UNITED STATES DISTRICT COURT EASTERN DISTRICT OF NEW YORK

TVB HOLDINGS (USA), INC.; CHINA CENTRAL TELEVISION; CHINA INTERNATIONAL COMMUNICATIONS CO., LTD.; and DISH NETWORK L.L.C.,

Plaintiffs,

v.

HTV INTERNATIONAL LIMITED, and JOHN DOES 1-10,

Defendant.

CIVIL ACTION NO. 16-CV-1489 (DLI)(PK)

AMENDED COMPLAINT

Plaintiffs TVB Holdings (USA), Inc. ("TVB (USA)"), China Central Television ("CCTV"), China International Communications Co., Ltd. ("CICC") and DISH Network L.L.C. ("DISH") (collectively, "Plaintiffs"), by and through their undersigned attorneys, for their Complaint, allege as follows:

NATURE OF THE ACTION

1. This copyright infringement action arises out of a global pirate television service provided to customers over the "h.TV" set-top box. For a one-time, up-front payment to purchase the h.TV device, h.TV customers in the United States receive unlicensed television channels and television programs from China, Hong Kong, and other countries. Among the victims of this piracy are CCTV (the largest broadcaster of Chinese-language television in mainland China), CCTV's subsidiary CICC, TVB (the largest broadcaster of Chinese-language television in Hong Kong), TVB's U.S.-based subsidiary TVB (USA), and DISH, which holds certain exclusive rights to distribute TVB programming in the United States.

2. Plaintiffs are the legal and beneficial owners of exclusive rights to exploit

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copyrighted CCTV and TVB television programming in the United States. Among the bundle of rights afforded Plaintiffs under United States copyright law is the exclusive right to "perform the copyrighted work publicly." 17 U.S.C. § 106(4). This includes the exclusive right "to transmit or otherwise communicate a performance or display of" Plaintiffs' copyrighted television broadcasts and programs "to the public by means of any device or process whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times." *Id.* § 101.

3. Upon information and belief, Defendant HTV International Limited ("HTVI"), and currently unidentified affiliates, agents, and co-conspirators including John Does 1-10 (the "John Doe Defendants"), acting in concert with a common purpose and scheme, have set up a pirate broadcasting network that, without permission and without compensation to Plaintiffs, brazenly captures entire channels of CCTV and TVB television programming and streams that programming over the Internet to United States users of the h.TV device, twenty-four hours a day, seven days a week (the "h.TV Retransmission Service"). HTVI and the John Doe Defendants are hereafter collectively referred to as "Defendants."

4. HTVI monetizes the h.TV Retransmission Service by selling the h.TV device to the public, including United States consumers, for as much as approximately \$300 per unit at retail. Each h.TV device includes a software interface that provides to h.TV users, free of charge, software applications or "apps" that enable users to access, view, and share infringing streams of television programming in the United States (the "h.TV Store"). Many of h.TV's popular apps unlawfully retransmit CCTV and TVB programming to h.TV users in the United States (the "Infringing h.TV Apps").

5. The h.TV Retransmission Service accomplishes this massive piracy in part

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through a peer-to-peer network—like Napster, Grokster, and BitTorrent, but designed to stream video content rather than to download media files. Through this peer-to-peer network, some h.TV users not only receive unauthorized streams of CCTV and TVB programming in the United States, but also simultaneously <u>retransmit</u> that programming to other h.TV users in the United States. The h.TV Retransmission Service also directly streams CCTV and TVB programs to h.TV users in the United States from servers located in the United States and elsewhere. To facilitate this direct streaming, HTVI and/or other Defendants make unauthorized copies of CCTV and TVB programs and store those copies on servers in the United States and elsewhere.

6. The h.TV Retransmission Service's unauthorized public performances of CCTV and TVB programs cause Plaintiffs irreparable harm in a number of ways, including (a) directly competing with authorized subscriptions to CCTV and TVB television packages, thereby causing lost market share and price erosion for legitimate services; (b) disrupting Plaintiffs' relationships with authorized distribution partners in the United States; (c) depriving Plaintiffs of their exclusive rights to control the distribution, timing of distribution, and quality of copyrighted CCTV and TVB television programs, in particular Plaintiffs' ability to grant more lucrative exclusive licenses; and (d) interfering with Plaintiffs' ability to develop a lawful market for Internet distribution of CCTV and TVB television programming in the United States.

7. Defendants have gone to great lengths to conceal their infringing activity and obscure their respective roles in the h.TV Retransmission Service. Although HTVI acknowledges that it manufactures, distributes, and provides ongoing customer support for the h.TV device, it disclaims involvement in the Infringing h.TV Apps that enable h.TV users to access, view, and share that infringing television content. HTVI maintains that its h.TV device is a neutral device, and that it is purported unidentified third-party app developers (among the John

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Doe Defendants defined above) who illegally stream the infringing television content. Yet HTVI conceals the identities of any such third-party app developers, referring to them only generally in promotional materials and communications with customers.

8. Upon information and belief, the third-party app developers either do not exist or are controlled by HTVI, and HTVI is in fact deeply involved in, and is directly or indirectly responsible for, (a) the capturing of CCTV and TVB broadcasts and the infringing retransmission of that programming over the Internet to h.TV users in the United States; and (b) the development, maintenance, and dissemination of the Infringing h.TV Apps. HTVI and other Defendants, including any third-party app developers, directly infringe Plaintiffs' rights in copyrighted CCTV and TVB television programs by reproducing and publicly performing those programs without consent.

