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12
13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**
15 **WESTERN DIVISION**

16
17 Scale Video Coding LLC,
18 Plaintiff,

19 v.

20 Zoom Video Communications, Inc.,
21 Defendant.

Case No. 8:21-cv-01704

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 Plaintiff Scale Video Coding LLC (“Scale Video” or “Plaintiff”), for its
2 Complaint against Defendant Zoom Video Communications, Inc., (referred to
3 herein as “Zoom” or “Defendant”), alleges the following:

4 **NATURE OF THE ACTION**

5 1. This is an action for patent infringement arising under the Patent Laws
6 of the United States, 35 U.S.C. § 1 *et seq.*

7 **THE PARTIES**

8 2. Plaintiff Scale Video is a limited liability company organized under
9 the laws of the State of Delaware with a place of business at 717 N. Union Street,
10 Wilmington, Delaware 19805.

11 3. Upon information and belief, Zoom is a corporation organized under
12 the laws of the State of Delaware with a place of business at 420 E Carrillo St,
13 Santa Barbara, California 93101. Upon information and belief, Zoom sells, offers
14 to sell, and/or uses products and services throughout the United States, including in
15 this judicial district, and introduces infringing products and services into the stream
16 of commerce knowing that they would be sold and/or used in this judicial district
17 and elsewhere in the United States.

18 **JURISDICTION AND VENUE**

19 4. This is an action for patent infringement arising under the Patent Laws
20 of the United States, Title 35 of the United States Code.

21 5. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331
22 and 1338(a).

23 6. Venue is proper in this judicial district under 28 U.S.C. § 1400(b).

24 7. This Court has personal jurisdiction over the Zoom under the laws of
25 the State of California, due at least to their substantial business in California and in
26 this judicial district, directly or through intermediaries, including: (i) at least a
27 portion of the infringements alleged herein; and (ii) regularly doing or soliciting

1 business, engaging in other persistent courses of conduct and/or deriving
2 substantial revenue from goods and services provided to individuals in the State of
3 California. Venue is also proper in this district because Zoom has a regular and
4 established place of business in this district. For instance, Zoom has sales offices
5 in this judicial district. For example, Zoom has a sales office located at 420 E
6 Carrillo St, Santa Barbara, California 93101. (*See, e.g.*,
7 <https://explore.zoom.us/docs/en-us/contact.html> (last accessed Oct. 8, 2021).)

8 **BACKGROUND**

9 **The Invention**

10 8. Erik Van Zijst is the inventor of U.S. Patent No 11,019,372 (“the ’372
11 patent”). A true and correct copy of the ’372 patent is attached as Exhibit A.

12 9. The ’372 patent resulted from the pioneering efforts of Mr. Van Zijst
13 (hereinafter “the Inventor”) in the area of network management. These efforts
14 resulted in the development of a method and apparatus for the management of data
15 packets to support multicasting, or supporting one-to-many communication over
16 the Internet, within the last five years. At the time of these pioneering efforts, the
17 most widely implemented technology used to address network management was to
18 discard data packets that could not be immediately forwarded to the data recipient.
19 In that type of system, the data stream that is eventually received by one or more
20 receivers further down the network is corrupt and the congestion also has a
21 negative impact on communication sessions of other nodes that communicate
22 through the bottleneck router. The Inventor conceived of the inventions claimed in
23 the ’372 patent as a way to send data packets from a data source to more than one
24 receiver, ideally without putting extra stress on the network or source when the
25 number of receivers increases.

26 10. For example, the Inventor developed a method whereby receivers tell
27 the network which data streams the receivers want to receive and let the network

1 compute data distribution paths to deliver just the right packets to each receiver.
2 As an additional example, the Inventor developed a method of letting the source
3 encode the list of receivers in each data packet, thereby freeing the network from
4 the potentially computationally intensive task of maintaining multicast distribution
5 paths. As a further example, the Inventor developed a method of relying on logic
6 at the receiver by letting the network apply a broadcast mechanism whereby each
7 packet is delivered to every connected node and letting the receivers filter out only
8 those packets that are interesting.

9 **Advantage Over the Prior Art**

10 11. The patented invention disclosed in the '372 patent, provides many
11 advantages over the prior art, and in particular improved the operations of network
12 routers. (*See* '372 patent at 3:6-10.) One advantage of the patented invention is
13 that routers are given the ability to tell the network which data streams the
14 receivers want to receive and let the network compute data distribution paths to
15 deliver just the right packets to each receiver. (*See* '372 patent at 3:11-15.) Prior
16 to the patented invention, data packets would be discarded if bandwidth
17 bottlenecks prohibited the data packet from being forwarded. By allowing the
18 network to compute distribution paths, the path of the data packet could be
19 adjusted to avoid the bottleneck, allowing the data packet to be forwarded.

20 12. Another advantage of the patented invention is the method of a source
21 delivering data packets to all receivers and allowing the receivers to filter out only
22 the packets needed at the receiver. (*See* '372 patent at 3:20-24.) While this places
23 a heavy initial load on the network, bottlenecks are avoided because the flow of
24 data packets over the distribution paths is constant and the network need not
25 compute different data paths based on the an increase in the number of receivers.

