

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

PIRACY PROTECTION LLC)	
)	
Plaintiff,)	
)	C.A. No. 1:19-cv-2046-CFC
v.)	
)	JURY TRIAL DEMANDED
PANASONIC CORPORATION OF NORTH AMERICA)	
NORTH AMERICA,)	
)	
Defendant.)	
_____)	

AMENDED COMPLAINT

For its Complaint, Plaintiff Piracy Protection LLC ("Piracy Protection" or "Plaintiff"), by and through the undersigned counsel, alleges as follows:

THE PARTIES

1. Plaintiff is a Delaware limited liability company with a place of business located at 3511 Silverside Road, Suite 105, Wilmington, Delaware 19810.
2. Defendant Panasonic Corporation of North America ("Panasonic" or "Defendant") is a Delaware company with, upon information and belief, a place of business located at Two Riverfront Plaza, 828 McCarter Highway, Newark, New Jersey 07102.

JURISDICTION AND VENUE

3. This action arises under the Patent Act, 35 U.S.C. § 1 *et seq.*
4. Subject matter jurisdiction is proper in this Court under 28 U.S.C. §§ 1331 and 1338.
5. Upon information and belief, Defendant conducts substantial business in this forum, directly or through intermediaries, including: (i) at least a portion of the infringements alleged herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses

of conduct and/or deriving substantial revenue from goods and services provided to individuals in this district.

6. Venue is proper in this district pursuant to 28 U.S.C. § 1400(b).

THE PATENT-IN-SUIT

7. On March 26, 2013, U.S. Patent No. 8,407,782 (the "'782 patent"), entitled "Data Copyright Management," was duly and lawfully issued by the U.S. Patent and Trademark Office. A true and correct copy of the '782 patent is attached hereto as Exhibit A.

8. The claims of the '782 patent ("patent-in-suit"), including the asserted claims, when viewed as a whole, including as ordered combinations, are not merely the recitation of well-understood, routine, or conventional technologies or components. The claimed inventions were not well-known, routine, or conventional at the time of the invention, over twenty years ago, and represent specific improvements over the prior art and prior existing systems and methods for managing and protecting copyrighted data.

9. According to the U.S. Patent and Trademark Office Board of Patent Appeals and Interferences ("BPAI"), the '782 patent's claimed invention "is directed to a data copyright management system that decrypts encrypted data for a first form of usage, such as displaying and editing data at a user's terminal, while concurrently re-encrypting data for a second form of usage, such as storing, copying and transferring of the same data." Ex. B, attached hereto, at p. 2 (citing '782 patent at Abstract, 24:5-25:2).

10. As explained in the '782 patent:

In a conventional database system, only character data is handled. However, in multimedia systems, sound data and picture data originally generated as analog data, are digitized and used as part of the database in addition to the other data in the database such as character data.

Under such circumstances, it is an important question to determine how to handle copyrights of the data in the database. However, there are no means in the

prior art for copyright management and control of such actions as copying, editing, transferring, etc. of data

Ex. A, '782 patent at 2:16-25.

11. The asserted claims of the patent-in-suit are directed to specific improvements in data copyright management systems. Among other things, the asserted claimed inventions concurrently decrypt and re-encrypt encrypted data to perform copyright management and control.

12. Claim 1 of the '782 patent recites:

1. A method performed by a first computing device, the method comprising:
receiving an encrypted version of a first set of protected digital data;
receiving a first crypt key specifically associated with the first set of protected digital data;
decrypting the encrypted version of the first set of protected digital data using the first crypt key to produce decrypted digital data;
managing forms of usage of the first set of protected digital data, wherein said managing includes, for a first form of usage requested by a user of the first computing device:
when the first form of usage is one of a first set of usages, permitting the first form of usage using the decrypted digital data; and
when the first form of usage is one of a second set of usages distinct from usages in the first set, permitting the first form of usage on a re-encrypted version of the decrypted digital data generated by re-encrypting the decrypted digital data using a second crypt key.

Id. at 29:53-30:5.

