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UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 WESTERN DIVISION

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WARNER BROS. ENTERTAINMENT
 INC.; UNIVERSAL CITY STUDIOS
 LLC; UNIVERSAL CITY STUDIOS
 PRODUCTIONS LLLP; UNIVERSAL
 CONTENT PRODUCTIONS LLC;
 UNIVERSAL TELEVISION LLC;
 AMAZON CONTENT SERVICES
 LLC; COLUMBIA PICTURES
 INDUSTRIES, INC.; DISNEY
 ENTERPRISES, INC.; NETFLIX
 STUDIOS, LLC; OPEN 4 BUSINESS
 PRODUCTIONS LLC; PARAMOUNT
 PICTURES CORPORATION;
 SCREEN GEMS, INC.; and SONY
 PICTURES ANIMATION INC.,

Case No. 2:21-cv-05456

**COMPLAINT FOR COPYRIGHT
 INFRINGEMENT AND BREACH
 OF CONTRACT**

DEMAND FOR JURY TRIAL

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Plaintiffs,

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vs.

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JASON TUSA; and DOES 1-10 d/b/a
 ALTERED.CARBON TV, DIGITAL
 UNICORN MEDIA, SINGULARITY
 MEDIA, and AREA 51,

Defendants.

1 Plaintiffs bring this Complaint for direct and secondary copyright
2 infringement under the Copyright Act (17 U.S.C. § 101 *et seq.*) against Jason Tusa
3 and Does 1-10, the individuals or entities who, along with Jason Tusa, own or
4 operate the unauthorized streaming service Altered.Carbon TV (“Altered Carbon”),
5 previously branded as Digital UniCorn Media, Singularity Media, and Area 51
6 (collectively “Tusa”). Plaintiffs also bring this action for breach of contract against
7 Jason Tusa. This Court has subject matter jurisdiction pursuant to 28 U.S.C.
8 §§ 1331, 1338(a), 1367 and 17 U.S.C. § 501(b). Plaintiffs allege, on personal
9 knowledge as to themselves, and information and belief as to others, as follows:

10 **INTRODUCTION**

11 1. Jason Tusa and the entities he controls have repeatedly engaged in the
12 mass infringement of Plaintiffs’ copyrighted works by operating unauthorized
13 streaming services that publicly perform Plaintiffs’ movies and TV shows without a
14 license. Plaintiffs tried to get Tusa to stop without the need for court intervention by
15 confronting him with irrefutable evidence of his illegal conduct, and obtaining his
16 agreement, including through a written settlement, in which Tusa promised never
17 again to operate a similar illegal streaming service. Unfortunately, Tusa has shown
18 that a binding contractual commitment will not deter his brazen infringement. Tusa
19 instead has now launched Altered Carbon, which is at least the fourth in a series of
20 infringing services through which Tusa makes money by exploiting Plaintiffs’
21 rights. Plaintiffs file this action because there is no other way to put an end to
22 Tusa’s infringement.

23 2. Tusa many-times-over has launched services that enable him to profit
24 by exploiting the rights to many of the world’s most popular movies and television
25 programs, including numerous works whose copyrights are owned or exclusively
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1 controlled by Plaintiffs (the “Copyrighted Works”).¹ In exchange for a subscription
2 fee of \$7-\$10/month, Tusa provides his subscribers with an internet protocol
3 television (“IPTV”) service that includes nearly 2,600 channels as well as pay-per-
4 view events. Tusa knows he has no license from Plaintiffs to do any of this,
5 Plaintiffs have repeatedly demanded that Tusa stop, and he even agreed to stop—yet
6 Tusa’s infringing conduct goes on and on.

7 3. Tusa’s infringement is willful. Before Altered Carbon, Tusa offered
8 his illegal IPTV service under at least three different branded names: Area 51,
9 Singularity Media (“Singularity”) and Digital Unicorn Media (“DUM”). Each time
10 Plaintiffs discovered what Tusa was doing, they demanded that he stop. And each
11 time, Tusa followed the same script: he shuttered his service, thereby tacitly
12 admitting his infringement, but then stealthily launched a replacement. In October
13 2020, after agreeing he would not launch yet *another* similar service, Tusa executed
14 a settlement agreement with Plaintiffs (the “Settlement Agreement”).² In the
15 Settlement Agreement, Tusa promised that he would never again relaunch a similar
16 unauthorized service. But that is exactly what he has done with Altered Carbon.
17 Tusa is a recidivist mass infringer. He has made it clear that he will not stop his
18 unlawful conduct unless and until the Court issues an injunction ordering him to do
19 so.

20 4. Tusa’s infringement harms Plaintiffs and their affiliates, who have
21 invested and continue to invest substantial resources and effort each year to develop,
22 produce, distribute, and publicly perform their Copyrighted Works through
23 _____

24 ¹ The Copyrighted Works include but are not limited to the representative list of
25 infringed works set forth on Exhibit A. Plaintiffs will amend this list as appropriate
to calculate damages.

26 ² Plaintiffs and Tusa agreed in the Settlement Agreement, Exhibit B, that it would be
27 kept confidential. Plaintiffs therefore request leave of Court to file the Settlement
28 Agreement under seal. Plaintiffs in this Complaint describe the Agreement in
general terms without disclosing its confidential provisions.

