

UNITED STATES DISTRICT COURT

DISTRICT OF DELAWARE

LONE STAR TARGETED ADVERTISING, LLC, Plaintiff, v. INNOVID INC. Defendant.	CASE NO. COMPLAINT FOR PATENT INFRINGEMENT
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Plaintiff Lone Star Targeted Advertising, LLC (“LSTA”), for its Complaint against Innovid Inc. (“Defendant” or “Innovid”), 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, Innovid is a company organized under the laws of Delaware. Innovid 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.

8. On February 21, 2019, LSTA sent a letter to Innovid regarding the ’619 Patent.

9. 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 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 decoder 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, Innovid infringes Claim 9 of the '619 Patent. As stated on its

website: "It's never been more complex to flawlessly execute cross-screen video strategies.

Innovid's global video platform provides a holistic solution that connects cross-screen delivery, content personalization, and measurement for a truly integrated approach to seamlessly unite video across the customer journey. Which means you can get back to dreaming up your next

campaign, while we take care of getting this one out there.” *See*

<https://www.innovid.com/solutions/>

10. Innovid’s system infringes each element of Claim 9 as follows:

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

Innovid’s platform provides viewer attributed information related to the viewer, it utilizes viewer attribute information via advanced audience analytics, in particular: “Innovid enables one-to-one, personalized messaging based on unique consumer attributes, such as geolocation, time of day, weather, and more to maximize relevancy and ad effectiveness. Our self-service experience platform, OTT COMPOSER, is the premiere authoring tool to create and publish experiences for connected TV advertising.” *See* <https://www.innovid.com/solutions/connected-tv-ott-solutions/>.

Innovid further claims:

We’re proud to announce we launched the first-ever live streaming interactive Connected TV campaign for a Kellogg’s Pringles spot during this year’s Super Bowl LIII. The campaign delivered addressable creative, shoppable engagement and creative versioning at scale, so that viewers could interact with a dynamic unit that changed city name and Pringles chip flavor combo for a personalized experience. This TV spot is a premier example of how CTV creative can be made even more relevant to viewers in real-time.

This was accomplished as a result of our new partnership with CBS Interactive, enabling the delivery of highly relevant, engaging CTV ads for live events.

See <https://info.innovid.com/blog/kelloggs-pringles-cbs-interactive-and-innovid-debut-first-live-streaming-interactive-ctv-campaign-during-the-big-game>.

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 Innovid to utilize its platform and analytical system, an electronic device of the viewer’s is in

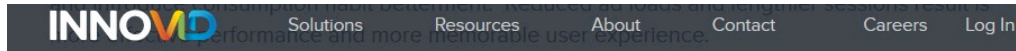
communication with a TV in order to obtain “real-time” audience data and insights. For most viewers, on information and belief, this will be a set top box that provides the real-time analytics information to the “sender.” As stated by Innovid, “The living room has transformed—connected TV users are mainstream — and marketers need to ensure reachspans beyond traditional TV. To help marketers bring one-to-one, engaging experiences to audiences, at scale, Innovid offers unprecedented reach across connected TV devices, as well as unparalleled creative options to transform traditional pre-roll into interactive and relevant experiences on the big screen. With connected TV and OTT video marketing, brands get the best of both worlds with the reach of TV, combined with the targeting, accountability and measurement capabilities of digital video.” See <https://www.innovid.com/solutions/connected-tv-ott-solutions/>.

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 Innovid’s platform meets this requirement, as the sender is requesting the sending of information from sender to viewer based on viewer attributable information.

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” -- Innovid’s platform is the service center that interfaces in providing information of advertiser, content provider, and the viewer. *“Build, publish and run everywhere - OTT COMPOSER saves significant time and resources, giving customers full ownership of creative assets with assurances they are ready for the big screen. Upload assets and compose your interactive TV storyboard from a curated group of top*

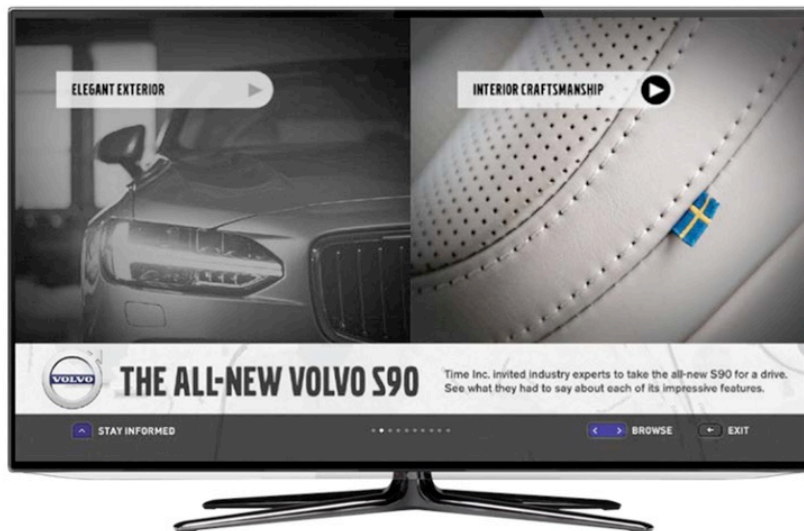
performing ad types. With Innovid’s full ad server integration in place, OTT COMPOSER removes complexity and seamlessly publishes across every device.” See

<https://www.innovid.com/solutions/ott-composer/>.