9. HTVI is also liable as a secondary infringer for taking intentional and affirmative steps that enable, cause, materially contribute to, promote, encourage, and/or induce the infringing public performances of copyrighted CCTV and TVB programs by other Defendants and h.TV customers. Among other unlawful acts, upon information and belief, HTVI (1) provides the Infringing h.TV Apps for free through the h.TV Store to all purchasers of the h.TV device using suggestive categories like "Live Channels", "VOD" and "Playback"; (2) aggressively advertises and promotes the Infringing h.TV Apps and the h.TV device's capacity to deliver CCTV and TVB programming to users of the h.TV device without payment to Plaintiffs; (3) provides technical support and customer assistance to h.TV users to assist them in accessing (and by virtue of the Infringing h.TV Apps' peer-to-peer functionality, sharing) CCTV and TVB programs with the Infringing h.TV Apps; (4) exercises control over the servers that facilitate the unauthorized streaming of CCTV and TVB television programming to h.TV users;

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and (5) directly profits from the massive infringement made possible by the h.TV device and h.TV Store, while declining to take any meaningful steps to stop the rampant infringement taking place through their digital premises and facilities, despite receiving and responding to a cease and desist letter from Plaintiff TVB (USA).

10. HTVI has built its entire business around blatant copyright infringement, brazenly advertising and promoting the capability of the h.TV device to provide users with infringing streams of CCTV and TVB television programming.

11. As a result of Defendants' unlawful conduct, Plaintiffs are entitled to damages for copyright infringement and permanent injunctive relief barring Defendants from (i) publicly performing and/or reproducing copyrighted CCTV and TVB works in the United States; or (ii) inducing, encouraging, causing, facilitating, and/or materially contributing to the unauthorized public performance and/or reproduction of copyrighted CCTV and TVB works in the United States States by others.

THE PARTIES

12. Plaintiff TVB (USA) is a corporation organized under the laws of the State of California with its principal place of business in Norwalk, California. TVB (USA) is a wholly owned indirect subsidiary of TVB, a Hong Kong company that is the largest and most popular producer of Cantonese-language television programming in the world. TVB (USA) distributes and licenses TVB television programming in the United States.

13. Plaintiff CCTV is a state-owned company existing under the laws of the People's Republic of China with its principal place of business in Beijing, China. CCTV is China's most influential and prolific television program producer, creating and broadcasting a wide variety of television programs, including news, dramas, comedies, sports, documentaries, and

entertainment programming.

14. Plaintiff CICC is a state-owned company existing under the laws of the People's Republic of China with its principal place of business in Beijing, China. CICC is a wholly owned subsidiary of China International Television Corporation ("CITVC"), which, in turn, is a wholly owned subsidiary of CCTV. CICC is responsible for, among other things, licensing and distributing CCTV programming in the United States.

15. Plaintiff DISH Network L.L.C. ("DISH") is a limited liability company organized under the laws of the State of Colorado with its principal place of business in Englewood, Colorado. DISH is the nation's third-largest pay television service, delivering video services to approximately 14 million customers nationwide through both satellite and Internet platforms.

16. Defendant HTV International Limited is a company organized under the laws of Hong Kong, with its principal place of business in Hong Kong. HTVI's current registered address is Room D, 10/F, Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong, according to the Hong Kong Companies Registry.

17. Plaintiffs are ignorant of the true names and capacities of the defendants sued herein as John Does 1 through 10, and therefore sue these defendants by such fictitious names. Plaintiffs will amend the Complaint to allege the true names and capacities of John Does 1-10 when ascertained. Upon information and belief, Defendants John Does 1-10 are individuals and/or entities currently unknown to Plaintiffs that (a) are acting in concert with, or at the direction of, HTVI to violate Plaintiffs' rights; (b) develop or distribute infringing software applications and/or streaming video content for the h.TV device; (c) own, lease, and/or control servers in the United States used to stream CCTV and TVB programs; or (d) distribute the h.TV device and/or the h.TV Retransmission Service in the United States.

JURISDICTION AND VENUE

18. This Court has subject matter jurisdiction over Plaintiffs' claims pursuant to 28U.S.C. §§ 1331 and 1338 because they arise under the Copyright Act, 17 U.S.C. §§ 101 *et seq.*

19. Personal jurisdiction over Defendants is proper because they have each purposefully directed their conduct towards, and have purposefully availed themselves of the privileges of conducting business activities within, the State of New York by, among other things, transmitting, selling and supplying, and offering to transmit, sell and supply, the h.TV Retransmission Service and/or h.TV devices to customers and/or business partners in the State of New York and the Eastern District of New York, causing injury to Plaintiffs in this State and in this District.

20. Venue is proper in this District under 28 U.S.C. §§ 1391(b).

FACTUAL BACKGROUND

A. TVB (USA)'s Business and Intellectual Property Rights

21. TVB (USA)'s ultimate parent company, TVB, operates five over-the-air television channels—Jade, J2, J5 (previously named HD Jade), iNews (Cantonese), and Pearl (English)—and 13 pay TV channels in Hong Kong.

22. TVB produces and distributes a wide variety of television programming and copyrighted works including, but not limited to, episodic dramas, comedies, news programs, sports, and other programs that are initially broadcast in Hong Kong and subsequently distributed internationally.

23. By agreement, TVB's wholly owned subsidiary TVBO Production Limited ("TVBO") holds the copyrights subsisting in TVB programs throughout the world except Hong Kong. TVBO, through an affiliate, has granted TVB (USA) the exclusive right to reproduce,

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publicly perform, transmit, and distribute all TVB programs in all media in the United States.

24. Certain TVB television programs that originally air in Hong Kong and Taiwan are distributed by TVB (USA) in the United States on the following channels: TVB1, TVB2, TVBe, TVB Pearl, TVBHD, TVB8, TVB Drama, TVBS, Jade SF, Jade NY, and Jade LA (hereafter, the "TVB U.S. channels"). TVB (USA)'s most popular television package is called the "Jadeworld" Package, which includes TVB1, TVB2, TVBe, and TVBS.