1 legitimate channels. Tusa usurps Plaintiffs’ right to control their Copyrighted
2 Works and to determine the terms on which they are licensed and provided to
3 consumers. Tusa thereby undermines the legitimate markets for the dissemination
4 of the Copyrighted Works. The harms that Tusa is causing through his unlawful
5 conduct will only grow worse as he expands his customer base. Tusa’s first service,
6 Area 51, received nearly three million visits to its site in its last year in business,
7 leading to unauthorized streaming of the Copyrighted Works on a massive scale.
8 Tusa aims to have Altered Carbon achieve the same growth trajectory, and his
9 unlawful conduct should be enjoined once and for all.

10 **JURISDICTION AND VENUE**

11 5. This Court has original jurisdiction over Plaintiffs’ federal copyright
12 claims pursuant to 28 U.S.C. §§ 1331, 1338(a), and 17 U.S.C. § 501(b). This Court
13 has supplemental jurisdiction over Plaintiffs’ breach of contract claim pursuant to 28
14 U.S.C. § 1367, because Plaintiff’s state and federal claims arise out of the same
15 operative facts and are so closely related that they form part of the same case or
16 controversy under Article III of the Constitution.

17 6. This Court has personal jurisdiction over Tusa. In the Settlement
18 Agreement, Tusa consented to exclusive jurisdiction in the California courts and
19 agreed to waive any objections to jurisdiction or venue.

20 7. Tusa is also subject to personal jurisdiction because he targets and
21 transacts with subscribers in California. For example, Tusa tailors his offerings to a
22 California audience by offering them programming from channels in California,
23 including the ABC channels in Los Angeles and San Francisco, among others.

24 8. Tusa knows that his unauthorized exploitation of the Copyrighted
25 Works harms Plaintiffs in California. Many Plaintiffs maintain headquarters or
26 offices in California and this District. In addition, this District is the location of a
27 significant portion of Plaintiffs’ production and distribution operations.

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1 owns or controls the copyrights or exclusive rights in the content that it or its
2 affiliates produce or distribute.

3 14. Plaintiff Universal Television, LLC (formerly known as NBC Studios,
4 Inc. and NBC Studios LLC) (“UT”) is a limited liability company duly organized
5 under the laws of the State of Delaware with its principal place of business in
6 Universal City, California. UT owns or controls the copyrights or exclusive rights
7 in the content that it or its affiliates produce or distribute.

8 15. Plaintiff Amazon Content Services LLC (“Amazon”) is a corporation
9 duly organized under the laws of the State of Delaware with its principal place of
10 business in Seattle, Washington. Amazon owns or controls the copyrights or
11 exclusive rights in the content that it or its affiliates produce or distribute. Amazon
12 was a party to the Settlement Agreement, which settled claims related to Tusa’s
13 infringement through the services, Area 51 and Singularity. Amazon was a party to
14 the Settlement Agreement with the Tusas and currently joins this action only as a
15 Contract Plaintiff.⁴

16 16. Plaintiff Columbia Pictures Industries, Inc. (“Columbia”) is a
17 corporation duly incorporated under the laws of the State of Delaware with its
18 principal place of business in Culver City, California. Columbia owns or controls
19 copyrights or exclusive rights in content that it or its affiliates produce or distribute.
20 Columbia was a party to the Settlement Agreement with the Tusas.

21 17. Plaintiff Disney Enterprises, Inc. (“Disney”) is a corporation duly
22 incorporated under the laws of the State of Delaware with its principal place of
23 business in Burbank, California. Disney owns or controls copyrights or exclusive
24

25 _____
26 ⁴ Area 51 and Singularity included a video-on-demand (“VOD”) feature, which
27 offered 24/7 streaming access to, among others, Amazon and Netflix titles. Altered
28 Carbon does not appear to include VOD content and, at present, Plaintiffs are not
aware of any Amazon or Netflix titles that have been infringed via the Altered
Carbon service.

1 rights in content that it or its affiliates produce or distribute. Disney was a party to
2 the Settlement Agreement with the Tusas.

3 18. Plaintiff Netflix Studios, LLC (“Netflix”) is a limited liability company
4 duly organized under the laws of the State of Delaware with its principal place of
5 business in Los Angeles, California. Netflix owns or controls copyrights or
6 exclusive rights in content that it or its affiliates produce or distribute. Netflix was a
7 party to the Settlement Agreement, which settled claims related to Tusa’s
8 infringement through the services, Area 51 and Singularity. Netflix joins the other
9 Plaintiffs here in their breach of contract claim against Tusa. Netflix was a party to
10 the Settlement Agreement with the Tusas.

11 19. Plaintiff Open 4 Business Productions LLC (“O4BP”) is a limited
12 liability company duly organized under the laws of the State of Delaware with its
13 principal place of business in Universal City, California. O4BP owns or controls the
14 copyrights or exclusive rights in the content that it or its affiliates produce or
15 distribute.

16 20. Plaintiff Paramount Pictures Corporation (“Paramount”) is a
17 corporation duly incorporated under the laws of the State of Delaware with its
18 principal place of business in Los Angeles, California. Paramount owns or controls
19 copyrights or exclusive rights in content that it or its affiliates produce or distribute.
20 Plaintiffs have obtained Certificates of Copyright Registration for their Copyrighted
21 Works. Exhibit A contains a representative list of motion pictures television shows,
22 along with their registration numbers, the registered copyright owner, and the date
23 of registration, that Tusa has infringed. Paramount was a party to the Settlement
24 Agreement with the Tusas.

