

UNITED STATES DISTRICT COURT

DISTRICT OF DELAWARE

LONE STAR TARGETED ADVERTISING, LLC, Plaintiff, v. MAGNITE, INC. Defendant.	CASE NO. COMPLAINT FOR PATENT INFRINGEMENT JURY DEMAND
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Plaintiff Lone Star Targeted Advertising, LLC (“LSTA”), for its Complaint against Magnite, Inc. 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, Magnite, Inc. is a company organized under the laws of Delaware. On information and belief, Magnite is the owner of Magnite, Telaria, Spotx and their websites. Hereinfter, Magnite, Inc. will be referred to as “Defendant” or “Magnite.”

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 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. 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 decoded sender requested electronic information of the sender;

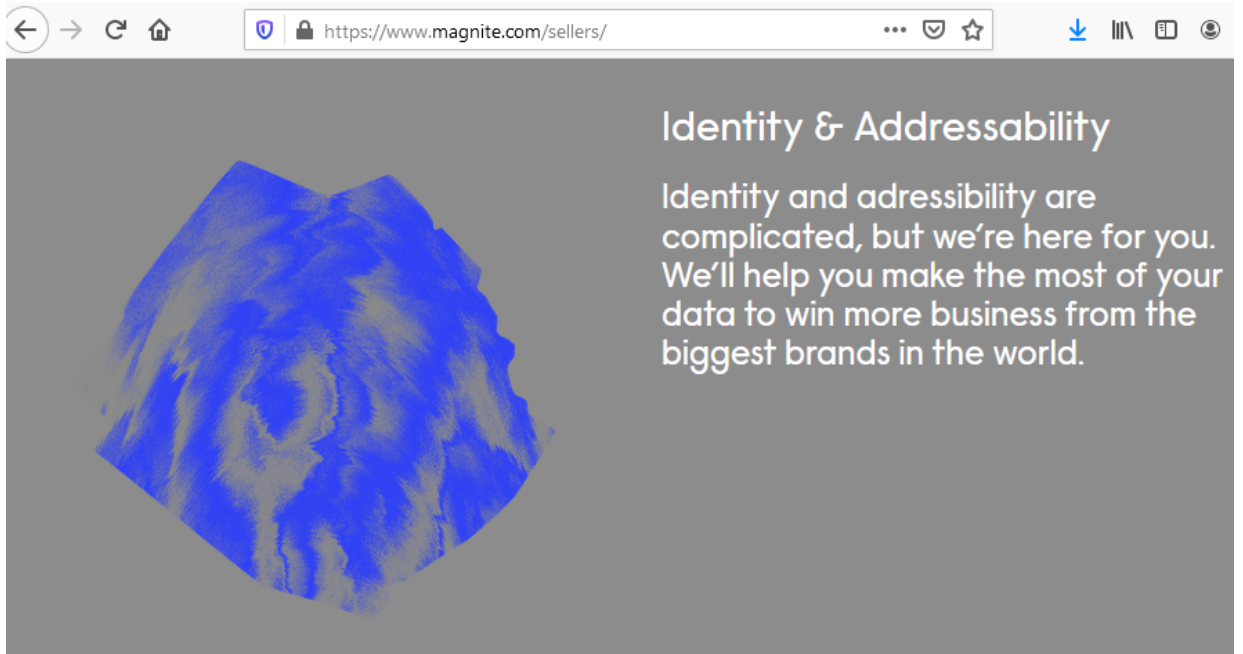
(i) opening up of a subwindow within said television belonging to the viewer; and

