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11 UNITED STATES DISTRICT COURT

12 NORTHERN DISTRICT OF CALIFORNIA

13 **iMTX STRATEGIC, LLC,**

14 Plaintiff,

15 v.

16 **VERIZON SERVICES CORP. AND
17 VERIZON ONLINE LLC,**

18 Defendants.

Civil Action No. 4:15-CV-598-JSW

**AMENDED COMPLAINT FOR
PATENT INFRINGEMENT**

JURY TRIAL DEMANDED

19 Plaintiff iMTX Strategic, LLC (“Plaintiff” or “iMTX”), by and through its undersigned
20 counsel, files this Amended Complaint for patent infringement against Defendants Verizon
21 Services Corporation and Verizon Online LLC. (“Defendants” or “Verizon”) pursuant to the
22 Court’s Order (Dkt. No. 64) and states as follows:

23 **NATURE OF THE ACTION**

24 1. This is a patent infringement action to stop Defendants’ infringement of
25 Plaintiff’s United States Patent No. 7,269,854 entitled “Transaction System for Transporting
26 Media Files from Content Provider Sources to Home Entertainment Devices” (hereinafter, the
27 “854 patent” or the “Patent-in-Suit”; a copy of which is attached hereto as Exhibit A).
28

PARTIES

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2 2. iMTX is a Limited Liability Company organized under the laws of the State of
3 California and with its principal place of business located at 751 E. Blithedale Avenue, #2241,
4 Mill Valley (Marin County), California 94942.

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6 3. Plaintiff is the owner of the Patent-in-Suit with respect to the Defendants, and
7 possesses all rights thereto, including the exclusive right to exclude the Defendants from making,
8 using, selling, offering to sell or importing in this district and elsewhere into the United States
9 the patented invention(s) of the Patent-in-Suit, the right to license the Patent-in-Suit, and to sue
10 the Defendants for infringement and recover past damages.

11
12 4. (a) Upon information and belief, Defendant Verizon Services Corp. is a
13 corporation duly organized and existing under the laws of the State of Delaware, having its
14 principal place of business located at 22001 Loudoun County Parkway, Ashburn, Virginia
15 20147. Defendant may be served through its registered agent, The Corporation Trust Company,
16 Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801.

17
18 4. (b) Upon information and belief, Defendant Verizon Online LLC is a limited
19 liability company duly organized and existing under the laws of the State of Delaware, having its
20 principal place of business located at 22001 Loudoun County Parkway, Ashburn, Virginia
21 20147. Defendant may be served through its registered agent, The Corporation Trust Company,
22 Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801.

JURISDICTION AND VENUE

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2 5. This action arises under the Patent Laws of the United States, 35 U.S.C. § 1 *et*
3 *seq.*, including 35 U.S.C. §§ 271, 281, 283, 284, and 285. This Court has subject matter
4 jurisdiction over this case for patent infringement under 28 U.S.C. §§ 1331 and 1338(a).
5

6 6. The Court has personal jurisdiction over Defendants because: Defendants have
7 stipulated to this Court having jurisdiction over the claims and defenses asserted in this action by
8 virtue of joining in the Motion to Transfer filed in the District of Delaware, where this case was
9 initially filed. (Del. Dkt. No. 11). Moreover, Defendants agreed to and stipulated to jurisdiction
10 before this Court for purposes of this action as part of the “Stipulation Regarding Dismissal of
11 Verizon Communications Inc. and Substitution of Verizon Services Corp. and Verizon Online
12 LLC”, wherein the parties agreed to substitute the name of Defendant in the Original Complaint.
13 Moreover, Defendants have minimum contacts within the State of California and in the Northern
14 District of California; Defendants have purposefully availed themselves of the privileges of
15 conducting business in the State of California and in the Northern District of California;
16 Defendants have sought protection and benefit from the laws of the State of California;
17 Defendants regularly conduct business within the State of California and within the Northern
18 District of California, and Plaintiff’s causes of action arise directly from Defendant’s business
19 contacts and other activities in the State of California and in the Northern District of California.
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22 7. More specifically, Defendants, directly and/or through its intermediaries, ship,
23 distribute, offer for sale, sells, and/or advertise (including the provision of an interactive web
24 page) their products and services in the United States, the State of California, and the Northern
25 District of California. Upon information and belief, Defendants have committed patent
26 infringement in the State of California and in the Northern District of California. Defendants
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1 solicit customers in the State of California and in the Northern District of California. Defendants
2 have many paying customers who are residents of the State of California and the Northern
3 District of California and who use Defendants' products and services in the State of California
4 and in the Northern District of California.

