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17 URBAN MARKETING PTY LTD

18 **UNITED STATES DISTRICT COURT**

19 **SOUTHERN DISTRICT OF CALIFORNIA**

20 URBAN MARKETING PTY LTD,  
21 an Australian corporation,

22 *Plaintiff,*

23 v.

24 KONGREGATE, INC.,  
25 a Delaware corporation,

26 *Defendant.*

Case No.: '23CV0211 BEN DDL

**COMPLAINT FOR PATENT  
INFRINGEMENT – 35 U.S.C. § 271**

**DEMAND FOR JURY TRIAL**

1 Plaintiff Urban Marketing Pty Ltd (“UML”) hereby complains of Defendant  
2 Kongregate, Inc. (“Kongregate”) and alleges as follows:

3 **NATURE OF THE ACTION**

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

6 **THE PARTIES**

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

10 3. Kongregate is a corporation organized and existing under the laws of  
11 Delaware, with its principal place of business located at 10680 Trenea St., Ste 155, San  
12 Diego, CA 92131.

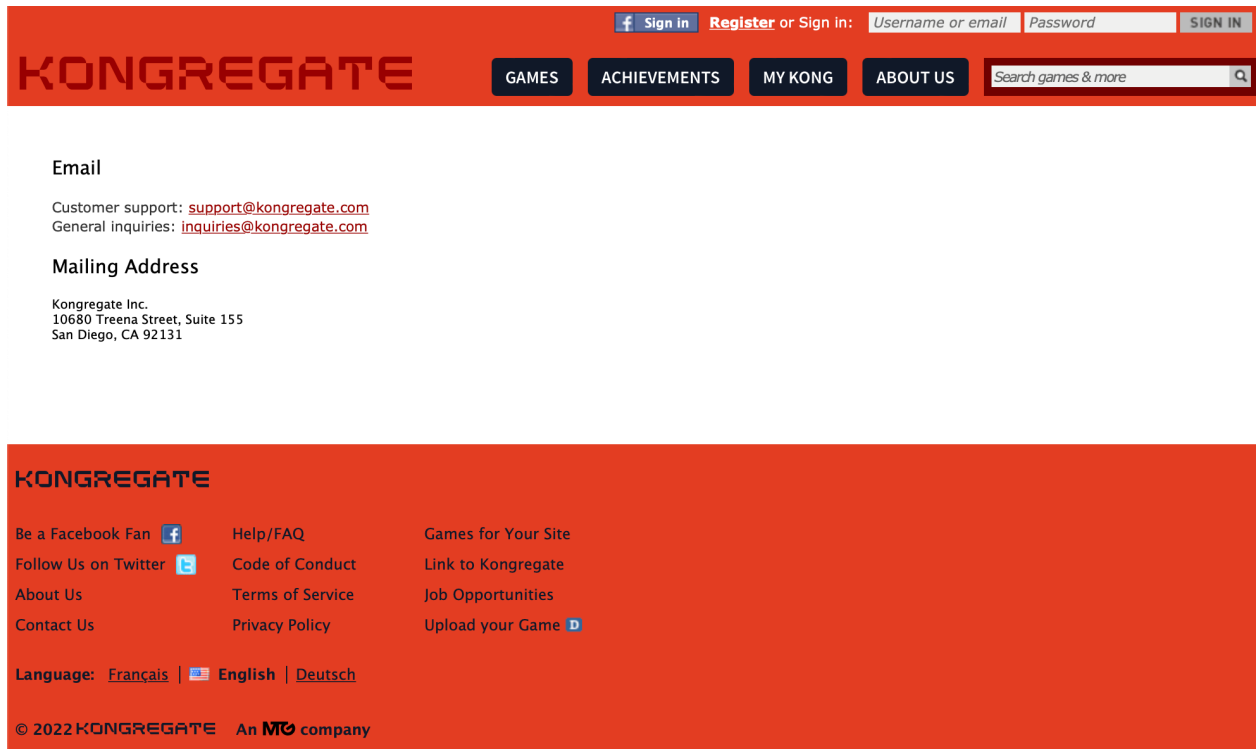
13 **JURISDICTION AND VENUE**

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

17 5. This Court has personal jurisdiction over Kongregate because it has a  
18 continuous, systematic, and substantial presence in this District; regularly conducts  
19 business and solicits business within this District; and has committed and continues to  
20 commit acts of patent infringement in this District, including, without limitation, by  
21 making, using, selling, and offering for sale Kongregate brand games and entertainment  
22 software to consumers in this District. Kongregate purposefully directs activities at  
23 residents of this District; and places Kongregate brand games and software into the stream  
24 of commerce with the knowledge that such products would be purchased and used in  
25 California and this District, which forms a substantial part of the events giving rise to  
26 UML’s claims.

