

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

BRIGHT DATA, LTD., (CAUSE NO. 2:19-CV-395-JRG
)
Plaintiff, ()
vs. ()
TESO, LT UAB, et al (NOVEMBER 1, 2021
) MARSHALL, TEXAS
Defendants, (9:00 A.M.

VOLUME 1

TRIAL ON THE MERITS

BEFORE THE HONORABLE RODNEY GILSTRAP
UNITED STATES CHIEF DISTRICT JUDGE
and a jury

SHAWN M. McROBERTS, RMR, CRR
100 E. HOUSTON STREET
MARSHALL, TEXAS 75670
(903) 237-7464
shawn_mcroberts@txed.uscourts.gov

1 about twice the speed that you would get regularly at home.
2 And that was not good enough for what we were looking for, so
3 we started looking for other ways to use that residential
4 network we had created, and that's it.

5 Q. Okay. Did you find some other ways to utilize that
6 network?

7 A. Yeah. It took a little time, but we found out the
8 internet was growing, a lot of information was online, people
9 started using it, and the questions of privacy were starting
10 to rise, and the VPNs started to appear, and we realized that
11 with this residential network we can build a VPN solution that
12 would be a lot more private than anything that was available
13 at the time.

14 Q. And what is a VPN?

15 A. A VPN is a virtual private network that, in effect, hides
16 you from the sites you are visiting. They can't know who you
17 are.

18 Q. And how is the Hola VPN any different than any other VPN
19 at the time?

20 A. Well, it was very different, and in order to understand
21 how different it was, you have to realize that when you visit
22 the page on the internet, like an Amazon product page or an
23 article on Fox News, that page is built from hundreds of small
24 pieces. Like a headline, a button, a piece of graphics, an
25 image, it's all small pieces that are put together to build

1 that page. And when you use a regular VPN all those hundreds
2 of small pieces are requested from the same single server of
3 the VPN that you connected to from your VPN provider, and they
4 all went together from the same server, same address, through
5 the website. And, indeed, you were hidden from that website,
6 but they could still see that this page was loaded, it came
7 from an address that was not a home user. And they could even
8 figure out which VPN server you were using.

9 So eventually if enough -- given which authorities were
10 involved and -- you could trace back what you were doing
11 because they knew which door to knock on. They knew which VPN
12 provider you were using, so they could eventually trace back
13 that option that was on the table.

14 And when we're using Hola VPN, what happens is that all
15 these hundreds of small pieces, they were being spread out
16 through millions of people, each one from a different person.
17 I mean, that headline was coming from someone from Louisiana;
18 I don't know, another piece from Los Angeles, New York,
19 Boston. It's all coming together from different places. And
20 when that website looked at what just happened, they couldn't
21 figure out what this was. I mean, they can't trace it back.
22 It's all residential IPs. They can't block it. They can't
23 understand even that you use the VPN service because it's all
24 home addresses.

25 Q. Okay. And let me stop you a minute. And is that the

1 difference that the IPs were all residential IPs as opposed to
2 something else?

3 A. Yeah. It's not a corporate address; it's all residential
4 IPs and you couldn't piece out together where they are coming
5 from and who is using it and why.

6 Q. Is that how you distinguished Hola VPN from other VPNs?

7 A. Yeah. You have to understand that that's a whole
8 different level of privacy, because not only you are hidden
9 from the site, not only you are hidden from the website, they
10 can't even know that you are using a service like a VPN
11 service, and they can't figure out even what you were
12 accessing on the website because all of those small pieces
13 came from different places, they can't even know what you did
14 there. So that's a whole with different level of privacy.

15 Q. Was that successful in that a lot of people wanted to
16 utilize that service?

17 A. Yeah, it was extremely successful. As soon as it started
18 to work, a lot of people started to download it. It was very
19 successful. And without even using any marketing or ads, it
20 just spread out. People were starting to use it and it became
21 very successful.

22 Q. And was that a money-making project?

23 A. No. Mr. Vilenski and Mr. Shribman decided that we should
24 not monetize this technology, it should be free, and from that
25 day up until now Hola VPN is a free service to everyone. And

1 we needed to keep looking for something else, another way to
2 use that technology to make money.

3 Q. And did you ultimately find another way to utilize that
4 technology?

5 A. Yeah, we did. Soon after that, we ran into something
6 that surprised us. We realized that businesses have a similar
7 issue with being private -- with the privacy on the network,
8 which was a little surprising, but we found out that as the
9 internet grew and all these retailers and services, they all
10 put their products on the network, everything was open. And
11 as they always did, competitors looked at each other's
12 information, the products, the prices, and they were competing
13 and that opened, and free competition is good for all of us
14 because it lowers down the prices.

15 But what started to happen is that these companies, they
16 started to see who is going on their website. They said,
17 Okay, this is a competitor; I'm going to block them; I'm not
18 going to let them see these prices. And that hurt
19 competition.

20 And they realized that if they go through our residential
21 network, they can see all of this free competition is back
22 online and they can make the business decisions that would
23 help them compete.

24 Q. And is that what Bright Data refers to as a residential
25 proxy network?

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