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6 *Blue Spike LLC, et al.*

7
8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**

10
11 **BLUE SPIKE LLC;**
12 **BLUE SPIKE INTERNATIONAL**
13 **LTD;**
14 **WISTARIA TRADING LTD,**

15 Plaintiffs.

16 v.

17 **UNIVERSAL MUSIC GROUP;**
18 **UMG MANUFACTURING &**
19 **LOGISTICS, INC.;** and
20 **UNIVERSAL MUSIC PUBLISHING,**
21 **INC. d/b/a UNIVERSAL MUSIC**
22 **PUBLISHING GROUP**

23 Defendants.
24
25
26
27

Case No. 2:22-cv-06331-GW-JEM

**FIRST AMENDED COMPLAINT
FOR PATENT INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 Plaintiffs Blue Spike LLC (“Blue Spike LLC”), Blue Spike International Ltd
2 (“Blue Spike Int.”) and Wistaria Trading Ltd. (“Wistaria”) (collectively, “Blue
3 Spike” or “Plaintiffs”), for its Complaint against Defendants Universal Music
4 Group Inc. (“UM Group”), UMG Manufacturing & Logistics, Inc. (“UMG
5 Manufacturing”), and Universal Music Publishing, Inc. d/b/a Universal Music
6 Publishing Group (“UMPG”) (collectively, “UMG” or “Defendants”), alleges the
7 following:

8 **NATURE OF THE ACTION**

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

11 **THE PARTIES**

12 2. Plaintiff Blue Spike LLC is a limited liability company organized
13 under the laws of the Texas with a place of business at 1820 Shiloh Road, Suite
14 1201-C, Tyler, Texas 75703.

15 3. Plaintiff Blue Spike Int. is a limited liability company established in
16 Ireland with a place of business at Unit 6, Bond House, Bridge Street, Dublin 8.
17 Blue Spike Int. was recently acquired by Blue Spike Inc., a Florida corporation.

18 4. Plaintiff Wistaria is a Bermuda corporation with a place of business at
19 Clarendon House, 2 Church St., Hamilton HM 11, Bermuda.

20 5. On information and belief, Defendant UM Group is a corporation
21 organized under the laws of the State of Delaware with a place of business at 2220
22 Colorado Ave., Santa Monica, CA 90404. On information and belief, UM Group
23 sells, offers to sell, and/or uses products and services throughout the United States,
24 including in this judicial district, and introduces infringing products and services
25 into the stream of commerce knowing that they would be sold and/or used in this
26 judicial district and elsewhere in the United States.

27 6. On information and belief, Defendant UMG Manufacturing is a

1 corporation organized under the laws of the State of California with a place of
2 business at 2220 Colorado Ave., Santa Monica, CA 90404. On information and
3 belief, UMG Manufacturing acts at the direction of UM Group to record and
4 distribute digital content. On information and belief, UMG Manufacturing sells,
5 offers to sell, and/or uses products and services throughout the United States,
6 including in this judicial district, and introduces infringing products and services
7 into the stream of commerce knowing that they would be sold and/or used in this
8 judicial district and elsewhere in the United States.

9 7. On information and belief, Defendant UMPG is a corporation
10 organized under the laws of the State of California with a place of business at 2100
11 Colorado Ave., Santa Monica, CA 90404. On information and belief, UMPG is a
12 subsidiary of UM Group that acts as UM Group’s global music publishing business
13 and works “in synergy” with UM Group’s other subsidiaries. *See, e.g.*, UMG
14 Annual Report 2021, at 22, *available at*
15 <https://investors.universalmusic.com/reports/> (Dec. 31, 2021); *see also, Id.* at 29.
16 On information and belief, UMPG sells, offers to sell, and/or uses products and
17 services throughout the United States, including in this judicial district, and
18 introduces infringing products and services into the stream of commerce knowing
19 that they would be sold and/or used in this judicial district and elsewhere in the
20 United States.

21 8. On information and belief, Defendants act individually and/or in
22 concert to further the goals of UM Group under the direction and control of UM
23 Group.

24 **JURISDICTION AND VENUE**

25 9. This is an action for patent infringement arising under the Patent Laws
26 of the United States, Title 35 of the United States Code.

27

1 10. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331
2 and 1338(a).

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

4 12. This Court has personal jurisdiction over UMG under the laws of the
5 State of California due at least to their substantial business in California and in this
6 judicial district, directly or through intermediaries, including: (i) at least a portion
7 of the infringements alleged herein; and (ii) regularly doing or soliciting business,
8 engaging in other persistent courses of conduct and/or deriving substantial revenue
9 from goods and services provided to individuals in the State of California.

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BACKGROUND

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The Invention

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13. Scott A. Moskowitz is the inventor of U.S. Patent No. 7,664,263 B2
14 (“the ’263 patent”). A true and correct copy of the ’263 patent is attached as
15 Exhibit A.

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14. On February 16, 2010, the ’263 patent was duly and legally issued by
the United States Patent and Trademark Office under the title “Method for
Combining Transfer Functions with Predetermined Key Creation.”

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15. Blue Spike LLC, Blue Spike Int., and Wistaria, collectively, are the
owners of all substantial rights, title and interest in and to the ’263 patent,
including the right to assert all causes of action arising under said patent and the
right to any remedies for infringement of it.