13. The BPAI determined that prior art did not "disclose[] or even suggest[] that the form of usage of a first set is permitted based on the decrypted digital data, while the form of usage of another set is permitted based upon the re-encrypted version of the decrypted digital data." Ex. B at 6.

14. As noted in the '782 patent and acknowledged by the BPAI, the claimed technologies comprise innovative systems and processes that provide increased security over those existing at the time and result in a better digital copyright management. The patent-in-suit

thus provides concrete applications that improved digital copyright management.

15. The inventor did more than simply apply current technology to an existing problem. His invention, as embodied in the asserted claims, was a significant advancement in digital copyright management.

16. These noted improvements over the prior art represent meaningful limitations and/or inventive concepts based upon the state of the art over 25 years ago. Further, including in view of these specific improvements, the inventions of the asserted claims, when such claims are viewed as a whole and in ordered combination, are not routine, well-understood, conventional, generic, existing, commonly used, well-known, previously known, typical, and the like over 25 years ago, including because, until the inventions of the asserted claims of the patent-in-suit, the claimed inventions were not existing or even considered in the field.

17. The claimed inventions are necessarily rooted in computer technology, i.e., digital copyright management. The claimed solutions amount to an inventive concept for resolving the particular problems and inefficiencies noted above.

18. Plaintiff is the assignee and owner of the right, title and interest in and to the '782 patent, including the right to assert all causes of action arising under said patent and the right to any remedies for infringement of it.

COUNT I – INFRINGEMENT OF U.S. PATENT NO. 8,407,782

19. Plaintiff repeats and realleges the allegations of paragraphs 1 through 18 as if fully set forth herein.

20. Without license or authorization and in violation of 35 U.S.C. § 271(a), Panasonic has infringed and continues to infringe at least claim 1 of the '782 patent by making, using, importing, offering for sale, and/or selling methods, products and systems for data copyright

management, including, but not limited to, DP-UB9000 and DP-UB820-K (collectively, the "Accused Devices"), because each and every element is met either literally or equivalently.

21. Upon information and belief, Panasonic used the Accused Devices via its internal use and testing in the United States, directly infringing one or more claims of the '782 patent.

22. More specifically and upon information and belief, the Accused Devices includes a method performed by a first computing device.

Advanced Access Content System Licensing Administrator (AACSLA) has developed the Advanced Access Content System, a specification for managing content stored on the next generation of prerecorded and recorded optical media for consumer use with PCs and CE devices. Advanced Access Content System complements new innovations in the next-generation of optical discs, and enable consumers to enjoy next-generation content, including high-definition content.

<https://aacsla.com/>.

You can enjoy the playback of Ultra HD Blu-ray discs with this unit.

Preparation

- For 4K/HDR viewing, connect to a device (TV, etc.) and HDMI terminals that support HDCP2.2*¹, 4K/60p (4:4:4) and HDR signals that meet Ultra HD Blu-ray standards. (⇒ 10)

Owner's Manual Blu Ray Disc Player: DP-UB9000 ("Owner's Manual") at p. 22 (available at <http://help.panasonic.ca/viewing/ALL/DP-UB9000P/OI/TQBS0286/TQBS0286.pdf>).

*¹ HDCP is a technology designed to prevent illegal copying. "2.2" represents a version.

Id. at 22.

HDCP	A Licensed Player may pass Decrypted AACS Content to an output protected by HDCP, provided that when doing so, the Licensed Player shall (a) carry any HDCP System Renewability Message delivered in association with such content (in the manner described or referenced in the AACS Specifications) to the HDCP Source Function and (b) verify that the HDCP Source Function is fully engaged and able to deliver protected content, which means (i) HDCP encryption is operational on such output, (ii) processing of the valid received System Renewability Message associated with such content, if any, has occurred as defined in the HDCP Specification and (iii) there is no HDCP Display Device or Repeater on such output whose Key Selection Vector is in such System Renewability Message.
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Advanced Access Content System ("AACS") Adopter Agreement at p. E-71 (available at http://aacs.tjn.chef.causewaynow.com/wp-content/uploads/2019/02/AACS_Adopter_Agreement_20121115.pdf).



