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6 Attorneys for Plaintiff ESET, LLC

8 UNITED STATES DISTRICT COURT
 9 SOUTHERN DISTRICT OF CALIFORNIA

12 ESET, LLC,

14 Plaintiff,

15 v.

16 LODSYS, LLC,

17 Defendant.

CASE NO. '11CV1285 WQHRBB

COMPLAINT FOR
DECLARATORY JUDGMENT

20 Plaintiff ESET, LLC (“ESET”) hereby alleges for its Complaint for Declaratory Judgment
 21 against Defendant Lodsyst, LLC (“Defendant”) as follows:
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23 **NATURE OF THE ACTION**

24 1. This is an action for a declaratory judgment that ESET does not infringe any valid
 25 claim of United States Patent Nos. 5,999,908 (“the ‘908 patent”), 7,133,834 (“the ‘834 patent”),
 26 7,222,078 (“the ‘078 patent”) or 7,620,565 (“the ‘565 patent”) (collectively, the “Asserted
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1 Patents”), and for a declaratory judgment that the claims of each of the Asserted patent are
2 invalid.

3 2. A true and correct copy of the ‘908 patent is attached hereto as Exhibit A.

4 3. A true and correct copy of the ‘834 patent is attached hereto as Exhibit B.

5 4. A true and correct copy of the ‘078 patent is attached hereto as Exhibit C.

6 5. A true and correct copy of the ‘565 patent is attached hereto as Exhibit D.

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8 **THE PARTIES**

9 6. Plaintiff ESET is a California Limited Liability Corporation having a place of
10 business at 610 W Ash Street, Suite 1900, San Diego, California 92101.

11 7. On information and belief, Lodsys is a Texas limited liability company having a
12 place of business at 505 East Travis Street, Suite 207, Marshall, Texas 75670.

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14 **JURISDICTION AND VENUE**

15 8. This action arises under the Patent Laws of the United States, Title 35, United
16 States Code 35 U.S.C. § 1, et seq., and under the Federal Declaratory Judgment Act, 28 U.S.C. §§
17 2201 and 2202. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C.
18 §§ 1331, 1338(a), 2201 and 2202.

19 9. This action is filed to resolve an actual and justiciable controversy between the
20 parties hereto. Defendant’s conduct towards ESET establishes that a real and substantial dispute
21 exists between the parties regarding Defendant’s allegations that ESET’s products infringe the
22 ‘908 patent, the ‘834 patent, the ‘078 patent and/or the ‘565 patent. This dispute is both definite
23 and concrete and admits of specific relief through a decree of a conclusive character. As set forth
24 in succeeding paragraphs herein, there is a conflict of asserted rights among the parties and an
25 actual controversy exists between ESET and the Defendant with respect to the infringement,
26 validity and scope of the ‘908 patent, the ‘834 patent, the ‘078 patent and the ‘565 patent.
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1 10. Upon information and belief, this Court has personal jurisdiction over Lodsys
2 because Lodsys has purposefully availed itself of the benefits and protections of the laws of this
3 State, including this Judicial District, in connection with its conduct in wrongfully asserting the
4 Asserted Patents against ESET, and in pursuing licensing and enforcement activities regarding the
5 Asserted Patents throughout California.
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7 11. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391 and/or 1400.

8 **ALLEGATIONS SUPPORTING DECLARATORY JUDGMENT JURISDICTION**

9 12. ESET realleges and incorporates herein by reference each and every allegation
10 contained in paragraphs 1-11.