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16. Scott A. Moskowitz is the inventor of U.S. Patent No. 8,265,276 (“the
’276 patent”). A true and correct copy of the ’276 patent is attached as Exhibit B.

17. On September 11, 2012, the ’276 patent was duly and legally issued
by the United States Patent and Trademark Office under the title “Method for
Combining Transfer Functions with Predetermined Key Creation.”

1 18. Blue Spike LLC, Blue Spike Int., and Wistaria, collectively, are the
2 owners of all substantial rights, title and interest in and to the '276 patent,
3 including the right to assert all causes of action arising under said patent and the
4 right to any remedies for infringement of it.

5 19. Scott A. Moskowitz and Mike W. Berry are the inventors of U.S.
6 Patent No. 7,813,506 (“the '506 patent”). A true and correct copy of the '506
7 patent is attached as Exhibit C.

8 20. On October 12, 2010, the '506 patent was duly and legally issued by
9 the United States Patent and Trademark Office under the title “Systems and
10 Methods for Permitting Open Access to Data Objects and for Securing Data within
11 the Data Objects.”

12 21. Blue Spike LLC, Blue Spike Int., and Wistaria, collectively, are the
13 owners of all substantial rights, title and interest in and to the '506 patent,
14 including the right to assert all causes of action arising under said patent and the
15 right to any remedies for infringement of it.

16 22. Scott A. Moskowitz is the inventor of U.S. Patent No. 7,647,502 B2
17 (“the '502 patent”). A true and correct copy of the '502 patent is attached as
18 Exhibit D.

19 23. On January 12, 2010, the '502 patent was duly and legally issued by
20 the United States Patent and Trademark Office under the title “Optimization
21 Methods for the Insertion, Protection, and Detection of Digital Watermarks in
22 Digital Data.”

23 24. Blue Spike LLC, Blue Spike Int., and Wistaria, collectively, are the
24 owners of all substantial rights, title and interest in and to the '502 patent,
25 including the right to assert all causes of action arising under said patent and the
26 right to any remedies for infringement of it.

27 25. The '263 patent, the '276 patent, '506 patent, and the '502 patent

1 (collectively, “the Asserted Patents”) all cover pioneering technologies for rights
2 management and content security.

3 26. The Asserted Patents resulted from the pioneering efforts of the
4 Inventor Scott Moskowitz (hereinafter “the Inventor”) in the area of protection of
5 digital information. These efforts resulted in the development of systems,
6 methods, and devices for data protection memorialized in the mid-2000s. At the
7 time of these pioneering efforts, the most widely implemented technology used to
8 address the difficulty of protecting intellectual property was copy protection.
9 However, the industry widely acknowledged a need for a superior IP protection
10 technology because the cost of developing copy protection technologies was high
11 and did not sufficiently reduce piracy. The Inventor conceived of the inventions
12 claimed in the Asserted Patents as a way to solve at least this need.

13 27. For example, the Inventor developed systems and methods that protect
14 digital information by identifying and encoding a portion of the format
15 information. Encoded digital information, including the digital sample and the
16 encoded format information, is generated to protect the original digital
17 information. *See, e.g.*, Exhibit A at Abstract; Exhibit B at Abstract.

18 28. As another example, the Inventor developed methods and systems
19 which combine transfer functions with predetermined key creation and enhance
20 trust in transactions in connection with sophisticated security, scrambling, and
21 encryption technology by, for example, steganographic, encryption, authentication,
22 and/or security means. *See, e.g.*, Exhibit A at 4:63-5:14, 5:24-6:18; Exhibit B at
23 4:66-5:17, 5:27-6:20; Exhibit C at 2:35-3:56; Exhibit D at 3:16-6:37, 6:42-7:5.

24 **Advantage Over the Prior Art**

25 29. The patented inventions disclosed in the Asserted Patents provide
26 many advantages over the prior art. For example, use of at least some of the
27 patented inventions improves the handling of authentication, verification, and

1 authorization with steganographic protocols to achieve efficient, trusted, secure
2 exchange of digital information relative to prior art methods. *See, e.g.*, Exhibit A
3 at 5:24-6:18, 6:53-7:62; Exhibit B at 5:27-6:20; Exhibit C at 6:4-30.

4 30. An advantage of at least some of the patented inventions in the
5 Asserted Patents is allowing for rights-holders to allow even unauthorized users to
6 play the information within a digital player, but with a reduced level of quality,
7 allowing those users to upgrade their experience by becoming authorized users.
8 *See e.g.*, Exhibit A at 4:38-54; Exhibit B at 4:43-58.

9 31. Another advantage of at least some of the patented inventions is the
10 creation of more optimal watermark systems that are increasingly tamper-resistant
11 given the number and breadth of existent digitized sample options that have
12 different frequency and time components. *See, e.g.*, Exhibit C at 6:19-30; Exhibit
13 D at 9:10-15.

14 32. Yet another advantage of at least some of the patented inventions is
15 that they preserve the quality of underlying content signals while using methods to
16 quantify the quality to identify and highlight advantageous locations for the
17 insertion of digital watermarks. *See, e.g.*, Exhibit C at 3:31-40, 11:47-63, 14:19-
18 15:10; Exhibit D at 11:62-65.

