

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

HBAC MATCHMAKER MEDIA, INC.

Plaintiff,

v.

USTREAM, INC.,

Defendant.

C.A. No. \_\_\_\_\_

**JURY TRIAL DEMANDED**

**COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff HBAC MatchMaker Media, Inc. (“HBAC”) files this Complaint for patent infringement against Ustream, Inc. (“Ustream” or “Defendant”), and alleges as follows:

**THE PARTIES**

1. HBAC is a Delaware corporation with a principal place of business at 3 Center Knolls, Bronxville, New York 10708.

2. On information and belief, Ustream is a corporation organized and existing under the laws of the state of Delaware, with its principal place of business at 475 Brannan St., Suite 410, San Francisco, California 94107. Ustream may be served in Delaware through its registered agent for service of process, The Company Corporation, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

**JURISDICTION AND VENUE**

3. This action arises under the patent laws of the United States, Title 35 of the United States Code. This Court has exclusive subject matter jurisdiction over this case for patent infringement under 28 U.S.C. §§ 1331 and 1338(a).

4. This Court has personal jurisdiction over Defendant for at least the following reasons: (1) Defendant is incorporated under the laws of the State of Delaware; (2) Defendant has committed acts of patent infringement in this District and in Delaware; (3) Defendant engages in other persistent courses of conduct and derives substantial revenue from products and/or services provided to individuals in this District and in Delaware; and (4) Defendant has purposefully established systematic and continuous contacts with this District and should reasonably expect to be haled into Court here.

5. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and (c), and 1400(b) because Defendant is incorporated under the laws of the State of Delaware, Defendant does business in Delaware, and Defendant has committed acts of infringement in Delaware and in this District.

#### **THE ASSERTED PATENTS**

6. On June 30, 1998, the United States Patent and Trademark Office (“USPTO”) duly and legally issued U.S. Patent No. 5,774,170 (the “’170 Patent”), entitled “System and Method for Delivering Targeted Advertisements to Consumers,” to Kenneth C. Hite, Walter S. Ciciora, Tom Alison, and Robert G. Beauregard. A true and correct copy of the ’170 Patent is attached as Exhibit A. HBAC is the owner by assignment of the ’170 Patent, and holds all rights and interest in the ’170 Patent.

7. On December 14, 1999, the USPTO duly and legally issued U.S. Patent No. 6,002,393 (the “’393 Patent”), entitled “System and Method for Delivering Targeted Advertisements to Consumers Using Direct Commands,” to Messrs. Hite, Ciciora, Alison, and Beauregard. A true and correct copy of the ’393 Patent is attached as Exhibit B. HBAC is the owner by assignment of the ’393 Patent, and holds all rights and interest in the ’393 Patent.

8. Collectively, the '170 Patent and the '393 Patent are referred to as the “Asserted Patents.”

### **FACTUAL BACKGROUND**

9. In the early 1990s, four inventors – Messrs. Hite, Ciciora, Alison, and Beauregard – recognized the potential for advanced advertising with the proliferation of digital devices, and developed the core technology and techniques for addressable advertising. Each inventor brought significant relevant experience to the endeavor. Ken Hite, HBAC’s Chief Executive Officer, is a twenty-five year advertising veteran. Tom Alison, a Harvard MBA and HBAC’s President and Chief Operating Officer, has over three decades of experience in marketing and new media, with extensive experience in direct marketing. Robert Beauregard, HBAC’s Executive Vice President, Treasurer and Secretary, has over forty years of experience in advertising, marketing, and publishing. Walt Ciciora, Ph.D., HBAC’s Executive Vice President and Chief Technology Officer, literally co-wrote the book on cable television. The first edition of *Modern Cable Television Technology: Video, Voice, and Data Communications* received a book award from The Cable Center in 2000. With decades of experience in the cable technology field, Dr. Ciciora has been elected to the Cable Technology Hall of Fame, has twice been named “Man of the Year” by CED magazine, and has been inducted into the Academy of Digital Television Pioneers. He has been issued sixteen U.S. patents, and his work has been widely published.

10. These four individuals developed the fundamental inventions behind addressable advertising in digital media – the capability to target, deliver, and display specific ads to specific households. For their work, they received two pioneering patents – the '170 and '393 Patents. The significance of their work is evidenced in part by the overwhelming recognition these patents have received in the field. The '170 Patent has been cited nearly 400 times in other

patents, and the '393 Patent has been cited nearly 200 times. Patents issued to entities such as Google, Microsoft, IBM, Sony, Intel, Hughes, The Nielson Company, Sprint, and General Motors, among many more, cite the groundbreaking HBAC patents.