25. In the United States, TVB (USA) and its affiliates distribute the TVB U.S. channels and the TVB programs comprising those channels through license agreements with certain cable television systems, satellite television services, and other multi-channel distributors, including DISH. TVB (USA)'s authorized U.S. providers pay TVB (USA) or its affiliates licensing fees for the right to broadcast TVB's U.S. channels and programs to their customers in the United States.

26. TVB (USA) licenses to DISH the exclusive right to transmit via satellite in the United States TVB U.S. Channels, as well as the exclusive right to transmit the TVB U.S. Channels in the United States via Over-the-Top¹ ("OTT") delivery, but excluding video-on-demand format. TVB (USA) retains the exclusive right to reproduce, publicly perform, and transmit TVB programming in the United States on platforms including Internet Protocol Television (IPTV) and OTT, in video-on-demand format.

27. TVB (USA) spends substantial amounts of money each year on the facilities, equipment, and labor necessary to distribute the TVB U.S. channels in the United States.

28. TVBO holds United States copyright registrations for the television programs and episodes listed in **Exhibit A** hereto (the "Registered Copyrighted TVB Works," and, together

¹ For purposes of this Complaint, "Over The Top" or "OTT" refers to the delivery of video programming using an Internet connection that is not owned, managed, or operated by the party delivering the programming (e.g., Netflix).

with other registered and unregistered TVB television programs, the "Copyrighted TVB Works").

29. The Registered Copyrighted TVB Works are only a small subset of the total programming that TVB produces and that TVB (USA) distributes in the United States.

30. The Registered Copyrighted TVB Works are enumerated for purposes of establishing Plaintiffs' entitlement to statutory damages and attorneys' fees. Because all of TVB's programs are non-United States works, registration with the United States Copyright Office is not a prerequisite to filing a copyright infringement action with respect to these works. 17 U.S.C. §§ 101, 411(a). Defendants are liable for copyright infringement of, and Plaintiffs are entitled to damages and injunctive relief with respect to, all TVB television programming that has been and continues to be reproduced and publicly performed in the United States by Defendants.

B. DISH's Business and Intellectual Property Rights

Plaintiff CCTV is the predominant state television broadcaster in mainland China.
CCTV has 42 television channels.

32. CCTV's flagship over-the-air channels in China are CCTV1 through CCTV15. CCTV owns the copyrights to a large number of television programs. CCTV television channels are broadcast in mainland China, and certain CCTV television channels and programs are licensed for international distribution.

33. Certain CCTV television channels and programs that originally air in mainland China are distributed in the United States as part of a package of television channels called the "Great Wall Package." CCTV's Great Wall Package consists of programming from 32 Chinese television channels including the following CCTV channels: CCTV-4, CCTV-E, CCTV-Entertainment, CCTV-News, CCTV-9 Documentary, and CCTV-Opera (hereafter, the "CCTV U.S. channels").

34. Plaintiff CICC distributes the Great Wall Package in the United States through two authorized distribution partners: DISH and Kylin TV (collectively, CCTV's "Authorized U.S. Providers"). On behalf of CCTV, CICC has entered into license agreements with CCTV's Authorized U.S. Providers that, in exchange for payment, give the Authorized U.S. Providers the right to retransmit CCTV U.S. channels, including the CCTV television programs comprising those channels, to their fee-paying subscribers in the United States.

35. Although CICC licenses certain rights to CCTV programming in the United States, its parent company CCTV retains and owns the exclusive right to reproduce, publicly perform, and transmit CCTV programming, including but not limited to the Registered CCTV Programs, over the Internet in the United States.

36. CCTV and CICC spend substantial amounts of money each year on the facilities, equipment, and labor necessary to distribute the CCTV U.S. channels in the United States.

37. Another CCTV affiliate, China Network Television (CNTV), streams certain CCTV television programming over the Internet from its website at http://tv.cntv.cn/. CNTV also distributes a number of mobile applications, including CCTV SPORTS and CCTV NEWS, which offer streaming video of certain CCTV programs. CNTV makes these apps available for download through the iTunes and Google Play stores, among other authorized sites.

38. Because all of CCTV's programs are non-United States works, registration with the United States Copyright Office is not a prerequisite to filing a copyright infringement action with respect to these works. 17 U.S.C. §§ 101, 411(a). Defendants are liable for copyright infringement of, and Plaintiffs are entitled to damages and injunctive relief with respect to, all CCTV television programming that has been and continues to be reproduced and publicly

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performed in the United States by Defendants (the "Copyrighted CCTV Works" and, with the Copyrighted TVB Works, the "Copyrighted Works").

C. DISH's Business and Intellectual Property Rights

39. DISH provides its subscribers satellite television services and OTT television services. DISH's OTT television services are available on numerous viewing devices including Apple iPhones and iPads, Android phones and tablets, Samsung Smart TVs and Blu-Ray devices, Amazon Fire, personal computers, and the Roku streaming player.

40. Under a license agreement, DISH owns the exclusive right to retransmit CCTV's Great Wall Package of television channels and programs in the United States via satellite, and also has a non-exclusive right to distribute CCTV's Great Wall Package of television channels and programs over the Internet (including OTT) in the United States. In return for monthly subscription fees, DISH offers its United States subscribers access to the Great Wall Package.

41. Under a license agreement, as noted above, DISH owns the exclusive rights to retransmit TVB U.S. channels and the TVB programs comprising those channels (a) via satellite in the United States and (b) via OTT delivery in the United States, except for video-on-demand content. In return for monthly subscription fees, DISH offers its United States subscribers access to TVB programming.

