UNITED STATES DISTRICT COURT WESTERN DISTRICT OF TEXAS WACO DIVISION

LONE	STAR	TARGE	TED	ADV	ERTIS	SING,
LLC						

Plaintiff,

v.

STACKADAPT INC.

Defendant.

Civil. Action No. 6:23-cv-00534

JURY TRIAL DEMANDED

Plaintiff Lone Star Targeted Advertising, LLC ("LSTA"), for its Complaint against StackAdapt TV, 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, StackAdapt Inc., is a Canadian corporation with a business address at 100 University Ave, Floor 5, Toronto, ON M5J 1V6, Canada.

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 Western District, 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.

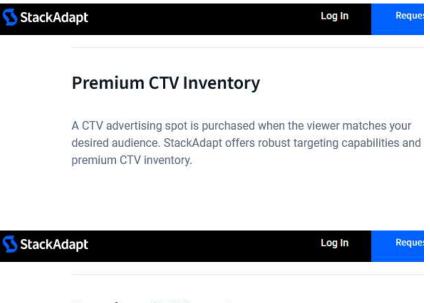
On information and belief, StackAdapt infringes Claim 9 of the '619 Patent

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

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

"Reaching relevant users on all devices and channels requires implementing a holistic targeting strategy. Leverage native, display, video, CTV, audio, and in-game to reach individuals across mobile, desktop, tablet, TV, and video games."

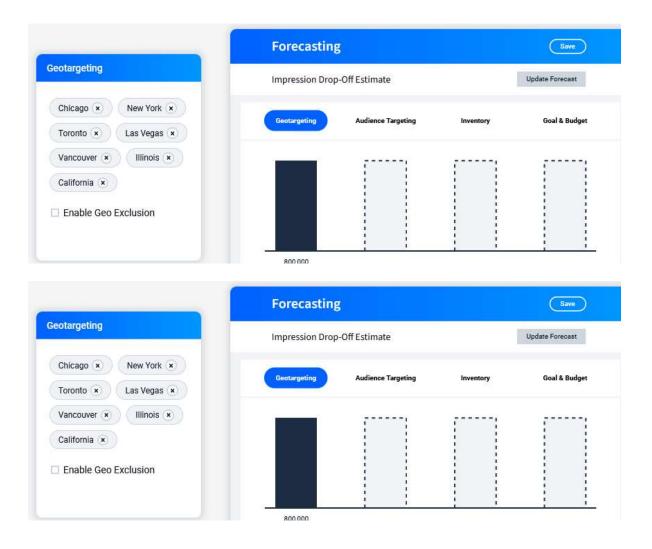
See - https://www.stackadapt.com/campaign-execution



Premium CTV Inventory

A CTV advertising spot is purchased when the viewer matches your desired audience. StackAdapt offers robust targeting capabilities and premium CTV inventory.

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 StackAdapt 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".



"...CTV gives advertisers access to something they've always wanted: more data. With the advent of streaming services and CTV, advertisers can gain a much deeper understanding of what motivates their customers. This gives the modern advertising professional an unprecedented advantage."

See - https://blog.stackadapt.com/introduction-to-connected-tv

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 StackAdapt's platform meets this requirement, as the sender is

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requesting the sending of information from sender to viewer based on viewer attributable information.

d. "providing a service center for communicating to a television station provider of the transmitted video signals encoding instructions to form encoded sender requested electronic information of the sender" -- StackAdapt platform is the service center that interfaces in providing information of advertiser, content provider, and the viewer:



Automatically serve the most relevant ad to the audience segments you need to drive results.

CTV Offers Precision Targeting

CTV leverages similar campaign setup and targeting as other programmatic media buys like <u>display</u>, <u>native</u> and <u>audio</u>. Therefore, you can assess progress against goals and metrics while a campaign is live, much like other programmatic campaigns.

Some of the targeting parameters advertisers can use include:

- 1. 1st-party audiences, including homepage visitors and past purchasers, on the big screen.
- 2. 3rd-party segments to target households based on traits like age, gender, income, presence of kids, vacationers, or shopping intent.
- 3. Lookalike audiences to target households that look most like your valuable 1st-party users by running a lookalike model in the platform.

Advertisers who employ CTV targeting metrics can leverage so much more than the baseline benefits of advertising on TV. Because you've honed in on your target audience, your retargeting campaigns become a gold mine of leads for your business. "

See - https://blog.stackadapt.com/integrate-connected-tv-advertising

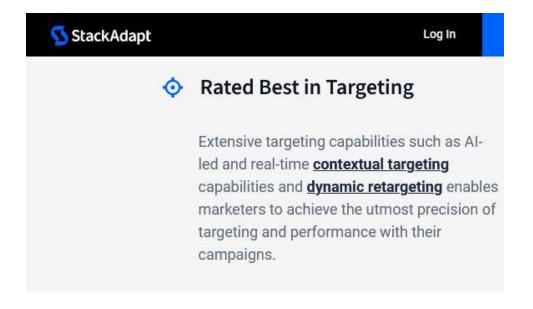
e. "transmitting a compound video signal including said non-viewer provided subset of viewer attribute information and said encoded sender requested electronic information of the sender by said television station provider of the transmitted video signals to said electronic device included with and in communication with said television belonging to the viewer."

This element is met as StackAdapt 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 StackAdapt TV's platform's ability to, for example:

"Give viewers the full-screen branding experience of TV advertising with all the benefits of programmatic.

As more consumers are saying goodbye to their cable TV packages, and shifting to streaming and connected TV (CTV) services, StackAdapt provides marketers an opportunity to reach viewers through connected TV advertising."

See - https://www.stackadapt.com/connected-tv-advertising



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.StackAdapt TV.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 StackAdapt TV, StackAdapt TV participated in the infringement (as described above) and received a benefit upon performance of the steps of the patented method. For example, StackAdapt TV 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. StackAdapt TV 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, StackAdapt TV's method has no substantial non-infringing uses and is especially made and/or adapted so as to infringe the '619 Patent.

 StackAdapt TV 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 StackAdapt TV 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: July 24, 2023 Respectfully submitted,

/s/ Raymond W. Mort, III
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