IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

COOLTVNETWORK.COM, INC.,

Plaintiff,

v.

OOYALA, INC.,

Defendant.

CIVIL ACTION NO. 1:19-cv-00297-LPS

JURY TRIAL DEMANDED

PLAINTIFF'S FIRST AMENDED COMPLAINT

Plaintiff CoolTVNetwork.com, Inc. ("Plaintiff"), by and through its undersigned counsel, files this First Amended Complaint against Defendant Ooyala, Inc. ("Defendant") as follows:

NATURE OF THE ACTION

1. This is a patent infringement action to stop Defendant's infringement of United States Patent No. 7,162,696 ("the '696 patent") entitled "Method and System for Creating, Using and Modifying Multifunctional Website Hot Spots". A true and correct copy of the '696 patent is attached hereto as <u>Exhibit A</u>. Plaintiff is the owner by assignment of the '696 patent. Plaintiff seeks monetary damages and injunctive relief.

PARTIES

2. Plaintiff is a limited liability company having a principal place of business located at 17731 N.W. 14th CT. Miami, Florida 33169.

3. Upon information and belief, Defendant is a corporation organized and existing under the laws of the State of Delaware with a principal place of business located at 4750 Patrick Henry Drive, Santa Clara, CA 95054. Defendant can be served with process by serving The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801.

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JURISDICTION AND VENUE

4. This action arises under the Patent Laws of the United States, 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. §§ 271, 281, 283, 284, and 285.

5. This Court has subject matter jurisdiction over this case for patent infringement under 28 U.S.C. §§ 1331 and 1338(a).

6. The Court has personal jurisdiction over Defendant because Defendant is present within or has minimum contacts within the State of Delaware and the District of Delaware; Defendant has purposefully availed itself of the privileges of conducting business in the State of Delaware and in the District of Delaware; Defendant has sought protection and benefit from the laws of the State of Delaware; Defendant regularly conducts business within the State of Delaware and within the District of Delaware; and Plaintiff's cause of action arises directly from Defendant's business contacts and other activities in the State of Delaware and in the District of Delaware. Further, this Court has personal jurisdiction over Defendant because it is incorporated in Delaware and has purposely availed itself of the privileges and benefits of the laws of the State of Delaware.

7. More specifically, Defendant, directly and/or through intermediaries, ships, distributes, uses, offers for sale, sells, and/or advertises products and services in the United States, the State of Delaware, and the District of Delaware including but not limited to the Accused Instrumentalities as detailed below. Upon information and belief, Defendant has committed patent infringement in the State of Delaware and in the District of Delaware. Defendant solicits and has solicited customers in the State of Delaware and in the District of Delaware. Defendant has paying customers who are residents of the State of Delaware and the District of Delaware and who each use and have used the Defendant's products and services in the State of Delaware and in the District of Delaware and who each use and have used the Defendant's products and services in the State of Delaware.

8. Venue is proper in the District of Delaware pursuant to 28 U.S.C. §§ 1400(b). On information and belief, Defendant is incorporated in this district and has directly and/or indirectly committed acts of patent infringement in this district.

COUNT I – PATENT INFRINGEMENT

9. Plaintiff refers to and incorporates herein the allegations of Paragraphs 1-8 above.

10. The '696 patent was duly and legally issued by the United States Patent and Trademark Office on January 9, 2007 after full and fair examination. Plaintiff is the owner by assignment of the '696 patent and possesses all rights of recovery under the '696 patent, including the exclusive right to sue for infringement and recover past damages and obtain injunctive relief.

11. Defendant owns, uses, operates, advertises, controls, sells, and otherwise provides systems, methods and apparatus that infringe the '696 patent. The '696 patent provides, among other things, "a Multifunctional Hot Spot method comprising: defining at least one hot spot by a communication with instructions stored on a tangible retaining medium; accessing at least one of the hot spots from a globally accessible network; performing at least one of a plurality of predetermined functions executed with the selection of each particular hot spot; wherein said hot spots reside on and are accessible from a digital video or audio file; wherein said predetermined functions are selected from a mode control; wherein the mode control comprises a plurality of modes; wherein the plurality of modes comprise a shop mode, a bid mode, an interact mode, an entertainment mode, and a link mode; wherein said specific mode further toggles based on time stamps in said digital video or digital audio file; wherein said hot spots are visualized by outlines, shading, or illumination or a combination of each, at a predetermined area on the display; wherein said Multifunctional Hot Spot apparatus is made to reside on and is executing on a computing

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system; selecting and activating at least one of said predetermined functions by clicking on each particular Multifunctional Hot Spot."