11 13. Through communications and conduct, Defendant has repeatedly threatened
12 assertion of the ‘908 patent, the ‘834 patent, the ‘078 patent and/or the ‘565 patent against
13 ESET’s NOD32 Antivirus 4 product.
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15 14. On or about March 28, 2011, Defendant sent a letter to ESET alleging that ESET
16 “is infringing at least claim 1 of US 7,620,565 and claim 1 of US 7,222,078 as it relates to your
17 provision of notice of available product updates and assisting in the download and installation of
18 those updates with respect to your ESET NOD32 Antivirus 4.” The March 28, 2011 letter also
19 offered a license to ESET under “the Lodsys Patents,” which was defined as including the ‘908
20 patent, the ‘834 patent, the ‘078 patent and the ‘565 patent. A copy of the March 28, 2011 letter
21 is included as attached Exhibit E.
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23 15. On June 7, 2011, Defendant sent ESET an e-mail message enclosing an
24 “Infringement Claim Chart” in which Defendant alleged that ESET’s Smart Security 4 product
25 infringed claim 1 of the ‘078 patent. Defendant’s message enclosing the claim chart stated that
26 Defendant’s goal was “resolving this issue with a minimum of expense and hassle for your
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1 client.” A copy of the June 7, 2011 e-mail and “Infringement Claim Chart” are included in the
2 attached Exhibit F.

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4 **FIRST CLAIM FOR RELIEF**

5 **(Declaratory Judgment of Non-infringement of the ‘908 patent)**

6 16. ESET realleges and incorporates herein by reference each and every allegation
7 contained in paragraphs 1-15.

8 17. Based on the above-stated conduct, ESET is informed and believes, and on that
9 basis avers, the Defendant contends that ESET’s NOD32 Antivirus and Smart Security 4
10 products infringe one or more claims of the ‘908 patent.

11 18. Accordingly, an actual controversy exists between ESET and the Defendant as to
12 whether or not ESET has infringed, or is infringing the ‘908 patent; has contributed to
13 infringement, or is contributing to infringement of the ‘908 patent; and has induced infringement,
14 or is inducing infringement of the ‘908 patent.

15 19. The controversy is such that, pursuant to Federal Rule of Civil Procedure 57 and
16 28 U.S.C. § 2201 et seq., ESET is entitled to a declaration, in the form of a judgment, that by its
17 activities ESET has not infringed and is not infringing any valid and enforceable claim of the
18 ‘908 patent; has not contributed to infringement and is not contributing to infringement of the
19 ‘908 patent; and/or has not induced infringement and is not inducing infringement of the ‘908
20 patent. Such a determination and declaration is necessary and appropriate at this time.

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22 **SECOND CLAIM FOR RELIEF**

23 **(Declaratory Judgment of Non-infringement of the ‘834 patent)**

24 20. ESET realleges and incorporates herein by reference each and every allegation
25 contained in paragraphs 1-19.
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1 21. Based on the above-stated conduct, ESET is informed and believes, and on that
2 basis avers, the Defendant contends that ESET's NOD32 Antivirus and Smart Security 4
3 products infringe one or more claims of the '834 patent.

4 22. Accordingly, an actual controversy exists between ESET and the Defendant as to
5 whether or not ESET has infringed, or is infringing the '834 patent; has contributed to
6 infringement, or is contributing to infringement of the '834 patent; and has induced infringement,
7 or is inducing infringement of the '834 patent.

8 23. The controversy is such that, pursuant to Federal Rule of Civil Procedure 57 and
9 28 U.S.C. § 2201 et seq., ESET is entitled to a declaration, in the form of a judgment, that by its
10 activities ESET has not infringed and is not infringing any valid and enforceable claim of the
11 '834 patent; has not contributed to infringement and is not contributing to infringement of the
12 '834 patent; and/or has not induced infringement and is not inducing infringement of the '834
13 patent. Such a determination and declaration is necessary and appropriate at this time.

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16 **THIRD CLAIM FOR RELIEF**

17 **(Declaratory Judgment of Non-infringement of the '078 patent)**

18 24. ESET realleges and incorporates herein by reference each and every allegation
19 contained in paragraphs 1-23.

20 25. Based on the above-stated conduct, ESET is informed and believes, and on that
21 basis avers, that the Defendant contends that ESET's NOD32 Antivirus and Smart Security 4
22 products infringe one or more claims of the '078 patent.

