

1 Patent Nos. 6,324,578 (the “’578 patent”) and 7,069,293 (the “’293 patent”)
2 (collectively the “Patents-in-Suit”) arising under the Declaratory Judgment Act, 28
3 U.S.C. §§ 2201 and 2202, and the patent laws of the United States, including Title
4 35, United States Code. *See* Exhibits 1 (’578 patent) and 2 (’293 patent).

5 2. Uniloc USA, Inc. and Uniloc Luxembourg S.A., the predecessors-in-
6 interest to Uniloc 2017, LLC, previously asserted the ‘578 and ‘293 patents against
7 Square Enix, Inc. in litigation, seemingly alleging that the Final Fantasy XI and
8 Final Fantasy XIV (collectively, “Final Fantasy”) “software licensing and delivery
9 system” infringes certain claims of the Patents-in-Suit. *See Uniloc USA, Inc. and*
10 *Uniloc Luxembourg S.A. v. Square Enix, Inc.*, Complaint, Dkt. 1, Case No 2:16-cv-
11 00872 (E.D. Texas) (the “Texas Litigation”). In that litigation, Uniloc USA, Inc.
12 and Uniloc Luxembourg S.A. argued that that “there is no practical separation
13 between the operations of Square Enix, LLC [sic] and Square Enix, Inc.” Dkt. 20
14 at 2.

15 3. On July 25, 2017, Square Enix, Inc. filed a motion in the Texas
16 Litigation seeking to transfer the litigation from the Eastern District of Texas to the
17 Central District of California (the “Transfer Motion”) in view of the Supreme
18 Court’s then-recent decision in *TC Heartland LLC v. Kraft Foods Group Brands*
19 *LLC*, 137 S. Ct. 1514 (2017). The Transfer Motion demonstrated that venue in
20 Texas is improper because Square Enix, Inc.—a Washington corporation with its
21 primary place of business in El Segundo, California and with no physical presence

1 in the Eastern District of Texas—did not reside in, and had no regular or established
2 place of business in, the Eastern District of Texas.¹ Texas Litigation Dkt. 17.

3 4. On September 28, 2017, the district court in the Texas Litigation
4 determined that the claims of the Patents-in-Suit were patent ineligible under 35
5 U.S.C. § 101 in a related case (the “Related Case”). *Uniloc USA, Inc. v. ADP, LLC*,
6 279 F.Supp.3d 736 (E.D. Tex. 2017).

7 5. On November 7, 2017—after the Transfer Motion had been fully
8 briefed but before the district court had ruled on it—Uniloc USA, Inc. and Uniloc
9 Luxembourg S.A voluntarily dismissed the Texas Litigation without prejudice.

10 6. On information and belief, on May 3, 2018, Uniloc USA, Inc. and
11 Uniloc Luxembourg transferred all of their rights in and to the Patents-in-Suit to
12 Uniloc 2017.

13 7. Uniloc USA, Inc. and Uniloc Luxembourg S.A. appealed the district
14 court’s dismissal in the Related Case, and moved to substitute or, in the alternative,
15 to join Uniloc 2017 in the appeal. On May 24, 2019, the Federal Circuit joined
16 Uniloc 2017 as a party, and reversed the district court’s ruling in the Related Case
17 as to the Patents-in-Suit, while affirming the district court’s ruling as to other related
18 patents.

19 8. Due to the Federal Circuit’s reversal of the district court’s ruling in the
20

21 ¹ Square Enix LLC is a Delaware corporation with its primary place of business in El Segundo, California, and
it likewise did not reside in, and had no regular or established place of business in, the Eastern District of Texas. Both
Square Enix, Inc. and Square Enix LLC continue to not reside in, and to have no regular or established place of
business in, the Eastern District of Texas.

1 Related Case that the Patents-in-Suit were patent ineligible, Uniloc 2017 could and
2 likely will re-assert the Patents-in-Suit against Square Enix, Inc. and/or Square Enix
3 LLC. Uniloc USA, Inc. and Uniloc Luxembourg S.A. previously dismissed the
4 Texas Litigation *without prejudice* in order to retain the ability to do so.

5 9. Accordingly, an actual, substantial, and continuing justiciable
6 controversy exists between Square Enix, Inc. and Square Enix LLC on the one hand
7 and Uniloc 2017, LLC on the other hand with respect to the Patents-in-Suit.

8 **THE PARTIES**

9 10. Plaintiff Square Enix, Inc. is a corporation organized under the laws
10 of Washington, with its principal place of business at 999 N. Pacific Coast
11 Highway, Third Floor, El Segundo, California.

12 11. Plaintiff Square Enix LLC is a corporation organized under the laws
13 of Delaware, with its principal place of business at 999 N. Pacific Coast Highway,
14 Third Floor, El Segundo, California.

15 12. Uniloc 2017, LLC is a Delaware corporation having places of business
16 at 1209 Orange Street, Wilmington, Delaware 19801 and 620 Newport Center
17 Drive, Newport Beach, California 92660.

18 **JURISDICTION AND VENUE**

19 13. This action is based on the patent laws of the United States, Title 35
20 of the United States Code, § 1 *et seq.*, with a specific remedy sought under the
21 Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202. An actual,

1 substantial, and continuing justiciable controversy exists between Square Enix, Inc.
2 and Square Enix LLC on the one hand and Uniloc 2017, LLC on the other hand that
3 requires a declaration of rights by this Court.

4 14. This Court has subject-matter jurisdiction over this action pursuant to
5 28 U.S.C. §§ 1131 and 1338(a).

