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7	Attorneys for Plaintiff PACKETVIDEO CORPORATION								
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9	UNITED STATES DISTRICT COURT								
10	SOUTHERN DISTRICT OF CALIFORNIA								
11	PACKETVIDEO CORPORATION, a Delaware	CASE NO'11CV1659 IEG WMc							
12	corporation,	CASE NO.							
13	Plaintiff,	COMPLAINT FOR RATENT							
14	V.	COMPLAINT FOR PATENT INFRINGEMENT							
15	SPOTIFY USA INC., a Delaware corporation,	DEMAND FOR JURY TRIAL							
16	SPOTIFY LIMITED, a United Kingdom								
17	corporation, and SPOTIFY TECHNOLOGY SARL, a Luxembourg corporation,								
18	Defendants.								
19	Detendants.								
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22	<u>COMPLAINT</u>								
23	Plaintiff PacketVideo Corporation ("PacketVideo") for its complaint against Defendants								
24	Spotify USA Inc. ("Spotify USA"); Spotify Limited ("Spotify UK") and Spotify Technology								
25	SARL ("Spotify Lux") (all collectively "Defendants"), hereby demands a jury trial and alleges as								
26	follows:								
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- This Court has jurisdiction over the subject matter of this action under 28 U.S.C.
- Venue is established in this judicial district pursuant to 28 U.S.C. §§ 1391(b), (c), (d) and 1400(b). Defendants have committed acts of infringement in this judicial district; and Defendants Spotify UK and Spotify Lux are alien companies.

This is a civil action for infringement of United States Patent No. 5,636,276 (the "Patent-in-Suit" or "'276 Patent"). This action is based upon the Patent Laws of the United States,

- Plaintiff PacketVideo Corporation ("PacketVideo") is a corporation organized under the laws of the state of Delaware, having its principal place of business at 10350 Science Center Drive, San Diego, CA 92121.
- 5. On information and belief, Defendant Spotify USA is incorporated under the laws of the state of Delaware, having its principal place of business at 76 9th Avenue, Suite 1110, 11th Floor, New York, NY 10011. On information and belief, Spotify products accused of infringement in this Complaint are and have been offered for sale, sold, and imported by Spotify USA in this and other judicial districts.
- 6. On information and belief, Defendant Spotify UK is incorporated under the laws of the United Kingdom, having its principal place of business at Golden House, 30 Great Pulteney Street, London W1F 9NN, United Kingdom. On information and belief, Spotify UK manufactures, distributes, and imports the products alleged to infringe herein in this and other judicial districts.
- 7. On information and belief, Defendant Spotify Lux is incorporated under the laws of Luxembourg, having its principal place of business at Avenue Marie-Therese 22, 2132 Luxembourg, Luxembourg. On information and belief, Spotify Lux manufactures, distributes, and imports the products alleged to infringe herein in this and other judicial districts.

8. Upon information and belief, at all relevant times mentioned in this Complaint, Defendants, and each of them, were the agents of each other, and in doing the things alleged herein, each was acting within the scope and course of its agency and authority and was subject to and under the supervision of its co-defendants as co-conspirators.

9. On information and belief, Defendants are subject to this Court's personal jurisdiction because they have conducted and do conduct business within this district. Defendants, including through intermediaries, (including, distributors, retailers, partners, subsidiaries and others), make, manufacture, ship, distribute, offer for sale, sell, advertise, and use their products and services in the United States, including this district, through which they derive substantial revenue. Personal jurisdiction exists specifically over Defendants because of their infringing conduct within and directed at citizens in this district, including by virtue of at least their website (www.spotify.com) that actively reaches out to citizens in the Southern District of California and offers Defendants' infringing products. These infringing products have been and continue to be used in this district. Defendants have committed patent infringement within this district.

## **Background Facts and the Patent-in-Suit**

- 10. Founded in 1998, PacketVideo is a San Diego-based company that produces software that allows the user to enjoy wireless music and video. PacketVideo offers everything from browsing for, recommendation of, and discovery of music and video, to the purchase, playback and sharing of music and video. The company's software supports all major media formats, broadcast standards, home networking protocols, operating systems and handsets/mobile phones. PacketVideo's customers include mobile operators such as Verizon Wireless, NTT DoCoMo and Orange, handset manufacturers, and consumer electronics companies. PacketVideo's software is currently embedded in more than 260 million devices worldwide and more than 320 different products.
- 11. PacketVideo's software products form the foundation for audience-interactive media experiences that give consumers the freedom to enjoy multimedia content however, whenever and wherever they want.

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12. Defendants offer a music streaming service called Spotify, found	at
www.spotify.com. The Spotify service provides streaming of selected music from a range	of
record labels (e.g., Sony, Warner, Universal, EMI). The Spotify service enables users to acce	ess
music available through the service. Specifically, the Spotify servers enable users to browse be	у,
for example, artist, album, record label, genre or playlist. The service is presently only available	in
the United States, and in certain countries of Europe. The system is currently accessible usi	ng
different computer software operating systems and mobile operating systems.	

