

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

PARALLEL NETWORKS, LLC,

Plaintiff,

v.

SG INTERACTIVE INC.,

Defendant.

C.A. No. 13-828-RGA

**JURY TRIAL DEMANDED**

**FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff Parallel Networks, LLC (“Parallel”) files this First Amended Complaint for patent infringement against Defendant SG Interactive, Inc. (“SG Interactive” or “Defendant”) and alleges as follows:

**PARTIES**

1. Plaintiff Parallel Networks, LLC is a Delaware limited liability company having its principal place of business at 1105 N. Market St., Suite 300, Wilmington, Delaware 19801.
2. On information and belief, SG Interactive is a corporation organized under the laws of the State of California, and has a principal place of business at 36 Technology Dr., Ste. 100, Irvine, California, and/or is conducting business through an affiliate located at this address.
3. On information and belief, SG Interactive is a wholly-owned subsidiary of NCSOFT Corp.

**JURISDICTION AND VENUE**

4. This civil action for patent infringement arises under the Patent Laws of the United States, 35 U.S.C. §§ 1 *et seq.* This Court has jurisdiction over the claims presented herein pursuant to 28 U.S.C. §§ 1331 and 1338(a).

5. On information and belief, SG Interactive makes, imports, sells, and/or offers for sale the Accused Products (as defined below) within the United States, including this District, that infringe one or more claims of United States Patent No. 7,188,145 entitled “METHOD AND SYSTEM FOR DYNAMIC DISTRIBUTED DATA CACHING” (the “’145 Patent”). The ’145 Patent was duly and legally issued by the United States Patent and Trademark Office on March 6, 2007. A true and correct copy of the ’145 Patent is attached hereto as Exhibit 1.

6. On information and belief, SG Interactive makes, imports, sells, and/or offers for sale the Accused Products (as defined below) within the United States, including this District, that infringe one or more claims of United States Patent No. 7,730,262 entitled “METHOD AND SYSTEM FOR DYNAMIC DISTRIBUTED DATA CACHING” (the “’262 Patent”). The ’262 Patent was duly and legally issued by the United States Patent and Trademark Office on June 1, 2010. A true and correct copy of the ’262 Patent is attached hereto as Exhibit 2.

7. The ’145 Patent and ’262 Patent are collectively referred to herein as the “Asserted Patents.”

8. On information and belief, Defendant SG Interactive is engaged in the business of developing and publishing video games, including but not limited to *Crossfire Europe*, *Grand Chase*, *Pangya*, and *Project Blackout*. On information and belief, SG Interactive’s games are free-to-play, however SG Interactive derives revenue from the sale of “Rage Points,” a virtual currency that SG Interactive customers use to purchase in-game enhancements. Rage

Points are sold through pre-paid cards in retail stores, as well as through a SG Interactive website at <http://gamerage.com/WebRecharge?m=1>. On information and belief, SG Interactive markets games to users in the United States, and within this District. On information and belief, SG Interactive markets and sells Rage Points virtual currency in the United States, and within this District. SG Interactive markets games through a website <http://gamerage.com>. SG Interactive customers, including customers within this District, download SG Interactive games through SG Interactive's interactive website <http://gamerage.com/home/download>. SG Interactive customers, including customers within this District, purchase Rage Points through retail stores, and through SG Interactive's interactive website <http://gamerage.com/WebRecharge?m=1>.

9. On information and belief, SG Interactive contracts with Pando Networks, Inc., a Delaware corporation, which, on information and belief, provides peer-to-peer content distribution services to SG Interactive in connection with the Accused Products.

10. SG Interactive is a foreign corporation transacting business within the state of Delaware; is causing tortious injury by committing all or part of the tortious acts described herein within the State of Delaware; and/or is causing tortious injury in the State of Delaware by committing all or part of the tortious acts or omissions described herein outside the state of Delaware; and/or is causing tortious injury by committing all or part of the tortious acts or omissions described herein outside the state of Delaware while regularly conducting or soliciting business or deriving revenue from goods used or consumed or services rendered within the State of Delaware. Therefore, this Court has personal jurisdiction over SG Interactive under the Delaware long-arm statute, DEL. CODE. ANN. TIT. 3, § 3104. SG Interactive has transacted

and continues to transact business in this District, and has committed acts of patent infringement in this District.

11. On information and belief, SG Interactive directly and/or indirectly imports, manufactures, uses, offers for sale, and/or sells the Accused Products (as defined below) within the United States, including this District, that infringe one or more claims of the Asserted Patents.

12. Venue is proper in this District pursuant to 28 U.S.C. §§ 1400(b) and 1391(c).

### **GENERAL ALLEGATIONS**

13. Parallel is the owner by assignment of all rights, title, and interests in the Asserted Patents, and is entitled to sue for past and future infringement thereof.