D. Defendant HTVI's Unlawful Conduct

42. Defendant HTVI manufactures the h.TV device and offers it for sale to consumers, including in the United States, the State of New York, and the Eastern District of New York, from its website located at htvbox.com (the "h.TV Website"). As of at least January 27, 2016, Defendant HTVI, through the h.TV Website, sold the latest model h.TV devices—the "h.TV 2" and "h.TV 3"—for \$279 to \$299. Currently, as of the date of filing of this Complaint, Defendant HTVI, through the h.TV Website, sells the h.TV 3 for \$299 and promotes the h.TV 2

and h.TV 3. Both the h.TV 2 and h.TV 3 are available for sale through third-party Internet marketplaces.

43. Upon information and belief, HTVI, acting alone or in conjunction with the John Doe Defendants, reproduces and retransmits entire CCTV and TVB channels and individual copyrighted CCTV and TVB television programs to h.TV users in the United States twenty-four hours a day, seven days a week, directly infringing Plaintiffs' public performance rights and reproduction rights under U.S. copyright law.

44. Upon information and belief, HTVI and the other Defendants commit this direct infringement in three ways: (1) capture of television programs that are converted to Internet-friendly formats; (2) streaming of the same at least in part using peer-to-peer technology over the Internet, and (3) direct streaming of television programs over the Internet from servers in the United States and elsewhere.

h.TV Video Streaming

45. The h.TV Retransmission Service operates, in part, over a peer-to-peer network (the "h.TV P2P Network") using one or more peer-to-peer streaming television protocols and, otherwise, by directly streaming pirated television programming, including CCTV and TVB programming, to large numbers of h.TV users in the United States.

46. Upon information and belief, the Defendants, or some of them, capture television signals being transmitted by broadcasters in Hong Kong, mainland China, Taiwan, and other countries using a digital video capture device. The television signals captured by the Defendants include CCTV and TVB broadcasts. The Defendants capture CCTV and TVB television signals for the unlawful purpose of engaging in unauthorized public performance and distribution of CCTV and TVB programming.

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47. Upon information and belief, the Defendants, or some of them, then (1) convert the captured CCTV and TVB television signals into digital signals; (2) feed the digital signals into a server that converts them to a form suitable for streaming over the Internet; and (3) transmit the pirated video streams of CCTV and TVB programming to h.TV users, in some cases through the h.TV P2P Network. Through the h.TV Store, HTVI provides the Infringing h.TV Apps necessary for h.TV users to view and share the pirated video content, including CCTV and TVB television channels and television programs.

48. "Peer-to-peer" technology is a networking architecture where tasks are distributed or shared among users, each of whom represents a different "node" in the network. In *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 919-20 (2005), the Supreme Court described peer-to-peer as a system by which "users' computers communicate directly with each other, not through central servers." Although in *Grokster* file sharing was at issue, peer-to-peer technology can also be employed to distribute streaming video through users' computers or devices.

49. In order to function, the h.TV P2P Network requires h.TV users who receive broadcasts through the h.TV P2P Network to also simultaneously <u>retransmit</u> some or all of that pirated programming to other "peers" on the network, namely other members of the public who are h.TV users. Some portion of those h.TV users likewise view the pirated CCTV and TVB programming and <u>retransmit</u> it to yet other h.TV users in the peer-to-peer network, and this process reiterates, allowing copyrighted CCTV and TVB works to be viewed and transmitted by h.TV users who otherwise would have to pay for that programming.

50. h.TV users have no preexisting relationship with or legitimate ownership or possessory interest in the CCTV and TVB broadcasts and programs that they receive and

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retransmit to other h.TV users, and h.TV users furthermore do not limit their sharing of these programs to a single household or a close circle of family and friends but rather retransmit them publicly on an indiscriminate basis to any other h.TV device participating in the h.TV P2P Network.

51. Upon information and belief, some h.TV users are aware that the h.TV Retransmission Service functions through a peer-to-peer network.

52. Plaintiffs have not authorized any of the Defendants or any h.TV users to publicly perform, transmit or retransmit CCTV and TVB television channels or any of the Copyrighted Works. Nor have Plaintiffs authorized the Defendants, or any of them, to make copies of the Copyrighted Works. The retransmission of CCTV and TVB broadcasts and programs in the United States is a violation of Plaintiffs' exclusive public performance rights and constitutes direct copyright infringement. The reproduction of copies of CCTV and TVB broadcasts and programs in the United States is a violation of Plaintiffs' exclusive reproduction rights and constitutes direct copyright infringement.

The h.TV Device

53. HTVI monetizes the h.TV Retransmission Service by selling h.TV devices to United States consumers and equipping the h.TV device with the h.TV Store, which provides easy and free access to the software applications necessary for h.TV users to receive and share the infringing h.TV Retransmission Service.

54. The h.TV device is a set-top box that delivers streaming television programming to customers over the Internet without the customers paying subscription fees to an authorized licensee such as a cable, satellite, or other television services provider.

55. As discussed above, two models of the h.TV device are currently available: the

h.TV 2 and the h.TV 3.

The h.TV Store and the Infringing h.TV Apps

56. h.TV users access streaming television content by using software applications or "apps"—small, specialized software programs that run on the h.TV device—that they download from the h.TV Store.

57. HTVI configures every h.TV device to include the h.TV Store.

58. The h.TV Store does not charge users a fee to download apps. Apps in the h.TV Store are available free of charge after the one-time, up-front purchase of the h.TV device.

59. When h.TV users access the h.TV Store, they are prompted to read and accept mandatory terms of service, including acknowledging that HTVI reserves the "right to preview, examine, report, filter, modify, refuse or delete any or all software applications in the h.TV Store" and that "[HTVI] and the Publishers reserve the right to change, suspend, remove, or disable access to any Products, content, or other materials accessible through the h.TV Store at any time without notice."