13. On June 3, 1997, the United States Patent and Trademark Office ("USPTO") issued the '276 Patent to Rolf Brugger for his invention entitled "Device for the Distribution of Music in Digital Form." PacketVideo is the exclusive and current owner of all right, title, and interest in and to the '276 Patent, including the right to bring this suit for injunctive relief and damages.

#### **COUNT I**

# (Patent Infringement Against Spotify USA)

- 14. Paragraphs 1 through 13 are incorporated by reference as if stated fully herein.
- 15. The '276 Patent is valid and enforceable.
- 16. At least as early as May 11, 2011, when PacketVideo brought the '276 Patent to Defendants' attention, Defendants have had actual knowledge of both PacketVideo's rights in the '276 Patent and the details of Defendants' infringement of the '276 Patent. Nevertheless, Spotify USA has offered for sale, sold, and imported products and/or services configured to infringe the '276 Patent, and instructed and encouraged others to use the '276 Patent in an infringing manner.
- 17. With knowledge of the '276 Patent, and intent to encourage others to perform acts that Spotify USA knew infringed the '276 Patent, Spotify USA has infringed and is currently infringing the '276 Patent by making, using, selling, offering for sale, and/or importing into the United States, without authority, products or services that are covered by one or more claims of the '276 Patent, including claim 1, including but not limited to Defendants' infringing music streaming system and services, including for their Spotify system and service.

- 18. With knowledge of the '276 Patent, Spotify USA have contributed to and/or induced, and will continue to contribute to and/or induce the infringement of the '276 Patent by others in this District and elsewhere in the United States, by selling, offering for sale, advertising, leasing, offering to lease, instructing and/or importing into the United States, without authority, with the direct infringement being accomplished by end users of at least the foregoing products and/or services.
- 19. Spotify USA is not licensed or otherwise authorized by PacketVideo to practice, contributorily practice and/or induce third parties to practice the claims of the '276 Patent.
- 20. By reason of Spotify USA's infringing activities, PacketVideo has suffered, and will continue to suffer, substantial damages in an amount to be proven at trial, but in no event less than a reasonable royalty.
- 21. Spotify USA's continuing acts of infringement are irreparably harming and causing damage to PacketVideo, for which PacketVideo has no adequate remedy at law, and will continue to suffer such irreparable injury unless Defendants' continuing acts of infringement are enjoined by the Court. The hardships that would be imposed by an injunction are less than those faced by PacketVideo should an injunction not issue. The public interest would be served by issuance of an injunction.
- 22. Spotify USA's infringement of the '276 Patent has been and continues to be willful and deliberate, justifying a trebling of damages under 35 U.S.C. § 284.
- 23. Spotify USA's infringement of the '276 Patent is exceptional and entitles PacketVideo to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

#### **COUNT II**

#### (Patent Infringement Against Spotify UK)

- 24. Paragraphs 1 through 23 are incorporated by reference as if stated fully herein.
- 25. The '276 Patent is valid and enforceable.
- 26. At least as early as May 11, 2011, when PacketVideo brought the '276 Patent to Defendants' attention, Defendants have had actual knowledge of both PacketVideo's rights in the '276 Patent and the details of Defendants' infringement of the '276 Patent. Nevertheless, Spotify

UK has distributed and imported products and/or services configured to infringe the '276 Patent, and instructed and encouraged others to use the '276 Patent in an infringing manner.

- 27. With knowledge of the '276 Patent, and intent to encourage others to perform acts that Spotify UK knew infringed the '276 Patent, Spotify UK has infringed and is currently infringing the '276 Patent by making, using, selling, offering for sale, and/or importing into the United States, without authority, products or services that are covered by one or more claims of the '276 Patent, including claim 1, including but not limited to Defendants' infringing music streaming system and services, including their Spotify system and service.
- 28. With knowledge of the '276 Patent, Spotify UK have contributed to and/or induced, and will continue to contribute to and/or induce the infringement of the '276 Patent by others in this District and elsewhere in the United States, by selling, offering for sale, advertising, leasing, offering to lease, instructing and/or importing into the United States, without authority, with the direct infringement being accomplished by end users of at least the foregoing products and/or services.
- 29. Spotify UK is not licensed or otherwise authorized by PacketVideo to practice, contributorily practice and/or induce third parties to practice the claims of the '276 Patent.
- 30. By reason of Spotify UK's infringing activities, PacketVideo has suffered, and will continue to suffer, substantial damages in an amount to be proven at trial, but in no event less than a reasonable royalty.
- 31. Spotify UK's continuing acts of infringement are irreparably harming and causing damage to PacketVideo, for which PacketVideo has no adequate remedy at law, and will continue to suffer such irreparable injury unless Defendants' continuing acts of infringement are enjoined by the Court. The hardships that would be imposed by an injunction are less than those faced by PacketVideo should an injunction not issue. The public interest would be served by issuance of an injunction.
- 32. Spotify UK's infringement of the '276 Patent has been and continues to be willful and deliberate, justifying a trebling of damages under 35 U.S.C. § 284.