14. On information and belief, SG Interactive is engaged in the business of developing and distributing videogames, including but not limited to *Crossfire Europe*, *Grand Chase*, *Pangya*, and *Project Blackout*. On Information and belief, SG Interactive sells and/or distributes installers, such as but not limited to the “Crossfire\_downloader.exe,” “GrandChase\_pando\_downloader.exe,” “Pangya\_downloader.exe,” and “ProjectBlackout\_Downloader.exe” installers (the “Crossfire\_downloader.exe” installer and all similar installers, downloaders and/or launchers are referred to herein as the “Accused Products”), that are downloaded by an end-user from an SG Interactive website, such as at [gamerage.com/home/download/](http://gamerage.com/home/download/), through or by which SG Interactive distributes its games. The Accused Products provide a system for dynamic distributed data caching. By way of example, and not as a limitation, when an SG Interactive customer uses the Accused Products, that customer’s computer becomes a peer in a peer-to-peer group. Each Accused Product is associated with a particular SG Interactive video game. For example, the Accused Product

“Crossfire\_downloader.exe” is associated with the SG Interactive video game “Crossfire.” The Accused Products cache video game data on the customer’s computer. This cached video game data is served to other SG Interactive customers in the peer-to-peer group through the Accused Products.

**FIRST CLAIM FOR RELIEF**  
(Infringement of the '145 Patent)

15. Parallel incorporates paragraphs 1 through 14 as though fully set forth herein.

16. Upon information and belief, Defendant SG Interactive has been and now is infringing one or more claims of the '145 Patent by (1) making, importing, using, offering for sale, and/or selling the patented inventions, (2) by actively inducing others to use the patented inventions, or (3) by contributing to the use of the patented inventions in the United States.

17. More particularly, without limitation, SG Interactive is now directly infringing one or more claims of the '145 Patent by making, importing, using (including use for testing purposes), offering for sale, and/or selling the Accused Products, all in violation of 35 U.S.C. § 271(a). The Accused Products constitute a system for dynamic distributed data caching. More particularly, the Accused Products cache data on the computers of SG Interactive customers. This cached data is served to other SG Interactive customers in the peer-to-peer group.

18. In addition and/or in the alternative, SG Interactive now is indirectly infringing one or more claims of the '145 Patent by (1) inducing customers to use the Accused Products to directly infringe one or more claims of the '145 Patent in violation of 35 U.S.C. § 271(b), and/or by (2) contributing to customers’ direct infringement of one or more claims of the '145 Patent by their use of the Accused Products in violation of 35 U.S.C. § 271(c). The Accused Products perform the distributed data caching described and claimed in the '145 Patent, and SG Interactive has engaged in indirect infringement by its conduct after the filing of the Complaint

in this matter of providing its customers with the infringing Accused Products in order to enable those customers to use the Accused Products to directly infringe the '145 Patent. On information and belief, SG Interactive has intended, and continues to intend, to induce patent infringement by its customers, and has had knowledge that the inducing acts would cause infringement or has been willfully blind to the possibility that its inducing acts would cause infringement.

19. By way of example, and not as a limitation, SG Interactive induces and/or contributes to such infringement by at least making its website available to customers and providing links and/or other directions on its website and/or the internet for users to download and use the Accused Products. SG Interactive engages in such activities knowingly and, at least from the time of receipt of the present Complaint, has done so with the knowledge that such activities induce customers to directly infringe the '145 Patent. In addition, or, in the alternative, SG Interactive engages in such activities knowingly, and, at least from the time of receipt of the present Complaint, has sold or distributed the Accused Products knowing that such Accused Products are especially made or adapted for use by its customers in an infringing use of one or more claims of the '145 Patent. On information and belief, SG Interactive customers download an installer or downloader that is associated with one particular SG Interactive game and, when the customer runs the infringing Accused Product, the game is downloaded to the customer's computer, and shared with other SG Interactive customers in the peer-to-peer group, by way of dynamic distributed data caching, as described and claimed in the '145 Patent. Thus, SG Interactive customers, by using the Accused Products, directly infringe the claimed methods of the '145 Patent. Because the sharing of cached video game data via the peer-to-peer network is an essential part of the functionality of the Accused Products, the Accused Products do not have any substantial uses that do not infringe the '145 Patent. On information and belief, SG

Interactive is aware that the Accused Instrumentalities provide a system for dynamic distributed data caching and, therefore, that SG Interactive's customers will infringe the '145 Patent by using the Accused Instrumentalities.

20. Parallel has been damaged by the infringing activities of SG Interactive, and will be irreparably harmed unless those infringing activities are preliminarily and permanently enjoined by this Court. Parallel does not have an adequate remedy at law.

21. By the filing of this action, SG Interactive has been given actual notice of the existence of the '145 Patent. Despite such notice, SG Interactive continues in acts of infringement without regard to the '145 Patent, and will likely continue to do so unless otherwise enjoined by this Court. Parallel is not seeking damages against SG Interactive for indirect infringement for the period prior to the filing of this Complaint.

**SECOND CLAIM FOR RELIEF**  
(Infringement of the '262 Patent)

22. Parallel incorporates paragraphs 1 through 14 as though fully set forth herein.

23. Upon information and belief, Defendant SG Interactive has been and now is infringing one or more claims of the '262 Patent by (1) making, importing, using, offering for sale, and/or selling the patented inventions, (2) by actively inducing others to use the patented inventions, or (3) by contributing to the use of the patented inventions in the United States.

