UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLORADO

CYPH, Inc., 2093A Philadelphia Pike, Suite 152, Claymont, DE 19703

Plaintiff,

v.

Zoom Video Communications, Inc., 7601 Technology Way, Suite 300 Denver, Colorado 80237

Defendant.

Case No.:

COMPLAINT FOR PATENT INFRINGEMENT

TRIAL BY JURY DEMANDED

COMPLAINT

COMES NOW, Plaintiff Cyph, Inc. ("Cyph" or "Plaintiff"), by and through his attorneys of record, Carl Brundidge and David Moore of Brundidge & Stanger, P.C., files this Complaint against Defendant Zoom Video Communications, Inc. ("Zoom" or "Defendant"). For its Complaint against Defendant, Plaintiff alleges as follows:

PARTIES

1. CYPH is a small company incorporated in the state of Delaware. CYPH's principal place of business is located at 2093A Philadelphia Pike, Suite 152, Claymont, DE 19703.

2. Zoom is a publicly traded video communications and online media company, organized under the laws of Delaware, with a principal place of business at 55 Almaden Boulevard – 6th floor, San Jose, California, 95113 and an Office located at 7601 Technology Way, Suite 300, Denver, Colorado 80237. Zoom provides a video communications platform to anyone with internet access, around the world. Since the beginning of coronavirus pandemic in January 2020, Zoom's

Find authenticated court documents without watermarks at <u>docketalarm.com</u>.

subscription and sales volume spiked to produce 2500% growth of net income in 2020.¹ Zoom's corporation value has soared to pass that of ExxonMobil.

NATURE OF THE ACTION

3. This is a civil action for Zoom's infringement of U.S. Patent No. 9,948,625 B2 (the "625 Patent"), U.S. Patent No. 10,701,047 (the "047 Patent"), U.S. Patent No. 10,020,946 (the "946 Patent"), U.S. Patent No. 9,794,070 (the "070 Patent"), U.S. Patent No. 10,003,465 (the "465 Patent"), and U.S. Patent No. 9,906,369 (the "369 Patent") (collectively referred to as the "Asserted Patents"), which are attached hereto as Exhibits A, B, C, D, E, and F, respectively, and incorporated herein by reference, and pursuant to 35 U.S.C. §271, and to recover damages, attorney's fees, and costs.

JURISDICTION AND VENUE

4. This is an action for patent infringement in violation of the Patent Act of the United States,Title 35 of the United States Code §§100, *et seq*.

5. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§1331 and 1338(a).

6. This Court has personal jurisdiction over Zoom, by virtue of both general and specific personal jurisdiction. First, Zoom is incorporated in Delaware, and has an Office in this jurisdiction at 7601 Technology Way, Suite 300, Denver, Colorado 80237. Zoom's continuous and systematic activities within this jurisdiction gives rise to the required level of contact for general personal

¹Zoom's userbase skyrocketed from 10 million in December 2019 to 300 million in April 2020. *FTC Requires Zoom to Enhance its Security Practices as Part of Settlement*, FTC (Nov. 9, 2020), https://www.ftc.gov/news-events/press-releases/2020/11/ftc-requires-zoom-enhance-its-security-practices-part-settlement.

jurisdiction. Second, upon information and belief, Zoom's activities are purposefully directed to video communication platform users in this district, infringing the Asserted Patents, and causing irreparable harm to CYPH, constituting a substantial part of the cause of this action. Zoom is not prejudiced any way being sued in this district.

7. Venue is proper in this district pursuant to 28 U.S.C. § 1400(b) because Zoom resides in this District at 7601 Technology Way, Suite 300, Denver, Colorado 80237 in accordance with the Supreme Court's opinion in *TC Heartland v. Kraft Foods Group Brands LLC*, 137 S. Ct. 1514 (2017). Moreover, a substantial part of the events giving rise to CYPH's claims occurred out of Zoom's regular and continuous activities in this district.

