products, which upon information and belief, were developed through the improper
16 use of Yardi’s copyrighted and trade secret information, in California.

17 12. This Court also has personal jurisdiction over Property Solutions
18 because the 2006 Non-Disclosure Agreement between the parties provides that any
19 dispute related to or arising out of the agreement shall be brought in California and
20 that the parties consent to the personal jurisdiction and venue of this Court.

21 13. Venue is proper in this Court pursuant to 28 U.S.C. § 1400(a) because
22 Property Solutions is amenable to personal jurisdiction, and thus may be found, in
23 this district. Venue is also proper in this Court pursuant to 28 U.S.C. § 1391
24 because a substantial part of the events giving rise to Yardi’s claims occurred in this
25 district and a substantial part of the property that is the subject of this action
26 (including Yardi’s copyrighted material and trade secrets) is situated in this district.

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1 **GENERAL ALLEGATIONS**

2 **Nature of Yardi's Business**

3 14. Yardi develops, markets, and sells database and application software
4 for the property management industry. In addition to designing and developing
5 property management software, Yardi licenses, hosts, manages and supports that
6 software for its real estate and property management clients.

7 15. Yardi's Voyager software is designed for property owners, managers,
8 and investors in global real estate markets. It offers an operating platform that
9 centralizes accounting and property management data in a single database,
10 eliminating the need for clients to transfer data among various systems and
11 allowing clients to work more efficiently. Yardi offers Voyager software solutions
12 designed to meet the requirements of every real estate market.

13 16. Yardi offers the Voyager software to its clients pursuant to software
14 license agreements. Among other things, those agreements prohibit users of the
15 Voyager software from disclosing Yardi's confidential, copyrighted, or proprietary
16 information; providing access to the Voyager software to individuals that are not
17 designated users under the agreements; and reverse engineering, decompiling or
18 otherwise attempting to discover the source code for the Voyager software.

19 **Yardi's Relationship with Property Solutions**

20 17. There are many third party companies that also develop and market
21 certain specialized add-on products and service modules for the property
22 management industry, which products and services are intended to interface with
23 the Voyager software. In other words, Yardi clients may use the Voyager software
24 as their operating platform and may license software from third parties to perform
25 specific additional functions desired by that client. Yardi has a long history of
26 working cooperatively with these third party providers to develop and improve
27 interfaces that will best serve the parties' mutual clients.
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1 18. Property Solutions is a developer of add-on products and service
2 modules that purportedly interface with the Voyager software.

3 2006 Non-Disclosure Agreement

4 19. On or about February 24, 2006, Yardi and Property Solutions entered
5 into a Non-Disclosure Agreement (“2006 NDA”), which governed the disclosure of
6 Confidential Information (as defined in the agreement) between the parties.

7 20. The 2006 NDA defined Confidential Information to include “all
8 technical and non-technical information either party discloses or provides to the
9 other,” including, as most relevant here: “information regarding copyrighted . . . or
10 trade secret material or other intellectual property,” “software programs,” “database
11 architecture,” “user manuals,” “software documentation, ideas . . . know-how,
12 techniques, schema . . . algorithms,” and “any information related to current, future,
13 and proposed software, products and services.” Moreover, Property Solutions
14 “specifically acknowledge[d] that [Yardi’s] proprietary software programs . . . are
15 valuable Confidential Information and agree[d] that [it] would not modify, reverse
16 engineer, duplicate, simulate, decompile, create derivative works from, or
17 disassemble the software programs without [Yardi’s] consent.”

18 21. The 2006 NDA further provided that the parties may disclose certain
19 Confidential Information to one another, but the parties agreed to use the
20 Confidential Information “solely for the purpose of evaluating or pursuing a
21 business relationship and for no other purpose.” Specifically, the 2006 NDA states:
22 “In no event shall a party use the other party’s Confidential Information to the
23 detriment of or in competition with the other party.”

24 22. The 2006 NDA provides that it remains in effect until terminated by
25 either party upon written notice. Upon termination of the agreement, the parties are
26 required to “promptly return all documents and other tangible Confidential
27 Information, electronic or otherwise, in their possession and permanently delete any
28 Confidential Information stored by that party in electronic form.”