19 33. Because of these significant advantages that can be achieved through
20 the use of the patented inventions, the Asserted Patents present significant
21 commercial value for companies like Defendants. Indeed, higher economic value
22 can be attributed to a given content provider because of the security in transferring
23 information between parties by steganographic, encryption, authentication, and/or
24 security means, which increases the security of the transmission of the
25 data/information. Indeed, the technology described and claimed in the Asserted
26 Patents reads on the core security functionality of Defendants' digital security in its
27 digital audio products.

1 **Technological Innovation**

2 34. The patented inventions disclosed in the Asserted Patents resolve
3 technical problems related to protection of digital information—particularly
4 problems related to the utilization of sophisticated security, scrambling, and/or
5 encryption technology by, for example, steganographic, encryption, authentication,
6 and/or security means. For example, as the Asserted Patents explain, prior art
7 methods of copy protection faced a tradeoff between copy protection and signal
8 quality, while the Asserted Patents enable simultaneous optimization of both. *See,*
9 *e.g.*, Exhibit A at 4:38-54; Exhibit B at 4:43-58; Exhibit C at 6:4-8:29, 14:19-
10 15:10; Exhibit D at 11:62-65.

11 35. The claims of the Asserted Patents do not merely recite the
12 performance of some well-known business practice from the pre-Internet world
13 along with the requirement to perform it on the Internet. Instead, the claims of the
14 Asserted Patents recite inventive concepts that are deeply rooted in engineering
15 technology and overcome problems specifically arising out of protecting digital
16 information in a highly distributed environment.

17 36. In addition, the claims of the Asserted Patents recite inventive
18 concepts that improve the functioning of devices for protecting digital information.
19 By way of example, at least some of the claims increase security of digital
20 information and do so in a way that provides control over the playback of digital
21 information over both authorized and unauthorized devices.

22 37. Moreover, the claims of the Asserted Patents recite inventive concepts
23 that are not merely routine or conventional use of computer components. Instead,
24 the patented inventions disclosed in the Asserted Patents provide a novel solution
25 to specific problems related to protecting digital information.

26 38. The patented inventions disclosed in the Asserted Patents do not
27 preempt all the ways of protecting digital information, nor do the Asserted Patents

1 preempt any other well-known or prior art technology.

2 39. Accordingly, the claims in the Asserted Patents recite a combination
3 of elements sufficient to ensure that the claims in substance and in practice amount
4 to significantly more than a patent-ineligible abstract idea.

5 **Prior Litigation**

6 40. The '263 Patent was previously litigated in the Central District of
7 California in Case No. 2:18-cv-03970, Case No. 2:18-cv-04525, Case No. 2:18-cv-
8 05026, and Case No. 2:19-cv-00748, and in the Eastern District of Texas in Case
9 No. 6:18-cv-00381 and Case No. 6:18-cv-00382.

10 41. The '276 Patent was previously litigated in the Central District of
11 California in Case No. 2:18-cv-03970, Case No. 2:18-cv-04525, Case No. 2:18-cv-
12 05026, and Case No. 2:19-cv-00748, and in the Eastern District of Texas in Case
13 No. 2:16-cv-00329.

14 42. The '506 patent was previously litigated in the Central District of
15 California in Case No. 2:19-cv-00748, Case No. 2:118-cv-05391, Case No. 2:18-
16 cv-05396, Case No. 2:18-cv-05026, Case No. 2:18-cv-04525, and Case No. 2:18-
17 cv-03970, in the Northern District of California in Case No. 5:18-cv-03392, in the
18 District of Delaware in Case No. 1:19-cv-00161, Case No. 1:18-cv-01402, and in
19 the Eastern District of Texas in Case No. 6:17-cv-00175, Case No. 6:17-cv-00016,
20 Case No. 6:16-cv-01384, and Case No. 2:16-cv-00329.

21 43. The '502 patent was previously litigated in the Eastern District of
22 Texas in Case No. 6:17-cv-00016 and Case No. 6:17-cv-00053, and in the
23 Northern District of California in Case No. 5:17-cv-04780 and Case No. 5:18-cv-
24 03392.

25 **CAUSES OF ACTION**

26 **Accused Instrumentalities**

27 44. "Accused Instrumentalities" as used herein refers to at least (1) digital

1 content of various formats that include watermarking and/or application of one or
2 more security aspects, and/or (2) computing devices and/or software associated
3 with encoding and/or securing digital content, such encoding and/or securing
4 including watermarking and/or applying one or more security aspects to the digital
5 content. Such computing devices and/or software further include but are not
6 limited to those used to distribute such digital content.

7 45. By way of example, the Accused Instrumentalities include, but are not
8 limited to, computing devices and/or software that encode and/or distribute digital
9 content in the MQA file format, as described in the accompanying Exhibits: UMG
10 performs a method for protecting a digital signal (claim 1, '263 patent; claim 1,
11 '276 patent); UMG performs a method for distributing accessible digital content
12 (claim 6, '506 patent); and UMG performs a method for encoding at least one
13 watermark in a content signal (claim 1, '502 patent).

