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

11 PAUSE COMMERCIALS, INC.,
12 a California Corporation

13 Plaintiff,

14 v.

15 HULU, INC.; and DOES 1-10, inclusive,
16 a California Corporation

17 Defendant

Case No.: 2:20-cv-11056

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 1. Plaintiff, by and through its attorneys of record, alleges as follows:

2 **PARTIES**

3 2. Plaintiff, Pause Commercials, Inc. (“PUCs”), is a corporation organized and
4 existing under the laws of the State of California, with a place of business at
5 12028 National Blvd., Los Angeles, CA 90064.

6 3. Upon information and belief, Defendant, Hulu, Inc. (“Hulu” or “the
7 Defendant”), is a wholly owned corporation organized and existing under
8 the laws of the State of California, with its principal place of business at
9 2500 Broadway, Santa Monica, CA 90404.

10 4. Plaintiff does not know the true names and capacities of defendants sued in
11 this Complaint as Doe 1 through Doe 10, inclusive, and therefore sues these
12 defendants by fictitious names. Plaintiff will amend this Complaint to
13 allege the true names and capacities of Doe 1 through Doe 10, inclusive,
14 when ascertained.

15
16 **JURISDICTION & VENUE**

17 5. This is an action for patent infringement arising under the patent laws of the
18 United States, 35 U.S.C. §§ 1, *et seq.* This Court has subject matter
19 jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

20 6. This Court has personal jurisdiction over Hulu. Hulu has conducted and
21 does conduct business within this District. Hulu has committed acts giving
22 rise to this action within California and this judicial district. Hulu’s
23 infringing products and/or services, have been and continue to be purchased
24 and used by consumers in this District.

25 7. Venue is proper pursuant to 28 U.S.C. §§1391(b), (c) and 1400(b) because
26 Hulu has an established place of business in this District and has committed
27 acts within this district, including one or more acts of selling, using,
28 importing and/or offering for sale infringing products or providing support

1 service to Hulu’s customers in this District.

2 **BACKGROUND**

- 3 8. PUCs was founded in 2017 in Los Angeles, California, by Charles Johnson,
4 an African American entrepreneur who previously worked in the film and
5 television industry as a writer and distributor. After writing for various TV
6 shows & distributing a handful of films (projects) through home video and
7 movie theaters, he projected that streaming such projects over the internet
8 (OTT) would be the future preferred method of distribution. He also
9 assumed that pausing would create advertising inventory that could be sold
10 to monetize such projects, and projected that advertisers would pay to
11 display their ads in this paused inventory via OTT.
- 12 9. In 2018, Mr. Johnson collaborated with Ramin Nadaf, who became the Co-
13 Founder and Chief Technology Officer of PUCs, and built a prototype to
14 demonstrate this method through their proprietary technology. They also
15 secured contracts with OTT advertising platforms to deploy this method
16 from prototype to sellable product.
- 17 10. In 2019, while building a team of experts, consisting of women and people
18 of color with decades of success in technology, advertising, entertainment,
19 and business, Hulu launched the same OTT service as PUCs, using PUCs’
20 same patent-pending method to monetize projects they were distributing via
21 OTT. In 2020, PUCs was issued the patent for this method via OTT by the
22 USPTO, requiring Hulu to negotiate a deal with PUCs to continue
23 monetizing their projects via this method .
- 24 11. PUCs owns all rights, title and interest to U.S. Patent No. 10, 278, 619 (“the
25 ‘619 Patent”), entitled System and Methods for Playback Responsive
26 Advertisements and Purchase Transactions, issued on July 28, 2020. A true
27 and correct copy of the ‘619 Patent is attached hereto as Exhibit A.
28

1 12. Claim 1 is a representative claim of the '619 Patent. Claim 1 of the '619
2 Patent claims the following:

3 A method for displaying tailored advertising in response to user media
4 playback behavior via an over-the-top data delivery system,
5 comprising
6 verifying an identity of the user;
7 analyzing historical data associated with the identity, wherein the
8 historical data includes patterns of user behavior associated with one
9 or more advertisements;
10 detecting media playback by the user;
11 analyzing content associated with the media playback;
12 retrieving an advertisement rule associated with the user;
13 queuing user tailored advertisements based on the analyzed content
14 and the advertisement rule; and
15 delivering an advertisement from any one or more third-party services
16 in response to detecting a pause in the media playback.

17 13. The '619 Patent concerns a method of delivering video and display ads, as
18 well as making transactions, when users pause any device on over the top
19 ("OTT") media space.

20 14. PUCs owns all substantial and material rights to and interest in the '619
21 Patent, including the right to recover damages for all past and future
22 infringement thereof.

23 15. The '619 Patent is valid and enforceable.

