

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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INVESTMENT SCIENCE LLC,

Plaintiff,

1:20-cv-8159 ( )

-against-

**COMPLAINT**

VERIZON MEDIA, INC., OATH INC., and  
VERIZON COMMUNICATIONS INC.,

**JURY TRIAL  
DEMANDED**

Defendants.  
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Plaintiff Investment Science LLC, by its attorneys Albert PLLC, for its complaint against the defendants Verizon Media, Inc., Oath Inc., and Verizon Communications Inc., alleges as follows:

**PARTIES**

1. Plaintiff Investment Science LLC (“Investment Science”) is a Delaware limited liability company, with principal place of business located in Long Beach, New York.
2. Defendant Verizon Media, Inc. (“Verizon Media”) is a Delaware corporation, with principal place of business located in New York, New York.
3. Defendant Oath Inc. (“Oath”) is a Delaware corporation, with principal place of business located in New York, New York.
4. Defendant Verizon Communications Inc. is a Delaware corporation, with principal place of business located in New York, New York.
5. Oath Inc. and Verizon Media, Inc. are subsidiaries of Verizon Communications Inc. Together, all three of those entities offer the services of the web service known as “Yahoo!” throughout the world under the collective name “Verizon Media Group”.

### **NATURE OF THE ACTION**

6. Yahoo Finance Premium is a web-based subscription service that provides Verizon Media Group's paying customers access to what it describes as "actionable data and advanced tools for investors to trade with confidence." Verizon Media Group describes Yahoo Finance Premium "as a one-stop destination for subscribers, providing all of the tools and information needed to make informed investment decisions and act upon them." Verizon Media Group introduced Yahoo Finance Premium to the public in June 2019 as a for-pay upgrade from its free website at <http://finance.yahoo.com>.

7. Yahoo Finance Premium is not the exclusive product of Verizon Media Group's own honest research and development efforts. Instead, Verizon Media Group stole substantial and valuable elements of Yahoo Finance Premium from Investment Science in December 2017. The extent of the theft was revealed in June 2019, when Verizon Media Group launched the product on a subscription model regularly priced at \$49.99 per month, and with an introductory price of \$34.99 per month.

8. The theft of Investment Science's property allowed Verizon Media Group to redirect its own fruitless efforts to develop a premium product, and instead focus its development efforts on the Investment Science product. This action seeks damages for that theft and an injunction preventing Defendants from continuing their wrongdoing.

### **JURISDICTION AND VENUE**

9. This action arises under the laws of the United States, and the court therefore has jurisdiction over the subject matter pursuant to 28 U.S.C. § 1331 and 18 U.S.C. § 1836.

10. This court has supplemental jurisdiction over the subject matter pursuant to 28 U.S.C. § 1367 because the claims based on state law are so related to claims within the court's

original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution.

11. This court has personal jurisdiction over defendant Verizon Media, Inc. because Verizon Media, Inc. resides in the State of New York, because substantial portions of the transactions at issue occurred within, and were directed to, the State of New York, and because the tortious acts committed by the defendant were intended to cause and did in fact cause harm in the State of New York.

12. This court has personal jurisdiction over defendant Oath Inc. because Oath Inc. resides in the State of New York, because substantial portions of the transactions at issue occurred within, and were directed to, the State of New York, and because the tortious acts committed by the defendant were intended to cause and did in fact cause harm in the State of New York.

13. This court has personal jurisdiction over defendant Verizon Communications Inc. because Verizon Communications Inc. resides in the State of New York, because substantial portions of the transactions at issue occurred within, and were directed to, the State of New York, and because the tortious acts committed by the defendant were intended to cause and did in fact cause harm in the State of New York.

14. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(1) because all of the defendants reside in this district.

15. Venue is also proper in this district pursuant to 28 U.S.C. § 1391(b)(2), because a substantial part of the events or omissions giving rise to the claim occurred in this district.

## FACTS COMMON TO ALL CLAIMS

### Identification of the Defendants

16. Verizon Communications Inc. is a publicly-traded company. In the nearly three years since that company acquired the principal operating assets and liabilities of Yahoo! Inc., Verizon Communications Inc. has reported to the United States Securities and Exchange Commission the status of its Yahoo operations both as being the operations of incorporated subsidiaries (Oath Inc. and Verizon Media, Inc.), and as unincorporated divisions (“Verizon Media”, “Oath”, and “Verizon Media Group”).

17. Verizon Communications Inc. announced in December 2018 that “Oath” was to be rebranded as “Verizon Media”. Despite this outward appearance, Oath Inc. and Verizon Media, Inc. continue to exist as active legal entities in Delaware. For example, certain “AOL” and “Yahoo”-derivative trademarks are owned by Oath Inc., while Verizon Media, Inc. owns a separate portfolio of intellectual property. Since it is impossible, based upon the defendants’ own filings, to discern when Verizon Communications Inc. took particular actions regarding the events at issue on its own through an unincorporated division or through a separate incorporated entity, the three defendants are referred to collectively as “Verizon Media Group”, which is the designator that Verizon Communications Inc. uses in its report on Form 10-K for the fiscal year ending December 31, 2019.

### Verizon Media Group’s Web Portal Business

18. Yahoo! Inc. (originally named Yahoo Corporation) was formed in 1995; it was a pioneer in the field of internet search engines and web portals. Despite its initial success, Yahoo! Inc. ultimately lagged as it was eclipsed by more nimble and more innovative competitors.

19. Verizon Communications Inc. had, by 2015, already embarked upon a strategy of acquiring established web portals to establish its own footprint in Yahoo! Inc.’s industry. Its first

major acquisition was AOL, which itself had been a past industry leader. At AOL's peak, it acquired Time Warner Inc. in January 2001 for approximately \$182 billion. In 2009, the merged company spun off the core AOL business into a separate subsidiary, and Verizon Communications Inc. acquired that subsidiary for \$3.8 billion in June 2015.

20. In 2016, Verizon Communications Inc. agreed to acquire the primary operating assets and liabilities of Yahoo! Inc. for \$4.83 billion in cash and cash equivalents. After completing the acquisition in July 2017 at a renegotiated reduced price, it then proceeded to combine the AOL business and the Yahoo business under the "Oath" banner within the Oath Inc. subsidiary.

21. With the acquisition of AOL and Yahoo, Verizon Media Group has become one of the United States' leading providers of search, communications, digital content and advertising to consumers and businesses. It continues to provide those products and services under many different brands, one of which is Yahoo.

22. Among Verizon Media Group's Yahoo-branded products and services is Yahoo Finance (<http://finance.yahoo.com>). Yahoo Finance is a web portal that provides news, financial data, and tools with which users can screen investment opportunities; its revenue is derived primarily from advertising. Beginning in June 2019, the Yahoo Finance product offerings expanded to include an optional, subscription-based product called Yahoo Finance Premium.

#### Investment Science's Pitch to Verizon Media Group

23. Investment Science is in the business of developing a product that provides scoring metrics to facilitate rapid analysis of financial instruments. Once the product is fully developed, Investment Science intends to use it to help manage internal investment funds of its own and its affiliates, and to provide wealth management and financial services to others.



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