25 21. Plaintiff Screen Gems, Inc. (“Screen Gems”) is a corporation duly
26 incorporated under the laws of the State of Delaware with its principal place of
27 business in Culver City, California. Screen Gems owns or controls copyrights or
28 exclusive rights in content that it or its affiliates produce or distribute.

1 formats and through multiple distribution channels, including, by way of example:
2 (a) through authorized, licensed cable and direct-to-home satellite services
3 (including basic, premium, and “pay-per-view”); (b) through authorized, licensed
4 Internet VOD services, including Amazon, Disney+, iTunes, Google Play, Netflix,
5 Paramount+, and Peacock; (c) through authorized, licensed Internet or over-the-top
6 (“OTT”) streaming services, including those offered by Hulu TV, Fubo TV, Sling
7 TV, YouTube TV, and others; (d) for private home viewing on DVD, Blu-ray, and
8 UHD discs; (e) for exhibition in theaters; (f) for pay television; and (g) for over-the-
9 air broadcast television.

10 28. Plaintiffs have not authorized Tusa to stream any of the Copyrighted
11 Works, or to exercise any of Plaintiffs’ other exclusive rights under the Copyright
12 Act, 17 U.S.C. § 106.

13 **Tusa’s *Current* Infringement of Plaintiffs’ Copyrighted Works**

14 29. Tusa’s current infringing IPTV service provides his subscribers with
15 unauthorized access to Plaintiffs’ Copyrighted Works. Tusa’s subscribers access
16 infringing content through Altered Carbon applications that download directly onto
17 smart TVs, computers, and mobile devices (collectively, the “Altered Carbon
18 Platforms”). Tusa also provides his subscribers with a web portal (the “Portal
19 URL”), which can be used to access the infringing streams directly and view them
20 through third-party applications that are available on the same devices (together
21 with the Altered Carbon Platforms, “IPTV Service”). Through the IPTV Service,
22 Tusa publicly performs the Copyrighted Works and/or facilitates, induces, and
23 knowingly contributes to others doing the same, all without Plaintiffs’ authorization.

24 30. Altered Carbon, follows the same pattern of infringement set by Tusa
25 in launching Area 51, Singularity, and DUM. He has continued this illicit business
26 through a well-practiced pattern of deception. When Plaintiffs have identified
27 Tusa’s illegal services and demanded he stop, Tusa has feigned cooperation,
28 appeared to shut down, and even *signed an agreement* that he will forever stop his

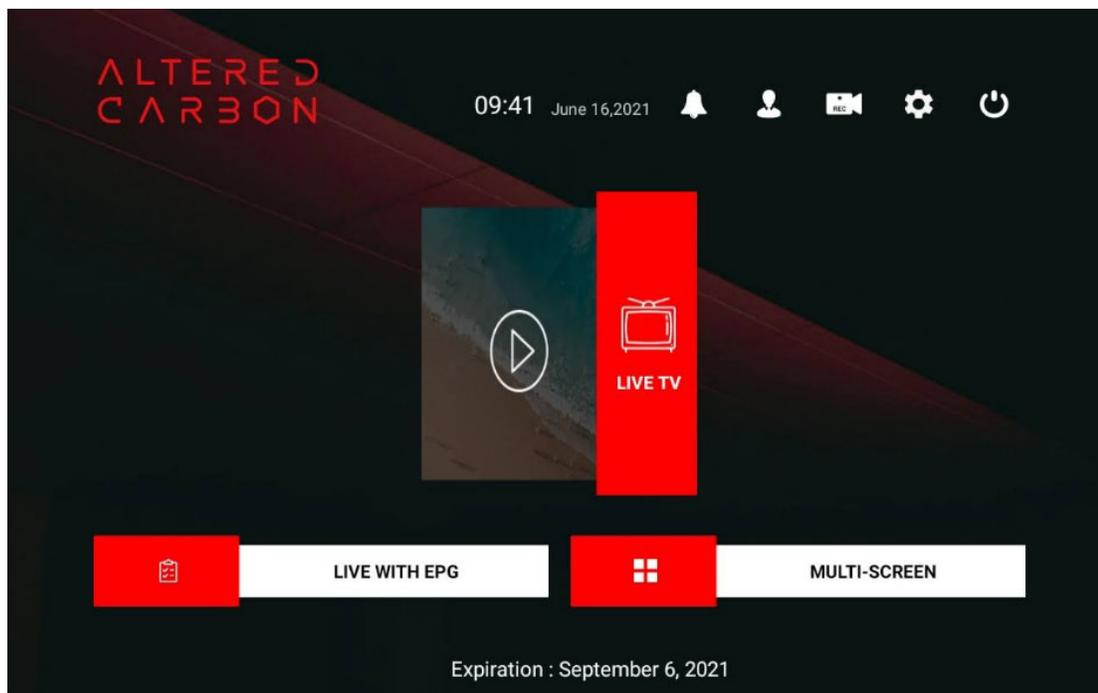
1 infringing conduct. Time and again, however, Tusa has covertly rebranded his
 2 services and resumed his infringing conduct. Tusa believes he is both under the
 3 radar and above the law. He is neither. Tusa willfully and continuously infringes
 4 the Copyrighted Works, in blatant disregard for his written commitments, and the
 5 law.