27 6. Venue is proper in this District under 28 U.S.C. §§ 1391 and 1400(b) because  
28 Kongregate has committed acts of infringement and has a regular and established place of

1 business in this District. As shown below via a screenshot from Kongregate’s website, its  
2 mailing address is in this District.



### FACTUAL BACKGROUND

7. In 2006, UML’s co-founders, Sam Wilson, John Forrester, and Tim Smith, developed the novel idea of using a call-to-action lockout (“CTAL”) and media control points to guide mobile computing device users through digital media interactions. In 2012, Sam Wilson, John Forrester, and Tim Smith were awarded their first of three United States patents. The technology invented and patented by UML allows network content providers to intersperse their digital content with call-to-action lockouts – scripts that temporarily pause the main digital media during or until a particular user interaction. Over the past fifteen years, UML has developed numerous patented products currently implemented worldwide.

8. For example, in UML’s interactive educational video platform, TappnEd, instructors can pause educational videos provided asynchronously across mobile computer networks at critical points to check students’ comprehension and retention of material. When a control point of the media provider’s selection is reached in the video, students are

1 presented with a question regarding the material and, upon answering correctly, may  
2 resume watching the educational content. Call-to-action lockouts in TappnEd are also used  
3 to allow instructors to gather feedback, requesting users to answer poll questions at set  
4 times or key completion points in videos. This technique of embedding call-to-action  
5 scripts, such as for knowledge validation and user feedback checkpoints, has been widely  
6 used and adopted in the mobile media industry.

7 9. In recognition of its inventive labors, on April 3, 2012, the United States  
8 Patent and Trademark Office (“PTO”) duly and lawfully issued UML United States Patent  
9 No. 8,150,386, entitled “Call to Action Lockout System and Method” (the “’386 patent”).  
10 A true and correct copy of the ’386 patent is attached hereto as **Exhibit 1**. The effective  
11 filing date of the ’386 patent is May 10, 2006.

12 10. On June 10, 2014, the PTO duly and lawfully issued UML United States  
13 Patent No. 8,750,843, entitled “Call to Action Lockout System and Method” (the “’843  
14 patent”). A true and correct copy of the ’843 patent is attached hereto as **Exhibit 2**. The  
15 ’843 patent is a continuation of the ’386 patent.

16 11. The ’386 patent and the ’843 patent are collectively referred to herein as the  
17 “Asserted Patents.” UML owns all rights to the Asserted Patents via an Assignment  
18 recorded at the PTO on March 10, 2022, at reel/frame 059228/0055. The application that  
19 led to the awarding of the ’386 patent was filed on March 10, 2009, and the application  
20 that led to the granting of the ’843 patent was filed on March 30, 2012. Therefore, the  
21 Asserted Patents are governed by the United States’ first-to-invent patent system, i.e., 35  
22 U.S.C. §§ 102 and 103 before the American Invents Act.

23 12. Because UML’s attempts at engaging Kongregate in licensing discussions  
24 have been repeatedly ignored, it remains blocked from curing Kongregate’s unauthorized  
25 infringement. Despite being the first to invent and patent call-to-action scripts,  
26 entertainment companies, including Kongregate, have saturated the United States software  
27 industry with infringing products. UML does not have the resources to compete with such  
28 widespread infringement.

1           13. The Asserted Patents are generally directed to an improved mobile device user  
2 interface. The '386 patent relates to a method and technique of triggering a call-to-action  
3 script ("CTAS") associated with a media application on a mobile device. According to  
4 claim 1, the mobile media application is configured to respond to a control point associated  
5 with playable media. As media playback on the mobile device progresses, and the control  
6 point is reached, a CTAS is triggered automatically. Triggering the CTAS pauses the initial  
7 media and prompts the user for an action or response. The user is returned to the primary  
8 media upon performing an appropriate response.

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

20           15. Additionally, claims 1-6, 9, and 10 of the '843 patent generally relate to a  
21 method and technique of media presentation which developers can use to deploy CTAS in  
22 the media content. For example, claim 1 provides that reaching specific control points in a  
23 media content will trigger a sequence of events: pausing the media content, prompting the  
24 user to perform a specified action, and then resuming playback of the media when said  
25 action is performed.