14 46. Evidence of non-limiting examples of infringement include at least
15 the following, as described in the accompanying Exhibits:

- 16 • UMG is a leading music producer that creates and owns content signals
17 such as digital audio files.
- 18 • UMG owns accessible digital content (e.g., digital audio files or “songs”)
19 that it distributes to various parties, including, for example, music
20 streaming services. *See, e.g.,* Spangler, Todd, “Pandora Inks Deals with
21 Sony Music, UMG, Indies for U.S. Music Subscription Service,”
22 VARIETY, *available at* [https://variety.com/2016/digital/news/pandora-](https://variety.com/2016/digital/news/pandora-sony-umg-music-subscription-service-1201859059/)
23 [sony-umg-music-subscription-service-1201859059/](https://variety.com/2016/digital/news/pandora-sony-umg-music-subscription-service-1201859059/) (Sept. 13, 2016).
- 24 • On information and belief, UMG has agreed to make a portion of its
25 massive catalog of master recordings available in the MQA hi-res audio
26 file format, which defines how the digital signal (i.e., digital audio file) is
27 encoded. *See, e.g.,* Andy Gensler, “Universal Music and MQA

1 Announce Hi-Res Streaming Collaboration,” BILLBOARD,
2 [https://www.billboard.com/articles/business/7694109/universal-music-](https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-announce-hi-res-streaming-collaboration)
3 [and-mqa-announce-hi-res-streaming-collaboration](https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-announce-hi-res-streaming-collaboration) (Feb. 16, 2017)
4 (“UMG has agreed to make a portion of its massive catalog of master
5 recordings available in the hi-res audio format.”); *see also*, Kris Wouk,
6 “Universal Music Group is the latest company to offer music in hi-res
7 MQA format,” DIGITALTRENDS, [https://www.digitaltrends.com/home-](https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-res-audio/)
8 [theater/mqa-universal-music-group-deal-hi-res-audio/](https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-res-audio/) (Feb. 16, 2017).

- 9 • The MQA file format protects the underlying digital signal. *See* Hugh
10 Robjohns, “MQA Time-domain Accuracy & Digital Audio Quality,”
11 [https://www.soundonsound.com/techniques/mqa-time-domain-accuracy-](https://www.soundonsound.com/techniques/mqa-time-domain-accuracy-digital-audio-quality)
12 [digital-audio-quality](https://www.soundonsound.com/techniques/mqa-time-domain-accuracy-digital-audio-quality) (Aug. 2016).
- 13 • Encoding into the MQA file format includes encoding at least one
14 watermark into the content signal because MQA encoding manipulates a
15 content signal by “fold[ing] down” the content signal via a process
16 known as “audio origami.” After this “fold down” process, “[t]o
17 complete the MQA encoding, a reversible lossless digital [i.e., comprised
18 of bits] *watermark is embedded all the way through the resulting file.*”
19 (emphasis added). *See* Andrew Harrison, “MQA explained: Everything
20 you need to know about high-res audio,” ARSTECHNICA,
21 [https://arstechnica.com/gadgets/2017/05/mqa-explained-everything-you-](https://arstechnica.com/gadgets/2017/05/mqa-explained-everything-you-need-to-know-about-high-res-audio/4/)
22 [need-to-know-about-high-res-audio/4/](https://arstechnica.com/gadgets/2017/05/mqa-explained-everything-you-need-to-know-about-high-res-audio/4/) (May 2, 2017).
- 23 • Additionally and/or alternatively, MQA encoding includes a step
24 incorporating a digital “signature” that is “buried within the audio data”
25 of the content signal being encoded to MQA format. This signature will
26 be examined by any player device capable of playing the resulting MQA
27 file for authentication purposes. Such a signature may be considered a

1 watermark. *See* Hugh Robjohns, “MQA Time-domain Accuracy &
2 Digital Audio Quality,” [https://www.soundonsound.com/techniques/mqa-](https://www.soundonsound.com/techniques/mqa-time-domain-accuracy-digital-audio-quality)
3 [time-domain-accuracy-digital-audio-quality](https://www.soundonsound.com/techniques/mqa-time-domain-accuracy-digital-audio-quality) (Aug. 2016).

4 • *See also generally*, Bob Stuart, “Provenance and Containers,” BOB
5 TALKS, [https://bobtalks.co.uk/blog/provenance/provenance-and-](https://bobtalks.co.uk/blog/provenance/provenance-and-containers/)
6 [containers/](https://bobtalks.co.uk/blog/provenance/provenance-and-containers/) (last visited Aug. 30, 2022).

7 47. Blue Spike reserves the right to supplement, amend or otherwise
8 modify this analysis and/or evidence based on any claim construction or expert
9 reports or discovery.

10 **Notice and Knowledge of the Patents**

11 48. On information and belief, UMG had notice (actual or constructive)
12 and/or knowledge of Blue Spike’s patents and its infringement thereof throughout
13 the damages period.

14 49. On information and belief, UMG acquired notice and/or knowledge of
15 the Asserted Patents and its infringement thereof as a result of UMG and Blue
16 Spike’s prior business dealings. By way of example, in the years 2001-2003,
17 UMG and Blue Spike entered into and conducted business pursuant to an
18 agreement whereby UMG licensed certain software from Blue Spike. In the course
19 of conduct of those business dealings, Blue Spike informed UMG of its extensive
20 and growing patent portfolio, including patents related to the Asserted Patents.