Panasonic DP-UB9000 Reference Class 4K Ultra HD with HDR10+™ and Dolby Vision Playback - THX Certified - Hi-Res Sound - 4K VOD Streaming - Voice Assist Blu-ray Player - Black

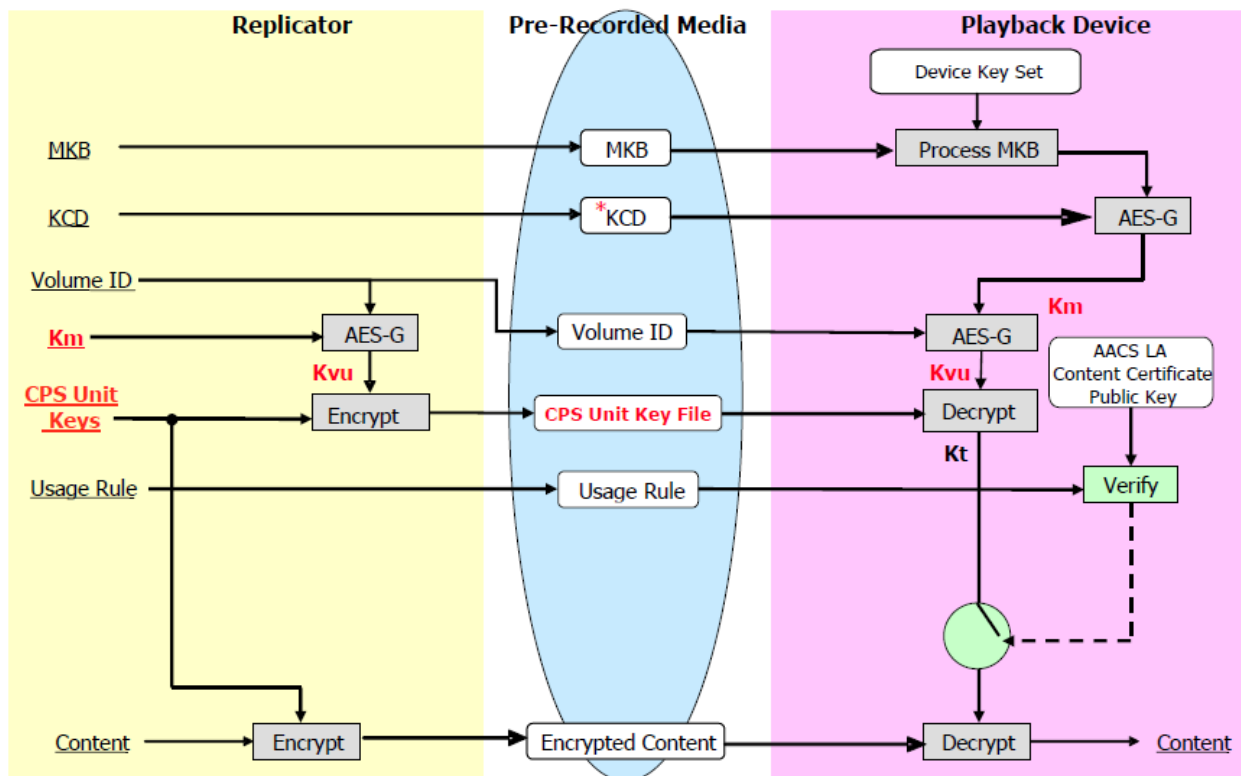
DP-UB9000

<https://shop.panasonic.com/audio-and-video/blu-ray-and-dvd-players/blu-ray-disc-players/DP-UB9000.html#start=1&cgid=blu-ray-and-dvd-players>.

23. The Accused Devices receive an encrypted version of a first set of protected digital data, receive a first crypt key specifically associated with the first set of protected digital data and decrypts the encrypted version of the first set of protected digital data using the first crypt key to produce decrypted digital data.