23 26. Accordingly, an actual controversy exists between ESET and the Defendant as to
24 whether or not ESET has infringed, or is infringing the '078 patent; has contributed to
25 infringement, or is contributing to infringement of the '078 patent; and has induced infringement,
26 or is inducing infringement of the '078 patent.

1 27. The controversy is such that, pursuant to Federal Rule of Civil Procedure 57 and
2 28 U.S.C. § 2201 et seq., ESET is entitled to a declaration, in the form of a judgment, that by its
3 activities ESET has not infringed and is not infringing any valid and enforceable claim of the
4 '078 patent; has not contributed to infringement and is not contributing to infringement of the
5 '078 patent; and/or has not induced infringement and is not inducing infringement of the '078
6 patent. Such a determination and declaration is necessary and appropriate at this time.
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8 **FOURTH CLAIM FOR RELIEF**

9 **(Declaratory Judgment of Non-infringement of the '565 patent)**

10 28. ESET realleges and incorporates herein by reference each and every allegation
11 contained in paragraphs 1-27.

12 29. Based on the above-stated conduct, ESET is informed and believes, and on that
13 basis avers, that the Defendant contends that ESET's NOD32 Antivirus and Smart Security 4
14 products infringe one or more claims of the '565 patent.
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16 30. Accordingly, an actual controversy exists between ESET and the Defendant as to
17 whether or not ESET has infringed, or is infringing the '565 patent; has contributed to
18 infringement, or is contributing to infringement of the '565 patent; and has induced infringement,
19 or is inducing infringement of the '565 patent.
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21 31. The controversy is such that, pursuant to Federal Rule of Civil Procedure 57 and
22 28 U.S.C. § 2201 et seq., ESET is entitled to a declaration, in the form of a judgment, that by its
23 activities ESET has not infringed and is not infringing any valid and enforceable claim of the
24 '565 patent; has not contributed to infringement and is not contributing to infringement of the
25 '565 patent; and has not induced infringement and is not inducing infringement of the '565
26 patent. Such a determination and declaration is necessary and appropriate at this time.
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FIFTH CLAIM FOR RELIEF

(Declaratory Judgment of Invalidity of the ‘908 patent)

32. ESET realleges and incorporates herein by reference each and every allegation contained in paragraphs 1-31.

33. Based on the above-stated conduct, ESET is informed and believes, and on that basis avers, that the Defendant contends that ESET infringes one or more claims of the ‘908 patent.

34. ESET denies that it infringes any valid and enforceable claim of the ‘908 patent, and avers that the assertions of infringement cannot be maintained consistently with statutory conditions of patentability and the statutory requirements for disclosure and claiming that must be satisfied for patent validity under at least one of 35 U.S.C. §§ 101, 102, 103, and 112.

35. Accordingly, an actual controversy exists between ESET and the Defendant as to the validity of the ‘908 patent. The controversy is such that, pursuant to Federal Rule of Civil Procedure 57 and 28 U.S.C. § 2201 et seq., ESET is entitled to a declaration, in the form of a judgment, that the ‘908 patent is invalid. Such a determination and declaration is necessary and appropriate at this time.

SIXTH CLAIM FOR RELIEF

(Declaratory Judgment of Invalidity of the ‘834 patent)

36. ESET realleges and incorporates herein by reference each and every allegation contained in paragraphs 1-35.

37. Based on the above-stated conduct, ESET is informed and believes, and on that basis avers, that the Defendant contends that ESET infringes one or more claims of the ‘834 patent.

1 38. ESET denies that it infringes any valid and enforceable claim of the '834 patent,
2 and avers that the assertions of infringement cannot be maintained consistently with statutory
3 conditions of patentability and the statutory requirements for disclosure and claiming that must be
4 satisfied for patent validity under at least one of 35 U.S.C. §§ 101, 102, 103, and 112.
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6 39. Accordingly, an actual controversy exists between ESET and the Defendant as to
7 the validity of the '834 patent. The controversy is such that, pursuant to Federal Rule of Civil
8 Procedure 57 and 28 U.S.C. § 2201 et seq., ESET is entitled to a declaration, in the form of a
9 judgment, that the '834 patent is invalid. Such a determination and declaration is necessary and
10 appropriate at this time.