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1 Yardi's Technical Support to Property Solutions

2 23. Rather than using Yardi's standard interfaces, Property Solutions has
3 instead elected to develop its own custom interface that seeks to allow
4 interoperability between the Voyager software and Property Solutions' products.

5 24. Because Property Solutions did not use Yardi's standard interfaces, its
6 applications would often cause technical problems for the parties' mutual clients.
7 Therefore, pursuant to the 2006 NDA, and in an effort to serve the parties' mutual
8 clients, Yardi provided certain technical support to Property Solutions.

9 25. To the extent that any confidential information regarding Yardi's
10 software was provided during the course of that assistance, such information was
11 provided pursuant to the 2006 NDA. As such, Property Solutions was permitted to
12 use that information only for the business purposes for which it was provided.

13 26. Alternatively, the parties had an implied agreement, manifested
14 through the parties' course of conduct and ongoing relationship, to continue
15 operating under a duty of confidentiality, pursuant to which any confidential
16 information provided by Yardi to Property Solutions was to be used only for the
17 purpose of resolving the technical issues for which the information was provided.

18 27. Property Solutions was expressly prohibited from using any such
19 confidential information for any other purpose. Specifically, Property Solutions
20 was prohibited from modifying, reverse engineering, duplicating, simulating,
21 decompiling, creating derivate works from, or disassembling any Yardi software
22 program. Property Solutions was also prohibited from using any of Yardi's
23 confidential information to the detriment of or in competition with Yardi.

24 28. Property Solutions has never had any license agreement, or been
25 otherwise authorized, to possess and use the Voyager software.

26 29. Upon information and belief, to develop and maintain its software,
27 Property Solutions gained unauthorized access to the Voyager software. Property
28 Solutions could not have maintained its custom interfaces without such access.

1 **Yardi's Inquiries Regarding Property Solutions' Improper Access to Voyager**
2 **Software and Property Solutions' False and Misleading Denials**

3 30. Once Yardi realized Property Solutions had gained illegal access to the
4 Voyager software, Yardi expressed these concerns to Property Solutions in a
5 meeting in Santa Barbara, California on February 7, 2012 and again in a subsequent
6 phone call on February 13, 2012. During those meetings, Property Solutions
7 denied ever accessing, using, or copying the Voyager software, but refused to
8 explain how it tested and validated its custom interfaces without such access.

9 31. At the February 7, 2012 meeting, Yardi also asked Property Solutions
10 whether it was developing a property management system to compete with the
11 Voyager software because such an intent would obviously exacerbate Yardi's
12 concerns about Property Solutions' unauthorized access to the software. Property
13 Solutions assured Yardi in that face-to-face discussion that it was not developing
14 such a system. Yardi relied on those assurances in continuing to provide certain
15 technical support to Property Solutions pursuant to the parties' contract.

16 32. Yardi followed these meetings with a letter to the Chief Executive
17 Officer and President of Property Solutions, in which Yardi asked Property
18 Solutions to confirm that it did not have a copy of the Voyager software in its
19 possession or otherwise have access to the Voyager software, that its personnel and
20 contractors were not logging into the Voyager software for any purpose, and that it
21 had no Yardi technical manuals or user guides. Yardi further explained to Property
22 Solutions that Yardi's agreements with its clients and consultants precluded those
23 clients and consultants from providing Property Solutions with access to the
24 Voyager software or Voyager software documentation. Yardi demanded that
25 Property Solutions return any confidential information in its possession to Yardi.

26 33. On February 23, 2012, Property Solutions responded to Yardi's
27 inquiry in a letter sent to Yardi's offices by stating that it did not have any copies of
28 the Voyager software in its possession and that it is not accessing the Voyager

1 software. Notably, Property Solutions framed its response only in the present tense,
2 i.e., that it did not currently have access to the Voyager software. It did not assert
3 that it had never had such access. Over the next several months, Property Solutions
4 repeatedly denied that it had any access to the Voyager software. Further, Property
5 Solutions refused to return any confidential information in its possession to Yardi.