Chapter 3 describes Blu-Ray Disc specific procedures for the production (encryption) and off-line playback (decryption) of AACS Content on pre-recorded Blu-Ray Read Only Media.

Advanced Access Content System: Blu-ray Disc Pre-recorded Book at p. 1 (available at http://aacs.tjn.chef.causewaynow.com/wp-content/uploads/2019/02/AACS_Spec_BD_Prerecorded_Final_0_953.pdf).



*KCD is used by only certain classes of devices.

Figure 6-2 Encryption and Decryption Overview for BD-ROM on which SKB / uMKB is not assigned

Id. at p. 133.

24. The Accused Devices manage forms of usage of the first set of protected digital data, wherein said managing includes, for a first form of usage requested by a user of the first computing device.

2. Licensed Player Compliance Requirements

2.1 **Applicability.** This Part 2 Section 2 is applicable to all Licensed Players as shipped.

2.2 **Analog Outputs.** A Licensed Player shall not pass, or direct to be passed Decrypted AACCS Content to an analog output except:

2.2.1 An analog output of audio, or of the audio portions of other forms of Decrypted AACCS Content; or

Advanced Access Content System ("AACCS") Adopter Agreement at p. E-17 (available at http://aacs.tjn.chef.causewaynow.com/wp-content/uploads/2019/02/AACCS_Adopter_Agreement_20121115.pdf).

2.22 "Decrypted AACCS Content" shall mean, with respect to a Licensed Product, AACCS Content that such product has decrypted using both AACCS Bus Decryption (where applicable) and AACCS Basic Decryption but whose control and/or protection obligations have not been passed to an output permitted by these Compliance Rules or to an AACCS Authorized Copying Method or Content Owner Authorized Copying Method permitted by this Agreement. *Note to Adopter: A copy made using a Bound Copy Method remains subject to all obligations applicable to Decrypted AACCS Content under this Agreement, until such copy is passed to an output permitted under this Agreement including but not limited to Part 2, Sections 2.2, 2.3, 3.2 and 3.6.*

Id. at E-4 – E-5.

25. When the first form of usage is one of a first set of usages, the managing permits the first form of usage using the decrypted digital data.

2.2 **Analog Outputs.** A Licensed Player shall not pass, or direct to be passed Decrypted AACCS Content to an analog output except:

2.2.1 An analog output of audio, or of the audio portions of other forms of Decrypted AACCS Content; or

2.2.2 An analog output of video delineated in Table A1, AACS Analog Authorized Outputs, in accordance with any associated restrictions and obligations specified therein and in the Agreement, and subject to the following sunset requirements:

2.2.2.1 **Analog Sunset – 2010.** With the exception of Existing Models, any Licensed Player manufactured after December 31, 2010 shall limit analog video outputs for Decrypted AACS Content to SD Interlace Modes only. Existing Models may be manufactured and sold by Adopter up until December 31, 2011. Notwithstanding the foregoing, Adopter may continue to manufacture and sell an Existing Model in which the implementation of AACS Technology is a Robust Inactive Product after December 31, 2010 provided that when such Robust Inactive Product is activated through a Periodic Update, such Periodic Update results in a Licensed Player that limits analog video outputs for Decrypted AACS Content to SD Interlace Modes only. Nothing in this section shall be interpreted to override limitations or obligations stated in any other section of this Agreement.

For purposes of this section, “SD Interlace Modes” shall mean composite video, s-video, 480i component video and 576i video.

2.2.2.2 **Analog Sunset – 2013.** No Licensed Player that passes Decrypted AACS Content (excluding Decrypted AACS Content that is decrypted from AACS Recordable Video where the CCI in such Decrypted AACS Content is marked other than Copy Never) to analog video outputs may be manufactured or sold by Adopter after December 31, 2013. For the avoidance of doubt, a Bound Copy Method to which AACS Content has been Moved from AACS Recordable Video with CCI marked other than Copy Never or to which AACS Content has been copied from AACS Recordable Video with CCI marked EPN, is not required to implement the analog sunset required by this Section 2.2.2.2 with respect to such AACS Content.

Id. at E-17 – E-18.

