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11 **UNITED STATES DISTRICT COURT**  
12 **NORTHERN DISTRICT OF CALIFORNIA**  
13 **SAN FRANCISCO DIVISION**  
14

15 William Grecia,  
16 Plaintiff,

17 v.

18 VUDU, Inc. and Digital Entertainment  
19 Content Ecosystem (DECE) LLC,  
20 Defendants.  
21

Case No. 3:14-cv-01220-EMC, all filings in  
related Case No. 3:14-cv-00775-EMC

**First Amended Complaint**

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22  
23 **PARTIES**

24 1. Plaintiff William Grecia lives in Downingtown, Pennsylvania.

25 2. Defendant VUDU, Inc. is a corporation organized under the laws of  
26 Delaware, with its principal place of business located in Santa Clara, California.

27 3. Defendant DECE is a company organized under the laws of Delaware, with  
28 its principal place of business located in Pleasanton, California.

**Jurisdiction and Venue**

1  
2 4. This action arises under the patent laws of the United States, 35 U.S.C. §§ 101  
3 *et seq.*

4 5. This Court has subject matter jurisdiction over this action under 28 U.S.C. §§  
5 1331 and 1338(a).

6 6. This Court may exercise personal jurisdiction over VUDU and DECE, both of  
7 whom conduct continuous and systematic business in California and this District. This  
8 patent-infringement claim arises directly from VUDU’s and DECE’s continuous and  
9 systematic activity in this District. In short, this Court’s exercise of jurisdiction over VUDU  
10 and DECE would be consistent with the California long-arm statute and traditional notions  
11 of fair play and substantial justice.

12 7. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b)(1) and  
13 1400(b).

**Background**

14  
15 8. William Grecia owns United States Patent 8,533,860 (the “’860 patent”) and  
16 at least one continuing application claiming back to the original priority date of March 21,  
17 2010. William Grecia invented the methods and products claimed in the ‘860 patent.

18 9. The field of the invention of the ‘860 patent is digital rights management,  
19 commonly referred to as “DRM.” The movement of books, movies, and music to digital  
20 form has presented a challenge to the copyright owners of the content. The owners wish to  
21 sell the content in a digital form and transfer all attributes of ownership to the buyer, and yet  
22 the owners of the content must protect value by preventing “pirating” of the content through  
23 illicit copying.

24 10. DRM schemes to date had locked the purchased content, a movie for  
25 example, to specific devices and in some cases limited playback rights to a single device.  
26 These prior art DRM methods required the content providers (a movie studio in the  
27 example) to maintain computer servers to receive and send session authorization keys to  
28 clients, and the prior DRM methods required that the client reconnect with the servers to

1 obtain reauthorization. These DRM schemes may be characterized by limiting acquired  
2 content to a specific device that the client continually had to reauthorize to enjoy the  
3 acquired content.

4 11. The ‘860 invention provides a solution. With this invention, a consumer of  
5 digital content may enjoy the content on a multiple number of the consumer’s devices and  
6 share the content with the consumer’s friends and family, all while protecting against  
7 unlicensed use of the digital content.

8 **Count 1: Claim of Direct Patent Infringement Against VUDU**

9 12. William Grecia is the exclusive owner of the ‘860 patent, which is attached as  
10 Exhibit 1.

11 13. The ‘860 patent is valid and enforceable.

12 14. VUDU has and is directly infringing claims of the ‘860 patent. VUDU makes,  
13 uses, sells, and offers for sale methods, equipment, and services that practice claims 1, 2, 3, 4,  
14 5, 9, and 10 of the ‘860 patent.

15 15. For example, and without limiting the claims of the ‘860 patent that will be  
16 asserted, VUDU’s cloud computing service directly infringes claim 1 of the ‘860 patent.

17 16. Claim 1 is “[a] method for authorizing access to digital content using a cloud  
18 system . . . .” VUDU practices a method of authorizing access to digital content—such as  
19 movies—using a cloud computing system.

20 17. The method of claim 1 is one “facilitating access rights between a plurality of  
21 devices . . . .” VUDU facilitates access rights to movies among a plurality of devices.