33. Spotify UK's infringement of the '276 Patent is exceptional and entitles PacketVideo to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

#### **COUNT III**

#### (Patent Infringement Against Spotify Lux)

- 34. Paragraphs 1 through 33 are incorporated by reference as if stated fully herein.
- 35. The '276 Patent is valid and enforceable.
- 36. At least as early as May 11, 2011, when PacketVideo brought the '276 Patent to Defendants' attention, Defendants have had actual knowledge of both PacketVideo's rights in the '276 Patent and the details of Defendants' infringement of the '276 Patent. Nevertheless, Spotify Lux has distributed and imported products and/or services configured to infringe the '276 Patent, and instructed and encouraged others to use the '276 Patent in an infringing manner.
- 37. With knowledge of the '276 Patent, and intent to encourage others to perform acts that Spotify Lux knew infringed the '276 Patent, Spotify Lux has infringed and is currently infringing the '276 Patent by making, using, selling, offering for sale, and/or importing into the United States, without authority, products or services that are covered by one or more claims of the '276 Patent, including claim 1, including but not limited to Defendants' infringing music streaming system and services, including their Spotify system and service.
- 38. With knowledge of the '276 Patent, Spotify Lux have contributed to and/or induced, and will continue to contribute to and/or induce the infringement of the '276 Patent by others in this District and elsewhere in the United States, by selling, offering for sale, advertising, leasing, offering to lease, instructing and/or importing into the United States, without authority, with the direct infringement being accomplished by end users of at least the foregoing products and/or services.
- 39. Spotify Lux is not licensed or otherwise authorized by PacketVideo to practice, contributorily practice and/or induce third parties to practice the claims of the '276 Patent.
- 40. By reason of Spotify Lux's infringing activities, PacketVideo has suffered, and will continue to suffer, substantial damages in an amount to be proven at trial, but in no event less than a reasonable royalty.

- 41. Spotify Lux's continuing acts of infringement are irreparably harming and causing damage to PacketVideo, for which PacketVideo has no adequate remedy at law, and will continue to suffer such irreparable injury unless Defendants' continuing acts of infringement are enjoined by the Court. The hardships that would be imposed by an injunction are less than those faced by PacketVideo should an injunction not issue. The public interest would be served by issuance of an injunction.
- 42. Spotify Lux's infringement of the '276 Patent has been and continues to be willful and deliberate, justifying a trebling of damages under 35 U.S.C. § 284.
- 43. Spotify Lux's infringement of the '276 Patent is exceptional and entitles PacketVideo to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

### PRAYER FOR RELIEF

WHEREFORE, PacketVideo respectfully requests the following relief:

- A. A judgment holding the Defendants liable for infringement of the Patent-in-Suit asserted against them;
- B. A permanent injunction pursuant to 35 U.S.C. § 283 against Defendants, their officers, agents, employees, attorneys, parent and subsidiary corporations, assigns and successors in interest, and all others acting in concert or participation with them, enjoining them from continued acts of infringement of the Patent-in-Suit asserted against them, to the extent those patents have not yet expired;
- C. An accounting of damages resulting from the Defendants' infringement of the Patent-in-Suit asserted against them, together with pre-judgment and post-judgment interest;
- D. A judgment holding that the Defendants' infringement is willful, and a trebling of damages pursuant to 35 U.S.C. § 284;

1	E. A judgment holding this Action to be an exceptional case, and an award to Plaintiff						
2	PacketVideo for its attorneys' fees and costs pursuant to 35 U.S.C. § 285; and						
3	F.	F. Such other and further relief as this Court deems just and proper.					
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5	DATED: Ju	ly 27, 2010 Res	spectfully submitted,				
6			JINN EMANUEL URQUHART & JLLIVAN, LLP				
7		50	DLLIVAN, ELF				
8							
9		Ry	r: <u>/s/ Chris Mathews</u>				
10		D <sub>j</sub>	Chris Mathews				
11			Attorneys for Plaintiff PACKETVIDEO CORPORATION				
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# JURY TRIAL DEMANDED PacketVideo Corporation demands a trial by jury on all issues triable of right by a jury. DATED: July 27, 2011 QUINN EMANUEL URQUHART & SULLIVAN, LLP By: <u>/s/ Chris Mathews</u> Chris Mathews Attorneys for Plaintiff PACKETVIDEO CORPORATION

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COMPLAINT FOR PATENT INFRINGEMENT