26. When the first form of usage is one of a second set of usages distinct from usages in the first set, the managing permits the first form of usage on a re-encrypted version of the

decrypted digital data generated by re-encrypting the decrypted digital data using a second crypt key.

2.3 Digital Outputs. A Licensed Player shall not pass, or direct to be passed Decrypted AACCS Content to a digital output except:

- 2.3.1 A digital output of audio, or of the audio portion of other forms of Decrypted AACCS Content, in compressed audio format (such as AC3) or in Linear PCM format in which the transmitted information is sampled at no more than 48 kHz and no more than 16 bits.
- 2.3.2 An output delineated in Table D1, AACCS Authorized Digital Outputs in accordance with any associated restrictions and obligations specified therein and in the Agreement.

Id. at E-18 – E19.

TABLE D1

AACCS Authorized Digital Outputs (Non-Copying Methods)

AACCS Authorized Digital Outputs	Associated Restrictions and Obligations
DTCP	A Licensed Player may pass Decrypted AACCS Content to an output protected by DTCP, provided that when doing so, the Licensed Player shall (a) carry any DTCP System Renewability Messages delivered in association with such content (in the manner described or referenced in the AACCS Specifications) to the DTCP Source Function, and (b) set the following fields of the DTCP Descriptor to the indicated values:

Id. at E-67.

DVI	A Licensed Player manufactured on or before December 31, 2010 that is incorporated into a computer product may pass Decrypted AACS Content for which the Digital Only Token was not set to a DVI output as a Constrained Image. Furthermore, Existing Models with such DVI output may be manufactured and sold by Adopter up until December 31, 2011. Notwithstanding the foregoing, Adopter may continue to manufacture and sell an Existing Model with such DVI output in which the implementation of AACS Technology is a Robust Inactive Product after December 31,
	2010 provided that when such Robust Inactive Product is activated through a Periodic Update, such Periodic Update results in a Licensed Player that does not pass Decrypted AACS Content to DVI outputs.
HDCP	A Licensed Player may pass Decrypted AACS Content to an output protected by HDCP, provided that when doing so, the Licensed Player shall (a) carry any HDCP System Renewability Message delivered in association with such content (in the manner described or referenced in the AACS Specifications) to the HDCP Source Function and (b) verify that the HDCP Source Function is fully engaged and able to deliver protected content, which means (i) HDCP encryption is operational on such output, (ii) processing of the valid received System Renewability Message associated with such content, if any, has occurred as defined in the HDCP Specification and (iii) there is no HDCP Display Device or Repeater on such output whose Key Selection Vector is in such System Renewability Message.

Id. at E-70 – E71.

High-bandwidth Digital Content Protection (HDCP) is a form of digital copy protection developed by Intel Corporation to prevent copying of digital audio and video content as it travels across connections. The system is meant to stop HDCP-encrypted content from being played on unauthorized devices or devices which have been modified to copy HDCP content. On Panasonic units, this protocol is used on TVs, DVD/Blu-Ray recorders and players with the HDMI connection.

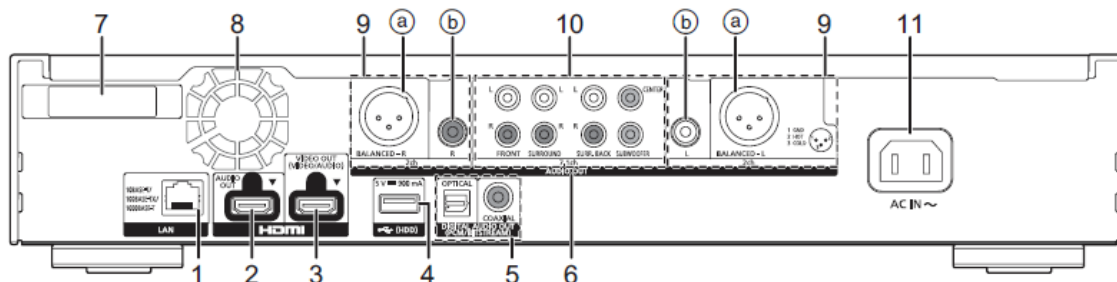
https://support-uk.panasonic.eu/app/answers/detail/a_id/4284/~/_what-is-hdcp%3F

Versatile Audio Outputs

Outputs include twin HDMI, a 7.1 channel and separate 2 channel equipped with a balanced XLR output terminal in addition to the RCA terminal, and optical audio.

