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LLC
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10 **UNITED STATES DISTRICT COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**

12 LONE STAR TARGETED ADVERTISING, LLC,
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14 Plaintiff,

15 v.

16 CONNEKT MEDIA, INC., CONNEKT IP CORP.,
17 and CONNEKT COLORADO, INC.,

18 Defendants.
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CASE NO.

COMPLAINT FOR PATENT
INFRINGEMENT

1 Plaintiff Lone Star Targeted Advertising, LLC (“LSTA”), for its Complaint against
2 Connekt Media, Inc., Connekt IP Corp., and Connekt Colorado, Inc. (“Defendants”), alleges as
3 follows:

4 **PARTIES**

5 1. Plaintiff Lone Star Targeted Advertising, LLC (“LSTA”) is a limited liability
6 company organized under the laws of the State of Texas with its principal place of business in
7 Dallas, Texas.

8 2. On information and belief, Connekt Media, Inc. is a company organized under the
9 laws of Delaware with an office at 233 Sansome Street, 2nd Floor, San Francisco, CA 94101. On
10 information and belief, Connekt IP Corp. is a company organized under the laws of Delaware with
11 an office at 233 Sansome Street, 2nd Floor, San Francisco, CA 94101. On information and belief,
12 Connekt Colorado, Inc. is a company organized under the laws of Delaware with an office at 233
13 Sansome Street, 2nd Floor, San Francisco, CA 94101. Collectively, Connekt Media, Inc., Connekt
14 Colorado, Inc. and Connekt IP Corp. are referred to as “Defendants” or “Connekt.” All three
15 Connekt entities are registered corporations in the state of California.

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17 **JURISDICTION AND VENUE**

18 3. This is an action for patent infringement in violation of the Patent Act of the United
19 States, 35 U.S.C. §§ 1 *et seq.*

20 4. This Court has original and exclusive subject matter jurisdiction over the patent
21 infringement claims for relief under 28 U.S.C. §§ 1331 and 1338(a).

22 5. This Court has personal jurisdiction over Connekt because Connekt has transacted
23 and is transacting business in the Northern District of California that includes, but is not limited to,
24 the use of products and systems that practice the subject matter claimed in the patents involved in
25 this action. On information and belief, Connekt has an office in San Francisco, California.

26 6. Venue is proper in this district under 28 U.S.C. 1400(b) because Defendants have
27 committed acts of infringement and have a regular and established places of business within this
28 District. Specifically, on information and belief, Connekt has a principal place of business or

regular and established place of business at 233 Sansome Street, 2nd Floor, San Francisco, CA 94104.

INTRADISTRICT ASSIGNMENT

7. This is an Intellectual Property action appropriate for district-wide assignment under Civ. L.R. 3-2(c).

FACTS

8. On October 9, 2001, U.S. Patent No. 6,301,619, entitled “System and Method for Providing Service of Sending Real Time Electronic Information to Selected Individual Viewers of Transmitted Video or Computerized Signals” was duly and legally issued. A true and correct copy of the ’619 Patent is attached hereto as Exhibit A. The ’619 Patent issued from application Serial Number 09/260,035 filed March 2, 1999. The inventors assigned all right, title and interest in the ’619 Patent to Oplus Technologies Ltd. Oplus Technologies Ltd. assigned its entire right, title, and interest in ’619 Patent to Lone Star Technological Innovations, LLC, who then assigned its entire right, title, and interest in the ’619 Patent to LSTA. LSTA is the sole owner of all rights, title, and interest in and to the ’619 Patent including the right to sue for and collect past, present, and future damages and to seek and obtain injunctive or any other relief for infringement of the ’619 Patent.

9. Claim 1 of the ’619 Patent states:

A system for a sender sending real time electronic information to a viewer of transmitted video signals, the system comprising:

(a) viewer attribute information related to the viewer;

(b) an electronic device included with and in communication with a television belonging to the viewer for receiving and storing said viewer attribute information input into said electronic device by the viewer;

(c) sender requested electronic information of the sender to be transmitted by request of the sender to the viewer, said sender requested electronic information of the sender is included with a non-viewer provided subset of said viewer attribute information related to the viewer;

(d) a service center for communicating to a television station provider of the transmitted video signals encoding instructions to form encoded sender requested electronic

information of the sender, said television provider of the transmitted video signals transmits a compound video signal including said non-viewer provided subset of viewer attribute information and said encoded sender requested electronic information of the sender to said electronic device included with and in communication with said television belonging to the viewer, said electronic device makes a decision selected from the group consisting of accepting said encoded sender requested electronic information of the sender and not accepting said encoded sender requested electronic information of the sender, said decision of accepting said encoded sender requested electronic information is made by recognizing said non-viewer provided subset of said viewer attribute information, and said electronic device decodes said encoded sender requested electronic information of the sender to form decoded sender requested electronic information of the sender; and

(e) a subwindow within said television of the viewer for displaying said decoded sender requested electronic information of the sender to the viewer.