12. Defendant has been and is now infringing the '696 patent in the State of Delaware, in this judicial district, and elsewhere in the United States, by, among other things, directly or through intermediaries, making, using, importing, testing, providing, supplying, distributing, selling, and/or offering for sale systems, methods and apparatus (including, without limitation, the Defendant's products including Oovala Pulse and related functionality identified herein as the "Accused Instrumentality") that provide a methods, apparatus and systems for creating, using and modifying multifunctional website hotspots including software that identifies, programs and activates hot spots with a plurality of functions wherein the functions include a shopping mode for selecting and purchasing items on a website or in a video, a digital call mode for facilitating videoconferencing and telephone calls over a globally accessible network, a digital storage area for selecting, retrieving and playing selected digital media files, a bid mode that facilitates audio and video communication during multi-task communication interface for conducting an auction and/or accepting bids, an interact mode for communicating a user with a live streamed digital media file, a link mode for directly linking to pre-identified URL addresses and an entertain mode for retrieving and activating digital media files, wherein the functions are selected based on user inputs or predetermined parameters and are activated by clicking a predetermined hot spot, covered by at least claim 17 of the '696 patent to the injury of CoolTVNetwork.com, Inc. Defendant is directly infringing, literally infringing, and/or infringing the '696 patent under the doctrine of equivalents. Defendant is thus liable for infringement of the '696 patent pursuant to 35 U.S.C. § 271.

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13. Defendant has induced and continues to induce infringement of the '696 patent by intending that others use, offer for sale, or sell in the United States, products and/or methods covered by one or more claims of the '696 patent, including, but not limited to, methods, systems, and apparatus for creating, using and modifying multifunctional website hot spots. Defendant provides these products to others, such as customers, resellers and end-use consumers who, in turn, use, offer for sale, or sell in the United States these methods, systems, and apparatus for creating, using and modifying the spots that infringe one or more claims of the '696 patent.

14. Defendant indirectly infringes the '696 patent by inducing infringement by others, such as resellers, customers and end-use consumers, in accordance with 35 U.S.C. § 271(b) in this District and elsewhere in the United States. Direct infringement is a result of the activities performed by the resellers, customers and end-use consumers of the mobile banking functionality, including methods, systems, and apparatus for creating, using and modifying multifunctional website hot spots.

15. Defendant received notice of the '696 patent at least as of the date this lawsuit was filed.

16. Defendant affirmative acts of providing and/or selling the methods, systems, and apparatus for creating, using and modifying multifunctional website hot spots, including manufacturing and distributing, and providing instructions for using the methods, systems, and apparatus for creating, using and modifying multifunctional website hot spots in their normal and customary way to infringe one or more claims of the '696 patent. Defendant performs the acts that constitute induced infringement, and induce actual infringement, with the knowledge of the '696 patent and with the knowledge or willful blindness that the induced acts constitute

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infringement.

17. Defendant specifically intends for others, such as resellers, customers and end-use consumers, to directly infringe one or more claims of the '696 patent, or, alternatively, has been willfully blind to the possibility that its inducing acts would cause infringement. By way of example, and not as limitation, Defendant induces such infringement by its affirmative action by, among other things: (a) providing advertising on the benefits of using the Accused Instrumentalities' functionality; (b) providing information regarding how to use the Accused Instrumentalities' functionality; (c) providing instruction on how to use the Accused Instrumentalities' functionality; and (d) providing hardware and/or software components required to infringe the claims of the '696 patent.

18. Accordingly, a reasonable inference is that Defendant specifically intends for others, such as resellers, customers and end-use consumers, to directly infringe one or more claims of the '696 patent in the United States because Defendant has knowledge of the '696 patent at least as of the date this lawsuit was filed and Defendant actually induces others, such as resellers, customers and end-use consumers, to directly infringe the '696 patent by using, selling, and/or distributing, within the United States, methods, systems, and apparatus for creating, using and modifying multifunctional website hot spots.