[https://shop.panasonic.com/audio-and-video/blu-ray-and-dvd-players/blu-ray-disc-players/DP-UB9000.html#start=1&cgid=blu-ray-and-dvd-players.](https://shop.panasonic.com/audio-and-video/blu-ray-and-dvd-players/blu-ray-disc-players/DP-UB9000.html#start=1&cgid=blu-ray-and-dvd-players)

■ Rear



- 1 LAN port (⇒ 17)
- 2 HDMI AUDIO OUT terminal (⇒ 11)
- 3 HDMI VIDEO OUT terminal (⇒ 10)
- 4 USB port (HDD) (5 V DC 900 mA)
This port supports USB 3.0 Super-Speed.
- 5 DIGITAL AUDIO OUT terminal (OPTICAL/COAXIAL terminal) (⇒ 12)
- 6 Analog AUDIO OUT terminals (⇒ 13)
- 7 Wireless LAN antenna
- 8 Cooling fan
- 9 2ch AUDIO OUT terminals (⇒ 12)
 - a BALANCED terminals
 - b AUDIO OUT terminals
- 10 7.1ch AUDIO OUT terminals (⇒ 13)
- 11 AC IN (~) terminal (⇒ 10)

The symbols on this product represent the following.

~	AC
==	DC
	Class II equipment (The construction of the product is double-insulated.)

Owner's Manual at p. 9.

3.4 HDCP Cipher

The HDCP cipher consists of a 128-bit AES module that is operated in a Counter (CTR) mode as illustrated in Figure 3.2.

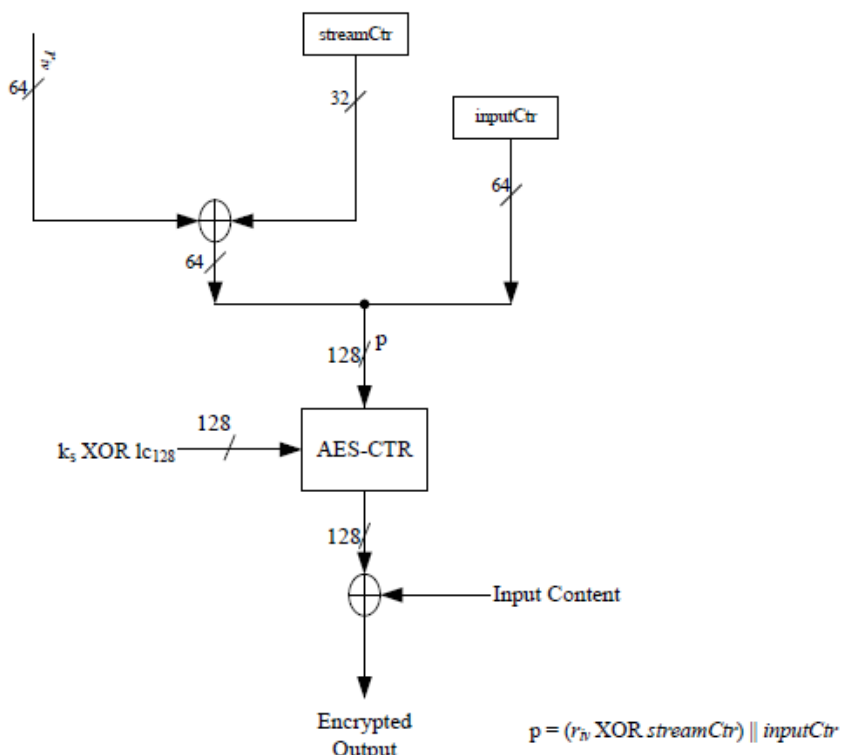
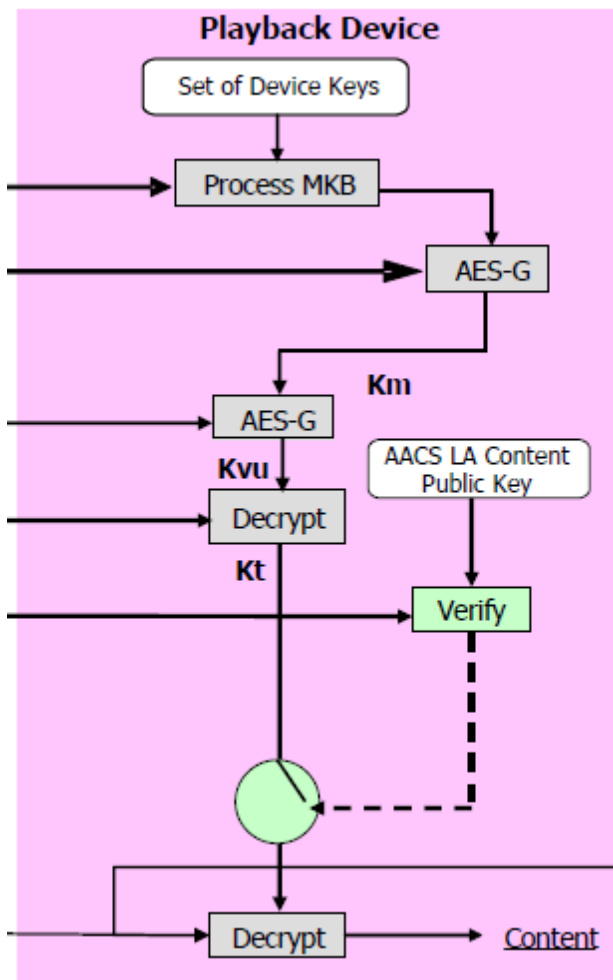


