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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

URBAN MARKETING PTY LTD, an Australian corporation, *Plaintiff,* v. KONAMI DIGITAL ENTERTAINMENT CO., LTD., a Japanese corporation, and KONAMI DIGITAL ENTERTAINMENT, INC., an Illinois corporation, *Defendants*.	Case No.: **'22CV1091 LL BGS** **COMPLAINT FOR PATENT INFRINGEMENT – 35 U.S.C. § 271** **DEMAND FOR JURY TRIAL**

1   Plaintiff Urban Marketing Pty Ltd ("UML") hereby complains of Defendants
2 Konami Digital Entertainment Co., Ltd. ("Konami, Ltd.") and Konami Digital
3 Entertainment, Inc. ("Konami, Inc.") (collectively, "Defendants") and alleges as follows:

NATURE OF THE ACTION

5   1.   This is an action for patent infringement under the patent laws of the United
6 States, 35 U.S.C. § 271, *et seq*.

THE PARTIES

8   2.   UML is a corporation organized and existing under the laws of Australia with
9 a principal place of business in Unit 2154, 1-17 Lennie Avenue, Main Beach 4127
10 Queensland, Australia.

11   3.   Konami, Ltd. is a corporation organized under the laws of Japan, with its
12 corporate headquarters located at 9-7-2, Akasaka, Minatoku, Tokyo, 107-8323, Japan.

13   4.   Konami, Inc. is a corporation organized under the laws of Illinois, registered
14 to do business as a foreign corporation in California, and with its principal place of business
15 located at 14500 Aviation Blvd., Hawthorne, CA 90250-6655.

JURISDICTION AND VENUE

17   5.   This Court has original and exclusive subject matter jurisdiction over this
18 action under 28 U.S.C. §§ 1331 and 1338(a) because UML's claims for patent infringement
19 arise under the laws of the United States, including 35 U.S.C. § 271, *et seq*.

20   6.   This Court has personal jurisdiction over Konami, Ltd. and Konami, Inc.
21 because they have a continuous, systematic, and substantial presence in this District; they
22 regularly conduct business and solicit business within this District; and have committed
23 and continue to commit acts of patent infringement in this District, including, without
24 limitation, by making, using, selling, and offering for sale Konami brand games and
25 entertainment software to consumers in this District. Konami purposefully directs activities
26 at residents of this District; and places Konami brand games and software into the stream
27 of commerce with the knowledge that such products would be purchased and used in
28 California and this District, which forms a substantial part of the events giving rise to

1 UML's claims.

2   7.   Venue is proper in this District under 28 U.S.C. §§ 1391(b), (c), and (d)

3 because Konami Ltd. is a foreign corporation that directs all business activities in the

4 United States, while Konami, Inc. acts as Konami Ltd.'s agent. Further, a substantial part

5 of the events giving rise to the Defendants' infringement occurred in this District.

6 <div align="center">**FACTUAL BACKGROUND**</div>

7   8.   In 2006, UML's co-founders, Sam Wilson, John Forrester, and Tim Smith,

8 developed the novel idea of using call-to-action lockouts and media control points to guide

9 mobile computing device users through digital media interactions. In 2012, Sam Wilson,

10 John Forrester, and Tim Smith were awarded their first of three United States patents. The

11 technology invented and patented by UML allows network content providers to intersperse

12 their digital content with call-to-action lockouts – scripts that temporarily pause the main

13 digital media during user interaction. Over the past fifteen years, UML has developed

14 numerous patented products currently implemented worldwide.

15   9.   For example, in UML's interactive educational video platform, TappnEd,

16 instructors can pause educational videos provided asynchronously across mobile computer

17 networks at critical points to check students' comprehension and retention of material.

18 When a control point of the media provider's selection is reached in the video, students are

19 presented with a question regarding the material and, upon answering correctly, may

20 resume watching the educational content. Call-to-action lockouts in TappnEd are also used

21 to allow instructors to gather feedback, requesting users to answer poll questions at set

22 times or key completion points in videos. This technique of embedding call-to-action

23 scripts, such as for knowledge validation and user feedback checkpoints, has been widely

24 used and adopted in the mobile media industry.

25   10.   In recognition of its inventive labors, on April 3, 2012, the United States

26 Patent and Trademark Office ("PTO") duly and lawfully issued UML United States Patent

27 No. 8,150,386, entitled "Call to Action Lockout System and Method" (the "'386 patent").

28

1 A true and correct copy of the '386 patent is attached hereto as **Exhibit 1**. The effective

2 filing date of the '386 patent is May 10, 2006.