TECHNOLOGY OF CYPH

8. The confidentiality of sensitive information and the protection of constituents' privacy are pillars of modern communication and to the governance of organizations. A data breach incident can destroy the affected entity's trade secrets, disrupt its internal business operations, and destroy relationships with affiliates and clients.

9. The European Union's General Data Protection Regulation (GDPR) symbolizes the criticality of data protection in modern times. "Your company's sensitive data should be encrypted both in transit and at rest. Both Recital 83 and Article 32 of the GDPR explicitly mention 'encryption' when discussing appropriate technical and organizational security measures."² To transact with trusted entities, or operate in European countries or with European citizens, one must comply with stringent data security requirements of GDPR and applicable other local regulations.

² PROTON TECHS. AG, DATA PROTECTION AND WORKING REMOTELY, GDPR.EU, <u>https://gdpr.eu/working-remotely-data-security/</u> (last visited Aug. 29, 2021).

10. End-to-end encryption ("E2EE") technology is a technology that provides stronger privacy protection because it allows individual members of a dialogue to encrypt their message to others and decrypt a message to them without intervention of a system administrator. E2EE is an essential component in confidential online meetings.

11. The superior data security, however, may require massive calculation and corresponding computer processing speed.

12. While communication tools may run smoothly on computers with high performing CPUs, a platform is inclusive, and should be open to everyone. Encryption offerings by CYPH and Zoom are used in everyday environments, where such offerings may operate on a limited-capability computer.

13. Prior to the disclosures of the Asserted Patents, multi-participant discussion did not exist in a practical manner when E2EE is required. This applies even more to today's large-scale group communications because of the sheer speed and the amount of exchanged data among hundreds of participants.

14. Companies like Zoom could not have provided E2EE technologies without practicing CYPH's inventions as recited in the claims of the Asserted Patents.³

15. CYPH was founded by Ryan Lester and Josh Boehm in 2014 as a provider of encrypted communications and media company.

16. Using the knowledge and expertise that CYPH's founders had obtained through their careers, CYPH invented the best solution to E2EE-enabled communication and media platform,

³ Since at least 2016, Zoom misrepresented the security of Zoom Products as backed by "end-toend, 256-bit encryption." *FTC Requires Zoom to Enhance its Security Practices as Part of Settlement*, FTC (Nov. 9, 2020), <u>https://www.ftc.gov/news-events/press-releases/2020/11/ftc-</u> requires-zoom-enhance-its-security-practices-part-settlement.

which allows uncensored communications and information exchanges. As described in the Asserted Patents, CYPH's encrypted group communication is founded upon the unique and creative approach that had not been pursued by other entities.

17. CYPH has launched its unprecedented E2EE communication platform by incorporating the patented E2EE technologies into its proprietary communication system. CYPH safely connects privacy conscious users and broadens user communications. CYPH truly secured space to connect, share, and communicate with others.

ASSERTED PATENTS

18. On April 17, 2018, the United States Patent and Trademark Office ("USPTO") duly and legally issued the `625 Patent entitled "Encrypted Group Communication Method."

19. On June 30, 2020, the USPTO duly and legally issued the `047 Patent entitled "Encrypted Group Communication Method." The `047 Patent was issued from a continuation application of the application (Serial No. 14/841,281) from which the `625 Patent was issued.

20. On July 10, 2018, the USPTO duly and legally issued the `946 Patent entitled "Multi-key Encryption Method."

21. On October 17, 2017, the USPTO duly and legally issued the `070 Patent entitled "Method of Ephemeral Encrypted Communications."

22. On June 19, 2018, the USPTO duly and legally issued the `465 Patent entitled "A System and Method of Encrypting Authentication Information."

23. On February 27, 2018, the USPTO duly and legally issued the `369 Patent entitled "A System and Method of Cryptographically Signing Web Applications."

24. The Asserted Patents were issued after the USPTO completed a full and fair examination.

25. The Asserted Patents are valid and enforceable.

Find authenticated court documents without watermarks at docketalarm.com.

DOCKET A L A R M



Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.