

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

VEVEO, INCORPORATED,

Plaintiff,

v.

COMCAST CORPORATION,
COMCAST CABLE
COMMUNICATIONS, LLC, COMCAST
CABLE COMMUNICATIONS
MANAGEMENT, LLC, and
STREAMSAGE, INC.,

Defendants.

Civil Action No. 1:13-cv-11885

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff Veveo, Inc. (“Veevo”), by and through its undersigned counsel, for its Complaint against Defendants Comcast Corporation, Comcast Cable Communications, LLC, Comcast Cable Communications Management, LLC, and StreamSage, Inc. (collectively “Comcast” or “Defendants”), hereby demands a jury trial and alleges as follows:

THE PARTIES

1. Veveo is a Delaware corporation with its principal place of business at 40 Shattuck Rd., Suite 303, Andover, MA 01810.
2. On information and belief, Defendant Comcast Corporation is a Pennsylvania corporation with a place of business at 1701 John F. Kennedy Blvd., Philadelphia, PA 19103.
3. On information and belief, Defendant Comcast Cable Communications, LLC is a Delaware limited liability corporation with a place of business at 1701 John F. Kennedy Blvd., Philadelphia, PA 19103.

4. On information and belief, Defendant Comcast Cable Communications Management, LLC is a Delaware limited liability corporation with a place of business at 1701 John F. Kennedy Blvd., Philadelphia, PA 19103.

5. On information and belief, Defendant StreamSage, Inc. is a Delaware corporation and a wholly-owned subsidiary of Comcast with a place of business at 1701 John F. Kennedy Blvd., Philadelphia, PA 19103.

6. On information and belief, Defendant Comcast Corporation is the direct or indirect parent of each of Comcast Cable Communications, LLC, Comcast Cable Communications Management, LLC, and StreamSage, Inc.

7. On information and belief, Comcast owns, operates, and provides cable television products and services throughout the United States, including its XFINITY TV products using the X1 Platform system.

JURISDICTION AND VENUE

8. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. § 100 *et seq.*

9. This is also an action for breach of contract, misappropriation of trade secrets, and unfair and deceptive business practices.

10. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1338(a), and 1367.

11. Venue is proper in this judicial district under 28 U.S.C. §§ 1391, 1400(b) for the patent infringement claims. Accordingly, venue is necessarily proper over the above mentioned state law claims under 28 U.S.C. § 1367.

12. On information and belief, this Court has personal jurisdiction over each of the Defendants because they have committed, aided, abetted, contributed to, and/or participated in the commission of acts giving rise to this action within this judicial district and have established minimum contacts within the forum such that the exercise of jurisdiction over Defendants would not offend traditional notions of fair play and substantial justice. On information and belief, Defendants have sold, advertised, solicited customers, marketed and/or distributed their infringing products and services in this judicial district and have designed, made, or had made, and placed their infringing products and services into the stream of commerce with the reasonable expectation and knowledge that actual or potential ultimate purchasers and users of such products and services were located within this judicial district.

13. On information and belief, Defendant Comcast Corporation is also subject to personal jurisdiction in this Court because it regularly transacts and solicits business in Massachusetts, contracts to supply services in Massachusetts, caused tortious injury by act or omission in Massachusetts, and caused tortious injury in Massachusetts by act or omission outside Massachusetts where it regularly does business, solicits business, or engages in a persistent course of conduct.

14. On information and belief, Defendant Comcast Cable Communications, LLC is also subject to personal jurisdiction in this Court because it regularly transacts and solicits business in Massachusetts, contracts to supply services in Massachusetts, caused tortious injury by act or omission in Massachusetts, caused tortious injury in Massachusetts by act or omission outside Massachusetts where it regularly does business, solicits business, or engages in a persistent course of conduct, and is registered to do business in Massachusetts listing a registered

agent with the Corporations Division at CT Corporation System, 144 Federal St., Suite 700, Boston, MA 02110.

15. On information and belief, Defendant Comcast Cable Communications Management, LLC is also subject to personal jurisdiction in this Court because it regularly transacts and solicits business in Massachusetts, contracts to supply services in Massachusetts, caused tortious injury by act or omission in Massachusetts, and caused tortious injury in Massachusetts by act or omission outside Massachusetts, and is registered to do business in Massachusetts listing a registered agent with the Corporations Division at CT Corporation System, 144 Federal St., Suite 700, Boston, MA 02110.