11 SEVENTH CLAIM FOR RELIEF

12 **(Declaratory Judgment of Invalidity of the '078 patent)**

13 40. ESET realleges and incorporates herein by reference each and every allegation
14 contained in paragraphs 1-39.
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16 41. Based on the above-stated conduct, ESET is informed and believes, and on that
17 basis avers, that the Defendant contends that ESET infringes one or more claims of the '078
18 patent.
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20 42. ESET denies that it infringes any valid and enforceable claim of the '078 patent,
21 and avers that the assertions of infringement cannot be maintained consistently with statutory
22 conditions of patentability and the statutory requirements for disclosure and claiming that must be
23 satisfied for patent validity under at least one of 35 U.S.C. §§ 101, 102, 103, and 112.

24 43. Accordingly, an actual controversy exists between ESET and the Defendant as to
25 the validity of the '078 patent. The controversy is such that, pursuant to Federal Rule of Civil
26 Procedure 57 and 28 U.S.C. § 2201 et seq., ESET is entitled to a declaration, in the form of a
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1 judgment, that the '078 patent is invalid. Such a determination and declaration is necessary and
2 appropriate at this time.

3 **EIGHTH CLAIM FOR RELIEF**

4 **(Declaratory Judgment of Invalidity of the '565 patent)**

5 44. ESET realleges and incorporates herein by reference each and every allegation
6 contained in paragraphs 1-43.

7 45. Based on the above-stated conduct, ESET is informed and believes, and on that
8 basis avers, that the Defendant contends that ESET infringes one or more claims of the '565
9 patent.

10 46. ESET denies that it infringes any valid and enforceable claim of the '565 patent,
11 and avers that the assertions of infringement cannot be maintained consistently with statutory
12 conditions of patentability and the statutory requirements for disclosure and claiming that must be
13 satisfied for patent validity under at least one of 35 U.S.C. §§ 101, 102, 103, and 112.

14 47. Accordingly, an actual controversy exists between ESET and the Defendant as to
15 the validity of the '565 patent. The controversy is such that, pursuant to Federal Rule of Civil
16 Procedure 57 and 28 U.S.C. § 2201 et seq., ESET is entitled to a declaration, in the form of a
17 judgment, that the '565 patent is invalid. Such a determination and declaration is necessary and
18 appropriate at this time.

19 **PRAYER FOR RELIEF**

20 WHEREFORE, plaintiff ESET prays for a judgment as follows:

21 1. For a declaration that its products do not infringe any valid claim of the '908
22 patent;

23 2. For a declaration that assertions of infringement of the '908 patent cannot be
24 maintained consistently with statutory conditions of patentability and the statutory requirements
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1 for disclosure and claiming that must be satisfied for patent validity under one or more of 35
2 U.S.C. §§ 101, 102, 103, and 112;

3 3. For a declaration that the claims of the '908 patent are invalid under one or more
4 of 35 U.S.C. §§ 101, 102, 103, and 112;

5 4. For a declaration that its products do not infringe any valid claim of the '834
6 patent;

7 5. For a declaration that assertions of infringement of the '834 patent cannot be
8 maintained consistently with statutory conditions of patentability and the statutory requirements
9 for disclosure and claiming that must be satisfied for patent validity under one or more of 35
10 U.S.C. §§ 101, 102, 103, and 112;

11 6. For a declaration that the claims of the '834 patent are invalid under one or more
12 of 35 U.S.C. §§ 101, 102, 103, and 112;

13 7. For a declaration that its products do not infringe any valid claim of the '078
14 patent;

