

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

CITY OF EAST ST. LOUIS, individually and
on behalf of all others similarly situated,

Plaintiff,

v.

NETFLIX, INC., DISNEY STREAMING
SERVICES, LLC, APPLE INC., HULU, LLC,
HOME BOX OFFICE, INC., AMAZON.COM
SERVICES, LLC, CBS ENTERTAINMENT, LLC,
YOUTUBE, INC., CURIOSITYSTREAM, INC,
PEACOCK TV, LLC, DIRECTV CORPORATION,
and DISH NETWORK SERVICE, LLC

Defendants.

Case No.: 3:21-cv-561

Jury Trial Demanded

PETITION FOR DECLARATORY JUDGMENT AND OTHER RELIEF
CLASS ACTION COMPLAINT

Plaintiff **City of East St. Louis** (“Plaintiff” or “East St. Louis”), individually and on behalf of all others similarly situated (the “Class,” as more fully defined below), brings this action for declaratory judgment and other relief against Defendants **Netflix, Inc., Disney Streaming Services, LLC, Apple Inc., Hulu, LLC, Home Box Office, Inc., Amazon.com Services, LLC, CBS Entertainment, LLC, YouTube, Inc., CuriosityStream, Inc., Peacock TV, LLC, DirecTV Corporation, and Dish Network Service, LLC** (collectively “Defendants”) and for its Petition, states as follows:

I. INTRODUCTION

1. Since 2007, the **Cable and Video Competition Law of 2007** (the “Act”), 220 ILCS 5/21-100 *et seq.*, has required providers of video service in Illinois to affirmatively apply for and receive a video service authorization from the Illinois Commerce Commission and pay video service provider fees to Illinois cities, villages, incorporated towns, and counties.

2. Defendants have and continue to provide video service in Illinois cities, villages, incorporated towns, and counties. When doing so, Defendants transmit their programming through wireline facilities located at least in part on public rights-of-way within Illinois cities, villages, incorporated towns, and counties.

3. However, rather than comply with the Act, Defendants evade their statutory responsibilities and sidestep their obligations to pay video service provider fees to Illinois cities, villages, incorporated towns, and counties.

4. Accordingly, Defendants should be and are required by the Act to pay each of those Illinois cities, villages, incorporated towns, and counties a video service provider fee of up to 5% percent of their gross revenue, as derived from their providing video service in each unit.

5. Defendants have failed to pay the required fee, thereby necessitating this Action, and entitling Plaintiff and the putative class to the relief requested herein.

II. PARTIES

4. Plaintiff, the **City of East St. Louis, Illinois**, is municipally chartered as a Home Rule Unit of local government pursuant to §6 of Article VII of the Illinois Constitution and is duly authorized to bring this action. As a chartered Home Rule, East St. Louis exercises thereunder all powers of local self-government.

5. Defendant Netflix, Inc. ("**Netflix**") is a Delaware corporation, headquartered in Los Gatos, California. Netflix's primary business is its video service, which offers online streaming of a library of films and television programs, as well as the distribution and production of original films and television series. Netflix does business in East St. Louis, Illinois, and has done so at all times relevant to this action.

6. Defendant Disney Streaming Services, LLC ("**Disney Streaming Services**") is a Delaware corporation, headquartered in New York, New York. Disney Streaming Services' primary business is its video service, Disney+, which offers online streaming of a library of films and television programs, as well as the distribution and production of original films and television series. Disney Streaming Services does business in East St. Louis, Illinois, and has done so at all times relevant to this action.

7. Defendant, Apple Inc. ("**Apple**") a Delaware corporation, headquartered in Cupertino, California. Apple's primary business is its video service, Apple TV+, which offers online streaming of a library of films and television series.

Apple does business in East St. Louis, Illinois, and has done so at all times relevant to this action.

8. Defendant Hulu, LLC (“**Hulu**”) is a Delaware limited liability company, headquartered in Santa Monica, California. Hulu’s primary business is its video service, which offers online streaming of live video programming and a library of films and television programs, as well as the distribution and production of original films and television series. Hulu does business in East St. Louis, Illinois, and has done so at all times relevant to this action.

9. Defendant, Home Box Office, Inc. (“**HBO**”) is a New York corporation, headquartered in New York City, New York. HBO’s primary business is its video service, HBO Max, which offers online streaming of live video programming and a library of films and television programs, as well as the distribution and production of original films and television series. HBO does business in East St. Louis, Illinois, and has done so at all times relevant to this action.^{1 2}

10. Defendant, Amazon.com Services, LLC (“**Prime**”) is Delaware corporation, headquartered in Wilmington, Delaware. Prime’s primary business is its video service, Amazon Prime, which offers online streaming of live video programming and a library

¹ HBO Max, which closed the third quarter at 8.6 million activated subscribers in the U.S., has added another four million to reach 12.6 million as of early December, according to AT&T CEO John Stankey. Dade Hayes, *HBO Max Has Reached 12.6 Million Activations, AT&T CEO John Stankey Reports, With Engagement Up 36% In Past Month*, DEADLINE (Dec. 8, 2020), <https://deadline.com/2020/12/hbo-max-streaming-12-6-million-subscribers-att-ceo-john-stankey-the-undoing-1234652083>.

² As of September 30, the service had a nominal total of 28.7 million paying subscribers, including HBO pay television customers whose subscriptions make them eligible for free access to HBO Max, but who have not yet activated.

of films and television programs, as well as the distribution and production of original films and television series. Prime does business in East St. Louis, Illinois, and has done so at all times relevant to this action.

11. Defendant, CBS Entertainment, LLC ("**CBS Entertainment**") is a New York corporation headquartered in New York City, New York. CBS Entertainment's primary business is its video service, which offers online streaming of live video programming and a library of films and television programs, as well as the distribution and production of original films and television series. CBS Entertainment does business in East St. Louis, Illinois, and has done so at all times relevant to this action.³

12. Defendant, **YouTube, Inc.** (YouTube) is a Delaware corporation, headquartered in San Bruno, California. YouTube's primary business is its video service, YouTube Premium, which offers online streaming of live video programming and a library of films and television programs, as well as the distribution and production of original films and television series. YouTube does business in East St. Louis, Illinois, and has done so at all times relevant to this action.

13. Defendant, CuriosityStream, Inc. ("**CuriosityStream**") is a Delaware corporation headquartered in Silver Spring, Maryland. CuriosityStream's primary

³ Megan Graham, *CBS All Access streaming service is getting a new name: Paramount+*, CNBC (Sept. 15, 2020), <https://www.cnbc.com/2020/09/15/cbs-all-access-rebranded-as-paramount-plus-.html>.

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