6 *Tusa's Current Illegal IPTV Service*

7 31. Tusa's IPTV Service provides infringing streams of the Copyrighted
 8 Works, in violation of Plaintiffs' exclusive public performance rights, 17 U.S.C.
 9 § 106(4).

10 32. Tusa offers customer subscription packages for the IPTV Service at
 11 prices ranging from \$7.00 to \$10.00 per month, depending on the package and
 12 billing cycle selected.

13 33. When accessing an Altered Carbon Platform, Tusa's customers first see
 14 the option to access "Live TV," a link housing Tusa's IPTV offerings.



27 Altered Carbon subscribers who select Live TV have at their fingertips an enormous
 28 collection of television channels. The volume of channels that Tusa offers is

1 staggering, totaling nearly 2,600 channels from across the globe. Tusa has
2 configured the Altered Carbon Platforms to organize the channels by nationality and
3 genre (e.g., USA, Kids, International Sports).

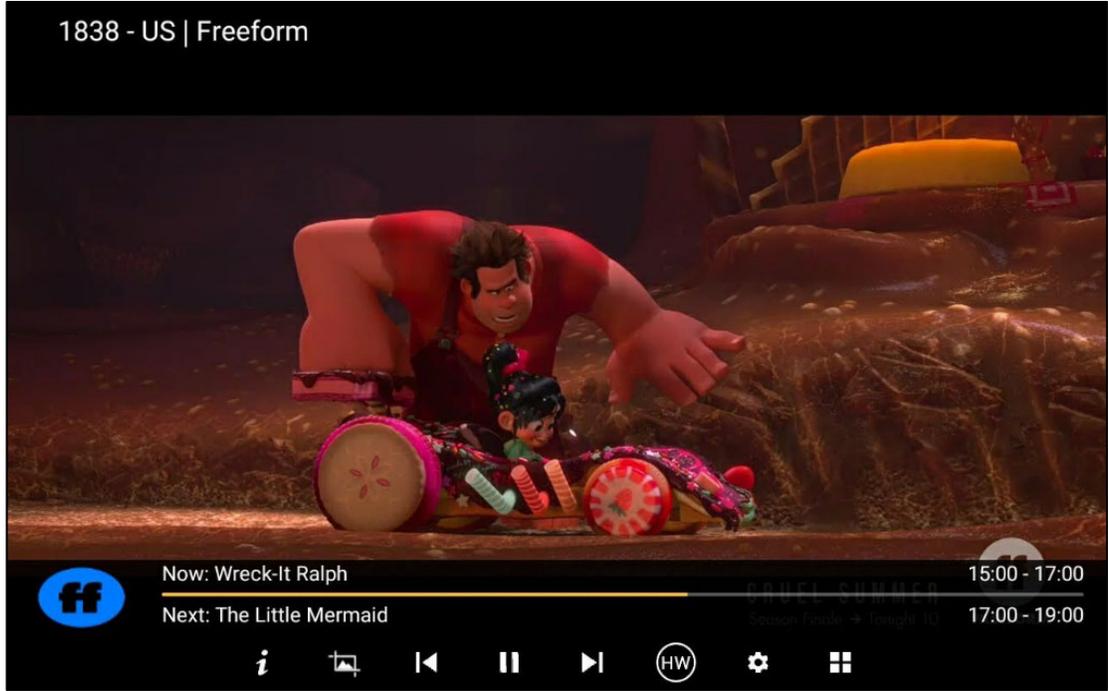
4 34. The channels that Tusa's IPTV Service offers include major networks
5 like ABC, NBC, and Fox, as well as paid channels like BET, SyFy, USA Network,
6 and premium channels like HBO and Showtime, among others. At no additional
7 cost to the customer, Tusa's IPTV Service also includes live sportscasts and pay-
8 per-view events, as well as a range of local and international versions of the most
9 popular television networks.

10 35. Tusa's live television channels are streamed contemporaneously with
11 the original source of the telecast. For example, television programs airing on
12 channels such as ESPN or NBCSN also appear on the Altered Carbon Platforms,
13 where Tusa streams those programs in high definition and with little to no delay.
14 This contemporaneous streaming enables Altered Carbon subscribers to view new
15 releases and exclusive programming simultaneously with the original telecast, but
16 without paying for that content through a legitimate service.