21 50. On information and belief, UMG acquired notice and/or knowledge of
22 the Asserted Patents and its infringement thereof as a result of the participation of
23 Blue Spike’s and UMG’s mutual attendance at and participation in industry
24 conferences, organizations, and events where Blue Spike’s patent portfolio was
25 discussed. By way of example, Blue Spike and UMG were participants in the
26 Secure Digital Music Initiative (SDMI). *See, e.g.*, Secure Digital Music Initiative,
27 “Participant List,” available at

1 https://web.archive.org/web/20020924131635/http://www.sdmi.org/participant_list
2 [.htm](https://web.archive.org/web/20020924131635/http://www.sdmi.org/participant_list) (last updated 18 October 2000) (UMG is listed as an SDMI participant)). In
3 April 2001, Blue Spike revealed to the participants in the SDMI that it owned an
4 extensive patent portfolio related to watermarking and other file security
5 technologies. Blue Spike disclosed to the participants Blue Spike’s issued patents
6 and published applications and further indicated that Blue Spike’s patent portfolio
7 included additional pending patent applications and that new patent filings were
8 contemplated. The disclosed patents included at least 5,889,868, which is directly
9 related to the ’502 patent. Pending applications at that time include applications
10 directly related to the ’276 patent, ’263 patent, and ’506 patent.

11 51. On information and belief, UMG acquired notice and/or knowledge of
12 the Asserted Patents and its infringement thereof as a result of patent infringement
13 lawsuits against its customers and partners. By way of example, Blue Spike has
14 asserted that streaming services Pandora, Spotify, Tidal, and SoundCloud infringed
15 one or more of the Asserted Patents based on each defendant’s handling of digital
16 audio files, including UMG digital audio files. *See, e.g., Blue Spike LLC v.*
17 *Pandora Media, Inc.*, No. 2:18-cv-04525 (C.D. Cal. 2018); *Blue Spike LLC et al. v.*
18 *Pandora Media, Inc.*, No. 2:19-cv-00748 (C.D. Cal. 2019); *Blue Spike LLC v.*
19 *Spotify USA Inc. et al.*, No. 2:18-cv-03970 (C.D. Cal. 2018); *Blue Spike LLC v.*
20 *Aspiro AB*, No. 2:18-cv-05026 (C.D. Cal. 2018); *Blue Spike LLC et al. v.*
21 *SoundCloud Ltd.*, No. 1:19-cv-00161 (D. Del. 2019). On information and belief,
22 one or more of UMG’s customers or partners named or otherwise implicated in
23 these lawsuits informed UMG of the Asserted Patents and claims of infringement.
24 By way of example, Blue Spike implicated UMG’s watermarking of music at least
25 in an amended complaint of the above-indicated *Pandora* case in 2018 and, on
26 information and belief, Pandora contacted UMG regarding the lawsuit. *See, e.g.,*
27 *Blue Spike LLC v. Pandora Media, Inc.*, Document 35-5, No. 2:18-cv-04525 (C.D.

1 Cal. 2018). Further, in the successor *Pandora* case in 2019, Blue Spike requested
2 discovery from UMG entities. *See, e.g., Blue Spike LLC et al. v. Pandora Media,*
3 *Inc.*, Document 146, No. 2:19-cv-00748 (C.D. Cal. 2019). Both of these lawsuits
4 against Pandora involved the '263 patent, '276 patent, and '506 patent.

5 52. Discovery is expected to uncover the extent of UMG's notice and
6 knowledge of the Asserted Patents.

7 **COUNT I – INFRINGEMENT OF U.S. PATENT NO. 7,664,263**

8 53. The allegations set forth in the foregoing paragraphs are incorporated
9 into this First Claim for Relief.

10 54. On information and belief, UM Group, UMG Manufacturing, and
11 UMPG, individually and/or in concert, have and continue to directly infringe one
12 or more claims of the '263 patent under 35 U.S.C. § 271(a) by selling, offering to
13 sell, making, using, and/or providing and causing to be used, the Accused
14 Instrumentalities. *See, e.g.,* Kris Wouk, "Universal Music Group is the latest
15 company to offer music in hi-res MQA format," DIGITALTRENDS,
16 [https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-](https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-res-audio/)
17 [res-audio/](https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-res-audio/) (Feb. 16, 2017).

18 55. On information and belief, the Accused Instrumentalities perform a
19 method for protecting a digital signal by creating a predetermined key and
20 manipulating the digital signal using the predetermined key when performing the
21 MQA encoding process, which necessarily infringes at least claim 1 of the '263
22 patent.

23 56. Exemplary infringement analysis showing infringement of claim 1 of
24 the '263 patent is set forth in Exhibit E. This infringement analysis is necessarily
25 preliminary, as it is provided in advance of any discovery provided by UMG with
26 respect to the '263 patent. Blue Spike reserves all rights to amend, supplement and
27 modify this preliminary infringement analysis. Nothing in the attached chart

1 should be construed as any express or implied contention or admission regarding
2 the construction of any term or phrase of the claims of the '263 patent.

3 57. The Accused Instrumentalities have infringed and continue to infringe
4 claim 1 of the '263 patent during the pendency of the '263 patent.

5 58. In addition to the notice and knowledge described above, on
6 information and belief, UMG had actual notice and knowledge of the '263 patent
7 at least as early as the date of the filing of this complaint. UMG has induced and
8 continues to induce others to infringe at least claim 1 of the '263 patent under 35
9 U.S.C. § 271(b) by, among other things, and with specific intent or willful
10 blindness, actively aiding and abetting others' infringement, including but not
11 limited to the infringement of UMG's partners and customers, whose use of the
12 Accused Instrumentalities constitutes direct infringement of at least claims 1 of the
13 '263 patent.