3   11.   On June 10, 2014, the PTO duly and lawfully issued UML United States

4 Patent No. 8,750,843, entitled "Call to Action Lockout System and Method" (the "'843

5 patent"). A true and correct copy of the '843 patent is attached hereto as **Exhibit 2**. The

6 '843 patent is a continuation of the '386 patent.

7   12.   The '386 patent and the '843 patent are collectively referred to herein as the

8 "Asserted Patents." UML owns all rights to the Asserted Patents via an Assignment

9 recorded at the PTO on March 10, 2022, at reel/frame 059228/0055. The application that

10 led to the awarding of the '386 patent was filed on March 10, 2009, and the application

11 that led to the granting of the '843 patent was filed on March 30, 2012. Therefore, the

12 Asserted Patents are governed by the United States' first-to-invent patent system, i.e., 35

13 U.S.C. §§ 102 and 103 before the American Invents Act.

14   13.   Because UML's attempts at engaging Konami in licensing discussions have

15 been repeatedly ignored, it remains blocked from curing Konami's unauthorized

16 infringement. Despite being the first to invent and patent call-to-action scripts,

17 entertainment companies, including Konami, have saturated the United States software

18 industry with infringing products. UML does not have the resources to compete with such

19 widespread infringement.

20   14.   The Asserted Patents are generally directed to an improved mobile device user

21 interface. The '386 patent relates to a method and technique of triggering a call to action

22 script ("CTAS") associated with a media application on a mobile device. According to

23 claim 1, the mobile media application is configured to respond to a control point associated

24 with playable media. As media playback on the mobile device progresses and the control

25 point is reached, a CTAS is triggered automatically. Triggering the CTAS pauses the initial

26 media and prompts the user for an action or response. The user is returned to the primary

27 media upon performing an appropriate response.

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15.   More specifically, claims 1-7 of the '386 patent "focus on a specific means or method that improves" a user interface. The written description confirms that by employing a CTAS as part of a media application, the claimed invention improves the mobile device user interface. For example, the media application's use of a control point enables media content to be provided in such a way to allow the user to interact and respond in a controlled and managed manner without substantially detracting from the original experience. *See, e.g.*, the '386 patent at col. 6:58-67. This is a significant improvement over the user interfaces known at the time of filing the Asserted Patents, which required users to perform undesirable and interruptive additional tasks. These tasks involved, for example, swapping between message functions or applications to interact with or respond to questions in media content. *See, e.g.,* the '386 patent at col. 1:30-36.

16.   Additionally, claims 1-6 of the '843 patent generally relate to a method and technique of media presentation, which developers can use to deploy CTAS in the media content. For example, claim 1 provides that reaching specific control points in a media content will trigger a sequence of events: pausing the media content, prompting the user to perform a specified action, and then resuming playback of the media when said action is performed.

17.   Numerous Konami products embody UML's patented technologies and are not limited to the examples listed herein. Konami's Pixel Puzzle Collection, available through the Apple App Store and Google Play store, is one such product. Pixel Puzzle Collection is a mobile game designed, produced, and distributed by Konami, Ltd. and sold under the Konami brand name. Mobile media consumers downloading the Pixel Puzzle Collection play a game in which they arrange colored "pixels" to reveal a picture, thereby solving the puzzle. Users are presented with call-to-action pop-ups at set control points in gameplay, such as completing a puzzle or returning to the home screen. These call-to-action scripts lock out further gameplay until the user performs an appropriate action, such as watching an ad or following a pre-specified uniform resource locator. Many of these scripts direct the user to a network site where they can purchase or download the advertised

product if the user's action indicates interest in the material presented by the script. For example, when an interstitial, pop-up advertisement is triggered and displayed, the gameplay is paused. The user may either click on the option to, for example, download the presented game, take a survey, or close the advertisement using a provided graphical user interface action before game play can continue.

18.   Konami's Pixel Puzzle Collection was released in October 2018. The game is free to download and play because of the paid advertising methodologies that are implemented. Konami generates significant revenue from the Pixel Puzzle Collection through advertising that utilizes the claimed subject matter of the Asserted Patents. Under the digital entertainment branch of Konami's business model, the company produces numerous mobile games following this same strategy.

19.   Konami is and has been making, using, selling, offering for sale, importing, and exporting products, including games such as Konami's Pixel Puzzle Collection (the "Accused Product") and other digital goods featuring such lockout adds since at least 2018, years after the filing of the Asserted Patents. For example, the Pixel Puzzle Collection has been available on the Google Play and Apple App Store since at least 2018.