I. (a) PLAINTIFFS

# **CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

**DEFENDANTS** 

PACKETVIDEO CORPOR	RATION, a Delav	ware	SPOTIFY USA INC., a Delaware corporation, SPOTIFY LIMITED, a United Kingdom corporation, and SPOTIFY TECHNOLOGY SARL, a Luxembourg corporation,			
(b) County of Residence of First Listed Plaintiff San Diego (EXCEPT IN U.S. PLAINTIFF CASES)				County of Residence of First Listed Defendant NY/San Diego  (IN U.S. PLAINTIFF CASES ONLY)  NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.		
(c) Attorney's (Firm Name, Address, and Telephone Number) Christopher A. Mathews (SBN 144021) Quinn Emanuel Urquhart & Sullivan LLP 865 South Figueroa Street, 10th Floor Los Angeles, CA 90017 (213) 443-3000				Attorneys (If Known)		
II. BASIS OF JURISDICT	ION (Place an "X" in One Bo	ox Only)	III. CIT	IZENSHIP OF PRINCI	PAL PARTIES (Plac	e an "X" in One Box for Plaintiff
1 U.S. Government Plaintiff 2 U.S. Government Defendant	Federal Question     (U.S. Government Not a Part     Diversity     (Indicate Citizenship of Parti	ty)	(For Citizen of Citizen of	Diversity Cases Only)           PTF         DEF           This State         1         1         1           Another State         2         2         2           Subject of a         3         3         3	`	d One Box for Defendant)  PTF DEF lace 4 4  Place 5 5 5
IV. NATURE OF SUIT (Plac	ce an "X" in One Box Only)					
110 Insurance   120 Marine   130 Miller Act   140 Negotiable Instrument   150 Recovery of Overpayment & Enforcement of Judgment   151 Medicare Act   152 Recovery of Defaulted Student Loans (Excl. Veterans)   153 Recovery of Overpayment of Veteran's Benefits   160 Stockholders' Suits   190 Other Contract   195 Contract Product Liability   196 Franchise	310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability	PERSONAL  362 Pers Mec 365 Pers Proo  368 Asb Inju Liat  PERSONAL  370 Oth 371 Trut  380 Oth Proj Proo  PRISONER  510 Moti Sents Habeas 530 Gene 535 Deat 540 Man	sonal Injury - d. Malpractice sonal Injury - duct Liability erstos Personal ry Product bility  PROPERTY er Fraud th in Lending er Personal perty Damage perty Damage duct Liability  PETITIONS on to Vacate ence Corpus: eral h Penalty damus & other	of Property 2 1 USC 88 1  630 Liquor Laws  640 R.R. & Truck  650 Airline Regs.  660 Occupational Safety/Health  690 Other  LABOR  710 Fair Labor Standards Act  720 Labor/Mgmt. Relations  730 Labor/Mgmt. Reporting & Disclosure Act  740 Railway Labor Act  790 Other Labor Litigation  791 Empl. Ret. Inc. Security Act	PROPERTY RIGHTS  820 Copyrights  830 Patent  840 Trademark  SOCIAL SECURITY  861 HIA (1395ff)  862 Black Lung (923)  863 DIWC/DIWW  (405(g))  864 SSID Title XVI  865 RSI (405(g))  FEDERAL TAX SUITS  870 Taxes (U.S. Plaintiff or Defendant)	400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced and Corrupt Organizations 480 Consumer Credit 490 Cable/Sat TV  810 Selective Service 850 Securities/Commodities/ Exchange 875 Customer Challenge 12 USC 3410 890 Other Statutory Actions 891 Agricultural Acts 892 Economic Stabilization Act 893 Environmental Matters 894 Energy Allocation Act 895 Freedom of Information Act 900 Appeal of Fee Determination Under Equal Access to Justice 950 Constitutionality of State Statutes
x 1 Original 2 Rem		ate Court	Reo	nstated or 5 Transferred another distr (specify)	rict Litigation	Appeal to District 7 Judge from Magistrate Judgment
VI. CAUSE OF ACTION	Cite the U.S. Civil Statute 35 USC 1 et se Brief description of cause: Patent infrince	eq.		ng (Do not cite jurisdictional	statutes unless diversity):	35:145 yeb
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS IS A CL UNDER F.R.C.P. 23	LASS ACTIO	ON DEN	AAND \$	URY DEMAND:	if demanded in complaint:  X Yes No
VIII. RELATED CASE(S) IF ANY	(See instructions):	JUDGE _		<del>_</del>	OCKET NUMBER	
DATE July 27, 2011	SIGNATU	JRE OF ATTO	ORNEY OF R	ECORD /s/ Christop	her A. Mathews	
FOR OFFICE USE ONLY	AMOUNT	APPLYING II	FP	JUDGE	MAG. JUDG	
						CSDJS44