60. Upon information and belief, the h.TV Store can only be accessed through an h.TV device.

61. Upon information and belief, HTVI exercises practical and legal control over all aspects of the h.TV Store, including determining which apps are included in the h.TV Store and controlling the servers and other facilities through which h.TV users browse and download the software applications available in the h.TV Store.

62. The h.TV Store offers for download a number of apps that deliver, without permission, CCTV and TVB programming to users of the h.TV device (defined above as the "Infringing h.TV Apps").

63. The Infringing h.TV Apps provide streaming video content in several different formats or modes. First, some Infringing h.TV Apps stream live CCTV and TVB broadcasts from Asia shortly after they air in Asia (hereafter, the "live" mode). Some Infringing h.TV Apps permit users to choose from a pre-recorded library of CCTV and TVB programs through a menu system, commonly known as "video on demand" (hereafter, the "video-on-demand" mode). Some Infringing h.TV Apps permit users to choose specific pre-recorded CCTV and TVB programming through a menu system for a specific time frame (hereafter, the "playback" mode).

64. From January 25, 2016 through March 8, 2016, Plaintiff TVB (USA)'s employees personally observed that 1,538 Registered Copyrighted TVB Works were available to be streamed through the h.TV device using Infringing h.TV Apps.

65. The following Infringing h.TV Apps provided through the h.TV Store stream TVB channels and/or programs to United States h.TV users in live, video-on-demand, and/or playback modes:

| Infringing h.TV App and icon | TVB Programming and Mode | CCTV Programming and Mode |
|------------------------------|--|-----------------------------------|
| 中文電視/ChineseTV | J5, JADE, J2, iNews, PEARL, TVBS-News, TVBS, TVBS- Entertainment (all live mode) | CCTV 1 through 16 (all live mode) |
| CantonesePlayBack | J5, PEARL, J2, JADE, iNews, TVB Classic, TVB Drama Select, TVB Korean Drama, TVB Japanese Drama, TVB Classic Movies, TVB Food (all playback mode) | |

| WonderfulPlayBack | TVBS-Entertainment (playback mode) | CCTV 1, CCTV 3, CCTV 4, CCTV 5, CCTV 5+, CCTV 13 (all playback mode) |
|--|---|--|
| 粵好睇 「「」」」 『」「」」」 『」」」 『」」」 | TVB programs in video-on- demand mode | |
| 大視界/Various Video | TVB programs in video-on- demand mode | CCTV programs in video-on- demand mode |
| Yue Gang TV | J5, JADE, J2, iNews, PEARL (all live mode) | |
| TaiMin TV | TVBS-News, TVBS, TVBS- Entertainment (all live mode) | |

| Mainland TV | CCTV 1 through 16 (all live mode) |
|-------------|---|
| BangTV | CCTV 1, CCTV 2, CCTV 3, CCTV 4, CCTV 9, CCTV 10, CCTV 11, CCTV 14, CCTV 15, CCTV Portuguese, CCTV French, CCTV Russian, CCCTV Spanish, CCTV Arabic, CCTV English (all live mode) |
| Sports TV | CCTV 5, CCTV 5+ (all live mode) |

66. As shown above, the Infringing h.TV App Mainland TV is represented by an icon that incorporates CCTV's stylized logo.

67. The Infringing h.TV Apps have no purpose other than to deliver infringing television programming to h.TV users.

68. The chart in Paragraph 68 sets forth only those apps that stream copyrighted CCTV and TVB television programming. Upon information and belief, Defendants and h.TV customers use other apps provided through the h.TV Store to publicly perform the copyrighted works of many other copyright owners. Upon information and belief, the vast majority of the television and motion-picture content viewed and shared by h.TV users is unauthorized.

69. Upon information and belief, HTVI authors and/or co-authors the Infringing h.TV

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Apps and is otherwise responsible for the development, release, delivery, and support of the Infringing h.TV Apps.

70. The Infringing h.TV Apps are free to download with the purchase of the h.TV device. As of March 9, 2016, none of the Infringing h.TV Apps contains advertising, offers in-app purchases or paid upgrades, or, upon information and belief, otherwise independently generates revenue.

71. Upon information and belief, the availability of Infringing h.TV Apps in the h.TV Store—and the free CCTV and TVB programming they provide—represents a significant draw and motivation for purchasers of the h.TV device and enables HTVI to sell more h.TV devices at higher prices than it otherwise could. Unbranded Android-based set-top boxes without such access to infringing programming sell for as low as \$20-\$50.

HTVI Promotes, Fosters, and Induces Infringing Public Performances of CCTV and TVB Programs

72. HTVI has actual knowledge and constructive knowledge that it and/or other Defendants publicly perform CCTV and TVB television programs through the h.TV Retransmission Service to users of the h.TV device, and that h.TV customers receive and simultaneously retransmit CCTV and TVB programming to other h.TV users through the h.TV P2P Network.

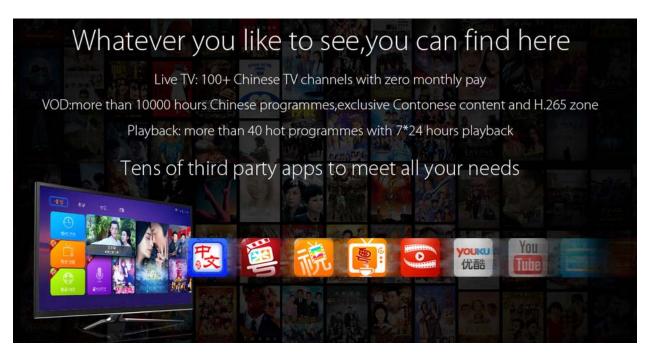
73. HTVI aggressively advertises and promotes the h.TV Retransmission Service, the infringing capabilities of the h.TV device, and the Infringing h.TV Apps. HTVI's marketing materials regularly tout the ability of h.TV users to stream copyrighted television programming from China, Hong Kong, and elsewhere in Asia without paying subscription fees.