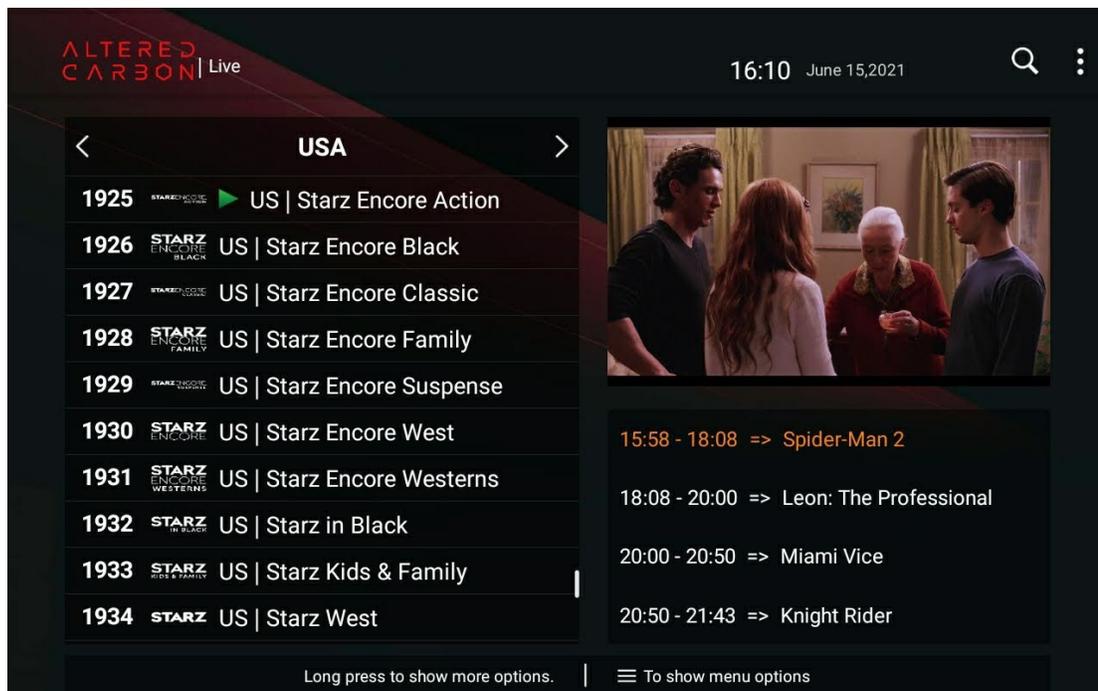
17 36. Once a subscriber clicks a channel offering, Tusa streams the content
18 playing on it to the subscriber. On any given day, Tusa streams thousands of
19 Plaintiffs' Copyrighted Works to subscribers through the Altered Carbon Platforms.
20 Because Tusa provides localized versions of channels across time zones, a particular
21 Work may appear multiple times per day, such that subscribers can access the Work
22 at their convenience. The screen capture below shows Disney's *Wreck-It Ralph*,
23 streaming live through an Altered Carbon Platform.

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37. Altered Carbon also offers a “TV Guide” view, which enables subscribers to browse scheduled programming in the same manner as they would do with a traditional cable device. Subscribers scroll through live channels, select a program, and are taken to a full-screen player that instantly streams the desired content. In many respects, the experience of watching television programming through Altered Carbon is indistinguishable from a legitimate cable service. However, because Altered Carbon operates outside of a legitimate, licensed framework, Altered Carbon offers *more* channels than those offered by any authorized service. The screen capture below shows upcoming programming—including *Spider-Man 2*, *Miami Vice*, and other Copyrighted Works owned by Plaintiffs—on one of the fourteen Starz channels available on Altered Carbon.



38. Tusa has also recently launched “24/7,” title-curated channels devoted to specific television programs, movies, or content collections. These 24/7 channels offer the infringing content in a format not available on any licensed service. In addition to violating Plaintiffs’ exclusive right of public performance, these 24/7 channels violate Plaintiffs’ exclusive right to reproduce their Copyrighted Works. The 24/7 channels do not involve Tusa hijacking an authorized transmission stream, as he does with the live channels he streams. Instead, to create a 24/7 channel, Plaintiffs’ Copyrighted Works must be copied and stored on a computer server, from which those works then can be streamed 24/7. Tusa knowingly, materially contributes to or intentionally induces third parties to make the copies that are the lifeblood of the 24/7 channel offerings. Tusa thereby secondarily infringes Plaintiffs’ exclusive reproduction rights. Tusa also infringes Plaintiffs’ public performance right when he then streams the content from the 24/7 channels to his subscribers.

1 39. Because Tusa operates without a license, he does not pay the fees that
2 authorized services pay for the exercise of Plaintiffs' exclusive rights. The fact that
3 Tusa pays Plaintiffs nothing for licenses deprives Plaintiffs of payment for the
4 exploitation of their Copyrighted Works. And, by paying nothing for the content he
5 exploits, Tusa reaps an unlawful competitive advantage, since he is able to price his
6 offerings well below the prices charged by licensed distributors that play by the
7 rules.