26           16. Numerous Kongregate products embody UML's patented technologies and  
27 are not limited to the examples listed herein. Kongregate's Inside Out Thought Bubbles,  
28 available through the Apple App Store, Google Play store, and Disney Interactive store, is

1 one such product. Inside Out Thought Bubbles is a mobile game designed, produced, and  
2 distributed by Kongregate and sold under the Kongregate brand name. Mobile media  
3 consumers downloading the Inside Out Thought Bubbles play a game in which players are  
4 tasked with matching, sorting, and bursting memory bubbles themed to their corresponding  
5 emotions – Joy, Fear, Anger, Disgust, and Sadness. Each emotion comes with its own  
6 power-ups and thousands of levels to explore. Users are presented with call-to-action pop-  
7 ups at set control points in gameplay, such as between every level. These call-to-action  
8 scripts lock out further gameplay until the user performs an appropriate action, such as  
9 watching an ad or following a pre-specified uniform resource locator. Many of these scripts  
10 direct the user to a network site where they can purchase or download the advertised  
11 product if the user’s action indicates interest in the material presented by the script. For  
12 example, when an interstitial pop-up advertisement is triggered and displayed, the  
13 gameplay is paused. The user may either click on the option to, for example, press the ad  
14 to get a reward or watch an ad to receive a reward using a provided graphical user interface  
15 action before gameplay can continue.

16 17. Kongregate’s Inside Out Thought Bubbles was released in 2015. The game is  
17 free to download and play because of the paid advertising methodologies that are  
18 implemented. Kongregate generates significant revenue from the Inside Out Thought  
19 Bubbles through advertising that utilizes the claimed subject matter of the Asserted Patents.  
20 Upon information and belief, under Kongregate’s business model, the company produces  
21 numerous mobile games following this same strategy.

22 18. Kongregate is and has been making, using, selling, offering for sale,  
23 importing, and exporting products, including games such as Kongregate’s Inside Out  
24 Thought Bubbles (the “Accused Product”) and other digital goods featuring such lockout  
25 ads since at least 2015, years after the filing of the Asserted Patents. For example, the Inside  
26 Out Thought Bubbles has been available on the Google Play and Apple App Store since at  
27 least 2015.

1 19. Kongregate has been aware of the Asserted Patents since at least as early as  
2 October 2021, when representatives of UML emailed Kongregate an offer to license its  
3 patent portfolio. However, those attempted talks failed as Kongregate refused to engage in  
4 meaningful discussions.

5 20. On August 31, 2022, counsel for UML emailed Ms. Jenny Gillespie, Esq.,  
6 General Counsel for Kongregate, a letter explaining its infringement of the Asserted  
7 Patents. The letter included exemplary claim charts evidencing Kongregate's infringement  
8 of specific claims of the '843 patent. On November 17, 2022, and January 5, 2023, UML's  
9 counsel followed up again to license the patents at a discounted pre-litigation rate.  
10 However, after numerous follow-up emails, Kongregate has remained entirely silent and  
11 refuses to engage in any licensing discussions with UML's representatives.

12 21. UML has incurred undue financial expense in commercializing its technology  
13 because companies like Kongregate repeatedly choose to ignore UML and its patents.  
14 Accordingly, UML seeks court intervention to enforce its patent rights and get the  
15 recognition and compensation it deserves.

16 **FIRST CLAIM FOR RELIEF**

17 **(Infringement of the '386 patent)**

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

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

25 24. As shown in **Exhibit 3**, Kongregate products with the CTAS, such as  
26 Kongregate's Inside Out Thought Bubbles, embody each limitation of at least claims 1-7  
27 of the '386 patent. Specifically, Kongregate's use of CTAS implements the following:  
28

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

10 '386 patent, claim 1.

11 25. For example, Kongregate's Inside Out Thought Bubbles, downloaded onto a  
12 mobile device via a data network, features call-to-action and lockout advertisements  
13 triggered by specific control points in gameplay, such as the completion of a game. The  
14 CTAS script prevents further playback of the Inside Out Thought Bubbles media until the  
15 user responds to the lockout advertisement by taking appropriate action.

16 26. Kongregate has infringed and continues to infringe the '386 patent, either  
17 literally or under the doctrine of equivalents. Kongregate's infringing activities in the  
18 United States and this District include, among other things, making, using, selling, and  
19 offering for sale Kongregate digital goods, such as the Inside Out Thought Bubbles,  
20 embodying a CTAS.

