

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

DIVX, LLC,

Plaintiff,

v.

SAMSUNG ELECTRONICS CO., LTD;
SAMSUNG ELECTRONICS AMERICA,
INC.; and SAMSUNG ELECTRONICS
HCMC CE COMPLEX, CO., LTD.,

Defendants.

C.A. No.: 2:20-cv-00301

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

DivX, LLC (“DivX” or “Plaintiff”), brings this action for patent infringement under 35 U.S.C. § 271 against Defendants Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Electronics HCMC CE Complex, Co., Ltd. (collectively, “Samsung” or “Defendants”) and alleges as follows:

1. DivX is a U.S. company founded in 2000. Since its inception, DivX has set the bar for high-quality digital video. DivX is one of the first companies to enable successful delivery of high-quality digital video over the internet. For nearly 20 years, DivX has been developing innovative technology to deliver quality digital entertainment experiences for consumers—making internet video high-quality, secure, easy, and enjoyable for consumers to watch on any device.

2. Continuing to this day, DivX® technology helps people around the world enjoy digital media on their own terms. Consumers expect to play high-quality video from the internet on any device at the touch of a button. However, when DivX’s engineers accomplished this feat over a decade ago, they had to overcome significant technical obstacles to do so. Through those

efforts, DivX engineers invented foundational technologies that made high-quality internet video possible long before smart televisions existed.

3. For example, DivX's fundamental advances in video compression technology have made it possible to transmit large video files over the internet. DivX also created technology that allows those video files to be played on a wide variety of consumer electronics devices, and has licensed that technology to consumer electronics manufacturers. DivX further developed encryption technology (*e.g.*, Digital Rights Management) for video files, to protect valuable video content so that content producers would be comfortable making their original works available on the internet. DivX's fundamental advances include innovations in multiphase adaptive bitrate streaming, playback of encrypted bitstreams, cryptographic material transport of bitstreams, and enabling seeking functionality during streaming playback. And DivX launched Stage6—one of the first platforms for streaming high-quality, user-created and professional video over the internet. All of this work by DivX paved the way (and provided a roadmap) for today's proliferation of internet video streaming on consumer devices.

4. As a result of the many DivX innovations relating to internet video and streaming media, consumer electronics companies have licensed DivX's technologies and integrated them into more than one billion, six hundred million devices worldwide. Consumers have downloaded DivX® consumer software more than one billion times, and created billions of files using DivX's proprietary “.divx” file format. DivX's investments in research and development for internet video led to technical innovations that shaped internet video as the world knows it today. DivX patented these inventions and today has a portfolio of over 400 issued patents and patent applications, and continues to invest in research and development to innovate in the area of video technology.

THE PARTIES

5. Plaintiff DivX, LLC is a Delaware corporation, and has a principal place of business at 4350 La Jolla Village Drive, Suite 950, San Diego, California 92122.

6. Defendant Samsung Electronics Co., Ltd. (“SEC”) is a Korean corporation having a principal place of business at 129, Samsung-Ro, Yeongtong-Gu, Suwon-si, Gyeonggi-do, 16677, Rep. of Korea.

7. Defendant Samsung Electronics America, Inc. (“SEA”) is a New York corporation having a principal place of business at 85 Challenger Road, Ridgefield Park, New Jersey 07660.

8. Defendant Samsung Electronics HCMC CE Complex, Co., Ltd. (“SEHCC”) is a Vietnam corporation having a principal place of business at Lot I-11, D2 Road, Saigon Hi-Tech Park, Tang Nhon Phu B Ward, District 9, Ho Chi Minh City 700000, Vietnam.

9. On information and belief, both SEA and SEHCC are wholly owned subsidiaries of SEC.

THE ASSERTED PATENTS

10. United States Patent No. 8,832,297 (“the ’297 Patent”), entitled “Systems and Methods for Performing Multiphase Adaptive Bitrate Streaming,” issued on September 9, 2014, to inventors Kourosh Soroushian, Auke van der Schaar, Jason Braness, and William David Amidei. The ’297 Patent expires on December 29, 2031. The ’297 Patent issued from U.S. Patent App. Ser. No. 13/339,992, filed on December 29, 2011, and was previously published as U.S. Patent Pub. No. 2013-0007297 on January 3, 2013.