20.   Konami has been aware of the Asserted Patents since at least as early as August 2021, when representatives of UML emailed Konami an offer to license its patent portfolio. However, those attempted talks failed as Konami refused to engage in meaningful discussions.

21.   On November 4, 2021, counsel for UML emailed Ledion Disha, Legal Counsel for Konami Digital Entertainment, a letter explaining its infringement of the Asserted Patents. The letter included exemplary claim charts evidencing the Defendants' infringement of specific claims of the '843 patent. On November 12, 2021, Konami's outside counsel responded via email with a letter stating that Konami had already expressed its views on the Asserted Patents to UML in August 2021. Because there was no substantive response, UML's counsel sent multiple follow-ups, and Konami responded with the same November 12th letter on December 2, 2021. After December 2021 and

1 numerous follow-up emails, Defendants have remained entirely silent and refuse to engage
2 in any licensing discussions with UML's representatives.

3   22.   UML has incurred undue financial expense in commercializing its technology
4 because companies like Konami repeatedly choose to ignore UML and its patents.
5 Accordingly, UML seeks court intervention to enforce its patent rights and get the
6 recognition and compensation it deserves.

FIRST CLAIM FOR RELIEF

(Infringement of the '386 patent)

9   23.   UML repeats, realleges, and incorporates by reference the allegations
10 contained in the previous paragraphs of this Complaint as though fully set forth herein.

11   24.   Konami, by and through its agents, officers, directors, resellers, retailers,
12 employees, and servants, has and is currently infringing the '386 patent by making, using,
13 offering to sell, selling, exporting from, and importing into the United States the Accused
14 Product and other infringing digital goods, which embody the claims set forth in the
15 Asserted Patents.

16   25.   As shown in **Exhibit 3**, Konami products with the CTAS, such as Konami's
17 Pixel Puzzle Collection, embody each limitation of at least claims 1-7 of the '386 patent.
18 Specifically, Konami's use of CTAS implements the following:

> [a] method for Call to Action Lockout on a mobile device coupled to a data network.
> . . providing a media application configured to respond to a control point. . .
> providing a playable media content item which has at least one associated control
> point; commencing playback of said media content item; triggering at least one said
> control point during playback. . . triggering at least one said control point during
> playback of said media content item; and performing an appropriate Call To Action
> Script (CTAS) in response to the triggered control point; wherein playback of said
> media content is locked out subject to said CTAS and playback. . . resumes
> following a user response to said CTAS.

'386 patent, claim 1.

26   26.   For example, Konami's Pixel Puzzle Collection, downloaded onto a mobile
27 device via a data network, features call-to-action and lockout advertisements triggered by
28 specific control points in gameplay, such as the completion of a game. The CTAS script

prevents further playback of the Pixel Puzzle Collection media until the user responds to the lockout advertisement by taking appropriate action.

27.   Konami has infringed and continues to infringe the '386 patent, either literally or under the doctrine of equivalents. Konami's infringing activities in the United States and this District include, among other things, making, using, selling, and offering for sale Konami digital goods, such as the Pixel Puzzle Collection, embodying a CTAS.

28.   The infringement chart outlined in **Exhibit 3** sets forth UML's current understanding of Konami's Pixel Puzzle Collection, which contains only information that Konami has made publicly available. The chart does not set forth all of UML's infringement theories. UML reserves the right to amend or supplement its infringement theories upon more information becoming available through formal discovery and this Court completing its claim construction proceedings.

29.   Konami has been aware of its infringement of the '386 patent since as early as August 2021. Konami has made no effort to avoid infringement despite knowing that its actions were consciously wrongful and deliberate. Accordingly, Konami's infringement has been and continues to be willful, and this case is exceptional.

30.   Upon information and belief, Konami has sold digital goods containing UML's CTAS system, including the Pixel Puzzle Collection, since the game's debut in 2018. The Pixel Puzzle Collection is a free-to-download, free-to-play game that makes all or almost all of its revenue from in-game advertisements that utilize the CTAS system. Konami generates significant amounts of annual revenue from such advertisements, and those sales expose Konami to similarly substantial amounts of money in liability for its infringement of the Asserted Patents.

31.   Unless enjoined, Konami and others acting on behalf of Konami will continue their infringing acts, thereby causing irreparable harm to UML, for which there is no adequate remedy at law.

32.   As a result of Konami's infringement of the '386 patent, UML has suffered and will continue to suffer harm and injury, including monetary damages in an amount to be determined at trial, and is entitled to recovery of such as well as its attorneys' fees.

SECOND CLAIM FOR RELIEF

(Infringement of the '843 patent)

33.   UML repeats, realleges, and incorporates by reference the allegations contained in the previous paragraphs of this Complaint as though fully set forth herein.