6 34. Notwithstanding Property Solutions' carefully worded denials, Yardi
7 continued to suspect that Property Solutions was accessing and using its
8 confidential and proprietary information and copyrighted software. Specifically,
9 among other things, Yardi became aware of certain developments in Property
10 Solutions' custom interfaces which suggested that Property Solutions was
11 accessing, infiltrating, extracting, or otherwise using the Voyager software and code
12 and other Yardi proprietary information to develop and maintain those interfaces.
13 Accordingly, Yardi again demanded that Property Solutions cease and desist from
14 using Yardi's intellectual property and explain to Yardi how such information had
15 been used. Again, however, Property Solutions denied having any such access.

16 **Yardi's Confirmation of Property Solutions' Improper Access to, and Copying**
17 **of, the Voyager Software and Other Confidential and Proprietary Information**

18 35. Yardi has since confirmed that contrary to Property Solutions'
19 repeated representations, Property Solutions did in fact have a copy of the Voyager
20 software at least as of October 2011. On October 28, 2011, a copy of the Voyager
21 software (version 6.0) accessed the Yardi network from an IP address that is
22 registered to Property Solutions (64.90.194.190). This access confirms that there
23 was a copy of the Voyager software on a computer owned or operated by Property
24 Solutions. Property Solutions' possession, use, and copying of the Voyager
25 software to one or more of its computers was unauthorized and infringed on one or
26 more of Yardi's copyrights.

27 36. In addition, Property Solutions has used its relationship with Yardi's
28 and Property Solutions' mutual clients to obtain access to Yardi's proprietary, trade

1 secret information. For example, in July 2012, Property Solutions sent an email to
2 a mutual client located in California requesting Yardi's proprietary information to
3 assist in its development of certain enhancements. Specifically, the email asks the
4 client to disclose the Yardi database tables that can be used by Property Solutions to
5 identify a lease renewal offer or to tell Yardi that a renewal offer has been accepted.
6 This email is just one example in which Property Solutions asked a Yardi client to
7 disclose specific information regarding Yardi's proprietary, trade secret logic.

8 37. Shortly after the July 2012 email, Property Solutions claimed to have
9 developed a custom interface with the Voyager software for its lease renewal
10 product. Property Solutions could not have developed that custom interface
11 without access to Yardi's proprietary information. Further, upon information and
12 belief, Property Solutions improperly used a Voyager software test environment or
13 an unauthorized copy of the Voyager software to debug, test, and validate the
14 custom interface.

15 38. Property Solutions' unauthorized access to and use of the Voyager
16 software is further evidenced by the ongoing functionality of the Property Solutions
17 custom interfaces despite several updates and modifications to the Voyager
18 software. Yardi continues to offer updates to the Voyager software to improve its
19 functionality and features. Without access to these updated versions of the Voyager
20 software in order to test corresponding updates and modifications to Property
21 Solutions' custom interfaces, Property Solutions' custom interfaces would begin
22 experiencing increased failures. However, Property Solutions continues to use its
23 own custom interfaces and has not transitioned to Yardi's standard interfaces.

24 39. Before this lawsuit was filed, Property Solutions asked Yardi to
25 disclose its evidence that Property Solutions had illegally obtained a copy of the
26 Voyager software. Yardi did exactly that – explaining to Property Solutions'
27 counsel that a copy of the Voyager software had accessed the Yardi network from a
28 Property Solutions computer – and was told that Property Solutions would get back

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1 to Yardi with a response. Notably, confronted with this incontrovertible evidence
2 of its improper and illegal behavior, Property Solutions suddenly went silent, never
3 even responding, let alone offering any explanation or justification for its behavior.

4 **Property Solutions’ Release of Competing Property Management System**

5 40. Finally, contrary to Property Solutions’ representation to Yardi in
6 February 2012 that it was not developing a property management product, Property
7 Solutions has now released a property management system called “Entrata” that
8 competes with the Voyager software. Upon information and belief, Property
9 Solutions developed the Entrata software through the improper and unauthorized
10 use of Yardi’s proprietary trade secret information and by intentionally and
11 unlawfully copying Yardi’s copyrighted Voyager software.

