

1 Phil J. Montoya, Jr. (SBN 124085)
2 **HAWKINS PARNELL & YOUNG LLP**
3 445 South Figueroa Street, Suite 3200
4 Los Angeles, CA 90071-1651
5 Telephone: (213) 486-8000
6 Facsimile: (213) 486-8080
7 Email: pmontoya@hpylaw.com

8 *Attorneys for Plaintiff Khoros, LLC*

9 **UNITED STATES DISTRICT COURT**
10 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

11 KHOROS, LLC

12 Plaintiff

13 v.

14 LENOVO SINGAPORE PTE LTD,
15 LENOVO HK SERVICES, LTD., and
16 LENOVO (UNITED STATES), INC.,

17 Defendants.

Case No.:

PLAINTIFF'S COMPLAINT

*[REDACTED VERSION OF
PLAINTIFF'S COMPLAINT
SOUGHT TO BE SEALED]*

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19
20 Plaintiff, Khoros, LLC ("Khoros"), for its Complaint against Defendants
21 Lenovo Singapore PTE Ltd. ("Lenovo Singapore"), Lenovo HK Services, Ltd.
22 ("Lenovo HK"), and Lenovo (United States), Inc. ("Lenovo USA") (collectively
23 "Lenovo") alleges as follows:

24 **NATURE OF ACTION**

25 1. This is an action for breach of contract and for misappropriation of trade
26 secrets.

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1 Lenovo HK bound itself to a continuing obligation of confidentiality. Lenovo HK's
2 breaches of its agreements with Khoros caused damage to Khoros in California.

3 10. This Court has personal jurisdiction over Lenovo USA because it is
4 registered to do business in the State of California and maintains a registered agent for
5 service of process in California. By acting as the agent and *alter ego* of Lenovo
6 Singapore and Lenovo HK, Lenovo USA engaged in ongoing and long-term dealings
7 with Khoros employees located in the State of California and is bound by contracts
8 entered into, performed, and breached (by Defendants) in California. Lenovo USA
9 also engages in business operations which constitute continuous and systematic
10 contacts with the State of California.

11 11. Venue is proper in this district pursuant to 28 U.S.C. §1391(b) because
12 the contract at issue was intended to be and was performed in the State of California,
13 was breached in California by Defendants, and caused damages to Khoros in
14 California. A substantial portion of the events giving rise to this action occurred in
15 San Francisco County, California.

16 FACTUAL BACKGROUND

17 **I. Khoros's business.**

18 12. Khoros was formed in October 2018 as a result of a merger between
19 Lithium Technologies, LLC ("Lithium") and Spredfast, Inc. ("Spredfast").

20 13. The intent of the merger was to form a company focused on the
21 development of social media marketing platforms and web-based communities;
22 Lithium and Spredfast were category creators and leaders in social customer care,
23 social media marketing, and communities.

24 14. At the time of their merger, Lithium and Spredfast collectively managed
25 over one billion customer connections a day across social media, messaging, and
26 owned digital channels, hosting platforms for more than 2,000 brands spanning 100
27 countries.

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1 15. Creating and hosting web-based community platforms for customers is
2 one of Khoros's primary business lines.

3 16. Khoros's community software and services help brands connect with
4 customers to grow existing relationships, build new ones, and create a platform for
5 these brands' customers to interact, increasing brand loyalty and driving repeat sales.

6 17. In that regard, Khoros provides a branded, interactive community
7 platform for spreading knowledge that transforms search, evaluation, purchase, and
8 support interactions into valuable customer learning experiences.

9 18. One of the greatest benefits of these interactive community platforms is
10 the deflection of call-center support questions, providing its customers with
11 substantial savings in terms of call-center time, money, and resources.

12 19. Khoros is one of only a handful of major companies in the third-party
13 community platform creation/development business and is viewed as an industry
14 leader.

15 20. Over a period of fifteen-plus years, through the expenditure of hundreds
16 of millions of dollars in research and development, and the experiential benefit of
17 basic trial-and-error over the same time period, Khoros has created a community
18 platform software product that has a look, feel, and functionality that is (1) an industry
19 leading product; and (2) distinctively Khoros's.

20 21. While Khoros's customers are permitted (and encouraged) to work with
21 Khoros to customize how their community looks superficially, the overall
22 functionality of the communities is particular to Khoros.

23 22. The community components made available by Khoros's product are a
24 key differentiator for Khoros in the community platform marketplace.

25 23. Khoros offers the industry's most comprehensive suite of solutions in one
26 platform, providing integrated workflows and actionable insights from every customer
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1 conversation that enables them to deepen their customer bonds and grow their
2 business.

3 24. Khoros also provides its customers with rich data and analytics, along
4 with the industry's most cutting-edge benchmarking to help brands optimize their
5 customer engagement efforts.

6 **II. Lenovo and its U.S. operations.**

7 25. Lenovo is a Chinese multinational technology company with
8 headquarters in Beijing. Lenovo manufactures and sells (among other things)
9 personal computers, tablets, smartphones, servers, and other electronic devices.

10 26. According to Wikipedia.com, Lenovo is the world's largest personal
11 computer vendor by unit sales, as of March 2019.

12 27. Lenovo is a massive integrated global entity with hundreds of subsidiary
13 companies.

14 28. Lenovo's U.S. operations are run out of Morrisville, North Carolina by
15 its U.S. subsidiary, Lenovo USA.

16 29. Lenovo ignored corporate formalities and traditional parent-subsidiary
17 relationships when it dealt with Khoros.

18 30. Over the course of Khoros's 13+ year relationship with Lenovo, every
19 single contract negotiation, every service or product order, all day-to-day operational
20 communications, all troubleshooting, and all other communications or decisions in
21 general were handled and/or made through employees of Lenovo USA who were
22 based in North Carolina.

23 31. Despite Lenovo USA handling the relationship with Khoros, Lenovo
24 insisted that the signatories to Khoros's contracts be with other Lenovo entities based
25 outside of the United States.

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