26 13. Because of these significant advantages that can be achieved through
27 the use of the patented invention, Scale Video believes that the '372 patent

1 presents significant commercial value for companies like Zoom. Indeed, Zoom's
2 business engages heavily in the transfer of data packets over the Internet on at least
3 a national scale, representing a significant commercial investment for Zoom.

4 **Technological Innovation**

5 14. The patented invention disclosed in the '372 patent resolves technical
6 problems related to network management, particularly problems related to the
7 utilization of video routers support multicasting data packets. As the '372 patent
8 explains, one of the limitations of the prior art as regards network management was
9 that when a bandwidth bottleneck is reached, a video router discards the packets
10 that cannot immediately be forwarded. This causes two problems. The data stream
11 that is eventually received by one or more receivers further down the network is
12 corrupt and the congestion also has a negative impact on communication sessions
13 of other nodes that communicate through the bottleneck router. (*See* '372 patent at
14 1:59-65.)

15 15. The claims of the '372 patent do not merely recite the performance of
16 some well-known business practice from the pre-Internet world along with the
17 requirement to perform it on the Internet. Instead, the claims of the '372 patent
18 recite inventive concepts that are deeply rooted in engineering technology, and
19 overcome problems specifically arising out of how to manage the transfer of data
20 packets over a network.

21 16. In addition, the claims of the '372 patent recite inventive concepts that
22 improve the functioning of video routers, particularly a video router's ability to
23 communicate with a network or filter data packets transferred over a network to
24 remove unimportant packets.

25 17. Moreover, the claims of the '372 patent recite inventive concepts that
26 are not merely routine or conventional use of data packet management. Instead,
27 the patented invention disclosed in the '372 patent provides a new and novel

1 solution to specific problems related to improving a network’s ability to multicast
2 data packets to one or more receivers over a network with limited bandwidth
3 capacity and decreasing the number of data packets discarded when network
4 bandwidth bottlenecks are reached.

5 18. And finally, the patented invention disclosed in the ’372 patent does
6 not preempt all the ways that video routers may be used to improve network
7 management, nor does the ’372 patent preempt any other well-known or prior art
8 technology.

9 19. Accordingly, the claims in the ’372 patent recite a combination of
10 elements sufficient to ensure that the claim in substance and in practice amounts to
11 significantly more than a patent-ineligible abstract idea.

12 **COUNT I – INFRINGEMENT OF U.S. PATENT NO. 11,019,372**

13 20. The allegations set forth in the foregoing paragraphs 1 through 19 are
14 incorporated into this First Claim for Relief.

15 21. On May 25, 2021, the ’372 patent was duly and legally issued by the
16 United States Patent and Trademark Office under the title “LAYERED
17 MULTICAST AND FAIR BANDWIDTH ALLOCATION AND PACKET
18 PRIORITIZATION”

19 22. Scale Video is the assignee and owner of the right, title and interest in
20 and to the ’372 patent, including the right to assert all causes of action arising
21 under said patent and the right to any remedies for infringement of it.

22 23. Upon information and belief, Zoom has and continues to directly
23 infringe one or more claims of the ’372 patent by selling, offering to sell, making,
24 using, and/or providing and causing to be used products, specifically one or more
25 Zoom platforms, which by way of example include Zoom Meetings, Zoom Rooms,
26 Zoom Phone, Zoom Video Webinars, Zoom Events, Zoom Chat, Zoom United,
27 Scheduling Display, Digital Signage, Mobile, and Annotation products. (*See, e.g.,*

1 <https://explore.zoom.us/en/media-kit/> (last accessed Oct. 8, 2021);
2 <https://zoom.us/pricing/zoom-bundles> (last accessed Oct. 8, 2021)) (the “Accused
3 Instrumentalities”).

4 24. Upon information and belief, the Accused Instrumentalities performs
5 a method for transmitting video signals.

6 25. Exemplary infringement analysis showing infringement of claims 1, 6,
7 and 11 of the ’372 patent is set forth in Exhibit B. This infringement analysis is
8 necessarily preliminary, as it is provided in advance of any discovery provided by
9 Zoom with respect to the ’372 patent. Scale Video reserves all rights to amend,
10 supplement and modify this preliminary infringement analysis. Nothing in the
11 attached chart should be construed as any express or implied contention or
12 admission regarding the construction of any term or phrase of the claims of the
13 ’372 patent.

14 26. The Accused Instrumentality infringed and continues to infringe
15 claims 1, 6, and 9 of the ’372 patent during the pendency of the ’372 patent.

16 27. Scale Video has been harmed by the Zoom’s infringing activities.

17 **JURY DEMAND**

18 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Scale Video
19 demands a trial by jury on all issues triable as such.

20 **PRAYER FOR RELIEF**

21 WHEREFORE, Plaintiff Scale Video demands judgment for itself and
22 against Zoom as follows:

23 A. An adjudication that the Zoom has infringed the ’372 patent;

24 B. An award of damages to be paid by Zoom adequate to compensate
25 Scale Video for Zoom’s past infringement of the ’372 patent, and any continuing
26 or future infringement through the date such judgment is entered, including
27

1 interest, costs, expenses and an accounting of all infringing acts including, but not
2 limited to, those acts not presented at trial;

3 C. A declaration that this case is exceptional under 35 U.S.C. § 285, and
4 an award of Scale Video’s reasonable attorneys’ fees; and

5 D. An award to Scale Video of such further relief at law or in equity as
6 the Court deems just and proper.

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