12 41. Property Solutions had access to the Voyager software, both through
13 the unauthorized copy of the Voyager software that was in Property Solutions’
14 possession and through the parties’ mutual clients. By gaining access to the
15 Voyager software, Property Solutions improperly accessed Yardi’s copyrighted,
16 proprietary information that reflected years of painstaking effort and financial
17 investment. Without access to this proprietary information, it would have taken
18 Property Solutions years and a substantial investment to build a competing property
19 management software system. Instead, upon information and belief, Property
20 Solutions simply used Yardi’s copyrighted and proprietary information, including
21 confidential information that Yardi provided to Property Solutions pursuant to the
22 parties’ express and implied contracts, to develop Entrata.

23 **FIRST CLAIM FOR RELIEF**

24 **(Copyright Infringement – 17 U.S.C. § 101 et seq.)**

25 42. Yardi incorporates by reference and realleges each of the allegations
26 set forth in paragraphs 1 through 41 of this Complaint as if set forth fully herein.

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1 43. Yardi is the owner of valid and enforceable copyrights in its Voyager
 2 software and related modules and add-ons, each of which constitutes an original
 3 and creative work of authorship protectable by copyright.

4 44. Yardi has registered copyrights that comprise the Voyager software
 5 with the Copyright Office pursuant to 17 U.S.C. § 408. As relevant here, Yardi’s
 6 copyrights include, but are not limited to, the following:

Title of Work	Copyright Registration/Application Number	Date of Registration/Application
Yardi Voyager 5.0	TXu 1-749-873	7/18/11
Yardi Voyager 6.0	TXu 1-750-061	7/18/11
Yardi Voyager Residential Plug-In 10 (Version 60.08.22)	TXu 1-754-722	5/10/11

14 45. Property Solutions has knowingly and intentionally violated Yardi’s
 15 exclusive right to reproduce its copyrighted material by, among other things,
 16 knowingly and intentionally copying and using the Voyager software without
 17 Yardi’s authorization and without a license to do so.

18 46. Upon information and belief, Property Solutions has also knowingly
 19 and intentionally violated Yardi’s exclusive rights to create derivative works based
 20 upon its copyrighted material and to distribute and control distribution and sale of
 21 such derivative works through the development and distribution of the Entrata
 22 software. Upon information and belief, in creating Entrata, Property Solutions
 23 intentionally copied original copyrightable elements of the Voyager software.

24 47. In addition to directly infringing Yardi’s exclusive rights in its
 25 copyrighted material, Property Solutions has, upon information and belief,
 26 contributorily infringed Yardi’s exclusive copyrights by intentionally inducing or
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1 encouraging the mutual clients of Yardi and Property Solutions to reproduce and/or
2 distribute copies of the Voyager software to Property Solutions.

3 48. Property Solutions was on notice of Yardi’s copyrights and knew or
4 should have known that its copying and use of the Voyager software, and creation,
5 distribution and sale of derivative works therefrom, infringed Yardi’s exclusive
6 rights in its copyrighted material, because of, among other things, written warnings
7 from Yardi and copyright notices placed on the Voyager software and related
8 technical manuals and user guides under 17 U.S.C. § 401.

9 49. Yardi is entitled to damages in an amount to be proved at trial,
10 including either Yardi’s actual damages and any additional profits of Property
11 Solutions that are attributable to the infringement under 17 U.S.C. § 504(b), or
12 statutory damages pursuant to 17 U.S.C. § 504(c).

13 50. In addition, Property Solutions’ infringement of Yardi’s copyrights
14 was committed willfully, in that Property Solutions was actually aware of the
15 infringing activity, or alternatively, acted in reckless disregard or with willful
16 blindness to Yardi’s copyrights. Specifically, Yardi repeatedly placed Property
17 Solutions on notice of its infringing activity. Therefore, Yardi is also entitled to
18 statutory damages for willful infringement pursuant to 17 U.S.C. 504(c)(2).