18. On information and belief, Defendants have a system for sender sending real time electronic information to a viewer of transmitted video signals. Connekt has been described as follows: “Connekt, the AI-driven technology company transforming TV advertising for the connected world, today announced it has successfully delivered dynamic, digital *enhancements into linear TV commercials, reaching all 210 television DMAs as defined by Nielsen*. Connekt's solution allows traditional TV advertisers to introduce new layers of targeting and personalization to their linear spots, while enabling direct, real-time interactivity, via remote controls, mobile devices or voice experiences. Leveraging ACR technology, Connekt has delivered digital enhancements to millions of smart TVs across more than 350 television networks and over 14,000 individual shows, covering all programming types including live sports, talk shows, dramas and movies.”

(https://www.bizjournals.com/sanfrancisco/prnewswire/press_releases/California/2018/05/17/UN98580.) Mike O'Donnell, CRO at Connekt stated, “We are committed to helping our partners bring new levels of targeting, interactivity and accountability to what remains one of their most significant media investments – TV. Our ability to dynamically enhance linear TV ads at a national scale is a critical milestone in realizing the next generation of TV advertising.” *Id.*

Connekt's system infringes each element of Claim 1 as follows:

a. “Viewer attributable information related to the viewer” – Connekt uses viewer attributable information related to the viewer, analytics, to target specific ads of an

1 advertiser to a viewer. Specifically, Connekt uses CARL their supercomputer behind their
2 platform. CARL's artificial intelligence and deep learning engine seamlessly and automatically
3 processes, transforms and analyzes billions of unstructured TV viewership, engagement and
4 commerce data points to provide reliable predictive targeting, ad delivery and measurement for
5 marketers. *See* <http://www.connekt.com/technology/#carl>

6 b. "an electronic device included with and in communication with a
7 television belonging to the viewer for receiving and storing said viewer attribute information input
8 into said electronic device by the viewer" -- In order for Connekt to utilize its platform and
9 analytical system, an electronic device of the viewer's is in communication with TV in order to
10 obtain "real-time" audience data and insights. For most viewers, this will be the Set Top Box that
11 provides the real-time analytics information to the "sender". For example, Connekt's CARL
12 utilizes "real-time consumer interaction data provides on the fly offer optimization. *See*
13 <http://www.connekt.com/technology/#carl>. Connekt's FLX "enables seamless access and message
14 delivery to millions of connected devices", thus meeting the requirement of this element. *Id.*

15 c. "sender requested electronic information of the sender to be
16 transmitted by request of the sender to the viewer, said sender requested electronic information of
17 the sender is included with a non-viewer provided subset of said viewer attribute information
18 related to the viewer" -- On information and belief, targeted advertisement based on the campaign
19 being run using Connekt's platform meet this requirement, as the sender is requesting the sending
20 of information from sender to viewer based on viewer attributable information. In addition, on
21 information and belief, FLX send electronic data to millions of connects device. *Id.*

22 d. "a service center for communicating to a television station provider
23 of the transmitted video signals encoding instructions to form encoded sender requested electronic
24 information of the sender, said television provider of the transmitted video signals transmits a
25 compound video signal including said non-viewer provided subset of viewer attribute information
26 and said encoded sender requested electronic information of the sender to said electronic device
27 included with and in communication with said television belonging to the viewer, said electronic
28 device makes a decision selected from the group consisting of accepting said encoded sender

requested electronic information of the sender and not accepting said encoded sender requested electronic information of the sender, said decision of accepting said encoded sender requested electronic information is made by recognizing said non-viewer provided sheet subset of said viewer attribute information, and said electronic device decodes said encoded sender requested electronic information of the sender to form decoded sender requested electronic information of the sender” -- Connekt provides a platform in order for ads to be deployed from the content provider (TV Stations) to viewers. Connekt’s Carl allows for in-content Dynamic brand insertion, as well as dynamic ad enhancement – both of which are dynamic ad insertion:



Dynamic Ad Enhancement

Enables linear TV advertisers to bring personalization, localization, and commerce into their TV spots

e. “A subwindow within said television of the viewer for displaying said decoded sender requested electronic information of the sender to the viewer.” Specifically, on information and belief, the television displays content and within the television, there are other windows, such as when choosing the menu, which pop up.