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

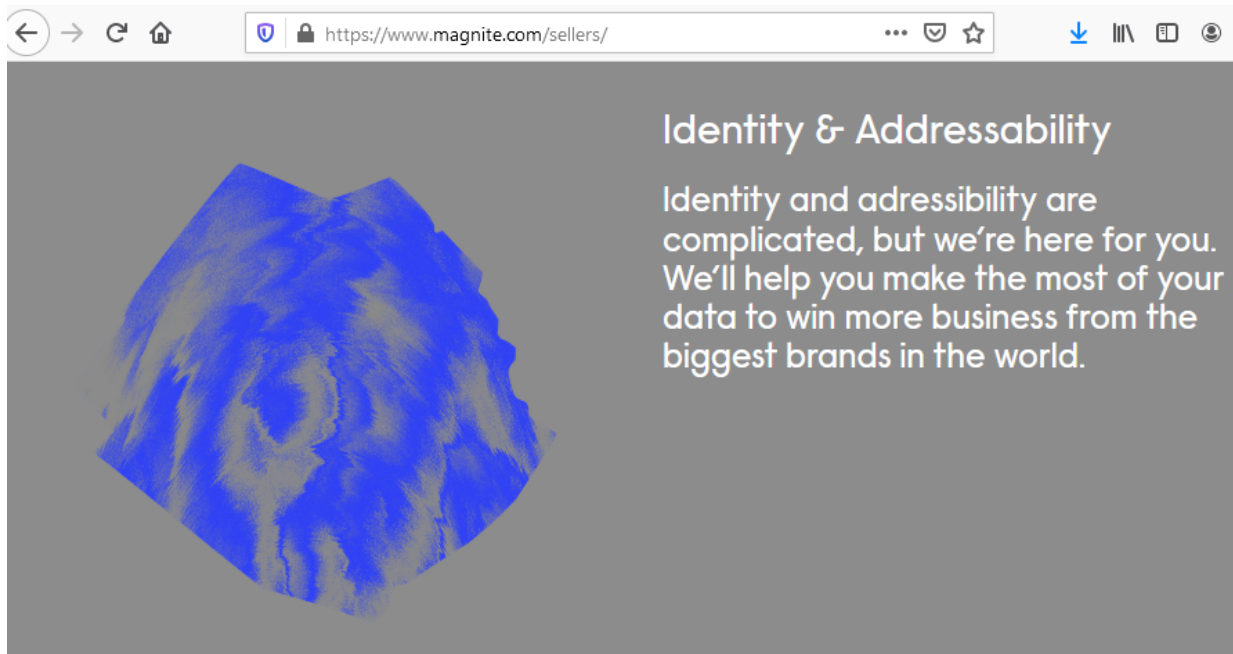
On information and belief, Magnite infringes Claim 9 of the '619 Patent. For example:

9. Magnite's system infringes each element of Claim 9 as follows:
 - a. "providing viewer attributable information related to the viewer" –

Magnite's platform provide viewer attributable information related to the viewer.

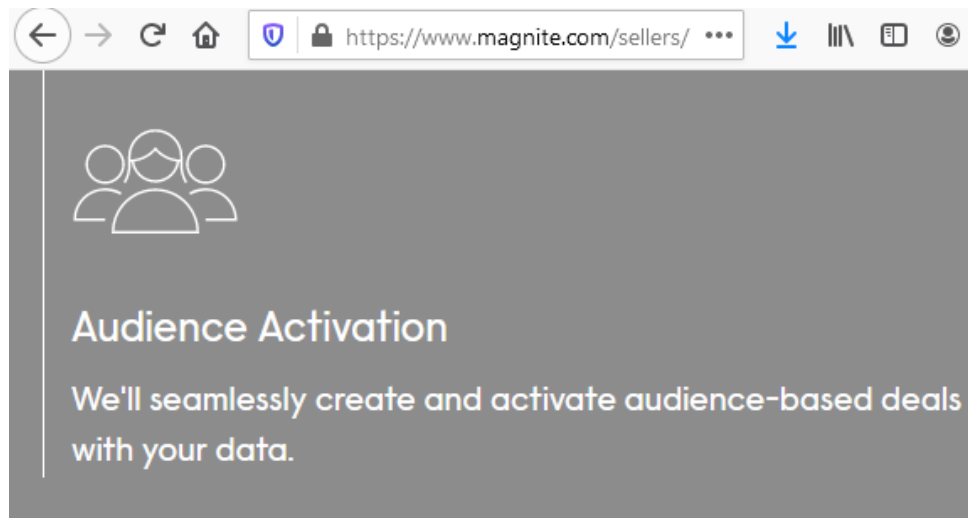


Magnite's platform provides viewer attributed information related to the viewer, it utilizes viewer attribute information via advanced audience analytics, in particular:



“We are excited to announce the latest extension to our Addressable Connect for Marketers solution that offers enhanced audience-based buying capabilities. For the first time, buyers on Telaria’s platform can buy curated premium and long-form inventory enriched with audience data via our proprietary targeting technology across all screens, including CTV.”