19 51. Yardi is also entitled to a temporary and final injunction to prevent or
20 restrain Property Solutions’ further infringement of Yardi’s copyrights pursuant to
21 17 U.S.C. § 502, as well as an order impounding or destroying all copies of the
22 Voyager software and, if proved at trial to be infringing, all copies of the Entrata
23 software, in Property Solutions’ possession pursuant to 17 U.S.C. § 503.

24 52. In addition, Yardi is entitled to an award of its costs and reasonable
25 attorneys’ fees pursuant to 17 U.S.C. § 505.

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SECOND CLAIM FOR RELIEF

(Misappropriation of Trade Secrets – Cal. Civ. Code §§ 3426-3426.11)

53. Yardi incorporates by reference and realleges each of the allegations set forth in paragraphs 1 through 52 of this Complaint as if set forth fully herein.

54. Yardi is the owner of the proprietary and confidential Voyager software, as well as other proprietary and confidential information related to that software, including database tables and logic. This information constitutes trade secrets in that it derives independent, substantial economic value from the fact that it is not generally known to the public or to others who, if they had access to such information, could obtain economic value from it. Specifically, this proprietary and confidential information allows Yardi to compete effectively and advantageously, and if others had access, they could use it to increase their competitive advantage.

55. Yardi makes reasonable efforts to maintain the secrecy of the Voyager software and related proprietary information. Among other things, Yardi: (1) restricts access to the Voyager software through unique, confidential log-in credentials; (2) discloses the Voyager software and other confidential information only to clients or designated consultants pursuant to limited licenses or other confidentiality agreements that, among other things, prohibit reverse engineering or otherwise attempting to discover the source code of the software and preclude the disclosure of Yardi’s confidential information; (3) prohibits disclosure of software and other related information by employees pursuant to employment agreements and Yardi’s Employee Handbook; and (4) designates its software and related information as confidential, proprietary, copyrighted, and trade secrets.

56. Property Solutions has acquired Yardi’s trade secrets with knowledge, or reason to know, that the trade secrets were acquired by improper means. Specifically, among other things, Property Solutions: (1) copied the Voyager software without authorization in violation of Yardi’s exclusive copyrights; (2) misrepresented its intent to create a property management system that competes

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1 with the Voyager software; (3) upon information and belief, induced mutual clients
2 of Yardi and Property Solutions to disclose trade secret information to Property
3 Solutions in violation of their license agreements and/or confidentiality agreements
4 with Yardi; and (4) upon information and belief, improperly accessed the Voyager
5 software without authorization through access that Yardi granted its clients
6 pursuant to license agreements and/or confidentiality agreements.

7 57. Upon information and belief, Property Solutions then used Yardi's
8 trade secrets that it obtained through improper means without authorization of
9 Yardi and/or that it knew or had reason to know it had acquired under
10 circumstances giving rise to a duty to maintain their secrecy and limit their use to
11 gain competitive advantage against Yardi. For example, upon information and
12 belief, Property Solutions used its access to the Voyager software and knowledge of
13 Yardi's trade secrets to develop its Entrata software, a property management
14 software that competes with the Voyager software.

15 58. Property Solutions knew or had reason to know at the time of its use of
16 Yardi's trade secrets that its knowledge of Yardi's trade secrets was: (1) derived
17 from or through individuals who had used improper means to acquire them; (2)
18 acquired under circumstances giving rise to a duty to maintain their secrecy or limit
19 their use; and/or (3) derived from or through individuals who owed a duty to Yardi
20 to maintain their secrecy or limit their use.

21 59. Yardi has suffered actual losses caused by Property Solutions'
22 misappropriation of Yardi's trade secrets in an amount to be proved at trial. In
23 addition, Yardi is entitled to the benefits by which Property Solutions was unjustly
24 enriched as a result of its misappropriation.

25 60. Property Solutions' misappropriation was willful and malicious, as
26 evidenced in part by its intentional infringement of Yardi's copyrights and its
27 blatant falsehoods when asked about its true intention. Therefore, Yardi is entitled
28 to an award of exemplary damages and its reasonable attorneys' fees and costs.