16. On information and belief, Defendant StreamSage, Inc. is also subject to personal jurisdiction in this Court because it regularly transacts business in Massachusetts, contracts to supply services in Massachusetts, caused tortious injury by act or omission in Massachusetts, and caused tortious injury in Massachusetts by act or omission outside Massachusetts where it regularly does business, solicits business, or engages in a persistent course of conduct.

JOINDER

17. Joinder of Defendants is proper under 35 U.S.C. § 299. The allegations of patent infringement contained herein arise out of the same series of transactions and occurrences relating to the making, using, offering for sale, and/or selling within the United States the same accused products and services, including the Comcast XFINITY TV products and services using the X1 Platform system. Common questions of fact relating to Defendants will arise in this action.

FACTS

18. Veveo possesses proprietary search technology that can be used in cable television systems. Veveo was a pioneer in developing a system that allowed for incremental, network-based searches on cable set top boxes (“STB”) and other devices.

19. In or around late 2005, Veveo and Comcast contemplated working together to develop enhanced search capabilities for Comcast’s cable television platform. On December 20, 2005, Comcast Cable Communications Management, LLC and Veveo executed a Mutual Confidentiality and Nondisclosure Agreement (“First NDA”).

20. On information and belief, in or around June 2005, Comcast acquired StreamSage, Inc. (“StreamSage”), a company that provides support for searching and indexing audiovisual content. StreamSage became a wholly-owned subsidiary of Comcast.

21. In or around January 2006, Veveo provided demonstrations and presentations to Comcast about Veveo’s network-based search, proprietary search modes, and various best practices under the First NDA.

22. In or around July 2006, Veveo employees met with Comcast engineers to discuss possible implementations of Veveo’s technology and shared numerous Veveo technical documents under confidentiality restrictions. Throughout the remainder of 2006, Comcast elicited Veveo’s trade secrets, technical know-how, and experience by holding out potential business collaborations. At the end of 2006, Comcast ended negotiations.

23. In or around late 2008, Comcast and Veveo reengaged to explore possible implementations of Veveo technology in Comcast systems. Comcast sought additional technical know-how from Veveo and the parties executed the second Mutual Confidentiality and Nondisclosure Agreement (“Second NDA”) on February 6, 2009.

24. In 2009, Veveo provided Comcast with technical engineering documents for supporting communications on a network-based search system. Prior to providing the documents to Comcast, Veveo marked them as “Veveo Proprietary and Confidential” to ensure that Comcast understood that the documents contained Veveo confidential and proprietary information that was subject to contractual confidentiality restrictions.

25. In 2010, after reviewing Veveo’s confidential and proprietary information, Comcast entered into discussions with Veveo to develop a network-based cable search system—a system that was the precursor to Comcast’s XFINITY TV X1 Platform system. On information and belief, Comcast’s internal development team, StreamSage, was unable to match the performance of Veveo’s innovative search products.

26. Pursuant to these discussions, on June 10, 2010, Comcast Cable Communications Management, LLC and Veveo executed a software license agreement (“the Agreement”), whereby Comcast, subject to the terms and conditions of the Agreement, could use Veveo search software to provide services to its customers and distribute the software in STBs.

27. Pursuant to the Agreement, Veveo provided Comcast with engineering support and confidential and proprietary Veveo technology that Comcast integrated into the precursor of the X1 Platform system. Veveo shared trade secrets relating to the network-based incremental search system for STBs, including the network architecture and components thereof. In addition, Veveo shared confidential and proprietary engineering documents for supporting communications on a network-based search system that Veveo marked as “Veveo Proprietary and Confidential” to ensure Comcast understood that the material contained Veveo confidential and proprietary information and was subject to contractual confidentiality restrictions.

28. In August 2010, Comcast asked Veveo about expanding its software license under the Agreement to bring the innovative capabilities of Veveo's software to all devices, including mobile devices.

29. In April 2011, Comcast launched the precursor to its X1 system and deployed STBs utilizing Veveo's proprietary search capabilities to approximately 125,000 customers.

30. On information and belief, despite the successful launch using Veveo's proprietary search capabilities, Comcast sought to have its internal team, StreamSage, develop software with the same functionalities and capabilities of the Veveo system by using Veveo's proprietary and confidential information.

31. On April 30, 2013, Comcast informed Veveo that it was terminating the Agreement and continued distributing the X1 Platform system for its XFINITY TV products and services, which performs searches in the same way as the Veveo software and is integrated with mobile devices.