See <https://telaria.com/2020/02/telaria-expands-audience-based-buying-with-enriched-data-insights/>



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 Magnite/Telaria 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, this will be the Set Top Box that provides the real-time analytics information to the “sender”.

“Viewers are the most important asset a publisher has, and in a world with endless choices, keeping viewers happy is paramount. Telaria understands this and has built tools that ensure the advertising experience is as premium as the content it surrounds.

CTV provides the lean back nature of linear, with the data-rich promise of digital. This means our platform delivers targeted, relevant ads in big screen environments where the viewer has chosen to engage.

CTV platforms are also sitting on a ton of valuable audience data. The ability to package this data to advertisers and deliver messages to viewers based on what they know about them *makes all supply valuable*, not just primetime supply. Reaching a viewer at midnight with a relevant ad is arguably more valuable than reaching a viewer you know nothing about at 8pm. ”

See - <https://www.magnite.com/blog/building-the-future-of-tv-advertising/>

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

“Advertisers are shifting spend to CTV as consumers are cutting the cord. eMarketer estimated in September that over a third of US households will be unreachable by a pay TV connection by 2024. Magnite enables advertisers to find those audiences across CTV. In fact, advertisers in the technology, direct to consumer (DTC), and consumer packaged goods (CPG) verticals running CTV campaigns with Magnite increased their spend by 176%, 159% and 86% respectively between Q3 2019 and Q3 2020”

See - <https://www.businesswire.com/news/home/20201117006225/en/Magnite-CTV-Business-Sees-Strong-Growth-Year-Over-Year-Driven-By-Increasing-CTV-Viewership-Addressable-Advertising-and-Strong-Marketplace-Demand>

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” -- Magnite’s platform is the service center that interfaces in providing information of advertiser, content provider, and the viewer.



ABOUT OUR SOFTWARE

Introducing the industry's only complete solution: Video Management Platform (VMP).

The introduction of an ad-server built for video and Advanced TV enables the management, delivery and reporting across programmatic and direct sold in a single platform.

Live analytics dashboards visualize 1st and 3rd-party data in one view to empower publishers with insights that inform the best decisions in real time.

Enhanced decisioning tools provide greater control over the value and safety of your inventory, while providing the best possible CTV viewing experience.

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 Magnite 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 Magnite’s platform’s ability to, for example:

“With Magnite’s built-for-video tech stack, which is capable of supporting addressable and live CTV, we were able to help SLING TV earn the full value of their premium inventory and audience data.

The benefits of programmatic advertising in CTV are becoming more apparent across the industry. Programmatic gives advertisers more control over targeting and data, creates dynamic CPMs based on supply and demand, and gives marketers control over reach and frequency”

See - <https://www.magnite.com/press/sling-tv-sees-yoy-programmatic-growth-within-magnite-ctv-platform-in-2020/>



telaria

VMP ABOUT US NEWS & VIEWS INVESTOR RELATIONS

As Programmatic Partner Of Record

PRESS

January 23, 2019

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Building on an already successful partnership, we are delighted to note that we have renewed our partnership with Hulu as their programmatic partner of record. With Hulu opening up a biddable environment with the launch of its invite-only private marketplace, and continuing to invest in viewer-first solutions for advertisers, Telaria’s tech (our Video Management Platform) will help Hulu to ensure a seamless high-quality advertising experience for viewers and brands alike.

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.)

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

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.magnite.com 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 Magnite, Magnite participated in the infringement (as described above) and received a benefit upon performance of the steps of the patented method. For example, Magnite 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. Magnite 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, Magnite's method has no substantial non-infringing uses and is especially made and/or adapted so as to infringe the '619 Patent. Magnite has acted with specific intent to induce or cause infringement and to conduct acts of infringement as described herein within this District and elsewhere.

16. 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.

17. 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.

18. By reason of the acts of Magnite 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 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;

C. 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;

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

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

Dated: February 14, 2022

Respectfully submitted,

STAMOULIS & WEINBLATT LLC

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