14 59. UMG's actions that aid and abet the infringement of others such as
15 their partners and customers include at least distributing the Accused
16 Instrumentalities and providing materials and/or services related to the Accused
17 Instrumentalities. On information and belief, UMG has engaged in such actions
18 with specific intent to cause infringement or with willful blindness to the resulting
19 infringement because UMG has had actual knowledge of the '263 patent and that
20 its acts were inducing infringement of the '263 patent.

21 60. In particular, on information and belief, UMG's acts of inducement
22 include, *inter alia*, partnering with company MQA Limited to infringe the '263
23 patent by encoding UMG's digital audio files in MQA format. *See, e.g.,* Andy
24 Gensler, "Universal Music and MQA Announce Hi-Res Streaming Collaboration,"
25 BILLBOARD, [https://www.billboard.com/articles/business/7694109/universal-](https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-announce-hi-res-streaming-collaboration)
26 [music-and-mqa-announce-hi-res-streaming-collaboration](https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-announce-hi-res-streaming-collaboration) (Feb. 16, 2017)).

27

1 61. On information and belief, since UMG had knowledge of the '263
2 patent, UMG's infringement has been and continues to be willful.

3 62. Additionally, because MQA Limited is based in London, UK (*see*,
4 *e.g.*, <https://www.mqa.co.uk/terms-and-conditions>), on information and belief, UM
5 Group, UMG Manufacturing, and UMPG, individually and/or in concert, have
6 directly infringed and continue to infringe at least claim 1 of the '263 patent
7 literally or under the doctrine of equivalents, by importing into the United States,
8 and/or using, and/or selling, and/or offering for sale in the United States, without
9 authority or license, the Accused Instrumentalities, in violation of 35 U.S.C. §
10 271(g). As described herein, digital content in MQA format is made using a
11 process including all of the limitations of at least claim 1 of the '263 patent.

12 63. Discovery is expected to uncover the full extent of UMG's
13 infringement of the '263 patent beyond that already identified herein.

14 64. Blue Spike has been harmed by the UMG's infringing activities.

15 **COUNT II – INFRINGEMENT OF U.S. PATENT NO. 8,265,276**

16 65. The allegations set forth in the foregoing paragraphs are incorporated
17 into this Second Claim for Relief.

18 66. On information and belief, UM Group, UMG Manufacturing, and
19 UMPG, individually and/or in concert, have directly infringed one or more claims
20 of the '276 patent under 35 U.S.C. § 271(a) by selling, offering to sell, making,
21 using, and/or providing and causing to be used, the Accused Instrumentalities.
22 *See, e.g.*, Kris Wouk, "Universal Music Group is the latest company to offer music
23 in hi-res MQA format," DIGITALTRENDS, [https://www.digitaltrends.com/home-](https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-res-audio/)
24 [theater/mqa-universal-music-group-deal-hi-res-audio/](https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-res-audio/) (Feb. 16, 2017).

25 67. On information and belief, the Accused Instrumentalities perform a
26 method for protecting a digital signal by creating a predetermined key comprising
27 one or more mask sets, manipulating the digital signal using the predetermined

1 key, and validating the one or more mask sets either before or after manipulating
2 the digital signal, when performing the MQA encoding process, which necessarily
3 infringes at least claim 1 of the '276 patent.

4 68. Exemplary infringement analysis showing infringement of claim 1 of
5 the '276 patent is set forth in Exhibit F. This infringement analysis is necessarily
6 preliminary, as it is provided in advance of any discovery provided by UMG with
7 respect to the '276 patent. Blue Spike reserves all rights to amend, supplement and
8 modify this preliminary infringement analysis. Nothing in the attached chart
9 should be construed as any express or implied contention or admission regarding
10 the construction of any term or phrase of the claims of the '276 patent.

11 69. The Accused Instrumentalities have infringed claim 1 of the '276
12 patent during the pendency of the '276 patent.

13 70. On information and belief, UMG had notice and knowledge of the
14 '276 patent as described above. UMG has induced others to infringe at least claim
15 1 of the '276 patent under 35 U.S.C. § 271(b) by, among other things, and with
16 specific intent or willful blindness, actively aiding and abetting others'
17 infringement, including but not limited to the infringement of UMG's partners and
18 customers, whose use of the Accused Instrumentalities constitutes direct
19 infringement of at least claim 1 of the '276 patent.

20 71. UMG's actions that aid and abet the infringement of others such as
21 their partners and customers to infringe include at least distributing the Accused
22 Instrumentalities and providing materials and/or services related to the Accused
23 Instrumentalities. On information and belief, the UMG has engaged in such
24 actions with specific intent to cause infringement or with willful blindness to the
25 resulting infringement because the UMG has had actual knowledge of the '276
26 patent and that its acts were inducing infringement of the '276 patent since UMG
27 has had knowledge of the '276 patent.

1 72. In particular, on information and belief, UMG’s acts of inducement
2 include, *inter alia*, partnering with company MQA Limited to infringe the ’276
3 patent by encoding UMG’s digital audio files in MQA format (*see, e.g.*, Andy
4 Gensler, “Universal Music and MQA Announce Hi-Res Streaming Collaboration,”
5 BILLBOARD, [https://www.billboard.com/articles/business/7694109/universal-](https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-announce-hi-res-streaming-collaboration)
6 [music-and-mqa-announce-hi-res-streaming-collaboration](https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-announce-hi-res-streaming-collaboration) (Feb. 16, 2017)).