**COUNT I**  
**(Infringement of U.S. Patent No. 5,774,170)**

11. HBAC incorporates and re-alleges the allegations of paragraphs 1-10 as if fully set forth above.

12. Upon information and belief, Ustream has infringed directly and continues to infringe directly, within the United States, one or more claims of the '170 Patent in violation of 35 U.S.C. § 271. Ustream performs a claimed method by targeting advertisements to consumers who visit websites owned or controlled by Ustream. Ustream itself states in its "Privacy Policy": "We may share aggregated information that includes your Personal Information, Non-Identifying Information and Log Data with third parties for industry analysis and demographic profiling and to deliver targeted advertising about other products and services." *See* <http://www.ustream.tv/privacy-policy>. For example, upon information and belief, Ustream maintains a central storage system storing video advertisements, and delivers targeted advertisements for display to a user's computer, tablet, or other web-enabled device. For instance, Ustream may deliver the advertisement from a server corresponding to the web domain <http://cdn1.ustream.tv/advideos/>. Ustream also has infringed directly and continues to infringe directly, within the United States, one or more claims of the '170 Patent by, among other things, making, using, importing, offering for sale, and/or selling systems that provide targeted advertisements to consumers visiting Ustream websites, in a manner claimed in the '170 Patent.

13. Ustream's acts of infringement have caused damage to HBAC, and HBAC is entitled to recover from Ustream the damages sustained by HBAC as a result of Ustream's wrongful acts in an amount subject to proof at trial.

**COUNT II**  
**(Infringement of U.S. Patent No. 6,002,393)**

14. HBAC incorporates and re-alleges the allegations of paragraphs 1-13 as if fully set forth above.

15. Upon information and belief, Ustream has infringed directly and continues to infringe directly, within the United States, one or more claims of the '393 Patent in violation of 35 U.S.C. § 271. Ustream performs a claimed method by targeting advertisements to consumers who visit websites owned or controlled by Ustream. Ustream itself states in its "Privacy Policy": "We may share aggregated information that includes your Personal Information, Non-Identifying Information and Log Data with third parties for industry analysis and demographic profiling and to deliver targeted advertising about other products and services." *See* <http://www.ustream.tv/privacy-policy>. For example, upon information and belief, Ustream maintains a central storage system storing video advertisements, and delivers targeted advertisements for display to a user's computer, tablet, or other web-enabled device. For instance, Ustream may deliver the advertisement from a server corresponding to the web domain <http://cdn1.ustream.tv/advideos>. Ustream also supplies program materials, such as live streaming events and other video content, into which advertisements are inserted. *See, e.g.,* <https://ustream.zendesk.com/entries/23429701-What-kind-of-advert-types-are-shared-and-what-rules-are-applied> (describing revenue sharing for pre-roll and mid-roll video advertisements on Ustream). Ustream also has infringed directly and continues to infringe directly, within the United States, one or more claims of the '393 Patent by, among other things, making, using,

importing, offering for sale, and/or selling systems that provide targeted advertisements to consumers visiting Ustream websites, in a manner claimed in the '393 Patent.

16. Ustream's acts of infringement have caused damage to HBAC, and HBAC is entitled to recover from Ustream the damages sustained by HBAC as a result of Ustream's wrongful acts in an amount subject to proof at trial.

### **DEMAND FOR JURY TRIAL**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, HBAC respectfully requests a trial by jury of all issues properly triable by jury.

### **PRAYER FOR RELIEF**

For the above reasons, HBAC respectfully requests that this Court grant the following relief in favor of HBAC:

(a) A judgment in favor of HBAC that Ustream has infringed one or more claims of each of the Asserted Patents;

(b) A judgment and order requiring Ustream to pay HBAC its damages, costs, expenses, and pre-judgment and post-judgment interest for Ustream's infringement of each of the Asserted Patents;

(c) A judgment against Ustream declaring that this is an exceptional case within the meaning of 35 U.S.C. § 285 as against Ustream and awarding HBAC its reasonable attorneys' fees against Ustream; and

(d) Any and all such other relief as the Court deems just and proper.

May 30, 2013

BAYARD, P.A.

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