In-content Dynamic Brand Insertion

Opens up new advertising
opportunities within a
content experience



FIRST CLAIM FOR RELIEF

Patent Infringement of the '619 Patent (35 U.S.C. §§ 101, et seq.)

(Against all Defendants)

19. LSTA refers to and incorporates herein by reference paragraphs 1-18.

20. Defendants infringed, either directly or indirectly, at least Claim 1 of the '619 Patent in this judicial district and elsewhere in California and the United States, through the services they provide as outlined at www.connekt.com and as described above.

21. Specifically, as outlined above Defendants have a system for sender sending real time electronic information to a viewer of transmitted video signals comprises:

f. "Viewer attributable information" related to the viewer, analytics, to target specific ads of an advertiser to a viewer.

g. "An electronic device" that is included with and in communication with a television belonging to a viewer in order to obtain "real-time" data and insights. For most viewers, this will be the Set Top Box that provides the real-time analytics information to the "sender".

h. "Sender requested electronic information of the sender to be transmitted by request of the send to the viewer." The targeted advertisement based on the campaign being run using Defendants' platform meet this requirement, as the sender is requesting the sending of information from sender to viewer based on viewer attributable information.

1 i. “A service center for communicating to a television station provider of the
2 transmitted video signals encoding instructions to form encoded sender requested electronic
3 information of the sender.” Specifically, see paragraph 18 above.

4 j. “A subwindow within said television of the viewer for displaying said decoded
5 sender requested electronic information of the sender to the viewer.” Specifically, on information
6 and belief, the television displays content and within the television, there are other windows, such
7 as when choosing the menu, which pop up, as shown above.

8 21. Defendants, therefore, by the acts complained of herein, are making, using, selling,
9 or offering for sale in the United States, including in the Northern District of California, products
10 and/or services embodying the invention, and have in the past and are now continuing to infringe
11 the ’619 Patent, either literally or under the doctrine of equivalents, pursuant to 35 U.S.C. §271(a).

12 22. To the extent that some elements of a claim are performed by a different party than
13 Connekt, Connekt – through its infringing system – participates in the infringement (as described
14 above and herein) and receives a benefit upon performance of the steps of the patented
15 system. For example, Connekt provides the software and technology that establishes viewer
16 attribute information related to the viewer that can be collected, and how that information is
17 transmitted, received, stored and acted upon in accordance with the patented system. Connekt
18 receives a benefit from such actions by the customer and television station provider as it allows
19 targeted advertising to be displayed through the top set box.

20 23. Upon information and belief, the acts described above concerning the use, offer for
21 sale, sale, operation, distribution, and/or installation of Connekt’s products and/or software and
22 those described below also constitute acts of induced and contributory infringement. Customers
23 and users use the infringing products and software to provide targeted ads.

24 24. To the extent that some elements of a claim are performed by a different party than
25 Connekt, Connekt, through its software and infringing products, participates in the infringement
26 (as described herein) and receives a benefit upon performance of steps of a patented system. For
27 example, Connekt provides the software and technology that establishes viewer attribute
28 information related to the viewer that can be collected, and how that information is transmitted,

1 received, stored and acted upon in accordance with the patented system. Connekt receives a
2 benefit from such actions by the customer and television station provider as it allows targeted
3 advertising to be displayed.

4 25. Upon information and belief, Connekt provides its customers and/or users of its
5 products and software to use, load and operate in an infringing manner or to create and use
6 infringing products. Upon information and belief, Connekt further induces its customers and/or
7 users of Connekt's platform to use its products (and accompanying software) by providing
8 subscriptions to Connekt's platform. Further, Connekt has actively induced infringement by its
9 customers and/or users of Connekt's products and software in this judicial district. Upon
10 information and belief, Connekt knowingly and specifically designed Connekt's platform in a
11 manner that infringed the Asserted Patent. Upon information that belief, Connekt also provides
12 support services for the Accused System and Method. Connekt's targeted advertising platform has
13 no substantial non-infringing use. Connekt has acted with specific intent to induce or cause
14 infringement and to conduct acts of infringement as described herein within the jurisdiction and
15 elsewhere. Upon information and belief, Connekt continues to provide instructions since having
16 notice and actual knowledge of the Asserted Patent.