1 61. Yardi is also entitled to temporary and permanent injunctive relief
 2 enjoining Property Solutions’ further misappropriation of Yardi’s trade secrets and
 3 preventing any commercial advantage that Property Solutions might otherwise
 4 derive from the misappropriation.

5 **THIRD CLAIM FOR RELIEF**

6 **(Intentional Interference with Contractual Relations)**

7 62. Yardi incorporates by reference and realleges each of the allegations
 8 set forth in paragraphs 1 through 61 of this Complaint as if set forth fully herein.

9 63. Yardi and its clients are parties to valid and enforceable license
 10 agreements, which prohibit Yardi’s clients from giving third parties such as
 11 Property Solutions access to the Voyager software, and which require the clients to
 12 maintain the confidentiality of Yardi’s proprietary and copyrighted information.

13 64. Property Solutions had knowledge of the license agreements between
 14 Yardi and its clients. Specifically, among other things, Yardi expressly and
 15 repeatedly informed Property Solutions that the license agreements prohibited
 16 Yardi’s clients from giving Property Solutions access to the Voyager software.

17 65. Upon information and belief, Property Solutions took intentional acts
 18 designed to induce a breach or disruption of Yardi’s contractual relationships with
 19 its customers, by among other things, requesting that Yardi’s clients provide
 20 Property Solutions access to the Voyager software so that Property Solutions could
 21 resolve technological issues with its custom interfaces, when in fact Property
 22 Solutions sought to use that improper access for the purpose of developing Entrata.

23 66. Upon information and belief, as a result of Property Solutions’ actions,
 24 one or more of Yardi’s clients was induced to breach, and did breach, its license
 25 agreement with Yardi by providing Property Solutions access to the Voyager
 26 software for the purpose of developing its own software products, and by disclosing
 27 Yardi’s confidential, proprietary, and copyrighted information.
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1 76. Under the parties’ implied contract, all information Yardi provided to
2 Property Solutions in the course of offering certain technical support and assistance
3 was to be kept confidential by Property Solutions and used only for the purpose of
4 resolving the specific technical issues for which the information was provided.
5 Specifically, Property Solutions was prohibited by the parties’ implied contract
6 from using any information provided by Yardi for any other purpose, including but
7 not limited to, the development of a competing property management system.

8 77. Upon information and belief, Property Solutions breached the parties’
9 implied contract by using information that Yardi provided it in confidence for the
10 sole purpose of resolving specified technical issues to develop Entrada.

11 78. Yardi performed or substantially performed all of its material
12 obligations under the parties’ implied contract.

13 79. Yardi has suffered damages as a result of Property Solutions’ breaches
14 of the parties’ implied contract in an amount to be proved at trial.

15 **SIXTH CLAIM FOR RELIEF**

16 **(Violation of Digital Millennium Copyright Act – 17 U.S.C. § 1201)**

17 80. Yardi incorporates by reference and realleges each of the allegations
18 set forth in paragraphs 1 through 79 of this Complaint as if set forth fully herein.

19 81. Yardi owns valid and enforceable copyrights in its Voyager software.

20 82. Yardi employs certain technological measures that effectively control
21 access to its Voyager software and effectively protect its exclusive rights in the
22 Voyager software, including but not limited to the use of unique, confidential log-in
23 credentials and limited license files necessary to access the Voyager software.

24 83. Upon information and belief, Property Solutions circumvented Yardi’s
25 technological measures. For example, upon information and belief, Property
26 Solutions improperly and without authorization obtained log-in credentials and/or
27 license files issued to Yardi clients, and used such log-in credentials and/or license
28 files to access the Voyager software without authorization.

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1 84. Through its circumvention of Yardi’s technological measures,
2 Property Solutions was able to obtain unauthorized access to the Voyager software.

3 85. Property Solutions then used its improper access to the Voyager
4 software to violate Yardi’s exclusive copyrights in the Voyager software, and to
5 develop and maintain Property Solutions’ software.

6 86. Yardi has been injured by Property Solutions’ violation of 17 U.S.C. §
7 1201. Accordingly, Yardi is entitled to damages in an amount to be proved at trial,
8 including either Yardi’s actual damages and any additional profits of Property
9 Solutions that are attributable to the violation, or if elected at any time before final
10 judgment, statutory damages pursuant to 17 U.S.C. § 1203(c)(3).