7 73. On information and belief, since UMG had knowledge of the ’276
8 patent, UMG’s infringement has been willful.

9 74. Additionally, because MQA Limited is based in London, UK (*see,*
10 *e.g.*, <https://www.mqa.co.uk/terms-and-conditions>), on information and belief, UM
11 Group, UMG Manufacturing, and UMPG, individually and/or in concert, have
12 directly infringed at least claim 1 of the ’276 patent literally or under the doctrine
13 of equivalents, by importing into the United States, and/or using, and/or selling,
14 and/or offering for sale in the United States, without authority or license, the
15 Accused Instrumentalities, in violation of 35 U.S.C. § 271(g). As described herein,
16 digital content in MQA format is made using a process including all of the
17 limitations of at least claim 1 of the ’276 patent.

18 75. Discovery is expected to uncover the full extent of UMG’s
19 infringement of the ’276 patent beyond that already identified herein.

20 76. Blue Spike has been harmed by UMG’s infringing activities.

21 **COUNT III – INFRINGEMENT OF U.S. PATENT NO. 7,813,506**

22 77. The allegations set forth in the foregoing paragraphs are incorporated
23 into this Third Claim for Relief.

24 78. On information and belief, UM Group, UMG Manufacturing, and
25 UMPG, individually and/or in concert, have directly infringed one or more claims
26 of the ’506 patent under 35 U.S.C. § 271(a) by selling, offering to sell, making,
27 using, and/or providing and causing to be used Accused Instrumentalities. *See,*

1 e.g., Kris Wouk, “Universal Music Group is the latest company to offer music in
2 hi-res MQA format,” DIGITALTRENDS, [https://www.digitaltrends.com/home-](https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-res-audio/)
3 [theater/mqa-universal-music-group-deal-hi-res-audio/](https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-res-audio/) (Feb. 16, 2017).

4 79. On information and belief, the Accused Instrumentalities perform a
5 method for distributing accessible digital content by selecting and applying a
6 scrambling technique to such digital content using a predetermined key resulting in
7 perceptively degraded digital content when performing the MQA encoding
8 process, and distributing such scrambled digital content, which necessarily
9 infringes at least claim 6 of the ’506 patent.

10 80. Exemplary infringement analysis showing infringement of claim 6 of
11 the ’506 patent is set forth in Exhibit G. This infringement analysis is necessarily
12 preliminary, as it is provided in advance of any discovery provided by UMG with
13 respect to the ’506 patent. Blue Spike reserves all rights to amend, supplement and
14 modify this preliminary infringement analysis. Nothing in the attached chart
15 should be construed as any express or implied contention or admission regarding
16 the construction of any term or phrase of the claims of the ’506 patent.

17 81. The Accused Instrumentalities have infringed claim 6 of the ’506
18 patent during the pendency of the ’506 patent.

19 82. On information and belief, UMG had notice and knowledge of the
20 ’506 patent as described above. UMG has induced others to infringe at least claim
21 6 of the ’506 patent under 35 U.S.C. § 271(b) by, among other things, and with
22 specific intent or willful blindness, actively aiding and abetting others’
23 infringement, including but not limited to the infringement of UMG’s partners and
24 customers, whose use of the Accused Instrumentalities constitutes direct
25 infringement of at least claim 6 of the ’506 patent.

26 83. UMG’s actions that aid and abet the infringement others such as their
27 partners and customers include at least distributing the Accused Instrumentalities

1 and providing materials and/or services related to the Accused Instrumentalities.
2 On information and belief, the UMG has engaged in such actions with specific
3 intent to cause infringement or with willful blindness to the resulting infringement
4 because the UMG has had actual knowledge of the '506 patent and that its acts
5 were inducing infringement of the '506 patent since UMG has had knowledge of
6 the '506 patent.

7 84. In particular, on information and belief, UMG's acts of inducement
8 include, *inter alia*, partnering with company MQA Limited to infringe the '506
9 patent by encoding and distributing UMG's digital audio files in MQA format (*see*,
10 *e.g.*, Andy Gensler, "Universal Music and MQA Announce Hi-Res Streaming
11 Collaboration," BILLBOARD,
12 [https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-](https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-announce-hi-res-streaming-collaboration)
13 [announce-hi-res-streaming-collaboration](https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-announce-hi-res-streaming-collaboration) (Feb. 16, 2017)).

14 85. On information and belief, since UMG had knowledge of the '506
15 patent, UMG's infringement has been willful.

16 86. Additionally, because MQA Limited is based in London, UK (*see*,
17 *e.g.*, <https://www.mqa.co.uk/terms-and-conditions>), on information and belief, UM
18 Group, UMG Manufacturing, and UMPG, individually and/or in concert, have
19 directly infringed at least claim 6 of the '506 patent literally or under the doctrine
20 of equivalents, by importing into the United States, and/or using, and/or selling,
21 and/or offering for sale in the United States, without authority or license, the
22 Accused Instrumentalities, in violation of 35 U.S.C. § 271(g). As described herein,
23 digital content in MQA format is made using a process including all of the
24 limitations of at least claim 6 of the '506 patent.

25 87. Discovery is expected to uncover the full extent of UMG's
26 infringement of the '506 patent beyond that already identified herein.

27 88. Blue Spike has been harmed by the UMG's infringing activities.

1 **COUNT IV – INFRINGEMENT OF U.S. PATENT NO. 7,647,502**

2 89. The allegations set forth in the foregoing paragraphs are incorporated
3 into this Fourth Claim for Relief.