Figure 3.2. HDCP Cipher Structure

k_s is the 128-bit Session Key which is XORed with $1c_{128}$. Elementary streams within a given program or across multiple programs may use the same k_s and r_n .

High-bandwidth Digital Content Protection System: Interface Independent Adaptation at p. 53 (available at https://www.digital-cp.com/sites/default/files/specifications/HDCP%20Interface%20Independent%20Adaptation%20Specification%20Rev2_2_FINAL.pdf).



Advanced Access Content System (AACs): Blu-ray Disc Pre-recorded Book at p. 63 (available at http://aacs.tjn.chef.causewaynow.com/wp-content/uploads/2019/02/AACS_Spec_BD_Prerecorded_Final_0_953.pdf).

27. Plaintiff is entitled to recover from Panasonic the damages sustained by Plaintiff as a result of Panasonic's infringement of the '782 patent 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.

WILLFULNESS AND INDIRECT INFRINGEMENT

28. Plaintiff repeats and realleges the allegations of paragraphs 1 through 27 as if

fully set forth herein.

29. Plaintiff's initial complaint was filed on October 29, 2019.

30. Defendant was served the Complaint on November 1, 2019.

31. Defendant has been on notice of the '782 patent since, at the latest, its receipt of the Complaint.

32. Thus, Defendant has been on notice of the '782 patent since, at the latest, the date it was served the Complaint.

33. Upon information and belief, Defendant has not altered its infringing conduct after receiving the initial complaint.

34. Upon information and belief, Defendant's continued infringement despite its knowledge of the '782 patent and the accusations of infringement has been objectively reckless and willful.

35. In particular, Defendant's customers' and end-users' use of Defendant's methods, products and systems for data copyright management, including, but not limited to the Accused Devices, that is facilitated by the use of the technology patented under the '782 patent. Thus, Defendant's customers and end-users are able to use and benefit from data copyright management.