17 26. Upon information and belief, Connekt has had knowledge of the Asserted Patent at
18 least as early as September 11, 2018, when LSTA's counsel sent a letter to Connekt.
19 Notwithstanding, Connekt continues to willfully and with specific intent infringe and cause others
20 to infringe the Asserted Patents. Connekt provides, makes, sells, and offers to sell Connekt
21 systems with the specific intent that its customers, third parties, and/or end users use the Connekt
22 systems in an infringing manner, and its customers, third parties, and/or end users do so. Upon
23 information and belief, Connekt provides and instructs third parties to use the aforementioned
24 product in the manner claimed in the Asserted Patents.

25 27. Upon information and belief, Connekt's platform has no substantial non-infringing
26 uses and is especially made and/or adapted so as to infringe the Asserted Patents. Connekt has
27 acted with specific intent to induce or cause infringement and to conduct acts of infringement as
28 described herein within this District and elsewhere. Connekt continues to contribute to the

1 infringement of third parties even after having notice and actual knowledge of the Asserted Patent
2 as previously described.

3 28. Defendants threaten to continue to engage in the acts complained of herein and,
4 unless restrained and enjoined, will continue to do so, all to LSTA's irreparable injury. It would
5 be difficult to ascertain the amount of compensation that would afford LSTA adequate relief for
6 such future and continuing acts, and a multiplicity of judicial proceedings would be required.
7 LSTA does not have an adequate remedy at law to compensate it for the injuries threatened.

8 29. By reason of the acts of Connekt alleged herein, LSTA has suffered damage in an
9 amount to be proved at trial.

10 **JURY DEMAND**

11 LSTA demands a jury trial on all issues so triable.

12 **PRAYER FOR RELIEF**

13 WHEREFORE, LSTA prays for relief as follows:

14 A. Judgment that Defendants have directly infringed, and induced others to infringe,
15 the '619 Patent either literally and/or under the doctrine of equivalents;

16 B. Judgment that Defendants' infringement of the '619 Patent have been willful at
17 least as early as this Complaint;

18 C. Judgment permanently enjoining Defendants, its officers, directors, agents,
19 servants, affiliates, employees, subsidiaries, divisions, branches, parents, attorneys,
20 representatives, and all others acting in concert or privity with any of them, from infringing the
21 '619 Patent, and from inducing others to infringe the '619 Patent;

22 D. Judgment awarding LSTA general and/or specific damages, including a reasonable
23 royalty and/or lost profits, in amounts to be fixed by the Court in accordance with proof, including
24 enhanced and/or exemplary damages, as appropriate, as well as all of Defendants' profits or gains
25 of any kind from their acts of patent infringement;

26 E. Judgment awarding LSTA enhanced damages pursuant to 35 U.S.C. § 284 due to
27 the willful and wanton nature of Defendants' infringement from at least September 11, 2018 when
28 notice was given;

1 F. Judgment awarding LSTA all of its costs, including its attorneys' fees, incurred in
2 prosecuting this action, including, without limitation, pursuant to 35 U.S.C. § 285 and other
3 applicable law;

4 G. Judgment awarding LSTA pre-judgment and post-judgment interest; and

5 H. Judgment awarding LSTA such other and further relief as the Court may deem just
6 and proper.

7
8 Dated: September 21, 2018

Respectfully submitted,

9 BANIE & ISHIMOTO LLP

10 By /s/ John A. Lee
11 _____

12 John A. Lee
13 Jennifer Ishimoto

14 Attorneys for Plaintiff
15 Lone Star Targeted Advertising, LLC
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DEMAND FOR JURY TRIAL

LSTA demands a jury trial on all claims as to which it has a right to a jury trial.

Dated: September 21, 2018

Respectfully submitted,

BANIE & ISHIMOTO LLP

By /s/ John A. Lee

John A. Lee

Jennifer Ishimoto

Attorneys for Plaintiff

Lone Star Targeted Advertising, LLC