74. For example, as of January 27, 2016, HTVI promoted the h.TV 3 device on the h.TV Website, as follows:

Live TV: 100+ Chinese TV channels with zero monthly pay VOD:more than 10000 hours Chinese programmes,exclusive Contonese [sic] content and H.265 zone Playback: more than 40 hot programmes with 7*24 hours playback Tens of third party apps to meet all your needs

75. As of January 27, 2016, the above-described page on the h.TV Website further

promoted specific Infringing h.TV Apps:



76. As of March 8, 2016, HTVI promoted the h.TV 2 device on the h.TV Website, as

follows:

Have own App Store Massive TV applications Rich third-party applications 100+ Chinese TV programs Lifetime free Select Chinese Favorite APP Enjoy all Chinese Programs *** 7X24 Hour Never Miss Great Show H.TV2 offers over 40 sets of Cantonese, Chinese 7X24 hour playback program Wonderful Experience at any time. H.TV 2 Transplant Mass Third-party Exclusive App Achieve Mandarin, Cantonese bilingual VOD System Collect all kinds of blockbuster film, hit TV series and popular arts Massive Exclusive third-party applications, CantoneseVOD series

77. As of March 8, 2016, the above-described page on the h.TV Website further

promoted specific Infringing h.TV Apps, including the Mainland TV app containing CCTV's

logo:

| Assive exclusive third-party applications, CatoneseVOD series |
|--|
| |

78. HTVI operates a Facebook page at https://www.facebook.com/htvbox (the "h.TV Facebook Page"). Administrators of the h.TV Facebook Page advertise and promote the Infringing h.TV Apps and the availability of CCTV and TVB television programming on the h.TV device, as in the following exemplary screenshots of the h.TV Facebook Page:

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| 11 a 26a | 02:00-03:15 亞洲星劇場 |
|------------------------|-------------------------|
| | 03:15-04:00 我的自由年代 |
| | 04:00-05:00 小兒離發[普] |
| | 05:00-06:15 亞洲星劇場 |
| 電視線道 | 06:15-07:00 我的自由年代 |
| 12 TVB供剧量 | 07:00-07:55 小兒難要[普] |
| 13 HKTV | 07:55-08:00 無綫網絡電視精 |
| 14 TVB韓劇臺 15 TVB日劇臺 | 08:00-09:15 亞洲星劇場 |
| | 09:15-10:00 我的自由年代 |
| 16 TVB粤語劇藝 | 205.15-10.00 92.55日田中10 |



79. The h.TV Facebook Page also provides customer support and technical assistance to users of the h.TV Retransmission Service, helping h.TV users access and share infringing

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streams of TVB programming and other unauthorized programming. For instance, on January 11, 2016, when a user commented "my htv3 lags when watching one week delay tvb channels, my router and connections are fine tho", the h.TV administrator responded: "'lags' do you mean it freezing a lot when you watching 'Cantones playback'? if the problem is so, can you please make us a picture for 'setting - other setting', so maybe we can track by the box info." The user responded, "its not freezing, its like pause and play, usually happens at nights and weekends here(new York), but drama and movie apps are fine with no problems, so i believe its your server streaming problem during peak hours," and the h.TV administrator wrote, "oky we will report this to the APP owner, thanks for feedback!" The "Cantones playback" referred to by the h.TV administrator is one of the Infringing h.TV Apps.

80. HTVI profits from copyright infringement carried out via the h.TV Retransmission Service and by h.TV customers using the h.TV P2P Network. Upon information and belief, the more pirated television programming available to h.TV customers, the more h.TV devices HTVI sells. HTVI thus relies for the success of its business on the infringing public performances transmitted through the h.TV Retransmission Service by it and/or other Defendants, and by h.TV customers.

81. Upon information and belief, HTVI has taken no meaningful steps to develop filtering tools or other mechanisms to diminish the brazen infringement taking place through the h.TV Retransmission Service, the h.TV device, and the h.TV Store.

82. Prior to filing this lawsuit, Plaintiff TVB (USA) sent a cease-and-desist letter to HTVI, demanding that HTVI stop infringing and contributing to the infringement of Plaintiffs' rights in copyrighted TVB television programming. The cease-and-desist letter identified Infringing h.TV Apps and provided a representative list of TVB programs, streamed without

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authorization through the h.TV device. Defendant HTVI responded as "HTV International Ltd"—and without providing any individual's name or position with HTVI, even after such identification was requested—confirming its receipt of this cease-and-desist letter. Despite receipt of this notice, Defendants continue to operate the h.TV Retransmission Service, provide Infringing h.TV Apps through the h.TV Store, and market, advertise, and promote the Infringing h.TV Apps and the infringing capabilities of the h.TV device.

HTVI Has Significant Contacts with the Forum

83. HTVI has purposefully directed its infringing conduct alleged above towards, and has purposefully availed itself of the privileges of conducting business activities within, the United States, the State of New York, and the Eastern District of New York

84. HTVI conducts business throughout the United States, including within the Eastern District of New York, through the operation of the fully interactive and commercial h.TV Website. HTVI advertises, promotes, offers for sale, and sells h.TV devices to customers within the State of New York and the Eastern District of New York through the fully interactive commercial h.TV Website. HTVI has purposefully directed their illegal activities towards consumers in New York through such advertisement, promotion, offering for sale, and sale of h.TV devices into the State of New York and the Eastern District of New York, causing harm to Plaintiffs in this State and this District.

