

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

LUMINATI NETWORKS LTD.

Plaintiff,

v.

UAB TESONET,

Defendants.

Case No.

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff, Luminati Networks Ltd. (“Luminati”) brings this action under the patent laws of the United States, Title 35 of the United States Code, and makes the following allegations against UAB Tesonet (“Tesonet” or “Defendant”):

THE PARTIES

1. Plaintiff Luminati is an Israeli company having a principal place of business at 3 Hamahshev St., Netanya 42507, ISRAEL.

2. Upon information and belief, Defendant Tesonet is a Lithuanian corporation headquartered at Jasinskio Street 16, Vilnius, 03163 Lithuania. Tesonet may be served pursuant to the provisions of the Hague Service Convention.

JURISDICTION AND VENUE

3. This is an action for patent infringement under the patent laws of the United States of America, 35 U.S.C. § 1, *et seq.*

4. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§ 1331 and 1338(a).

5. This Court has personal jurisdiction over Tesonet because it, directly or through its subsidiaries, divisions, groups, or distributors, has sufficient minimum contacts with this forum as a result of business conducted within the State of Texas, and/or pursuant to Fed. R. Civ. P. 4(k)(2). On information and belief, Tesonet transacts substantial business in the State of Texas, directly or through agents, including: (i) at least a portion of the infringement alleged herein, and (ii) regularly does or solicits business in Texas, engages in other persistent courses of conduct, maintains continuous and systematic contacts within this Judicial District, purposefully avails itself of the privilege of doing business in Texas, and/or derives substantial revenue from services provided in Texas. For example, on information and belief, Tesonet embeds its software, which is the subject of the infringement alleged herein, in a number of applications which are placed into the stream of commerce with the knowledge, understanding, and/or intention that they be downloaded and executed by individuals located in the State of Texas, as well as this Judicial District, including the Marshall Division.

6. This Court has general jurisdiction over Tesonet due to its continuous and systematic contacts with the State of Texas and this jurisdiction. Further, Tesonet is subject to this Court's jurisdiction because it has committed patent infringement in the State of Texas and this jurisdiction.

7. Following *Brunette Machine Works v. Kockum Industries, Inc.*, 406 U.S. 706 (1972), venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1400(b) at least because, upon information and belief, Tesonet is a foreign entity.

FACTUAL ALLEGATIONS

8. Derry Shribman and Ofer Vilenski are the sole inventors of a number of patents, including U.S. Patent Nos. 9,241,044 (Exhibit A, “’044 Patent”) and divisional 9,742,866 (Exhibit B, “’866 Patent”) (collectively the “Asserted Patents”).

9. The Asserted Patents are directed toward methods for fetching content over the internet through the use of intermediary tunneling devices. Luminati identifies its patents on its website at <https://luminati.io/patent-marking#system-and-method-for-streaming-content-from-multiple-servers>.

10. The Asserted Patents were assigned to Hola Networks Ltd. (“Hola”). Hola has subsequently changed its name to Luminati Ltd., before changing its name to Luminati Networks Ltd., the Plaintiff in this action.

11. Luminati, formerly known as Hola, provides a cloud service connecting tens of millions of devices over the Internet through a proxy-based network. Each participating device allows the network to utilize a small fraction of that device’s idle time for the network. Luminati utilizes this network to provide proxy-based services to businesses.

12. Since 2014, Luminati has offered proxy-based services relying on its “Residential Proxy Network” that practice one or more claims of the Asserted Patents. Luminati permits its business customers to utilize its residential proxy network to gather data over the Internet using residential IP addresses from various localities as required by the customers. These residential IP addresses provide businesses with a number of advantages. For example, online retailers may use these addresses to gather comparative pricing information from its competitors, businesses may utilize these addresses to test their web sites from any city in the world, and cyber security firms may employ these addresses to test web sites for malicious code.

13. Prior to and separate from the technology at issue in this case, Hola provided a virtual private network (“VPN”) service called HolaVPN. Between November 2015 and June 2018, Hola, had a business relationship with Tesonet related to HolaVPN and Tesonet’s VPN service called NordVPN.

14. On May 22, 2017, during a meeting between Hola Chief Executive Officer Ofer Vilenski and Tesonet co-founder Tomas Okmanas, Mr. Okmanas informed Mr. Vilenski that Tesonet was thinking about entering into the residential proxy business. Mr. Vilenski informed Mr. Okmanas that Luminati has patents in this field and sent an email to Mr. Okmanas that same day confirming that Luminati would send a letter identifying Luminati’s intellectual property in this field.

15. On June 1, 2017, outside counsel for Hola sent Mr. Okmanas a letter (Exhibit C) identifying the ’044 Patent and U.S. Patent No. 8,560,604 as Hola patents covering a proprietary claim scope in the field of peer-to-peer based routing.

16. On February 14, 2018, Luminati sent a second letter to Mr. Oksmanas referencing the June 1, 2017 letter, further informing Tesonet of Hola’s name change to Luminati and the issuance of the ’866 Patent among other patents in the field of IP VPN services using peer-to-peer technology (Exhibit D). This letter also notified Tesonet that products and services offered under Tesonet’s “OxyLabs” brand infringe the Asserted Patents.

17. On June 20, 2018, counsel for Tesonet sent a letter to Luminati’s counsel acknowledging receipt of the February 14, 2018 letter but denying that Tesonet’s Oxylabs product practices claims of the Asserted Patents.

18. Upon information and belief, Tesonet offers large-scale web data extraction products and services under the OxyLabs brand. <https://oxylabs.io/> (Exhibit E). Upon

information and belief, this includes a residential proxy network with ten million residential IP addresses from more than 180 countries. <https://oxylabs.io/>. Upon information and belief, these residential proxies are IP addresses that are assigned from a standard Internet Service Provider (ISP) to a homeowner or other residential or mobile user. <https://oxylabs.io/>. Upon information and belief, this residential proxy network is used to access content over the Internet, wherein that content may be divided into portions, each of which includes part of the content and its own content identifier.

WHAT SOLUTIONS DO YOU OFFER?

Here at Oxylabs, we offer data center IPs and residential proxies that support HTTP/HTTPS & Socks 4/5 protocols.

- A Residential Proxy is an IP address that is assigned from a standard Internet Service Provider (ISP) to a homeowner.
- A Data Center IP is an IP address that comes from a secondary corporation and is not owned by an ISP.

<https://oxylabs.io/>.

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