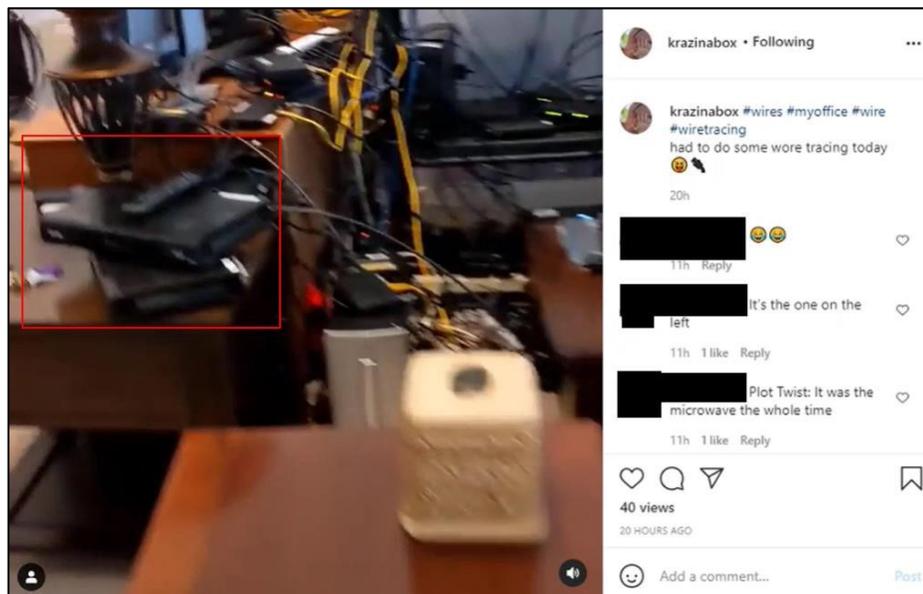
8 40. In addition to streaming content through the Altered Carbon Platforms,
9 Tusa gives his subscribers direct access to the streams through his server—the Portal
10 URL—so they can view the illicit streams through the viewing applications of their
11 choice. Every customer who purchases an Altered Carbon subscription receives the
12 Portal URL link to Tusa's hosting server and a set of login credentials. Customers
13 use those login credentials to stream from Tusa's servers directly through a range of
14 also unauthorized third-party applications that may offer additional features or
15 content. Subscribers who use the Portal URL with third-party viewing applications
16 have the same instant and effortless access to Copyrighted Works as they would
17 through the Altered Carbon Platforms but enjoy two additional, illicit benefits over
18 and above those the Altered Carbon Platforms provide. First, Portal URL
19 subscribers can search for and view infringing content through the user interface of
20 their choice. Second, those subscribers gain access to offerings from other
21 infringing IPTV services, meaning that Tusa has provided an even more
22 comprehensive library of infringing content in a single location. The screen capture
23 below shows *The Godfather III* streaming via the Portal URL to the application,
24 TiviMate.

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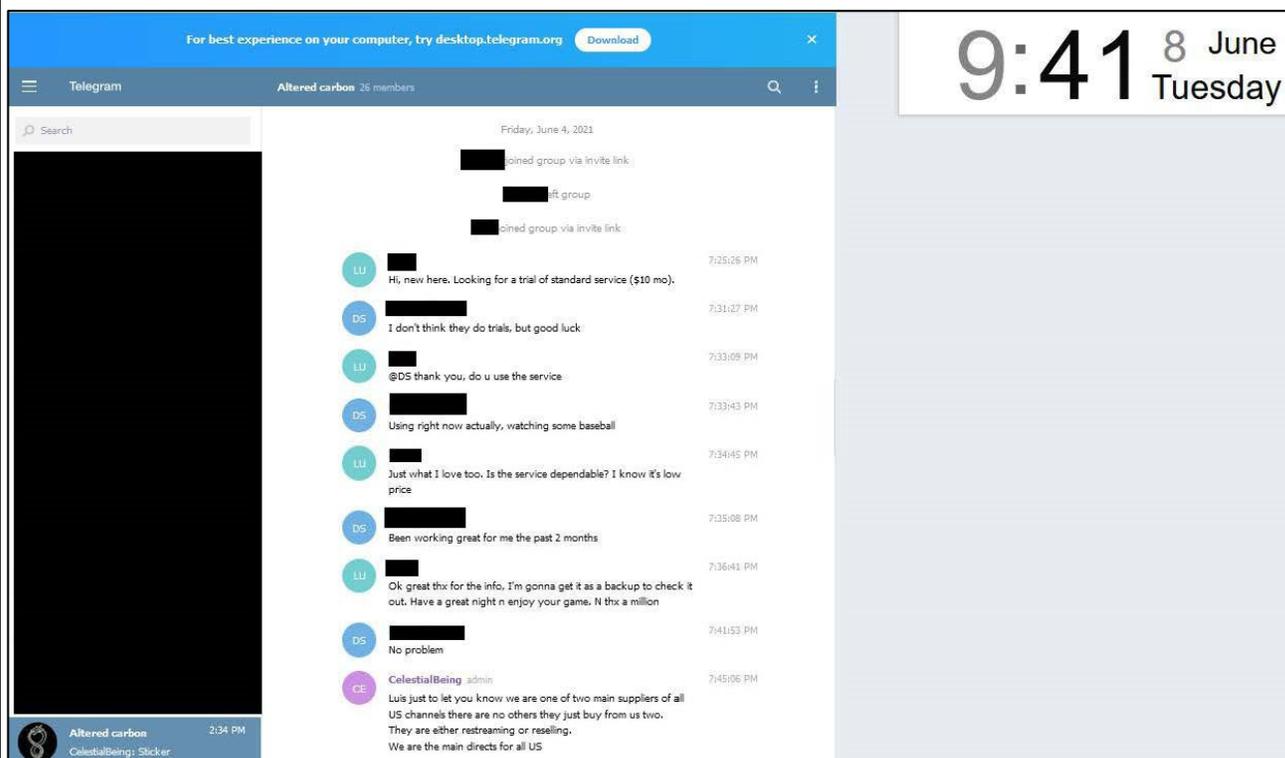
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41. Tusa’s public internet postings show him obtaining the streams that power Altered Carbon through a process of redirecting licensed transmissions from legitimate cable services. A video posted to Tusa’s social media account shows him stringing together a series of cable boxes, indicating that Tusa is using the signals routed through those cable boxes as the source for his infringing streams.