24. More particularly, without limitation, SG Interactive is now directly infringing one or more claims of the '262 Patent by making, importing, using, offering for sale, and/or selling the Accused Products, all in violation of 35 U.S.C. § 271(a). The Accused Products constitute a system for dynamic distributed data caching. More particularly, the Accused Products cache data on the computers of SG Interactive customers. This cached data is served to other SG Interactive customers in the peer-to-peer group.

25. In addition and/or in the alternative, SG Interactive now is indirectly infringing one or more claims of the '262 Patent by (1) inducing customers to use the Accused Products to directly infringe one or more claims of the '262 Patent in violation of 35 U.S.C. § 271(b), and/or by (2) contributing to customers' direct infringement of one or more claims of the '262 Patent by their use of the Accused Products in violation of 35 U.S.C. § 271(c). The Accused Products perform the distributed data caching described and claimed in the '262 Patent, and SG Interactive has engaged in indirect infringement by its conduct after the filing of the Complaint in this matter of providing its customers with the infringing Accused Products in order to enable those customers to use the Accused Products to directly infringe the '262 Patent. On information and belief, SG Interactive has intended, and continues to intend, to induce patent infringement by its customers, and has had knowledge that the inducing acts would cause infringement or has been willfully blind to the possibility that its inducing acts would cause infringement.

26. By way of example, and not as a limitation, SG Interactive induces and/or contributes to such infringement by at least making its website available to customers and providing links and/or other directions on its website and/or the internet for users to download and use the Accused Products. SG Interactive engages in such activities knowingly and, at least from the time of receipt of the present Complaint, has done so with the knowledge that such activities induce customers to directly infringe the '262 Patent. In addition, or, in the alternative, SG Interactive engages in such activities knowingly, and, at least from the time of receipt of the present Complaint, has sold or distributed the Accused Products knowing that such Accused Products are especially made or adapted for use by its customers in an infringing use of one or more claims of the '262 Patent. On information and belief, SG Interactive customers download an installer or downloader that is associated with one particular SG Interactive game and, when

the customer runs the infringing Accused Product, the game is downloaded to the customer's computer, and shared with other SG Interactive customers in the peer-to-peer group, by way of dynamic distributed data caching, as described and claimed in the '262 Patent. Thus, SG Interactive customers, by using the Accused Products, directly infringe the claimed methods of the '262 Patent. Because the sharing of cached video game data via the peer-to-peer network is an essential part of the functionality of the Accused Products, the Accused Products do not have any substantial uses that do not infringe the '262 Patent. On information and belief, SG Interactive is aware that the Accused Instrumentalities provide a system for dynamic distributed data caching and, therefore, that SG Interactive's customers will infringe the '262 Patent by using the Accused Instrumentalities.

27. Parallel has been damaged by the infringing activities of SG Interactive, and will be irreparably harmed unless those infringing activities are preliminarily and permanently enjoined by this Court. Parallel does not have an adequate remedy at law.

28. By the filing of this action, SG Interactive has been given actual notice of the existence of the '262 Patent. Despite such notice, SG Interactive continues in acts of infringement without regard to the '262 Patent, and will likely continue to do so unless otherwise enjoined by this Court. Parallel is not seeking damages against SG Interactive for indirect infringement for the period prior to the filing of this Complaint.

#### **REQUEST FOR RELIEF**

WHEREFORE, Parallel requests the following relief:

(a) A judgment in favor of Parallel that SG Interactive has directly infringed, and/or has indirectly infringed by way of inducement and/or contributory infringement, one or more claims of the Asserted Patents;

(b) A judgment that Parallel has been irreparably harmed by the infringing activities of SG Interactive and is likely to continue to be irreparably harmed by Defendant's continued infringement;

(c) Preliminary and permanent injunctions prohibiting SG Interactive and its officers, agents, servants, employees and those persons in active concert or participation with any of them, as well as all successors or assignees of the interests or assets related to the Accused Products, from further infringement, direct and indirect, of the Asserted Patents;

(d) A judgment and order requiring SG Interactive to pay Parallel damages adequate to compensate for infringement under 35 U.S.C. § 284, which damages may include lost profits but in no event shall be less than a reasonable royalty for the use made of the inventions of the Asserted Patents, including pre- and post-judgment interest and costs, including expenses and disbursements; and

(e) Any and all such further necessary or proper relief as this Court may deem just.

**DEMAND FOR JURY TRIAL**

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Parallel hereby demands a trial by jury of all issues so triable.

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Dated: January 6, 2014

**CERTIFICATE OF SERVICE**

I, Gregory J. Brodzik, hereby certify that on January 6, 2014, I caused to be electronically filed a true and correct copy of the foregoing document with the Clerk of the Court using CM/ECF, which will send notification that such filing is available for viewing and downloading to the following counsel of record:

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