11 87. Yardi is also entitled to a temporary and permanent injunction to
12 prevent or restrain Property Solutions’ further violation of 17 U.S.C. § 1201.

13 88. In addition, Yardi is entitled to an award of its costs and reasonable
14 attorneys’ fees pursuant to 17 U.S.C. § 1203(b)(4) & (5).

15 **PRAYER FOR RELIEF**

16 WHEREFORE, Yardi respectfully requests the following relief:

17 A. Entry of judgment in favor of Yardi and against Property Solutions on
18 all of Yardi’s claims in an amount to be determined at trial.

19 B. Entry of a preliminary and permanent injunction prohibiting Property
20 Solutions from: (1) copying, accessing, storing, distributing, using, or creating, or
21 distributing or selling derivative works from, the Voyager software or Yardi’s other
22 copyrighted materials; (2) facilitating, inducing, or encouraging any party from
23 engaging in any of the acts described in (1) above; (3) using or acquiring Yardi’s
24 trade secret information, including, but not limited to, the Voyager software; (4)
25 requesting or obtaining access to the Voyager software or Yardi’s other proprietary
26 and confidential information from Yardi’s clients or other third parties; or (5)
27 otherwise infringing, directly or indirectly, on Yardi’s exclusive copyrights or
28 misappropriating Yardi’s trade secret information.

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1 C. An order requiring Property Solutions to impound or destroy any and
2 all infringing material in Property Solutions’ possession or control, including any
3 version or derivative work of the Voyager software and, if shown at trial to be
4 infringing, all copies of the Entrata software, pursuant to 17 U.S.C. § 503.

5 D. An order requiring Property Solutions to recall from all customers,
6 distributors, and other third parties all software, source code, and other materials
7 and works shown to infringe any of Yardi’s copyrights.

8 E. An order requiring Property Solutions to impound or destroy all Yardi
9 trade secret information that is in Property Solutions’ possession or control.

10 F. Actual damages suffered by Yardi as a result of the infringements and
11 statutory violations, and any profits of Property Solutions that are attributable to the
12 infringements and statutory violations, in an amount to be proved at trial.

13 G. Statutory damages in an amount to be proved at trial under 17 U.S.C.
14 § 504(c) and 17 U.S.C. § 1203(c)(3).

15 H. Compensatory damages in an amount to be proved at trial.

16 I. Exemplary damages.

17 J. Pre-judgment and post-judgment interest on all damages awarded at
18 trial.

19 K. Attorneys’ fees, costs and expenses, including expert witness fees.

20 L. Any other relief that this Court deems just and proper.

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Dated: April 4, 2014

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DEMAND FOR JURY TRIAL

Pursuant to Fed. R. Civ. P. 38(b) and Local Rule 38-1, Yardi demands a trial by jury on all issues so triable.

Dated: April 4, 2014

BROWNSTEIN HYATT FARBER
SCHRECK, LLP

By: s/ John V. McDermott

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From: cacd_ecfmail@cacd.uscourts.gov
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Subject: Activity in Case 2:13-cv-07764-FMO-CW Yardi Systems, Inc. v. Property Solutions International Inc. Amended Complaint
Date: Friday, April 04, 2014 11:23:33 AM

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UNITED STATES DISTRICT COURT for the CENTRAL DISTRICT OF CALIFORNIA

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The following transaction was entered by McDermott, John on 4/4/2014 at 11:22 AM PDT and filed on 4/4/2014

Case Name: Yardi Systems, Inc. v. Property Solutions International Inc.
Case Number: [2:13-cv-07764-FMO-CW](#)
Filer: Yardi Systems, Inc.
Document Number: [41](#)

Docket Text:

FIRST AMENDED COMPLAINT amending Complaint (Attorney Civil Case Opening)[1], filed by Plaintiff Yardi Systems, Inc. (McDermott, John)

2:13-cv-07764-FMO-CW Notice has been electronically mailed to:

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