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6 8. Venue is proper in the Northern District of California pursuant to 28 U.S.C. §§
7 1391 and 1400(b).

8
9 **COUNT I:**
INFRINGEMENT OF U.S. PATENT NO. 7,269,854

10 9. Plaintiff re-alleges and incorporates by reference each of Paragraph 1-8 above.

11
12 10. The '854 patent was duly and legally issued by the United States Patent and
13 Trademark Office on September 11, 2007 after full and fair examination. Plaintiff is the owner
14 under the '854 patent with respect to Defendants, and possesses all right, title and interest in the
15 '854 patent including the right to enforce the '854 patent, and the right to sue Defendants for
16 infringement and recover past damages.

17
18 11. Plaintiff is informed and believes that Defendants infringe the '854 patent either
19 literally or under the doctrine of equivalents. Upon information and belief, Defendants have
20 infringed and continue to infringe one or more claims of the '854 patent by making, using, and
21 providing a method for executing user transaction requests for delivering digital media files via
22 the Internet; said method comprising enabling users to generate transaction requests,
23 communicating the transaction requests via the Internet to a transaction server, causing the
24 transaction server to verify user identification information and to identify which of a plurality of
25 media servers stores the requested media file, and causing the identified media server to uniquely
26 encrypt the identified media file and to download the identified and encrypted media file to the
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1 requesting user directly via the Internet, and enabling only the requesting user to decrypt the
2 media file for playback at the requesting user's site, in this district and elsewhere in the United
3 States through its website, www.VERIZON.com, and other Internet-related services. Upon
4 information and belief, Defendants have infringed and continue to infringe one or more claims of
5 the '854 patent by making, using, and providing a system for executing user transaction requests
6 for delivering media files via the Internet, consisting of user sites with player/receivers, provider
7 sites and a transaction server through its video sharing service, in this district and elsewhere in
8 the United States through its website and other Internet-related services, including but not limited
9 to "FIOS On Demand" video on-demand services and "Flex View" video on-demand services
10 through a website and/or proprietary applications.
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13 12. Defendants' aforesaid activities have been without authority and/or license from
14 Plaintiff.

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16 13. Plaintiff is entitled to recover from Defendants the damages sustained by Plaintiff
17 as a result of Defendants' wrongful acts in an amount subject to proof at trial, which, by law,
18 cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court
19 under 35 U.S.C. § 284.
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21 14. Defendants' infringement of Plaintiff's rights under the '854 patent will continue
22 to damage Plaintiff, causing irreparable harm for which there is no adequate remedy at law,
23 unless enjoined by this Court.
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25 **JURY DEMAND**

26 15. Plaintiff demands a trial by jury on all issues.
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PRAYER FOR RELIEF

Plaintiff respectfully requests the following relief:

- A. An adjudication that one or more claims of the Patent-in-Suit have been infringed, either literally and/or under the doctrine of equivalents, by the Defendants;
- B. An award of damages to be paid by Defendants adequate to compensate Plaintiff for its past infringement and any continuing or future infringement up until the date such judgment is entered, including interest, costs, and disbursements as justified under 35 U.S.C. § 284 and, if necessary to adequately compensate Plaintiff for Defendants’ infringement, an accounting of all infringing sales including, but not limited to, those sales not presented at trial;
- C. A grant of permanent injunction pursuant to 35 U.S.C. § 283, enjoining the Defendants from further acts of infringement with respect to the claims of the Patents-in-Suit;
- D. That this Court declare this to be an exceptional case and award Plaintiff its reasonable attorneys’ fees and costs in accordance with U.S.C. § 285; and,
- E. Any further relief that this Court deems just and proper.

1 Respectfully submitted this 18th day of June 2015.

2 /s/ Maureen V. Abbey
3 Steven W. Ritcheson
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16 *Attorneys for Plaintiff iMTX, LLC*

CERTIFICATE OF SERVICE

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The undersigned certifies that, on June 18, 2015, She caused this document to be electronically filed with the Clerk of Court using the CM/ECF system, which will send notification of filing to counsel of record for each party.

By: /s/ Maureen V. Abbey