34.   Konami, by and through its agents, officers, directors, resellers, retailers, employees, and servants, has and is currently infringing the '843 patent by making, using, offering to sell, selling, exporting from, and importing into the United States Konami's Pixel Puzzle Collection and other infringing digital goods, which embody the claims set forth in the Asserted Patents.

35.   As shown in **Exhibit 4**, Konami products using a Call To Action Lockout ("CTAL") system, such as Konami's Pixel Puzzle Collection, embody each limitation of at least claims 1-6 of the '843 patent. As generally recited in claim 1 of the '843 patent, Konami's use of a CTAL implements a method of providing a call-to-action for media played on a mobile device. A mobile application triggers a control point to stop the playback of media content, prompting a user to perform an act with respect to the Call to Action. If the Call to Action is completed, playback is resumed. For example, Konami's Pixel Puzzle Collection automatically displays call-to-action and lockout advertisements to users during gameplay. The lockout advertisements appear at set "control points" during gameplay, for instance, locking a user out of further use of the Pixel Puzzle Collection media when a game is completed or upon return to the home screen. To resume gameplay, the user must click the "x" button to close the ad or select a prompted action.

36.   As shown in the screenshots below, numerous user reviews confirm the Accused Product's embodiment of the claimed subject matter in the Asserted Patents.

37.   Konami has infringed and continues to infringe the '843 patent, either literally or under the doctrine of equivalents. Konami's infringing activities in the United States and this District include, among other things, making, using, selling, and offering for sale Konami digital goods featuring CTAL systems implemented in, for example, Konami's Pixel Puzzle Collection game.

38.   The infringement chart outlined in **Exhibit 4** sets forth UML's current understanding of Konami's use of the CTAL system embodied in Konami's Pixel Puzzle Collection game and contains only information Konami has publicly made available. The

chart does not set forth all of UML's infringement theories. UML reserves the right to amend or supplement its infringement theories upon more information becoming available through formal discovery and this Court completing its claim construction proceedings.

39.   Konami has been aware of its infringement of the '843 patent as early as August 2021. Konami has made no effort to avoid infringement despite knowing that its actions were consciously wrongful and deliberate. Accordingly, Konami's infringement has been and continues to be willful, and this case is exceptional.

40.   Upon information and belief, Konami has sold digital goods containing UML's CTAL system, including the Pixel Puzzle Collection, since the game's debut in 2018. The Pixel Puzzle Collection is a free-to-download, free-to-play game that makes all or almost all of its revenue from in-game advertisements that utilize the CTAL media playback system. Konami generates significant amounts of annual revenue from such advertisements, and those sales expose Konami to similarly substantial amounts of money in liability for its infringement of the Asserted Patents.

41.   Unless enjoined, Konami and others acting on behalf of Konami will continue their infringing acts, thereby causing irreparable harm to UML, for which there is no adequate remedy at law.

42.   As a result of Konami's infringement of the '843 patent, UML has suffered and will continue to suffer harm and injury, including monetary damages in an amount to be determined at trial, and is entitled to recovery of such as well as its attorneys' fees.

PRAYER FOR RELIEF

WHEREFORE, UML prays for entry of judgment in its favor and against Konami as follows:

(a)   An Order adjudging Konami to have infringed the Asserted Patents under 35 U.S.C. § 271;

(b)   A permanent injunction under 35 U.S.C. § 283 enjoining Konami, its officers, directors, agents, servants, resellers, retailers, employees, attorneys, and those persons

acting in concert or participation with them from infringing the Asserted Patents in violation of 35 U.S.C. § 271;

     (c)   An award to UML of its lost profits or no less than a reasonable royalty for Konami's unauthorized use, sale, export, import, and manufacture of the Accused Product, subject to proof at trial;

     (d)   An Order adjudicating that this is an exceptional case;

     (e)   An award to UML of its attorneys' fees and treble damages under 35 U.S.C. § 285;

     (f)   An award of pre-judgment and post-judgment interest and costs of this action against Konami;

     (g)   For such other and further relief as the Court deems just and proper.

Respectfully submitted,

Date: July 26, 2022   By: /s/ Adam T. Turosky
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DEMAND FOR A JURY TRIAL

2   Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff hereby

3   demands a trial by jury of all issues so triable.

4

5   Respectfully submitted,

6

7   Date: <u>July 26, 2022</u>   By: <u>/s/ Adam T. Turosky</u>
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COMPLAINT FOR PATENT INFRINGEMENT – 35 U.S.C. § 271