



Nutanix Files Theft of Intellectual Property Lawsuit Against Tessell, Inc.

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Nutanix asserts willful copyright and patent infringement, including theft of Nutanix resources and its database service source code

SAN JOSE, Calif.--(BUSINESS WIRE)--Mar. 20, 2024-- [Nutanix](#) (NASDAQ: [NTNX](#)), a leader in hybrid multicloud computing, today announced that it filed a lawsuit in the U.S. District Court in San Jose, alleging that Tessell, Inc. engaged in willful copyright and patent infringement, including theft of Nutanix's source code and intellectual property related to the Company's database service offering.

As alleged in the Federal complaint, Tessell's founders include former Nutanix employees Bala Kuchibhotla, Kamal Khanuja, and Bakul Banthia. The complaint against Tessell alleges that, during their employment with Nutanix, these former employees covertly designed, built, demonstrated, and secured financing for the future Tessell product, using Nutanix source code, servers and other resources. The complaint alleges that they took Nutanix Era¹ source code with them to Tessell, which used it.

The complaint further alleges that they schemed to remove all indicia of Nutanix branding from their prototype, and then tried to cover their tracks by wiping their Nutanix laptops. Nutanix is seeking the return of its stolen intellectual property, an injunction to stop further infringement, restitution for the Nutanix resources taken by the three former employees for the founding of Tessell, and money damages in an amount to be proven. Nutanix also announced that it is commencing separate arbitration proceedings against the Tessell founders per their Nutanix employee agreements.

"It has been shocking to learn of the behavior of these former employees during their employment, the scope of what they took from Nutanix, and the steps they took to hide their use of Nutanix resources to found their company," said Tyler Wall, Chief Legal Officer at Nutanix. "Nutanix believes strongly in fair competition and its importance and value to the industry overall, and it is with deliberate and thoughtful consideration that we have decided to file this lawsuit. The facts that our investigation uncovered were egregious. We look forward to presenting our evidence and proving our claims in the litigation."

Nutanix believes in innovation, but stealing intellectual property and source code is not innovation. Nutanix does not have a history of suing companies or people. The facts found in this situation were too nefarious to ignore. Nutanix Database Service is a valued part of the Company's product portfolio, and unfettered theft of its intellectual property and source code cannot go unaddressed.

About Nutanix

Nutanix is a global leader in cloud software, offering organizations a single platform for running apps and data across clouds. With Nutanix, companies can reduce complexity and simplify operations, freeing them to focus on their business outcomes. Building on its legacy as the pioneer of hyperconverged infrastructure, Nutanix is trusted by companies worldwide to power hybrid multicloud environments consistently, simply, and cost-effectively. Learn more at www.nutanix.com or follow us on social media @nutanix.

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¹ Nutanix Era is now called NDB, Nutanix Database Service

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