22 18. According to the method of claim 1, a read or write request of metadata of the  
23 digital content is received. This request comprises a verification token of a user, such as the  
24 user’s email address and password. VUDU receives a content access request from the user’s  
25 device when the user requests access to her digital content by requesting that VUDU write  
26 her email address and password to metadata of the digital content.

1           19.     In claim 1, after the verification token has been authenticated, a connection is  
2 established between a communications console and a server. The connection is established  
3 through a web service capable of facilitating a two-way exchange between the console and  
4 the server. After the VUDU user's verification token has been authenticated, VUDU  
5 establishes a connection between the user's device and DECE's UltraViolet web services by  
6 presenting the UltraViolet login screen using UltraViolet's coordinator Application  
7 Programmable Interface ("API").

8           20.     VUDU is party to a contract with DECE called "UltraViolet License  
9 Agreement." According to the contract, VUDU pays DECE fees in exchange for the  
10 provision of coordinator services. The coordinator services are provided to VUDU under the  
11 direction and control of VUDU.

12           21.     Next, claim 1 involves the step of requesting an identification reference, such  
13 as a verified web service account identifier. VUDU (through the coordinator services for  
14 which VUDU contracted) requests an identification reference—the user's Ultraviolet  
15 username and password—from the communications console in order to connect the user  
16 with the content associated with the user's verification token and identification reference.

17           22.     Next, according to claim 1, the identification reference is received from the  
18 communications console. VUDU (through the coordinator services for which VUDU  
19 contracted) receives an identification reference.

20           23.     Finally, claim 1 involves writing either the verification token or the  
21 identification reference into the metadata. VUDU (through the coordinator services for  
22 which VUDU contracted) writes, among other things, the user's VUDU verification token or  
23 the identification reference into the metadata stored, authorizing the user access to the  
24 content stored.

25           **Count 2: Claim of Indirect Patent Infringement (Inducement) Against DECE**

26           24.     DECE has knowledge of the '860 patent and nonetheless actively induces the  
27 following entities to directly infringe the '860 patent: VUDU, Target Corporation, Sony  
28

1 Pictures Entertainment Inc., Flixster, Inc., MediaNaviCo LLC, Barnesandnoble.com llc,  
2 Paramount Pictures Corporation, Paramount Home Entertainment, Inc., D.W. Studios  
3 L.L.C., Paramount Vantage, NBCUNIVERSAL, INC., Best Buy Co., Inc., and  
4 BestBuy.com, LLC (collectively, the “Retailers,” individually, the “Retailer”).

5 25. DECE’s knowledge of the ‘860 patent is based on, among other things, DECE  
6 or individuals acting on DECE’s behalf disclosing the ‘860 patent to the United States Patent  
7 and Trademark Office as relevant prior art in case 13/436,567. This admission by DECE  
8 that the ‘860 patent is relevant to the DECE ecosystem demonstrates that DECE specifically  
9 intends that each of its licensee Retailers infringe the ‘860 patent and that DECE knows that  
10 the Retailers’ acts constitute infringement.

11 26. DECE’s specific intent to induce the Retailers to infringe the ‘860 patent is  
12 also evidenced by correspondence between DECE and Grecia according to which, having  
13 knowledge of the ‘860 patent disclosure, DECE invites Grecia to become a member of  
14 DECE.

15 27. The contracts between DECE and the Retailers also establish a specific intent  
16 on the part of DECE to induce the Retailers to infringe the ‘860 patent. Those contracts  
17 provide, among other things, “Ecosystem Specifications.” The Ecosystem Specifications  
18 when practiced by a Retailer and DECE on behalf of the Retailer constitute an infringement  
19 of the ‘860 patent.

20 28. DECE has knowledge that DECE, by requiring the Retailers through contract  
21 to comply with the Ecosystem Specifications, is inducing the Retailers to infringe the ‘860  
22 patent. Among other things, on May 28, 2014, Grecia disclosed to DECE claim charts that  
23 demonstrate that practicing the Ecosystem Specifications constitutes infringement of the ‘860  
24 patent.