19. As a result of Defendant acts of infringement, Plaintiff has suffered and will continue to suffer damages in an amount to be proved at trial.

20. Defendant continues advising, encouraging, or otherwise inducing others to use the systems, methods, and apparatus claimed by the '696 patent to the injury of Plaintiff. Since at least the filing date of the Original Complaint, Defendant has had knowledge of the '696 patent, and by continuing the actions described above, has specific intent to induce infringement of the

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'696 patent pursuant to 35 U.S.C. § 271(b), and has further contributed to said infringement of the '696 patent by their customers by providing them with the Accused Instrumentalities so that their customers could directly infringe the '696 patent.

21. Claim 17 of the '696 patent, claims:

A Multifunctional Hot Spot method comprising:



Monetize with ads

Seamlessly integrate with all major ad serving platforms to provide your audience with the best possible experience while maximizing ad revenue.



SOURCE: https://help.ooyala.com/video-platform/tasks/gsg_uploadingad.html

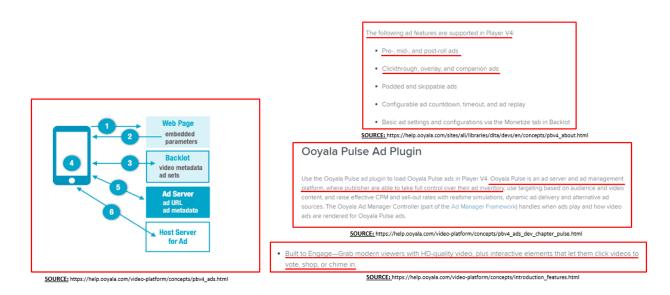
Add subscriptions

Monetizing your content via subscription? The Ooyala Flex Media Platform has you covered. Our monetization offering, OoyalaBUY is fully integrated with the best subscription technology on the market to help make subscriber based video monetization simple and easy.

SOURCE: https://www.ooyala.com/ooyala-flex-media-platform/video-monetization

Ooyala is the leader in online video management, publishing, analytics and monetization. Our integrated suite of technologies and services give content owners the power to expand audiences and the deep insights that drive increased viewer engagement and revenue from video.

SOURCE: https://help.ooyala.com/video-platform/concepts/introduction_features.html



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defining at least one hot spot by a communication with instructions stored on a tangible retaining medium;

Defendant provides at least one hot spot by a communication with instructions stored on a tangible retaining medium i.e. Ooyala's servers or the user's smartphone or computer.

The publisher also delivers mid-roll ads during the content playback exper-

User A begins watching Video X with 2 pr exits the video. User B begins watching Vi he mid-roll ads and completes the video.					
Table 3	e 3. Metric Tallies for Example 3				
	Displays	Plays Requested	Video Starts		
User A	1	t	1		
User B	1	1	1		
Video X in total (User A + User B)	2	2	2	÷	



Example 4: Seeks

The user can also seek through content back and forth during a single viewing experience within the player.

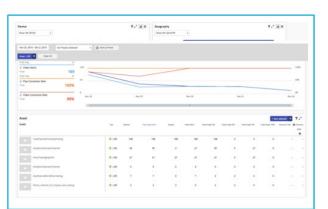
User A begins watching Video X with 2 pre-roll ads, watches both ads, starts watching the content, watches a mid-roll ad, continues watching and then seeks back to the beginning and plays the content. The user is now shown the mid-roll ad again. This results in I display. I play requested, Video start.

SOURCE: https://help.ooyala.com/video-platform/concepts/analytics_v3_common_metrics.html

The v3 Analytics Reporting API relies on the following basic concepts, almost all of which are described in How Ooyala IQ Works in the Ooyala IQ User Guide:

- Dimensions: common criteria that are used to aggregate data, such as the date on which the user activity occurred or the country where the users were located.
- Metrics: measurements of individual events related to your content, such as video plays requested or pauses.
- Filters: dimension values that constrain the retrieved data. For example, you can retrieve data for a specific type of device, a specific video, or specific dates.

SOURCE: https://help.ooyala.com/video-platform/api/analytics_v3_api_reporting_overview.html



SOURCE: https://help.ooyala.com/video-platform/concepts/analytics_v3_release_notes.html

accessing at least one of the hot spots from a globally accessible network;

Defendant provides at least one of the hot spots accessible from a globally accessible network i.e. internet.



SOURCE: https://webcache.googleusercontent.com/search?q=cache:F8VeBHP84nE):https://help.ooyala.com/sites/all/libraries/dita/en/video-platform/pdf/ug.pdf+&cd=3&hl=en&ct=cln&gl=in#43

performing at least one of a plurality of predetermined functions executed with the selection of each particular hot spot;

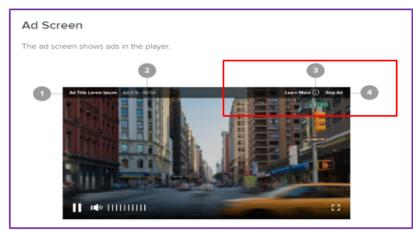
Defendant provides and performs at least one of a plurality of predetermined functions that are executed with the selection of each particular hot spot.



SOURCE: https://www.programmableweb.com/api/ooyala-backlot

wherein said hot spots reside on and are accessible from a digital video or audio file;

Defendant provides said hot spots which reside on and are accessible from a digital video or audio file.



SOURCE: https://help.ooyala.com/video-platform/concepts/pbv4_components.html

Publish

A mobile phone in Madrid. A big screen in Boston. A laptop in the Outback. Backlot delivers your video with superb quality to every screen in the world.

 Built to Engage—Grab modern viewers with HD-quality video, plus interactive elements that let them click videos to vote, shop, or chime in.

SOURCE: https://help.ooyala.com/video-platform/concepts/introduction_features.html

wherein said predetermined functions are selected from a mode control;

Defendant provides a mode control wherein said predetermined functions are selected.

 Built to Engage—Grab modern viewers with HD-quality video, plus interactive elements that let them click videos to vote, shop, or chime in.

SOURCE: https://help.ooyala.com/video-platform/concepts/introduction_features.html

Ooyala Pulse Ad Plugin

Use the Ooyala Pulse ad plugin to load Ooyala Pulse ads in Player V4. Ooyala Pulse is an ad server and ad management platform, where publisher are able to take full control over their ad inventory, use targeting based on audience and video content, and raise effective CPM and sell-out rates with realtime simulations, dynamic ad delivery and alternative ad sources. The Ooyala Ad Manager Controller (part of the Ad Manager Framework) handles when ads play and how video ads are rendered for Ooyala Pulse ads.

SOURCE: https://help.ooyala.com/video-platform/concepts/pbv4_ads_dev_chapter_pulse.html

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wherein the mode control comprises a plurality of modes;

Defendant provides a mode control comprising a plurality of modes.

 Built to Engage—Grab modern viewers with HD-quality video, plus interactive elements that let them click videos to vote, shop, or chime in.

SOURCE: https://help.ooyala.com/video-platform/concepts/introduction_features.html
Ooyala Pulse ad plugin to load Ooyala Pulse ads in Player V4. Ooyala Pulse is an ad server and ad management
platform, where publisher are able to take full control over their ad inventory, use targeting based on audience and video
content, and raise effective CPM and sell-out rates with realtime simulations, dynamic ad delivery and alternative ad
sources. The Ooyala Ad Manager Controller (part of the Ad Manager Framework) handles when ads play and how video
ads are rendered for Ooyala Pulse ads.

SOURCE: https://help.coyala.com/video-platform/concepts/pbv4_ads_dev_chapter_pulse.html

wherein the plurality of modes comprise a shop mode, a bid mode, an interact mode, an entertainment mode, and a link mode;

Defendant provides a plurality of modes comprising a shop mode i.e. advertisements, a bid mode i.e. voting and monetization capabilities, an interact mode i.e. chats and messaging, chiming in, an entertainment mode i.e. content viewing and delivery including videos etc., a link mode i.e. clicking an object in the video and directing the user to a specific URL.

A mobile phone in Madrid. A big screen in Boston. A laptop in the Outback. Backlot delivers your video with superb quality to every screen in the world.

- Built to Engage—Grab modern viewers with HD-quality video, plus interactive elements that let them click videos to vote, shop, or chime in.
- TV Everywhere—Ooyala has built technology to deliver HD video to TV screens through Roku, Boxee, and other settop boxes, or direct to Internet connected TVs like Panasonic, LG, and Samsung.
- Full Syndication—Publish video across YouTube, Facebook, iTunes, and Roku. Or build your own MRSS feeds to
 publish directly to partners. Ooyala makes it easy to build reach and revenue.
- Your Viewers are Mobile—Transcode video for all formats and devices, with adaptive bitrate delivery and dynamic player swap to HTML5. Ooyala lets you monetize mobile video, too, with integrated mobile ads.

 $\underline{SOURCE:} \ https://help.ooyala.com/video-platform/concepts/introduction_features.html$

Interactions: an indication that the user interacted with the ad in some way during its display time, for example closed it, or clicked through to the destination page. Can only be triggered once per impression, but the individual events are still accounted for.

SOURCE: https://help.ooyala.com/sites/all/libraries/dita/en/video-advertising/pdf/Ooyala%20Pulse%20User%20Guide.pdf

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Multifunctional hotspot (hyperlink) can be

the video which will direct the user to the specific URL(for shopping, entertainment, etc.).
 When the user clicks the ad, he ends up at the destination URL to navigate the site. The ad video continues to play on mute so it does not disturb the user while navigating through the destination site (the ad video keeps playing but the user does not need to see the video since they already opted in to see the actual site). When the ad video is done playing, the player pauses until the user gets back from visiting the destination page. The user can then click play and the next pre-roll is shown or the actual content, depending on the amount of pre-rolls configured.
SOURCE: https://docs.videoplaza.com/oadtech/faq/faq_campaign_delivery_setup.html
The Ooyala Interactive Video API enables Backlot users to create clickable
objects within their video streams. Use the Backlot REST API to manage assets,
ad sets, providers, publishing rules, DRM, customize the design elements of
players, and more. This includes UI elements such as fonts, colors, scrubber bar
and so forth. Backlot is a video platform with analytics, content syndication
features, monetization capabilities, and scalable content delivery.
SOURCE: https://www.programmableweb.com/api/ooyala-backlot

wherein a specific mode is selected by a user through an expandable graphical user interface bar;

Defendant provides an expandable graphical user interface bar wherein a specific mode is selected by a user.

Interactive Ad Format

The interactive ad format looks like an ordinary pre-roll but it has a "drape-like" feature that lets the viewer return to watch the ad again once the content has started playing. This is done by clicking a banner that lies on top of the player after the ad and during content. You can also set a couple of different behaviours for clicking the drop down.



SOURCE: https://docs.videoplaza.com/oadtech/knowledge_base/interactive_ads.html

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wherein said specific mode further toggles based on time stamps in said digital video or digital audio file;

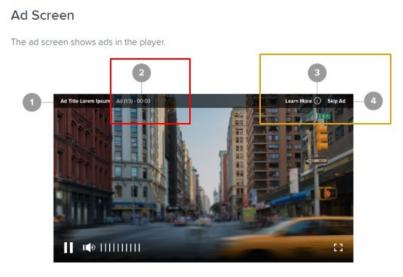
Defendant provides a specific mode that further toggles based on time stamps in said digital video or digital audio file.

Publish

% of the vid	example has an ad set that consists of two pre-roll video a leo has played, three alternating post-roll video ads, and G			gage—Grab modern viewers v o, or chime in.	with HD-quality video, plus intera	ctive elements that let them click vi
the video.				SOURCE: https://help.ooyala.co	om/video-platform/concepts/intri	oduction_features.html
Position	Ad	Frequency		2		3
Pre-roll	Premium Caffeinated Sports Drink's Currently Living Athlete #217	Show first ad after 0 videos.	0	Ad Title Lorem (psure Ad (1/3) - 00 03		Learn More 🕥 Skip Ad
		Play an ad every 1 video.				
Pre-roll	Premium Shoe Manufacturer	Show first ad after 0 videos.				
		Play an ad every 1 video.				
n-	Mega Sports Hut					STATISTICS MAN
stream		Show first ad after 0 videos. Play an ad every 2 videos.				P. Contraction
		Play ad at 65%			-	

wherein said hot spots are visualized by outlines, shading, or illumination or a combination of each, at a predetermined area on the display;

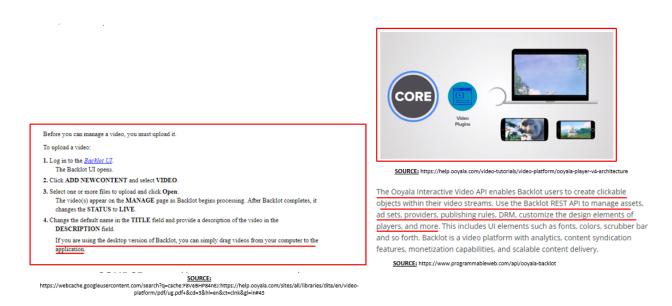
Defendant provides said hot spots which are visualized by outlines, shading, or illumination or a combination of each, at a predetermined area on the display.



SOURCE: https://help.ooyala.com/video-platform/concepts/pbv4_components.html

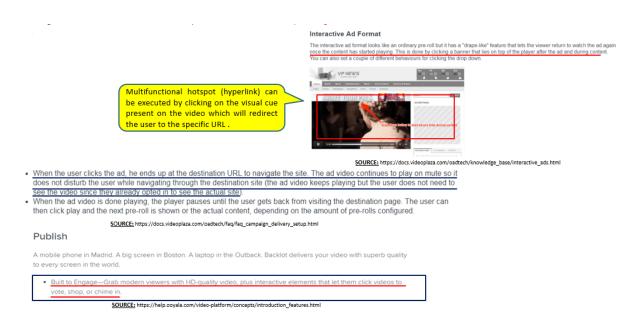
wherein said Multifunctional Hot Spot apparatus is made to reside on and is executing on a computing system;

Defendant provides a multifunctional hot spot apparatus that is made to reside on and is executing on a computing system i.e. Ooyala's servers and the user's smartphone or computer.



selecting and activating at least one of said predetermined functions by clicking on each particular Multifunctional Hot Spot.

Defendant provides at least one of said predetermined functions that is selected and activated by clicking on each particular multifunctional hot spot.



22. Defendant's aforesaid activities have been without authority and/or license from Plaintiff.

23. To the extent any marking was required by 35 U.S.C. § 287, Plaintiff and all predecessors in interest to the '696 patent complied with all marking requirements under 35 U.S.C. § 287.

24. Plaintiff is entitled to recover from Defendant the damages sustained by Plaintiff as a result of the Defendant's wrongful acts in an amount subject to proof at trial, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

JURY DEMAND

Plaintiff hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of

Civil Procedure.

PRAYER FOR RELIEF

Plaintiff respectfully requests that the Court find in its favor and against the

Defendant, and that the Court grant Plaintiff the following relief:

- A. a judgment that Defendant directly and/or indirectly infringes one or more claims of the '696 patent;
- B. award Plaintiff damages in an amount adequate to compensate Plaintiff for Defendant's infringing products' infringement of the claims of the '696 patent, but in no event less than a reasonable royalty, and supplemental damages for any continuing post-verdict infringement until entry of the final judgment with an accounting as needed, under 35 U.S.C. § 284;
- C. award Plaintiff pre-judgment interest and post-judgment interest on the damages awarded, including pre-judgment interest, pursuant to 35 U.S.C. § 284, from the date of each act of infringement of the '696 patent by Defendant to the day a damages judgment is entered, and an award of post-judgment interest, pursuant to 28 U.S.C. § 1961, continuing until such judgment is paid, at the maximum rate allowed by law; and an accounting of all damages not presented at trial;

- D. a judgment and order finding this to be an exceptional case and requiring defendant to pay the costs of this action (including all disbursements) and attorneys' fees, pursuant to 35 U.S.C. § 285;
- E. award a compulsory future royalty for the '696 patent; and award such further relief as the Courts deems just and proper.

Dated: April 5, 2019

Respectfully submitted,

DEVLIN LAW FIRM LLC

/s/ Timothy Devlin

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ATTORNEYS FOR PLAINTIFF COOLTVNETWORK.COM, INC.

CERTIFICATE OF SERVICE

I hereby certify that on April 5, 2019, I electronically filed the foregoing document with the clerk of the court for the U.S. District Court, District of Delaware, using the electronic case filing system of the court. The electronic case filing system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

<u>/s/ Timothy Devlin</u> Timothy Devlin