32. On information and belief, at least as of May 1, 2013, Comcast advertised and offered for sale in Massachusetts the X1 Platform system for its XFINITY TV products and services.

33. On information and belief, Comcast developed the software for the X1 Platform system utilizing Veveo's intellectual property, confidential and proprietary know-how, computer software, and trade secrets relating to the network-based incremental search system for STBs, including the network architecture and components thereof and the engineering documents for supporting communications on a network-based search system.

34. On information and belief, the X1 Platform system was developed in violation of provisions of the First NDA, the Second NDA, and/or the Agreement and by misappropriating Veveo's confidential and proprietary information and trade secrets.

35. Comcast offers the X1 Platform system's search functionalities to its customers without a license to Veveo's intellectual property.

36. On information and belief, Comcast had knowledge of U.S. Patent Nos. 7,895,218, 7,779,011, and 7,937,394 at least as early as March 2012 based on Veveo's disclosures and Comcast's knowledge of the patent infringement action that Veveo filed against Verizon Communications, Inc. in 2010 asserting those patents.

COUNT I

INFRINGEMENT OF UNITED STATES PATENT NO. 7,895,218

37. Veveo repeats and re-alleges the allegations of the paragraphs above as though fully set forth herein.

38. Veveo is the owner of all rights, title, and interest in U.S. Patent No. 7,895,218 (the "'218 patent"), entitled "Method And System For Performing Searches For Television Content Using Reduced Text Input," which was duly and legally issued by the United States Patent and Trademark Office on February 22, 2011. Veveo has the right to sue and collect damages for infringement of the '218 patent. A copy of the '218 patent is attached hereto as Exhibit A.

39. Comcast does not have a license to the '218 patent.

40. On information and belief, Comcast has infringed, and continues to infringe, literally or under the doctrine of equivalents, the '218 patent, at least by making, importing, using, offering to sell, and/or selling subscriptions to its XFINITY TV cable television services

using the X1 Platform system and providing STBs as well as by actively and intentionally inducing others, including but not limited to customers, to use STB systems in a manner that infringes the '218 patent and contributing to the infringement of the '218 patent by supplying said STB systems to others, including but not limited to customers.

41. There are no substantial non-infringing uses for the infringing search functionalities available on the STB systems including the X1 Platform system.

42. On information and belief, since at least March 2012, Comcast had actual notice and knowledge of the '218 patent. On information and belief, Comcast had actual or constructive notice and knowledge that its conduct infringed the claims of the '218 patent, but Comcast nevertheless continued its willful infringing conduct. On information and belief, Comcast had actual or constructive notice and knowledge that the conduct of others, including but not limited to Comcast's customers, directly infringed the claims of the '218 patent.

43. Comcast's infringement of the '218 patent has caused, and continues to cause, Veveo to suffer damages and irreparable harm for which there is no adequate remedy at law, unless the Court enjoins Comcast from continuing its infringing activities.

44. On information and belief, Comcast's infringement of the '218 patent was and remains willful and deliberate.

COUNT II

INFRINGEMENT OF UNITED STATES PATENT NO. 7,779,011

45. The allegations of the paragraphs above are restated and re-alleged as though fully set forth herein.

46. Veveo is the owner of all rights, title, and interest in U.S. Patent No. 7,779,011 (the "'011 patent"), entitled "Method And System For Dynamically Processing Ambiguous,

Reduced Text Search Queries And Highlighting Results Thereof,” which was duly and legally issued by the United States Patent and Trademark Office on August 17, 2010. Veveo has the right to sue and collect damages for infringement of the ’011 patent. A copy of the ’011 patent is attached hereto as Exhibit B.

47. Comcast does not have a license to the ’011 patent.

48. On information and belief, Comcast has infringed, and continues to infringe, literally or under the doctrine of equivalents, the ’011 patent, at least by making, importing, using, offering to sell, and/or selling subscriptions to its XFINITY TV cable television services using the X1 Platform system and providing STBs as well as by actively and intentionally inducing others, including but not limited to customers, to use STB systems in a manner that infringes the ’011 patent and contributing to the infringement of the ’011 patent by supplying said STB systems to others, including but not limited to customers.

49. There are no substantial non-infringing uses for the infringing search functionalities available on the STB systems including the X1 Platform system.

50. On information and belief, since at least March 2012, Comcast had actual notice and knowledge of the ’011 patent. On information and belief, Comcast had actual or constructive notice and knowledge that its conduct infringed the claims of the ’011 patent, but Comcast nevertheless continued its willful infringing conduct. On information and belief, Comcast had actual or constructive notice and knowledge that the conduct of others, including but not limited to Comcast’s customers, directly infringed the claims of the ’011 patent.