1 42. One of Tusa’s known associates, who goes by the handle
 2 @CelestialBeing and is involved in Altered Carbon, has bragged that the people
 3 behind Altered Carbon are the source of the infringing streams provided through
 4 that service: “just to let you know we are one of two main suppliers of all US
 5 channels there are no others they just buy from us two. They are either restreaming
 6 or reselling. We are the main directs for all US.”



19 43. Tusa violates Plaintiffs exclusive public performance rights when he
 20 streams Copyrighted Works to subscribers through the Altered Carbon Platforms
 21 and the Portal URL.

22 *Tusa Enlists a Network of Affiliates to Expand the Scope of His Infringement*

23 44. Tusa expands his infringing enterprise through Altered Carbon’s
 24 “affiliate” program, a referral program wherein Tusa incentivizes other individuals
 25 (“Affiliates”) to recruit customers on his behalf. Tusa recruits Affiliates with the
 26 objective of using their networking, marketing, and promotion efforts to bring him
 27 new paying subscribers. The Affiliates then advertise Altered Carbon to their own
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1 social networks and receive a commission whenever a customer subscribes using
2 their unique affiliate link.

3 45. Tusa offers his Affiliates “wholesale” pricing discounts on Altered
4 Carbon subscriptions, which the Affiliates then resell to their customers at a
5 marked-up retail price. Here is how it works: Affiliates purchase Altered Carbon
6 “Reseller Plans,” containing bulk credits. Each credit may be redeemed for a month
7 of membership to the IPTV Service. For example, the standard Reseller Plan
8 includes 70 credits for \$450.00 (\$6.42 per credit), while an Enhanced Plan includes
9 150 credits for \$700.00 (\$4.66 per credit). Affiliates then market and sell these
10 credits to end users at whatever rate they choose. The end result is that Tusa
11 generates profits from the bulk credit sales and Affiliates profit from the individual
12 credit sales.

13 46. Tusa’s Affiliate network increases his customer base and his profits.
14 More Affiliates means more customers buying illegal access to the Copyrighted
15 Works, more money flowing into Tusa’s pockets, and an ever greater number of
16 infringements of the Copyrighted Works.

17 **Tusa’s *Prior* Infringement of Plaintiffs’ Works and Breach of Contract**

18 47. Tusa is a serial mass infringer. He knows his unauthorized IPTV
19 Services are illegal. The pre-litigation history of this dispute makes clear that,
20 despite his express written agreement, he will not cease until a court orders him to
21 do so.

22 48. Area 51. Plaintiffs first discovered that Tusa was infringing their rights
23 through an unauthorized IPTV service marketed as “Area 51.” While it was
24 operating, Area 51’s websites received over 300,000 visits per month (and nearly 3
25 million visits from June 2019 to June 2020), making it the then-largest stand-alone
26 pirate IPTV service by traffic in the United States. Plaintiffs’ investigation
27 identified Tusa as the main operator of Area 51. He was assisted in operating Area
28 51 by his sister, Korinne Tusa, and his wife, Svetlana Tusa (now deceased).

1 49. In June 2020, Plaintiffs served Tusa, his wife, and his sister with a
2 cease-and-desist letter, notifying them of their copyright violations and demanding
3 they refrain from any further exploitation of Plaintiffs' Copyrighted Works. The
4 three Tusas hired an attorney and shut down Area 51 while negotiating a settlement.
5 While feigning good faith efforts to resolve Plaintiffs' claims, Jason Tusa was
6 apparently already at work on the second iteration of his service.

7 50. Singularity Media. On July 1, 2020, Jason Tusa registered the domain
8 singularitymedia.net and created a website that closely mirrored the Area 51
9 websites. The same day that Area 51 closed, its subscribers received an email
10 welcoming them to "Singularity Media" and providing download instructions for a
11 Singularity IPTV application, which could be accessed using subscribers' Area 51
12 login credentials. Programming and pricing remained nearly identical to Area 51.

13 51. On July 8, 2020, Plaintiffs demanded that the Tusas stop their
14 infringement through Singularity. Shortly thereafter, Singularity went offline.

15 52. On October 12, 2020, Plaintiffs and the Tusas executed a confidential
16 Settlement Agreement, which resolved claims arising from the Tusas' infringing
17 operation of Area 51 and Singularity. In that agreement, the Tusas promised, *inter*
18 *alia*, to "[n]ever again operate or develop" an infringing service or assist anyone else
19 trying to do the same thing. (Ex. B, Settlement Agreement, § 6(f)–(g)) Again, the
20 Tusas' promises were apparently insincere, as Jason Tusa was already relocating
21 and relaunching his infringing operation.

22 53. Digital UniCorn Media. In or around September 2020, Tusa launched
23 his third infringing IPTV service, "Digital UniCorn Media" ("DUM"). DUM
24 offered similar pricing, programming, and design as Area 51 and Singularity. This
25 time around, however, Tusa attempted to conceal his involvement in the service.
26 For example, registration information for the DUM website was privacy protected.