11. United States Patent No. 10,212,486 (“the ’486 Patent”), entitled “Elementary Bitstream Cryptographic Material Transport Systems and Methods”, issued on February 19, 2019, to inventors Francis Yee-Dug Chan, Kourosh Soroushian, and Andrew Jeffrey Wood. The ’486 Patent expires on November 15, 2030. The ’486 Patent issued from U.S. Patent App. Ser. No.

15/615,626, filed on June 6, 2017, and was previously published as U.S. Patent Pub. No. 2017-0280203 on September 28, 2017.

12. United States Patent No. 10,412,141 (“the ’141 Patent”), entitled “Systems and Methods for Seeking Within Multimedia Content During Streaming Playback,” issued on September 10, 2019, to inventor Roland Osborne. The ’141 Patent expires on January 7, 2028. The ’141 Patent issued from U.S. Patent App. Ser. No. 16/136,149, filed on September 19, 2018, and was previously published as U.S. Patent Pub. No. 2019-0020704 on January 17, 2019.

13. United States Patent No. 10,484,749 (“the ’749 Patent”), entitled “Systems and Methods for Secure Playback of Encrypted Elementary Bitstreams,” issued on November 19, 2019, to inventors Francis Yee-Dug Chan, Kourosh Soroushian, and Andrew Jeffrey Wood. The ’749 Patent expires on November 15, 2030. The ’749 Patent issued from U.S. Patent App. Ser. No. 16/136,170, filed on September 19, 2018, and was previously published as U.S. Patent Pub. No. 2019-0020928 on January 17, 2019.

14. By way of assignment, DivX owns all rights, title, and interest to the ’297 Patent, the ’486 Patent, the ’141 Patent, and the ’749 Patent (collectively, the “Asserted Patents”).

15. The Asserted Patents are each valid and enforceable.

JURISDICTION AND VENUE

16. This action arises under the Patent Act, 35 U.S.C. § 1 *et seq.*

17. Subject matter jurisdiction is proper in this Court under 28 U.S.C. §§ 1331 and 1338(a).

18. Venue in this District is proper under 28 U.S.C. § 1391(c)(1)-(3) and 28 U.S.C. § 1400(b). SEC and SEHCC are not residents of the United States and may be sued in this District, as suits against foreign entities are proper in any judicial district where they are subject to personal jurisdiction. SEA has a regular and established place of business in this District, at 6625

Excellence Way, Plano, TX, and at 1100 Klein Road, Plano, TX. SEA currently has 60 job openings at its 6625 Excellence Way office, and 5 job openings at its 1100 Klein Road office, for both engineer roles and sales roles. SEA also employs full-term personnel such as sales personnel and engineers in this District. Further, SEA is registered to conduct business in the State of Texas, and has a Texas Taxpayer Number of 11329511536. SEC, SEA, and SEHCC all have conducted and continue to conduct business in this District, and all have committed and continue to commit acts of patent infringement in this District.

19. This Court has personal jurisdiction over Samsung. Samsung has conducted and continues to conduct business within this District. Samsung, directly or through subsidiaries or intermediaries (including distributors, retailers, and others), ships, distributes, makes, uses, offers for sale, sells, imports, and/or advertises (including by providing interactive web pages) its products and/or services in the United States and this District and/or contributes to and actively induces its customers to ship, distribute, make, use, offer for sale, sell, import, and/or advertise (including the provision of interactive web pages) infringing products and/or services in the United States and this District.

20. Samsung, directly and through subsidiaries or intermediaries (including distributors, retailers, and others), has purposefully and voluntarily placed one or more of its infringing products and/or services, as described below, into the stream of commerce with the expectation that those products will be purchased and used by customers and/or consumers in this District. These infringing products and/or services have been and continue to be made, used, sold, offered for sale, purchased, and/or imported by customers and/or consumers in this District.

21. On information and belief, Samsung has also placed video processing devices, components thereof, and digital smart televisions containing the same (the “Accused Products”),

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