51. Comcast’s infringement of the ’011 patent has caused, and continues to cause, Veveo to suffer damages and irreparable harm for which there is no adequate remedy at law, unless the Court enjoins Comcast from continuing its infringing activities.

52. On information and belief, Comcast's infringement of the '011 patent was and remains willful and deliberate.

COUNT III

INFRINGEMENT OF UNITED STATES PATENT NO. 7,937,394

53. The allegations of the paragraphs above are restated and re-alleged as though fully set forth herein.

54. Veveo is the owner of all rights, title, and interest in U.S. Patent No. 7,937,394 (the "'394 patent"), entitled "Method And System For Dynamically Processing Ambiguous, Reduced Text Search Queries And Highlighting Results Thereof," which was duly and legally issued by the United States Patent and Trademark Office on May 3, 2011. Veveo has the right to sue and collect damages for infringement of the '394 patent. A copy of the '394 patent is attached hereto as Exhibit C.

55. Comcast does not have a license to the '394 patent.

56. On information and belief, Comcast has infringed, and continues to infringe, literally or under the doctrine of equivalents, the '394 patent, at least by making, importing, using, offering to sell, and/or selling subscriptions to its XFINITY TV cable television services using the X1 Platform system and providing STBs as well as by actively and intentionally inducing others, including but not limited to customers, to use STB systems in a manner that infringes the '394 patent and contributing to the infringement of the '394 patent by supplying said STB systems to others, including but not limited to customers.

57. There are no substantial non-infringing uses for the infringing search functionalities available on the STB systems including the X1 Platform system.

58. On information and belief, since at least March 2012, Comcast had actual notice and knowledge of the '394 patent. On information and belief, Comcast had actual or constructive notice and knowledge that its conduct infringed the claims of the '394 patent, but Comcast nevertheless continued its willful infringing conduct. On information and belief, Comcast had actual or constructive notice and knowledge that the conduct of others, including but not limited to Comcast's customers, directly infringed the claims of the '394 patent.

59. Comcast's infringement of the '394 patent has caused, and continues to cause, Veveo to suffer damages and irreparable harm for which there is no adequate remedy at law, unless the Court enjoins Comcast from continuing its infringing activities.

60. On information and belief, Comcast's infringement of the '394 patent was and remains willful and deliberate.

COUNT IV

INFRINGEMENT OF UNITED STATES PATENT NO. 8,433,696

61. The allegations of the paragraphs above are restated and re-alleged as though fully set forth herein.

62. Veveo is the owner of all rights, title, and interest in U.S. Patent No. 8,433,696 (the "'696 patent"), entitled "Method And System For Processing Ambiguous, Multiterm Search Queries," which was duly and legally issued by the United States Patent and Trademark Office on April 30, 2013. Veveo has the right to sue and collect damages for infringement of the '696 patent. A copy of the '696 patent is attached hereto as Exhibit D.

63. Comcast does not have a license to the '696 patent.

64. On information and belief, Comcast has infringed, and continues to infringe, literally or under the doctrine of equivalents, the '696 patent, at least by making, importing,

using, offering to sell, and/or selling subscriptions to its XFINITY TV cable television services using the X1 Platform system and providing STBs as well as by actively and intentionally inducing others, including but not limited to customers, to use STB systems in a manner that infringes the '696 patent and contributing to the infringement of the '696 patent by supplying said STB systems to others, including but not limited to customers.

65. There are no substantial non-infringing uses for the infringing search functionalities available on the STB systems including the X1 Platform system.

66. Comcast's infringement of the '696 patent has caused, and continues to cause, Veveo to suffer damages and irreparable harm for which there is no adequate remedy at law, unless the Court enjoins Comcast from continuing its infringing activities.

COUNT V

BREACH OF CONTRACT

67. The allegations of the paragraphs above are restated and re-alleged as though fully set forth herein.

68. The First NDA, Second NDA, and Veveo License Agreement are valid contracts.

69. Comcast Cable Communications Management, LLC breached its contractual obligations by its or its affiliates' conduct described above.

70. Comcast Cable Communications Management, LLC breached the contracts by engaging, directly or through its affiliates, in conduct prohibited by the First NDA, the Second NDA, and/or the Veveo License Agreement and by violating the covenant of good faith and fair dealing implied in each contract.