6 15. This Court has personal jurisdiction over Uniloc 2017, LLC. Uniloc
7 2017 has a place of business located in Newport Beach, California, within this
8 judicial district. Uniloc 2017 can be served with process through its registered
9 agent, CT Corporation System, 818 Seventh Street, Ste. 930, Los Angeles,
10 California, 90017, also within this judicial district. Further, Uniloc 2017 is an
11 investment holding company primarily engaged in the business of patent licensing,
12 and has initiated patent infringement lawsuits in this district and other districts in
13 California, repeatedly availing itself to the benefits of this forum.

14 16. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) and (c).

15 **FACTUAL BACKGROUND**

16 17. Uniloc 2017 is an investment holding company and patent-licensing
17 entity that neither makes nor sells any products or services.

18 18. Uniloc 2017 purports to be the sole owner of all rights, by assignment,
19 of the '578 patent, entitled "Methods, Systems and Computer Program Products for
20 Management of Configurable Application Programs on a Network."

21 19. Uniloc 2017 purports to be the sole owner of all rights, by assignment,

1 of the '293 patent, entitled "Methods, Systems and Computer Program Products for
2 Distribution of Application Programs to a Target Station on a Network."

3 20. On July 8, 2016, Uniloc USA and Uniloc Luxembourg filed suit
4 against Square Enix, Inc. alleging infringement of the '578 patent and '293 patent
5 in *Uniloc USA, Inc., et. al., v. Square Enix, Inc.*, Case No. 2:16-cv-00872-RWS
6 (E.D. Tex.).

7 21. On September 28, 2017, the district court found the asserted claims of
8 the Patents-in-Suit to be drawn to ineligible subject matter and, therefore, invalid.
9 *Uniloc USA, Inc. v. ADP, LLC*, 279 F.Supp.3d 736 (E.D. Tex. 2017). Pursuant to
10 this ruling, Uniloc USA and Uniloc Luxembourg dismissed their case against
11 Square Enix, Inc. without prejudice.

12 22. On May 24, 2019, the Court of Appeals for the Federal Circuit
13 reversed the District Court's finding that the '293 patent and '578 patent are patent
14 ineligible under §101, while upholding the District Court's finding that other
15 patents related to the '293 and '578 patents were directed to patent ineligible subject
16 matter. *Uniloc USA, Inc. v. ADP, LLC*, No. 2018-1132, 2019 WL 2245938 (Fed.
17 Cir. May 24, 2019).

18 FIRST CAUSE OF ACTION

19 (Declaratory Judgment of Non-Infringement of the '578 Patent)

20 23. This is a claim for declaratory judgment of non-infringement of the
21 '578 Patent. Square Enix, Inc. and Square Enix LLC incorporate by reference their

1 allegations contained in each of the preceding paragraphs of this Complaint as
2 though fully set forth herein.

3 24. The ‘578 Patent is expired.

4 25. Uniloc has previously sued Square Enix, Inc. in the Texas Litigation,
5 accusing the Final Fantasy “software licensing and delivery system” of infringing
6 certain claims of the ‘578 Patent. In that litigation, Uniloc argued that “there is no
7 practical separation between the operations of Square Enix, LLC [sic] and Square
8 Enix, Inc.”

9 26. Square Enix, Inc. and Square Enix LLC did not infringe and are not
10 infringing, directly or indirectly, literally or under the doctrine of equivalents, any
11 valid claim of the ‘578 Patent.

12 27. Square Enix, Inc. and Square Enix LLC are entitled to a judicial
13 declaration and order that they do not infringe any claim of the ‘589 Patent.

14 **SECOND CAUSE OF ACTION**

15 **(Declaratory Judgment of Non-Infringement of the ‘293 Patent)**

16 28. This is a claim for declaratory judgment of non-infringement of the ‘293
17 Patent. Square Enix, Inc. and Square Enix LLC incorporate by reference their
18 allegations contained in each of the preceding paragraphs of this Complaint as
19 though fully set forth herein.

20 29. Uniloc has previously sued Square Enix, Inc. in the Texas Litigation,
21 accusing the Final Fantasy “software licensing and delivery system” of infringing

1 certain claims of the ‘293 Patent. In that litigation, Uniloc argued that that “there is
2 no practical separation between the operations of Square Enix, LLC [sic] and Square
3 Enix, Inc.”

4 30. Square Enix, Inc. and Square Enix LLC are not infringing and have not
5 infringed, directly or indirectly, literally or under the doctrine of equivalents, any
6 claim of the ‘293 Patent.

7 31. Square Enix, Inc. and Square Enix LLC are entitled to a judicial
8 declaration and order that they do not infringe any claim of the ‘293 Patent.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, Square Enix, Inc. and Square Enix LLC pray for a
11 declaratory judgment against Uniloc 2017, LLC as follows:

12 A. A declaration that Square Enix, Inc. and Square Enix LLC have not
13 infringed and are not infringing any claim of the ‘578 or ‘293 Patents;

14 B. A declaration that this is an exceptional case within the meaning of 35
15 U.S.C. § 285;

16 C. An award of costs and reasonable attorneys’ fees to Square Enix, Inc.
17 and Square Enix LLC; and

18 D. Such other and further relief as the Court deems just and reasonable.

19 **JURY TRIAL IS DEMANDED ON ALL ISSUES SO TRIABLE**

20 Pursuant to Fed. R. Civ. P. 38(b) and Local Rule 38-1, Plaintiffs Square Enix,
21 Inc. and Square Enix LLC hereby demand a trial by jury of all issues triable before

1 a jury.

2
3 Dated: May 31, 2019

Respectfully submitted,

4 /s/Chris R. Schmidt

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12 *Square Enix LLC*