85. In December 2015, Plaintiffs' investigator purchased an h.TV device from HTVI via the h.TV Website, which was shipped to New York. Upon information and belief, many other customers in the State of New York and the Eastern District of New York have purchased substantial numbers of h.TV devices from HTVI through the fully interactive and commercial h.TV Website.

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86. U.S. import records show that in 2015 HITV made multiple shipments of cartons containing as many as 24,000 h.TV devices to a company known as Multi Media World Inc. in Queens, New York in the Eastern District of New York.

87. As alleged in more detail above, HTVI and/or other Defendants stream copyrighted CCTV and TVB television programming into the State of New York and the Eastern District of New York when h.TV customers located in this State and this District use the h.TV device to watch copyrighted CCTV and TVB television programming over the Internet and retransmit copyrighted CCTV and TVB television programming others over the Internet.

88. Upon information and belief, HTVI and/or other Defendants lease space on multiple Internet servers in the United States to deliver streaming content to h.TV devices in the United States, to download components of the h.TV Store to h.TV devices in the United States, and to otherwise facilitate the operation of h.TV devices and the delivery of content to those devices in the United States.

<u>COUNT ONE</u> <u>DIRECT COPYRIGHT INFRINGEMENT</u>

89. Plaintiffs hereby incorporate by reference and reallege each and every allegation of Paragraphs 1 through 88 above.

90. Plaintiffs are the legal and/or beneficial owners of exclusive rights in the United States to CCTV and TVB television programs and broadcasts, the Copyrighted Works.

91. The Copyrighted Works are original audiovisual works that have been fixed in a tangible medium of expression and constitute copyrightable subject matter within the meaning of 17 U.S.C. § 102.

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92. Each of the Copyrighted Works is entitled to protection under 17 U.S.C. §104(a) and because it is either (1) an unpublished work, or (2) a work first published in the Hong Kong, a treaty party to the Berne Convention.

93. Under 17 U.S.C. § 106, Plaintiffs owns the exclusive rights to reproduce the Copyrighted Works, to distribute copies of the Copyright Works to the public, to publicly perform the Copyrighted Works, to publicly display the Copyrighted Works, and to make derivative works based upon the Copyrighted Works. Under 17 U.S.C. § 106, Plaintiffs also own the exclusive rights to authorize others to exercise those rights.

94. By the actions alleged above, the Defendants have directly infringed and will continue to directly infringe Plaintiffs' copyrights and exclusive rights in the Copyrighted Works by unlawfully publicly performing and/or authorizing others to publicly perform the Copyrighted Works in the United States, in violation of Plaintiffs' exclusive rights under 17 U.S.C. § 106.

95. By the actions alleged above, the Defendants have directly infringed and will continue to directly infringe Plaintiffs' copyrights and exclusive rights in the Copyrighted Works by unlawfully reproducing and distributing and/or authorizing others to reproduce and distribute the Copyrighted Works in the United States, in violation of Plaintiffs' exclusive rights under 17 U.S.C. § 106.

96. By the actions alleged above, the Defendants have directly infringed and will continue to directly infringe Plaintiffs' copyrights and exclusive rights in the Copyrighted Works by unlawfully publicly displaying and/or authorizing others to publicly display the Copyrighted Works in the United States, in violation of Plaintiffs' exclusive rights under 17 U.S.C. § 106.

97. The foregoing acts were and are conducted by the Defendants without Plaintiffs' authorization or consent and are not otherwise permissible under the Copyright Act.

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98. The Defendants committed the foregoing acts willfully and with full knowledge of and conscious disregard for Plaintiffs' copyrights and exclusive rights in and to the Copyrighted Works.

99. Plaintiffs are entitled to recover Defendants' profits attributable to infringement of the Copyrighted Works and Plaintiffs' damages therefrom, or, at Plaintiffs' election, statutory damages of up to \$150,000 per work pursuant to 17 U.S.C. § 504. At present, Plaintiffs have registrations for 1,538 works that they have identified as being infringed, entitling Plaintiffs to seek up to \$226,950,000 in statutory damages.

100. Plaintiffs are also entitled to recover from the Defendants costs and attorneys' fees pursuant to 17 U.S.C. § 505.

101. The foregoing acts of infringement by Defendants are causing and, unless enjoined and restrained by this Court, will continue to cause Plaintiffs great and irreparable injury that cannot fully be compensated for or measured in money damages. Plaintiffs have no adequate remedy at law. Pursuant to 17 U.S.C. § 502, Plaintiffs are entitled to preliminary and permanent injunctions prohibiting further infringements of the Copyrighted Works and their exclusive rights under the Copyright Act by Defendants.

102. To the extent that one or more of the Defendants claims that another Defendant is responsible for the infringements described above, upon information and belief, such Defendant is subject to alter ego liability for the acts of infringement alleged herein. Upon information and belief, there is a unity of interest and ownership among Defendants such that one or more of the Defendants is an alter ego of the other Defendants. Upon information and belief, one or more of the Defendants exert domination and control over one or more of the other Defendants. Upon information and belief, upon information and belief, one or more of the Defendants exert domination and control over one or more of the other Defendants.

other Defendants' actions. Observance of the corporate form would lead to an inequitable result because it would sanction the Defendants' infringements of Plaintiffs' copyrights and exclusive rights in the Copyrighted Works and other unlawful acts, and would allow another Defendant to avoid liability.

<u>COUNT TWO</u> SECONDARY COPYRIGHT INFRINGEMENT

103. Plaintiffs hereby incorporate by reference and reallege each and every allegation of Paragraphs 1 through 102 above.

104. The Defendants, or some of them, have directly infringed and will continue to directly infringe Plaintiffs' copyrights and exclusive rights by publicly performing, reproducing, and distributing the Copyrighted Works in the United States.