Addressability and interactivity

The future of TV is data-driven and interactive. Innovid’s technology allows for data-driven addressable campaigns to scale easily — our SDK technology is compatible with more devices and 3rd party tech providers than anyone else in the market. Our media agnostic approach allows you to offer addressability and interactivity seamlessly to all audiences across all screens.



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 Innovid 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 Innovid’s platform’s ability to: ***“Speak to audiences at scale - Create***

personalized experiences for individual viewers across all channels, devices, and inventory types—without creating new videos.” See <https://www.innovid.com/solutions/datadriven-video/>.

Innovid discusses how “Channel 4 has bolstered its ad suite with the launch of Dynamic TV, which harnesses user data to deliver personalised video ads combining creative campaigns with calls to action. The broadcaster said it enables ‘potentially thousands of variations of data-driven creative’ for viewers on Smart TV, mobile and desktop.” See <https://www.thedrum.com/news/2019/01/23/boots-and-suzuki-firstadvertisers-channel-4s-dynamic-tv-ad-targeting-tool>. Tal Chalozin, chief tech officer and co-founder of Innovid, added: “Advertisers can now personalise TV ads bringing more relevancy to viewers. Being able to find a local store, car dealership or receive more targeted ads provides increased value to the viewer and is a much better experience than traditional commercial breaks. In the US, we’re seeing much higher performance on these types of ads across all screens and are excited to bring this opportunity to the UK market.” *Id.*

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>.

“Innovid continues to push the boundaries for what is possible with video advertising across all screens, especially on CTV,” CEO and co-founder Zvika Netter said in a press release. “Our technology platform is enabling new advertising models, including addressable and interactive ads, that are ushering in a new era of personalization and relevancy for CTV viewers.” See <https://www.builtinnyc.com/2019/01/07/innovid-30m-funding>. “Reaching your consumers with the most relevant message, wherever they are, is more critical than ever to increase your brand impact and drive conversions. However, customizing videos across all devices, channels, and inventory types can seem like an exceedingly complicated and expensive endeavor. Through our media-agnostic platform, Innovid’s data-driven video solution enables marketers to leverage existing video assets and various data points to create countless, personalized video experiences across all types of inventory, devices (desktop, mobile, CTV) and channels (paid media, social and owned).” See <https://www.innovid.com/solutions/data-driven-video/>

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)

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

12. 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.innovid and as described above.

13. 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).

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

15. Upon information and belief, the acts described above concerning the use, offer for sale, sale, operation, distribution, and/or installation of Innovid'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.

16. To the extent that some elements of a claim were performed by a different party than Innovid, Innovid, 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, Innovid 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. Innovid received a benefit from such actions by the customer and television station provider as it allowed targeted advertising to be displayed.

17. Upon information and belief, Innovid 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, Innovid further induced its customers and/or users of Innovid's platform to use its products (and accompanying software) by providing subscriptions to Innovid's platform. Further, Innovid had actively induced infringement by its customers and/or users of Innovid's products and software in this judicial district. Upon information and belief, Innovid knowingly and specifically designed Innovid's platform in a manner that infringed the '619 Patent. Upon information that belief, Innovid also provides support services for claim 9 of the '619 Patent. Innovid's targeted advertising method has no substantial non-infringing use. Innovid 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, Innovid continued to provide instructions since having notice and actual knowledge of the '619 Patent.

18. Innovid had knowledge of the '619 Patent on or about February 21, 2019. Notwithstanding, Innovid continued to willfully and with specific intent infringe and cause others to infringe the '619 Patent. Innovid provided, made, sold, and offers to sell Innovid 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, Innovid provided and instructed third parties to use the aforementioned product in the manner claimed in the '619 Patent.

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

20. Plaintiff has complied with the notice requirement of 35 U.S.C. § 287 and does not currently make, use, sell, offer for sale products or services embodying the '619 Patent.

21. Plaintiff reserves the right to modify its infringement theories as discovery progresses in this case; it shall not be estopped for infringement contentions or claim construction purposes by the infringement allegations that it provides with this Complaint. The element-by-element analysis herein is intended to satisfy the notice requirements of Rule 8(a)(2) of the Federal Rule of Civil Procedure and does not represent Plaintiff's preliminary or final infringement contentions or preliminary or final claim construction positions.

22. By reason of the acts of Innovid 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.

PRAYER 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 February 21, 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 February 21, 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: August 6, 2019

Respectfully submitted,

STAMOULIS & WEINBLATT LLC

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