71. Such breach has injured and damaged Veveo, and continues to do so.

COUNT VI

MISAPPROPRIATION OF TRADE SECRETS

72. The allegations of the paragraphs above are restated and re-alleged as though fully set forth herein.

73. Veveo possesses trade secrets with respect to its network-based incremental search program for STB systems, including software innovations and/or information regarding network architecture necessary to support the software and communications on a network-based search system.

74. Veveo took reasonable steps to preserve the confidential nature of those trade secrets. At all relevant times, Veveo required third parties to execute non-disclosure agreements when they were to receive trade secrets. Veveo also has taken internal measures to protect those secrets, such as confidentiality agreements with its own employees, password protection, and locks.

75. Veveo disclosed to Comcast, in confidence, various trade secrets used to design and employ Veveo's network-based incremental search program for STB systems, including software innovations and/or information regarding network architecture necessary to support the software and communications on a network-based search system.

76. Comcast knew it had obligations regarding the use and confidentiality of Veveo's trade secrets with respect to Veveo's network-based incremental search program for STB systems and related information.

77. On information and belief, Comcast or its affiliates, knowingly misappropriated Veveo's trade secrets by copying, using, or incorporating those trade secrets into its X1 Platform system or development thereof, in breach of their obligations.

78. Comcast used the trade secrets to Veveo's detriment. The misappropriation has injured and damaged Veveo, and continues to do so.

COUNT VII

VIOLATION OF CHAPTER 93A, §§ 2 AND 11

79. The allegations of the paragraphs above are restated and re-alleged as though fully set forth herein.

80. On information and belief, Comcast has engaged in unfair, deceptive business practices by, among other things, knowingly misappropriating Veveo's trade secrets by copying, using, or incorporating those secrets in its X1 Platform system or development thereof, in breach of its obligations.

81. On information and belief, Comcast has engaged in unfair business practices by among other things, inducing disclosures of proprietary and confidential information by knowingly offering project proposals with no intent of hiring Veveo.

82. By its actions, Comcast has caused damage to Veveo's business. The amount of damage to Veveo will be proven at trial.

83. The above-described actions and transactions with Comcast occurred primarily and substantially in Massachusetts.

84. Comcast's actions constitute a violation of G.L. c. 93A, §§ 2 and 11, entitling Veveo to damages, costs and attorneys' fees.

85. Comcast's actions have been knowing and willful, entitling Veveo to an award of multiple damages.

RELIEF REQUESTED

WHEREFORE, plaintiff Veveo requests that this Court:

A. Enter judgment that Comcast has directly and indirectly infringed one or more claims of the '218, '011, '394, and '696 patents, breached its contractual obligations, misappropriated Veveo's trade secrets, and engaged in unfair and deceptive business practices in violation of G.L. c. 93A;

B. Preliminarily and permanently enjoin Comcast and its affiliates, subsidiaries, officers, directors, employees, agents, representatives, licensees, successors, assigns, and all those acting in concert or participation with it from committing further direct infringement of the '218, '011, '394, and '696 patents, or contributing to or inducing infringement of the '218, '011, '394, and '696 patents by others, any further acts of contractual breach and misappropriation of trade secrets, and violations of G.L. c. 93A;

C. Award Veveo damages in accordance with 35 U.S.C. § 284, including all damages adequate to compensate it for Comcast's infringement, in no event less than a reasonable royalty, such damages to be determined by a jury, and if necessary to adequately compensate Veveo, an accounting together with interest, including prejudgment and post-judgment interest, and costs;

D. Enter judgment that Comcast has willfully and deliberately committed acts of patent infringement, and award Veveo treble damages in light of Comcast's willful infringement of the '218, '011, and '394 patents pursuant to 35 U.S.C. § 284;

E. Enter judgment that this is an "exceptional case" pursuant to 35 U.S.C. § 285 and award Veveo its reasonable legal fees, costs, and expenses that it incurs in prosecuting this action;

F. Award Veveo compensatory, exemplary, and punitive damages resulting from breach of contract and trade secret misappropriation;

G. Award Veveo compensatory and further treble damages resulting from violations of G.L. c. 93A;

H. Award Veveo its attorneys' fees, costs, pre-judgment interest and post-judgment interest pursuant to G.L. c. 93A or other applicable law; and

I. Award Veveo such other relief as the Court deems just and proper.

JURY DEMAND

Veveo hereby demands a trial by jury of all issues so triable.

Dated: August 7, 2013

Respectfully submitted,

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