36. On information and belief, in order to generate profits and revenues, Defendant markets and promotes, e.g., through its websites, advertising and sales personnel, the use of its products that infringe the '782 patent when used as intended by Defendant's customers and end-users. Defendant's customers and end-users use such products (including, e.g., the Accused Devices). Defendant further instructs its customers and end-users how to use such products in a manner that infringe the '782 patent (e.g., through on-line technical documentation,

instructions, and technical support). Defendant further instructs its customers and end-users to infringe the '782 patent through the products themselves, e.g., through instructions.

37. In particular, Defendant instructs its customers and end-users through at least on-line support instructions and documentation over the Internet how to use the Accused Devices.

38. Defendant still further makes such product documentation available to its customers and end-users via the Internet, thus enabling and encouraging its customers and end-users to use such products to infringe the '782 patent.

39. On information and belief, even though Defendant has been aware of the '782 patent and that its customers and end-users infringe the '782 patent since no later than the date it was served the initial complaint, Defendant has neither made any changes to the functionality, operations, marketing, sales, technical support, etc. of such products to avoid infringing the '782 patent nor informed its customers or end-users how to avoid infringing the '782 patent. To date, Defendant has not identified a single action that it has taken to avoid infringement (e.g., by designing around or notifying its customers or end-users how to avoid infringement) by itself or its customers or end-users since it became aware of the '782 patent.

40. On information and belief, Defendant itself is unaware of any legal or factual basis that its actions solely, or in combination with the actions of its customers and end-users, do not constitute direct or indirect infringement of the '782 patent. To date, Defendant has not produced any opinion of counsel or request for opinion of counsel relating to the scope, interpretation, construction, enforceability, unenforceability, or the infringement or potential infringement of any claim of the '782 patent. In addition, Defendant has not produced any complete evaluation, analysis, or investigation relating to the validity of the '782 patent.

41. As such, on information and belief, despite the information Defendant obtained from the initial complaint in this action, Defendant continues to specifically intend for and encourage its customers and end-users to use its products in a manner that infringes the claims of the '782 patent. In addition, since at least the filing of the initial complaint in this action, Defendant has deliberately avoided taking any actions (e.g., designing around, or providing notice to its customers) to avoid confirming that its actions continue to specifically encourage its customers and end-users to use its products in a manner that infringes the claims of the '782 patent.

42. Defendant's actions of, *inter alia*, making, importing, using, offering for sale, and/or selling such products constitute an objectively high likelihood of infringement of the '782 patent, which was duly issued by the United States Patent and Trademark Office and are presumed valid. Since at least the filing of the initial complaint, Defendant is aware that there is an objectively high likelihood that its actions constituted, and continue to constitute, infringement of the '782 patent and that the '782 patent is valid. Despite Defendant's knowledge of that risk, on information and belief, Defendant has not made any changes to the relevant operation of its accused products and has not provided its users and/or customers with instructions on how to avoid infringement of the '782 patent. Instead, Defendant has continued to, and still is continuing to, among other things, make, use, offer for sale, and/or sell products patented under the '782 patent. As such, Defendant willfully, wantonly and deliberately infringed and is infringing the '782 patent in disregard of Plaintiff's rights under the '782 patent.

JURY DEMAND

Plaintiff hereby demands a trial by jury on all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that this Court enter judgment against Defendant as follows:

- A. An adjudication that Defendant has infringed the '782 patent;
- B. A judgment that Defendant has induced infringement of the '782 patent;
- C. An award of damages to be paid by Defendant adequate to compensate Plaintiff for Defendant's past infringement of the '782 patent and any continuing or future infringement through the date such judgment is entered, including interest, costs, expenses and an accounting of all infringing acts including, but not limited to, those acts not presented at trial;
- D. An award of enhanced damages pursuant to 35 U.S.C. § 284 for Defendant's willful infringement of the '782 patent subsequent to the date of its notice of the '782 patent;
- E. A declaration that this case is exceptional under 35 U.S.C. § 285, and an award of Plaintiff's reasonable attorneys' fees; and
- F. An award to Plaintiff of such further relief at law or in equity as the Court deems just and proper.

Dated: November 19, 2019

STAMOULIS & WEINBLATT LLC

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