4 90. On information and belief, UM Group, UMG Manufacturing, and
5 UMPG, individually and/or in concert, have directly infringed one or more claims
6 of the '502 patent under 35 U.S.C. § 271(a) by selling, offering to sell, making,
7 using, and/or providing and causing to be used the Accused Instrumentalities. *See,*
8 *e.g.*, Kris Wouk, “Universal Music Group is the latest company to offer music in
9 hi-res MQA format,” DIGITALTRENDS, [https://www.digitaltrends.com/home-](https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-res-audio/)
10 [theater/mqa-universal-music-group-deal-hi-res-audio/](https://www.digitaltrends.com/home-theater/mqa-universal-music-group-deal-hi-res-audio/) (Feb. 16, 2017).

11 91. On information and belief, the Accused Instrumentalities perform a
12 method for encoding at least one watermark in a content signal by predetermining
13 a number of bits in the content signal to be encoded based on at least one of a fixed
14 length key and signal characteristics of the content signal and encoding the
15 watermark in the predetermined bits when performing the MQA encoding process,
16 which necessarily infringes at least claim 1 of the '502 patent.

17 92. Exemplary infringement analysis showing infringement of claim 1 of
18 the '502 patent is set forth in Exhibit H. This infringement analysis is necessarily
19 preliminary, as it is provided in advance of any discovery provided by UMG with
20 respect to the '502 patent. Blue Spike reserves all rights to amend, supplement and
21 modify this preliminary infringement analysis. Nothing in the attached chart
22 should be construed as any express or implied contention or admission regarding
23 the construction of any term or phrase of the claims of the '502 patent.

24 93. The Accused Instrumentalities have infringed claim 1 of the '502
25 patent during the pendency of the '502 patent.

26 94. On information and belief, UMG had notice and knowledge of the
27 '502 patent as described above. UMG has induced others to infringe at least claim

1 1 of the '502 patent under 35 U.S.C. § 271(b) by, among other things, and with
2 specific intent or willful blindness, actively aiding and abetting others'
3 infringement, including but not limited to the infringement of UMG's partners and
4 customers, whose use of the Accused Instrumentalities constitutes direct
5 infringement of at least claim 1 of the '502 patent.

6 95. UMG's actions that aid and abet the infringement of others such as
7 their partners and customers to infringe include at least distributing the Accused
8 Instrumentalities and providing materials and/or services related to the Accused
9 Instrumentalities. On information and belief, the UMG has engaged in such
10 actions with specific intent to cause infringement or with willful blindness to the
11 resulting infringement because the UMG has had actual knowledge of the '502
12 patent and that its acts were inducing infringement of the '502 patent since UMG
13 has had knowledge of the '502 patent.

14 96. In particular, on information and belief, UMG's acts of inducement
15 include, *inter alia*, partnering with company MQA Limited to infringe the '506
16 patent by encoding UMG's digital audio files in MQA format (*see, e.g.*, Andy
17 Gensler, "Universal Music and MQA Announce Hi-Res Streaming Collaboration,"
18 BILLBOARD, [https://www.billboard.com/articles/business/7694109/universal-](https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-announce-hi-res-streaming-collaboration)
19 [music-and-mqa-announce-hi-res-streaming-collaboration](https://www.billboard.com/articles/business/7694109/universal-music-and-mqa-announce-hi-res-streaming-collaboration) (Feb. 16, 2017)).

20 97. On information and belief, since UMG had knowledge of the '502
21 patent, UMG's infringement has been willful.

22 98. Additionally, because MQA Limited is based in London, UK (*see,*
23 *e.g.*, <https://www.mqa.co.uk/terms-and-conditions>), on information and belief, UM
24 Group, UMG Manufacturing, and UMPG, individually and/or in concert, have
25 directly infringed at least claim 1 of the '502 patent literally or under the doctrine
26 of equivalents, by importing into the United States, and/or using, and/or selling,
27 and/or offering for sale in the United States, without authority or license, the

1 Accused Instrumentalities, in violation of 35 U.S.C. § 271(g). As described herein,
2 digital content in MQA format is made using a process including all of the
3 limitations of at least claim 1 of the '502 patent.

4 99. Discovery is expected to uncover the full extent of UMG's
5 infringement of the '502 patent beyond that already identified herein.

6 100. Blue Spike has been harmed by the UMG's infringing activities.

7 **JURY DEMAND**

8 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Blue Spike
9 demands a trial by jury on all issues triable as such.

10 **PRAYER FOR RELIEF**

11 WHEREFORE, Plaintiff Blue Spike demands judgment for itself and against
12 UMG as follows:

13 A. An adjudication that UMG has infringed the patents in suit;

14 B. An award of damages to be paid by UMG adequate to compensate
15 Blue Spike for UMG's past infringement of the patents in suit, and any continuing
16 or future infringement through the date such judgment is entered, including
17 interest, costs, expenses and an accounting of all infringing acts including, but not
18 limited to, those acts not presented at trial;

19 C. A declaration that this case is exceptional under 35 U.S.C. § 285, and
20 an award of Blue Spike's reasonable attorneys' fees; and

21 D. An award to Blue Spike of such further relief at law or in equity as the
22 Court deems just and proper.

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1 Dated: December 13, 2022

By: /s/ Deepali Brahmbhatt

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