25 29. DECE has a contractual relationship with each Retailer. According to this  
26 relationship, the Retailer is directly infringing claims of the ‘860 patent. The Retailer makes,  
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1 uses, sells, and offers for sale methods, equipment, and services that practice claims 1, 2, 3, 4,  
2 5, 9, and 10 of the '860 patent. DECE induces each of these infringements.

3 30. For example, and without limiting the claims of the '860 patent that will be  
4 asserted, DECE knowingly induces Target to directly infringe claim 1 of the '860 patent.

5 31. Claim 1 is “[a] method for authorizing access to digital content using a cloud  
6 system . . . .” Target practices a method of authorizing access to digital content—such as  
7 movies—using a cloud computing system.

8 32. The method of claim 1 is one “facilitating access rights between a plurality of  
9 devices . . . .” Target facilitates access rights to movies among a plurality of devices.

10 33. According to the method of claim 1, a read or write request of metadata of the  
11 digital content is received. This request comprises a verification token of a user, such as the  
12 user’s email address and password. Target receives a content access request from the user’s  
13 device when the user requests access to her digital content by requesting that Target write her  
14 email address and password to metadata of the digital content.

15 34. In claim 1, after the verification token has been authenticated, a connection is  
16 established between a communications console and a server. The connection is established  
17 through a web service capable of facilitating a two-way exchange between the console and  
18 the server. After the Target user’s verification token has been authenticated, Target  
19 establishes a connection between the user’s device and DECE’s UltraViolet web services by  
20 presenting the UltraViolet login screen using UltraViolet’s coordinator API.

21 35. Target is party to a contract with DECE, according to which Target pays  
22 DECE fees in exchange for the provision of coordinator services. The coordinator services  
23 are provided to Target under the direction and control of Target.

24 36. Next, claim 1 involves the step of requesting an identification reference, such  
25 as a verified web service account identifier. Target (through the coordinator services for  
26 which Target contracted) requests an identification reference—the user’s Ultraviolet  
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1 username and password—from the communications console in order to connect the user  
2 with the content associated with the user’s verification token and identification reference.

3 37. Next, according to claim 1, the identification reference is received from the  
4 communications console. Target (through the coordinator services for which Target  
5 contracted) receives an identification reference.

6 38. Finally, claim 1 involves writing either the verification token or the  
7 identification reference into the metadata. Target (through the coordinator services for which  
8 Target contracted) writes, among other things, the user’s Target verification token or the  
9 identification reference into the metadata stored, authorizing the user access to the content  
10 stored.

11 39. Again, without limiting the claims that will be asserted in this action, DECE  
12 induces each of the Retailers defined above to directly infringe the ‘860 patent claims  
13 according to the contractual relationship between DECE and the Retailer.

14 **Prayer for Relief**

15 WHEREFORE, William Grecia prays for the following relief against VUDU and  
16 DECE:

- 17 (a) Judgment that VUDU has directly infringed claims of the ‘860 patent claims;  
18 (b) Judgment that DECE has induced the Retailers to directly infringe the ‘860  
19 patent claims;  
20 (c) For a fair and reasonable royalty;  
21 (d) For pre-judgment interest and post-judgment interest at the maximum rate  
22 allowed by law;  
23 (e) For such other and further relief as the Court may deem just and proper.

24 **Demand for Jury Trial**

25 William Grecia demands a trial by jury on all matters and issues triable by jury.  
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1 Date: September 5, 2014

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**CERTIFICATE OF SERVICE**

I, Matthew M. Wawrzyn, an attorney, hereby certify that I served Digital Entertainment Content Ecosystem (DECE) LLC with the foregoing by causing it to be electronically filed and, thereby, causing it to be sent to counsel of record. Additionally, I have caused the foregoing to be served on the below counsel for VUDU, Inc. via email.

- Bijal Vijay Vakil (bvakil@whitecase.com)
- Shamita Etienne-Cummings (setienne@whitecase.com)

Dated: September 5, 2014

/s/ Matthew M. Wawrzyn