105. h.TV customers have directly infringed and will continue to directly infringe Plaintiffs' copyrights exclusive rights by publicly performing the Copyrighted Works in the United States when using the Infringing h.TV Apps to retransmit programs in which they have no legitimate possessory interest indiscriminately to numerous other members of the public.

106. Each of the Defendants is secondarily liable under the Copyright Act for inducing the infringing acts committed by the other Defendants and by h.TV customers. As set forth above, the Defendants manufacture, distribute, maintain, and market the h.TV Retransmission Service, the h.TV device, the h.TV Store, and/or the Infringing h.TV Apps with the object of promoting their use to infringe copyrighted television programs, including but not limited to the Copyrighted Works, thereby causing continuing infringements of Plaintiffs' copyrights and exclusive rights in the Copyrighted Works by other Defendants and h.TV customers. Through this purposeful conduct, such Defendants knowingly and intentionally induce unauthorized public performances, reproductions, and distributions by other Defendants and/or by h.TV

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customers in the United States of copyrighted television programs, including but not limited to the Copyrighted Works, in violation of Plaintiffs' exclusive rights under 17 U.S.C. § 106.

107. Each Defendant is also secondarily liable as a contributory infringer for materially contributing to, aiding, and assisting the infringing acts committed by the other Defendants and by h.TV customers. Each Defendant has actual and constructive knowledge of specific infringing activity carried out by the other Defendants and by h.TV customers. Through their manufacture, maintenance, distribution, marketing, and promotion of the h.TV Retransmission Service, the h.TV device, the h.TV Store, and/or the Infringing h.TV Apps, with knowledge of specific acts of infringement, each Defendant knowingly causes, and/or otherwise materially contributes to unauthorized public performances, reproductions, and distributions by other Defendants and by h.TV customers in the United States of copyrighted television programs, including but not limited to the Copyrighted Works, in violation of Plaintiffs' exclusive rights under 17 U.S.C. § 106.

108. Each Defendant is additionally liable for vicarious infringement as to the infringing actions of other Defendants and h.TV customers because (a) each Defendant has the right and ability to control the infringers' acts, and (b) each Defendant receives a direct financial benefit from the infringing activity. Each Defendant is therefore vicariously liable for unauthorized public performances, reproductions, and distributions by other Defendants and h.TV customers in the United States of copyrighted television programs, including but not limited to the Copyrighted Works, in violation of Plaintiffs' exclusive rights under 17 U.S.C. § 106.

109. The Defendants committed the foregoing acts willfully and with full knowledge and conscious disregard of Plaintiffs' copyrights and exclusive rights in and to the Copyrighted Works.

110. Plaintiffs are entitled to recover from the Defendants the profits made by them from infringements of Plaintiffs' copyrights and exclusive rights in the Copyrighted Works and Plaintiffs' damages therefrom, or, at Plaintiffs' election, statutory damages pursuant to 17 U.S.C. § 504.

111. Plaintiffs are also entitled to recover from the Defendants costs and attorneys' fees pursuant to 17 U.S.C. § 505.

112. The foregoing acts by the Defendants are causing and, unless enjoined and restrained by this Court, will continue to cause Plaintiffs great and irreparable injury that cannot fully be compensated for or measured in money damages. Plaintiffs have no adequate remedy at law. Pursuant to 17 U.S.C. § 502, Plaintiffs are entitled to a permanent injunction prohibiting further infringements of the Copyrighted Works and their exclusive rights under the Copyright Act by the Defendants.

113. To the extent that one or more of the Defendants claims that another Defendant is responsible for the secondary infringements described above, upon information and belief, such Defendant is subject to alter ego liability for the acts of secondary infringement alleged herein. Upon information and belief, there is a unity of interest and ownership among the Defendants such that one or more of the Defendants is an alter ego of the other Defendants. Upon information and belief, one or more of the Defendants exert domination and control over one or more of the other Defendants. Upon information and belief, upon information and belief, one or more of the Defendants exert domination and control over one or more of the other Defendants. Upon information and belief, one or more of the other Defendants is used as a shell for one or more of the other Defendants' actions. Observance of the corporate

form would lead to an inequitable result because it would sanction the Defendants' acts of secondary infringement and other unlawful acts, and would allow another Defendant to avoid liability.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray that this Court grant judgment in favor of Plaintiffs and against Defendants as follows:

a. Permanently enjoining Defendants and their officers, agents, servants, and employees and all those in active concert or participation with them, from (i) publicly performing, publicly displaying, transmitting, distributing, and/or reproducing CCTV and/or TVB television programming, including the Copyrighted Works; (ii) inducing, encouraging, causing, facilitating, and/or materially contributing to the unauthorized public performance, public display, transmission, distribution, and/or reproduction of CCTV and/or TVB television programming, including the Copyrighted Works by others; and (iii) distributing, selling, advertising, marketing or promoting any h.TV Device that contains, connects to, offers for download, transmits, assists in the transmission of, streams, hosts, provides access to, or otherwise publicly performs, directly or indirectly, by means of any device or process, CCTV and/or TVB television programming, including the Copyrighted Works, without permission.

b. Awarding Plaintiffs either Plaintiffs' actual damages plus any profits made by Defendants attributable to their violations not taken into account when computing actual damages; or at Plaintiffs' election statutory damages, in an amount to be determined at trial;

c. Awarding Plaintiffs their costs of prosecuting this action, including reasonable attorneys' fees;

d. Awarding Plaintiffs prejudgment interest at the highest legal rate allowed under law;

e. Directing Defendants file with this Court within 30 days after the entry of final judgment a written statement, under oath, setting forth in detail the manner in which they have complied with the Judgment of the Court; and

f. Awarding Plaintiffs such other and further relief as this Court deems just, proper and equitable.

Dated: April 5, 2016

Respectfully submitted,

By: <u>/s/ Lacy H. Koonce, III</u>

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