21 27. The infringement chart outlined in **Exhibit 3** sets forth UML's current  
22 understanding of Kongregate's Inside Out Thought Bubbles, which contains only  
23 information that Kongregate has made publicly available. The chart does not set forth all  
24 of UML's infringement theories. UML reserves the right to amend or supplement its  
25 infringement theories upon more information becoming available through formal  
26 discovery and this Court completing its claim construction proceedings.

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



1 29. Upon information and belief, Kongregate has sold digital goods containing  
2 UML's CTAS system, including the Inside Out Thought Bubbles, since the game's debut  
3 in 2015. Inside Out Thought Bubbles is a free-to-download, free-to-play game that makes  
4 all or almost all of its revenue from in-game advertisements that utilize the CTAS system.  
5 Kongregate generates significant amounts of annual revenue from such advertisements,  
6 and those sales expose Kongregate to similarly substantial amounts of money in liability  
7 for its infringement of the Asserted Patents.

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

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

14 **SECOND CLAIM FOR RELIEF**

15 **(Infringement of the '843 patent)**

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

18 33. Kongregate, by and through its agents, officers, directors, resellers, retailers,  
19 employees, and servants, has and is currently infringing the '843 patent by making, using,  
20 offering to sell, selling, exporting from, and importing into the United States the Accused  
21 Product and other infringing digital goods, which embody the claims set forth in the  
22 Asserted Patents.

23 34. As shown in **Exhibit 4**, Kongregate products using a CTAL system, such as  
24 Kongregate's Inside Out Thought Bubbles, embody each limitation of at least claims 1-6,  
25 9, and 10 of the '843 patent. As generally recited in claims 1-6, 9, and 10 of the '843 patent,  
26 Kongregate's use of a CTAL implements a method of providing a call-to-action for media  
27 played on a mobile device. A mobile application triggers a control point to stop the  
28 playback of media content, prompting a user to perform an act with respect to the call-to-

1 action. If the call-to-action is completed, playback is resumed. For example, Kongregate’s  
2 Inside Out Thought Bubbles automatically displays call-to-action and lockout  
3 advertisements to users during gameplay. The lockout advertisements appear at set “control  
4 points” during gameplay, for instance, locking a user out of further use of the Inside Out  
5 Thought Bubbles media when a level is completed. To resume gameplay, the user must  
6 click the “x” button to close the ad or select a prompted action.

7 35. As shown in the screenshots below, numerous user reviews confirm the  
8 Accused Product’s embodiment of the claimed subject matter in the Asserted Patents and,  
9 specifically, the call-to-action functionality.



10 A Google user



11  
12 ★★★★★ January 19, 2019

13 Great game! just very frustrating with the ads. No choice but to watch the 30-45 sec  
14 ads between levels. When I try to change the ad tracker settings, it keeps sending me  
15 to different website with no options. I understand the game is free, but good grief. I  
16 deleted the game off my device. Hopefully they will start minimizing the  
length/amount of ads.



17  
18 A Google user



19  
20 ★★☆☆☆ March 4, 2019

21 Too many ads, uninstalling. The game is fun & pretty well designed, but I am not going to sit through a  
22 30sec ad between every puzzle. There is no option to buy an ad-free version. And the game already  
23 has a lot of power-ups & gems that you need to buy with real cash. It doesn't need this many ads on  
24 top of that.

25 36. Kongregate has infringed and continues to infringe the '843 patent, either  
26 literally or under the doctrine of equivalents. Kongregate’s infringing activities in the  
27 United States and this District include, among other things, making, using, selling, and  
28 offering for sale Kongregate digital goods featuring CTAL systems implemented in, for  
example, Kongregate’s Inside Out Thought Bubbles game.



1 (a) An Order adjudging Kongregate to have infringed the Asserted Patents under  
2 35 U.S.C. § 271;

3 (b) A permanent injunction under 35 U.S.C. § 283 enjoining Kongregate, its  
4 officers, directors, agents, servants, resellers, retailers, employees, attorneys, and those  
5 persons acting in concert or participation with them from infringing the Asserted Patents  
6 in violation of 35 U.S.C. § 271;

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

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

11 (e) An award to UML of its attorneys' fees and treble damages under 35 U.S.C.  
12 § 285;

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

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

16  
17 Respectfully submitted,

18  
19 Date: February 3, 2023

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27 URBAN MARKETING PTY LTD  
28

1 **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: February 3, 2023

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