15 8. For a declaration that assertions of infringement of the '078 patent cannot be
16 maintained consistently with statutory conditions of patentability and the statutory requirements
17 for disclosure and claiming that must be satisfied for patent validity under one or more of 35
18 U.S.C. §§ 101, 102, 103, and 112;

19 9. For a declaration that the claims of the '078 patent are invalid under one or more
20 of 35 U.S.C. §§ 101, 102, 103, and 112;

21 10. For a declaration that its products do not infringe any valid claim of the '565
22 patent;

23 11. For a declaration that assertions of infringement of the '565 patent cannot be
24 maintained consistently with statutory conditions of patentability and the statutory requirements
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1 for disclosure and claiming that must be satisfied for patent validity under one or more of 35
2 U.S.C. §§ 101, 102, 103, and 112;

3 12. For a declaration that the claims of the '565 patent are invalid under one or more
4 of 35 U.S.C. §§ 101, 102, 103, and 112;

5 13. For a preliminary and permanent injunction enjoining and restraining Defendant
6 and its respective officers, partners, employees, agents, parents, subsidiaries or anyone in privity
7 with them, and all persons acting in concert with them and each of them:
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9 a. from making any claims to any person or entity that any product of ESET infringes
10 the '908 patent, the '834 patent, the '078 patent and/or the '565 patent;

11 b. from interfering with, or threatening to interfere with the manufacture, sale, or use
12 of any ESET's products by ESET, its customers, distributors, predecessors, successors or
13 assigns; and
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15 c. from instituting or prosecuting any lawsuit or proceeding, placing in issue the right
16 of ESET, its customers, distributors, predecessors, successors or assigns, to make, use or
17 sell products which allegedly infringe the '908 patent, the '834 patent, the '078 patent
18 and/or the '565 patent.

19 14. For an award to ESET of its reasonable attorneys' fees and costs of suit incurred
20 herein; and
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22 15. For such other and further relief as the Court may deem proper.
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JURY DEMAND

Plaintiff respectfully requests a trial by jury of all issues so triable.

Dated: June 10, 2011

JONES DAY

By: /s/ Nicola A. Pisano
Nicola A. Pisano

Attorneys for Plaintiff
ESET, LLC

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS
ESET, LLC
(b) County of Residence of First Listed Plaintiff San Diego, CA
(c) Attorney's (Firm Name, Address, and Telephone Number)
Nicola A. Pisano, JONES DAY
12265 El Camino Real, Ste. 200, San Diego, CA 92130

DEFENDANTS
LODSYS, LLC
County of Residence of First Listed Defendant Harrison, TX
NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.
Attorneys (If Known)
Kelley, Donion, Gill, Huck & Goldfarb LLC
701 Fifth Avenue, Suite 6800, Seattle, WA 98104

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)
1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity - yeb

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)
PTF DEF
Citizen of This State 1 1
Citizen of Another State 2 2
Citizen or Subject of a Foreign Country 3 3
Incorporated or Principal Place of Business In This State
Incorporated and Principal Place of Business In Another State
Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)
CONTRACT REAL PROPERTY
TORTS CIVIL RIGHTS PRISONER PETITIONS
FORFEITURE/PENALTY LABOR SOCIAL SECURITY FEDERAL TAX SUITS
BANKRUPTCY OTHER STATUTES

V. ORIGIN (Place an "X" in One Box Only)
1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from another district (specify)
6 Multidistrict Litigation
7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION
Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
35 U.S.C. Sec. 1 et seq., 28 U.S.C. Secs. 2201 and 2202
Brief description of cause:
Declaratory Judgment of Noninfringement/Invalidity US Patent Nos. 5,999,908, ,7,133,834, 7,222,078, 7,620,565

VII. REQUESTED IN COMPLAINT:
CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$
CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY
(See instructions): JUDGE DOCKET NUMBER

DATE 06/10/2011
SIGNATURE OF ATTORNEY OF RECORD /s/ Nicola A. Pisano

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RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE