

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

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| <p>LONE STAR TARGETED ADVERTISING, LLC,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">v.</p> <p>SIMPLIFI HOLDINGS, INC.,</p> <p style="text-align: center;">Defendant.</p> | <p>CASE NO.</p> <p>COMPLAINT FOR PATENT INFRINGEMENT</p> |
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Plaintiff Lone Star Targeted Advertising, LLC (“LSTA”), for its Complaint against Simplifi Holdings, Inc. (“Defendant” or “Simpli.fi”), alleges as follows:

PARTIES

1. Plaintiff Lone Star Targeted Advertising, LLC (“LSTA”) is a limited liability company organized under the laws of the State of Texas with its principal place of business in Dallas, Texas.
2. On information and belief, Simpli.fi is a company organized under the laws of Delaware. Simpli.fi is a registered corporation in the state of Delaware.

JURISDICTION AND VENUE

3. This is an action for patent infringement in violation of the Patent Act of the United States, 35 U.S.C. §§ 1 *et seq.*
4. This Court has original and exclusive subject matter jurisdiction over the patent infringement claims for relief under 28 U.S.C. §§ 1331 and 1338(a).
5. This Court has personal jurisdiction over Defendant because Defendant, on information and belief, has transacted and is transacting business in the District of Delaware that

includes, but is not limited to, the use of products and systems that practice the subject matter claimed in the patents involved in this action.

6. Venue is proper in this district under 28 U.S.C. 1400(b) because on information and belief, Defendant has committed acts of infringement within this District. In addition, the Defendant is a registered corporation in the State of Delaware.

FACTS

7. 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. On January 8, 2019, LSTA sent Simpli.fi a letter informing them that it is infringing the ’619 Patent.

8. Claim 9 of the ’619 Patent states:

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

- (a) providing viewer attribute information related to the viewer;
- (b) receiving and storing said viewer attribute information by an electronic device, included with an in communication with a television belonging to the view, said viewer attribute information input into said electronic device by the viewer;
- (c) providing 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) providing 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;

(e) transmitting a compound video signal including said non-viewer provided subset of viewer attribute information and said encoded sender requested electronic information of the sender by said television station provider of the transmitted video signals to said electronic device included with and in communication with said television belonging to the viewer;

(f) making 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 by said electronic device included with and in communication with said television belonging to the viewer, whereby said decision by said electronic device accepting said encoded sender requested electronic information of the sender is made by recognizing said non-viewer provided subset of said viewer attribute information;

(g) decoding said encoded sender requested electronic information of the sender by said electronic device included with and in communication with said television belonging to the viewer to form decoded sender requested electronic information of the sender;

(h) formatting said decoded sender requested electronic information of the sender by said electronic device included with and in communication with said television belonging to the viewer to form formatted decoded sender requested electronic information of the sender;

(i) opening up of a subwindow within said television belonging to the viewer; and

(j) displaying said formatted decoder sender requested electronic information of the sender within said subwindow within said television belonging to the viewer.

On information and belief, Simpli.fi infringes Claim 9 of the '619 Patent. As stated on its website: Simpli.fi itself claims that on its website that “[t]he Simpli.fi Programmatic Platform optimizes your audience in real-time.” “Simpli.fi is the leader in localized programmatic advertising. We work with the largest buyers of localized advertising, including multilocation brands, agencies, local media groups, networks, and trading desks. These companies utilize Simpli.fi to localize ad targeting and content, to deliver performance on high volumes of localized campaigns, and to provide deep insights on their dynamic audiences.” *See* <https://simpli.fi/about-us/>. Further, Simpli.fi claims “[u]nmatched audience targeting paired with the ability to target both the big screen and small screens, OTT/CTV with Simpli.fi is the most

effective and impactful way to deliver video creative to a specific audience.” See

<https://simpli.fi/display-advertising/ott-ctv/>.

9. Simpli.fi’s system infringes each element of Claim 9 as follows:

a. “providing viewer attributable information related to the viewer” –

Simpli.fi platform provides viewer attributed information related to the viewer, it utilizes viewer attribute information via advanced audience analytics, in particular:

“AUDIENCE TARGETING:

- **Addressable** -Target physical addresses using GPS data to serve OTT/CTV ads with unmatched precision and scale.
- **Behavioral** - Bring the precision of digital targeting to OTT/CTV with the ability to target users based on keywords, context, and other online behaviors.
- **Demographic** - Take advantage of numerous combinations of demographic variables to target your ideal audience.” See <https://simpli.fi/display-advertising/ott-ctv/>

b. “receiving and storing said viewer attribute information by an

electronic device included with an in communication with a television belonging to the viewer, said viewer attribute information input into said electronic device by the viewer” – In order for Simpli.fi to utilize its platform and analytical system, an electronic device of the viewer’s is in communication with a TV in order to obtain “real-time” audience data and insights. For most viewers, on information and belief, this will be a set top box that provides the real-time analytics information to the “sender”. Simpli.fi uses Addressable Geo-Fencing that “can be used both as a stand-alone tactic and to improve the results of addressable TV campaigns. To use Addressable Geo-Fencing, advertisers upload up to 1 million street addresses into the Simpli.fi platform. Those street addresses are then automatically converted into geo-fences that conform to the plat lines of each address. Then, devices seen within those plat lines are targeted with mobile, video, and/or OTT/CTV ads. Additional data targeting overlays can also be applied.” See <https://simpli.fi/display-advertising/addressable-geo-fencing/>

c. “providing 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” -- On information and belief, targeted advertisement based on the campaign being run using Simpli.fi’s Programmatic Platform meets this requirement, as the sender is requesting the sending of information from sender to viewer based on viewer attributable information. Simpli.fi explains this process below:



AUDIENCE CREATION

BUILD AN AUDIENCE USING INDIVIDUAL DATA ELEMENTS

The Simpli.fi Programmatic Platform enables data-driven display and mobile advertising through the use of unstructured, elemental data. Instead of relying on pre-packaged, brokered and arbitrage audience segments, our platform enables marketers to create custom audiences based on individual data elements such as:

- **Device:** Target users by device such as desktop, tablet, and mobile
- **Operating System:** Target by operating system such as iOS, Android, or Windows
- **Browser Type:** Select browsers by type such as Chrome, Safari or Firefox, down to the browser version
- **Geography:** Target by geography as tight as a five mile radius, by DMA, state, or country
- **Recency:** Target by variable recency from instant to 30 days
- **Intent-Based Search Data:** Build targeted keyword lists just like performance search marketing
- **Contextual Content:** Target users based on the category of contextual content on the page they are viewing or specific keywords in context
- **Browsing Behavior:** Target users based on past browsing behaviors such as domains visited
- **Your CRM Data:** Bring your first-party unstructured data into the Simpli.fi platform to target by any individual data element you own

d. “providing 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” -- Simpli.fi’s platform is the service center that interfaces in providing information of advertiser, content provider, and the viewer. “Our client services team can design and manage your campaign for you from start to finish. Our Simpli.fi team members bring years of experience and unparalleled knowledge in working with unstructured data and element-level targeting.” See <https://simpli.fi/platform/campaign-management/>

Simpli.fi further meets this element through its partnership with FreeWheel Advertisers. “FreeWheel Advertisers executes the buys through an integration with Simpli.fi, a DSP purpose-built to meet the complexities of localized campaigns. This integration makes it easy for Strata users to buy OTT programmatically, similar to the way they buy digital media. Moreover, there is no minimum spend generally charged by DSPs, and no need to leave the existing workflow that buyers use every day for media buying and management.” “Our partnership with FreeWheel Advertisers is a natural fit, as we have focused on building a programmatic platform that executes and optimizes high volumes of campaigns with precise targeting” said Frost Prioleau, CEO, Simpli.fi. “We look forward to working together on seamlessly bringing OTT solutions to Strata users, at the local level and beyond.” See <https://simpli.fi/press-release-simpli-fi-announces-ott-ctv-partnership-with-freewheel/>.

e. “transmitting a compound video signal including said non-viewer provided subset of viewer attribute information and said encoded sender requested electronic information of the sender by said television station provider of the transmitted video signals to said electronic device included with and in communication with said television belonging to the viewer.” -- This element is met as Simpli.fi transmits and sends encoded information, e.g. video to viewers including non-viewer provided information in order to deliver ads targeted to the

viewer, especially in regard to the Simpli.fi's platform's ability to: "Reach a unique group of video consumers that advertisers can't target with traditional TV commercials."

f. "making 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 by said electronic device included with and in communication with said television belonging to the viewer, whereby said decision by said electronic device accepting said encoded sender requested electronic information the sender is made by recognizing said non-viewer provided subset of said viewer attribute information" – On information and belief, inherently, the only logical next step for said device is to determine whether to accept (for purposes of viewing/displaying) said sender requested electronic information based on whether the transmitted subset of viewer attribute information matches viewer attribute information on the device. The device determines whether a given transmission is intended for it by checking if the transmission is tagged with attributes matching its own local attributes.

Per the standard process of OTT ad insertion: "Playback devices will read the top level manifest and learn the available profiles. **They will then decide on a profile, read its individual manifest and start reading decoding the segments.** If the network conditions change, the playback device may switch to a higher or lower profile as needed. On a live stream, manifests are frequently updated." See <https://www.tvtechnology.com/opinions/scte10435-and-beyond-a-look-at-ad-insertion-in-an-ott-world>.

g. "decoding said encoded sender requested electronic information of the sender by said electronic device included with and in communication with said television belonging to the viewer to form decoded sender requested electronic information of the sender" – On information and belief, encoded information is decoded in order for the information to be displayed to the viewer.

h. "formatting said decoded sender requested electronic information of the sender by said electronic device included with and in communication with said television

belonging to the viewer to form formatted decoded sender requested electronic information of the sender” – On information and belief, decoded information is necessarily formatted in an appropriate manner consistent with the display requirements of the television with which it is in communication.

i. “opening up of a subwindow within said television belonging to the viewer” – A television screen displays content. Within the television, on information and belief, there are other windows, such as when choosing the menu which pops up. At least for example, when dynamic brand insertion is utilized.

j. “ and, displaying said formatted decoder sender requested electronic information of the sender within said subwindow within said television belonging to the viewer” -- On information and belief, after accepting, decoding, and formatting sender requested electronic information, the electronic device necessarily displays said sender requested electronic information.

FIRST CLAIM FOR RELIEF

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

(Against all Defendants)

10. LSTA refers to and incorporates herein by reference paragraphs 1-9.

11. Defendant infringed, either directly or indirectly, at least Claim 9 of the '619 Patent in this judicial district and the United States, through the services they provided as outlined at www.Simpli.fi and as described above.

12. Defendant, therefore, by the acts complained of herein, made, used, sold, or offered for sale in the United States, including in the District of Delaware, products and/or services embodying the patented method, and have in the past infringed the '619 Patent, either literally or under the doctrine of equivalents, pursuant to 35 U.S.C. §271(a).

13. To the extent that some elements of claim 9 were performed by a different party than Simpli.fi, Simpli.fi participated in the infringement (as described above) and received a benefit upon performance of the steps of the patented method. For example, Simpli.fi provided

the software and technology that established viewer attribute information related to the viewer that can be collected, and how that information was transmitted, received, stored and acted upon in accordance with the patented method. Simpli.fi received a benefit from such actions by the customer and television station provider as it allowed targeted advertising to be displayed through the top set box.

14. Upon information and belief, the acts described above concerning the use, offer for sale, sale, operation, distribution, and/or installation of Simpli.fi's products and/or software and those described below also constitute acts of induced and contributory infringement. Customers and users used the infringing products and software to provide targeted ads.

15. To the extent that some elements of a claim were performed by a different party than Simpli.fi, Simpli.fi, through its software and infringing products, participated in the infringement (as described herein) and receives a benefit upon performance of steps of a patented method. For example, Simpli.fi provided the software and technology that established viewer attribute information related to the viewer that can be collected, and how that information was transmitted, received, stored and acted upon in accordance with the patented method. Simpli.fi received a benefit from such actions by the customer and television station provider as it allowed targeted advertising to be displayed.

16. Upon information and belief, Simpli.fi provided its customers and/or users of its products and software instructions to use, load and operate in an infringing manner or to create and use infringing products. Upon information and belief, Simpli.fi further induced its customers and/or users of Simpli.fi's platform to use its products (and accompanying software) by providing subscriptions to Simpli.fi's platform. Further, Simpli.fi had actively induced infringement by its customers and/or users of Simpli.fi's products and software in this judicial district. Upon information and belief, Simpli.fi knowingly and specifically designed Simpli.fi's platform in a manner that infringed the '619 Patent. Upon information that belief, Simpli.fi also provides support services for claim 9 of the '619 Patent. Simpli.fi's targeted advertising method has no substantial non-infringing use. Simpli.fi has acted with specific intent to induce or cause

infringement and to conduct acts of infringement as described herein within the jurisdiction and elsewhere. Upon information and belief, Simpli.fi continued to provide instructions since having notice and actual knowledge of the '619 Patent.

17. Simpli.fi had knowledge of the '619 Patent on or about January 8, 2019. Notwithstanding, Simpli.fi continued to willfully and with specific intent infringe and cause others to infringe the '619 Patent. Simpli.fi provided, made, sold, and offers to sell Simpli.fi products with the specific intent that its customers, third parties, and/or end users use them in an infringing manner, and its customers, third parties, and/or end users do so. Upon information and belief, Simpli.fi provided and instructed third parties to use the aforementioned product in the manner claimed in the '619 Patent.

18. Upon information and belief, Simpli.fi's method has no substantial non-infringing uses and is especially made and/or adapted so as to infringe the '619 Patent. Simpli.fi has acted with specific intent to induce or cause infringement and to conduct acts of infringement as described herein within this District and elsewhere.

19. By reason of the acts of Simpli.fi alleged herein, LSTA has suffered damage in an amount to be proved at trial.

JURY DEMAND

LSTA demands a jury trial on all issues so triable.

PRAAYER FOR RELIEF

WHEREFORE, LSTA prays for relief as follows:

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

B. Judgment that Defendant's infringement of the '619 Patent have been willful at least as early as on or about January 8, 2019.

C. Judgment awarding LSTA general and/or specific damages, including a reasonable royalty and/or lost profits, in amounts to be fixed by the Court in accordance with proof, including enhanced and/or exemplary damages, as appropriate, as well as all of

Defendant's profits or gains of any kind from their acts of patent infringement from six years prior to the filing of the complaint until March 2, 2019;

D. Judgment awarding LSTA enhanced damages pursuant to 35 U.S.C. § 284 due to the willful and wanton nature of Defendant's infringement from at least on or about January 8, 2019 when notice was given;

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

F. Judgment awarding LSTA pre-judgment and post-judgment interest; and

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

Dated: July 8, 2019

Respectfully submitted,

STAMOULIS & WEINBLATT LLC

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