24 16. On August 14, 2020, PUCs sent a letter to Hulu which advised Hulu that its
25 use of the pause ad technology infringes claims of the '619 Patent. In
26 response, Hulu did not agree to cease using the '619 Patent inventions. Nor
27 did PUCs and Hulu agree to a license permitting Hulu's continued use of
28 the '619 Patent's inventions. Finally, Hulu did not pay, or agree to pay,
PUCs for Hulu's past infringement of the '619 Patent.

COUNT ONE: DIRECT INFRINGEMENT OF THE '619 PATENT

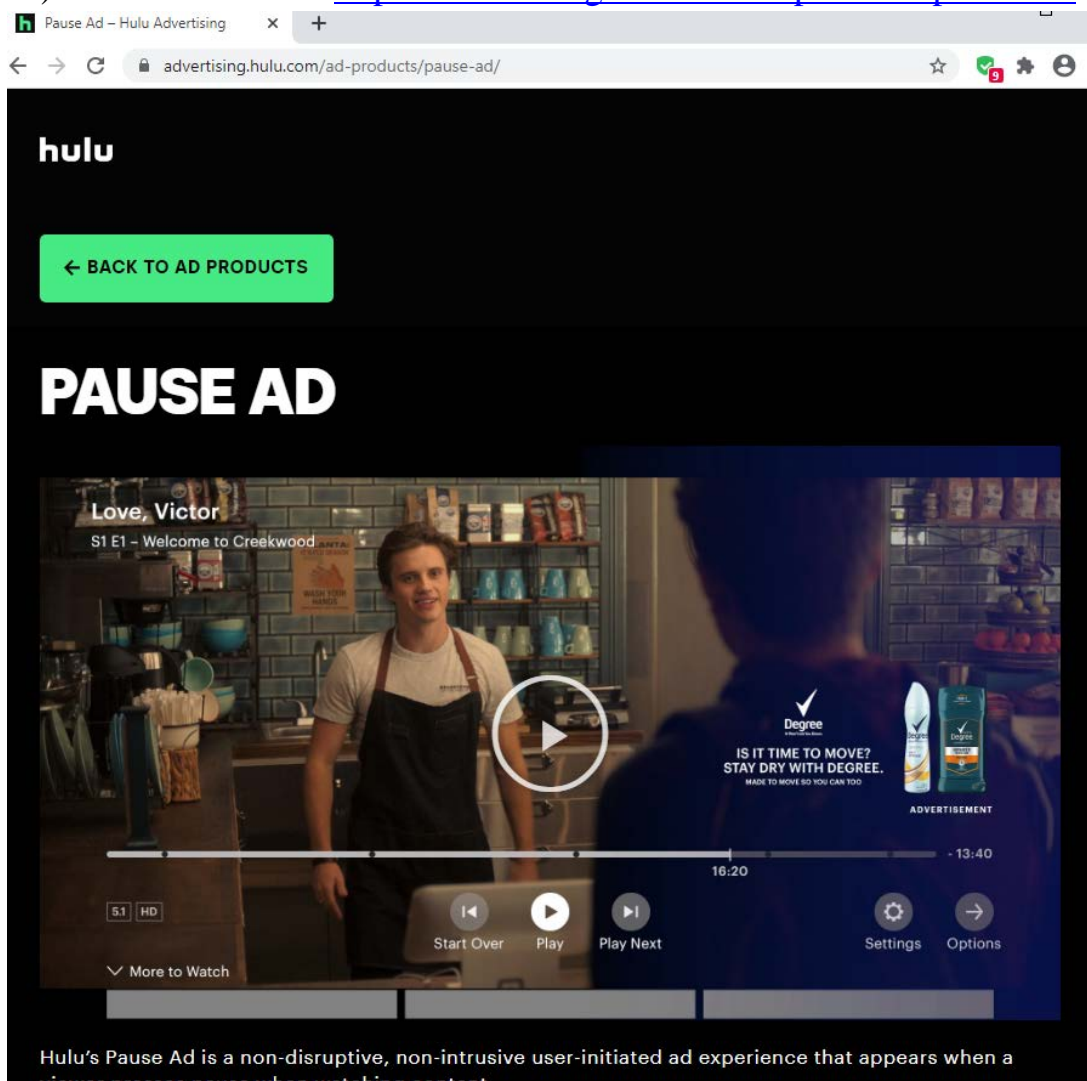
17. PUCs incorporates by reference the above paragraphs as if fully set forth herein.

18. Hulu has infringed and/or continues to infringe the '619 Patent.

19. Hulu, without authorization or license from PUCs, has been and is presently directly infringing, literally or under the doctrine of equivalents, Claims 1-12 of the '619 Patent. Hulu is liable for direct infringement of the '619 Patent pursuant to 35 U.S.C. §271(a).

20. Hulu's infringing products include but are not limited to the following Hulu products and services (Hulu Infringing Products):

a). Hulu's Pause Ad <https://advertising.hulu.com/d-products/pause-ad/>



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