27 54. After the October 12, 2020 Settlement Agreement was executed,
28 Plaintiffs identified Tusa as the operator behind DUM through its IP address and

1 hosting service—both of which were identical to Singularity’s—and its web domain
 2 registration, which failed to redact one of Tusa’s suspected email addresses.
 3 Plaintiffs also connected Tusa to DUM through his social media posts, including a
 4 video of an inflatable unicorn that Tusa uploaded to his YouTube account around
 5 the time that DUM launched. Tusa replied to comments on this video using both his
 6 personal account and a dedicated “Digital UniCORN” account.

7 55. On November 18, 2020, Plaintiffs notified the Tusas’ counsel their
 8 clients had breached the Settlement Agreement, this time with DUM. Tusa denied
 9 having any involvement with the service but quickly deleted the unicorn video from
 10 his account. That same week, the DUM service went offline and Tusa posted the
 11 following message to Instagram, saying “goodbye forever.”



22 56. Altered Carbon. Tusa was not, however, done infringing Plaintiffs’
 23 rights. It appears instead that Tusa has launched yet another infringing IPTV
 24 Service, this one called “Altered Carbon.” Tusa knows he is being monitored and
 25 has not publicly acknowledged his connection to Altered Carbon. The ownership of
 26 the domains underlying the service are shielded by privacy proxies, he relies on
 27 cryptocurrency-based transactions with subscribers, and limits his personal
 28

1 communication regarding the service to a private group on an encrypted messaging
2 platform.

3 57. While Tusa would like to hide his responsibility for Altered Carbon,
4 the evidence is clear that Tusa is responsible for this service as well. The Altered
5 Carbon app uses the *same* logo from the DUM service. In addition, an Altered
6 Carbon group posts messages about the service on the messaging platform
7 Telegram. Tusa authoritatively discusses Altered Carbon through this Telegram
8 group using his personal username (@krazinabox). The profile picture for this
9 group is also a unique illustration of a serpent that matches a similar serpent
10 captured in photographs that Tusa has posted to his public social media accounts.

11 58. Altered Carbon's web architecture also bears telltale signs that show
12 Tusa controls it. Among other things, Altered Carbon uses an IP address
13 (185.246.209.99) that is very close to the one Tusa used for his last service, DUM
14 (185.246.209.213).⁶

15 59. Altered Carbon is almost identical to DUM, except for its name and
16 superficial design changes. Like DUM, many of Altered Carbon's American
17 channels contain advertisements localized to Tusa's home town of Naples, Florida.

18 60. Altered Carbon also sources its icons from the same domain
19 (palmbeach.clytius.feralhosting.com) as DUM, and Altered Carbon uses the same
20 Feralhosting service to host its application downloads. Furthermore, Altered
21 Carbon's infringing content is sourced from a web domain entitled
22 catchingbutterflies.host. Tusa's Facebook profile picture has an image of a figure
23 catching a butterfly. The coincidence is consistent with Tusa's past practice of
24 using social media posts that are evocative of the elements of whatever IPTV
25 service he is running at the time.

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28 ⁶ There is a very high likelihood that IP addresses, which share the same first nine digits, belong to users located on the same city block.

1 61. There is also abundant evidence that Tusa's continued infringement is
2 knowing and therefore willful. Among other things, Tusa *signed a settlement*
3 *agreement* with Plaintiffs, acknowledging at least their assertion of his infringing
4 conduct. Rather than shut down, he rebranded and relocated his infringing operation
5 three times in a matter of months (once while settlement negotiations with Plaintiffs
6 were ongoing, and twice after Tusa expressly agreed not to launch another
7 infringing service). Having acknowledged the illegality of his conduct, Tusa's
8 continued infringement is plainly willful.

9 62. Tusa's modus operandi is also evidence of his willful conduct. Since
10 launching DUM, he has tried to remain incognito (unsuccessfully), while marking
11 his role in his infringing services through cryptic clues, like images posted to social
12 media and his profile icons. This too evidences Tusa's consciousness that he is
13 engaged in illegal activity and shows his infringement is willful.

14 **Tusa's Relentless Infringement Causes Plaintiffs Immediate and**
15 **Irreparable Harm**

16 63. Tusa infringes and profits from exploiting Plaintiffs' Copyrighted
17 Works, and he refuses to stop. When Plaintiffs have confronted Tusa with proof
18 that he is operating an infringing service, Tusa just shuts it down and starts another
19 one, leading to repetitive games of cat-and-mouse. Plaintiffs are irreparably harmed
20 by Tusa's brazen infringement in ways that cannot easily be calculated or remedied
21 by monetary damages.

22 64. Plaintiffs exercise their exclusive rights by licensing their Copyrighted
23 Works to distributors and downstream services, thereby developing and satisfying
24 demand for their copyrighted content. Plaintiffs, not Tusa, have the right to decide
25 where, when, and how their content will be distributed to the public. Tusa's conduct
26 usurps Plaintiffs' control over the exercise of these exclusive rights, interfering with
27 those distribution strategies.

28

1 65. Tusa has an unfair competitive advantage over licensed services.
2 Licensed services negotiate for the rights they exploit, pay for those rights, and
3 abide by contractual restrictions. Tusa pays nothing and is not bound by such
4 restrictions because he circumvents the licensing process altogether. Thus, Tusa can
5 offer his subscribers far more content at a much lower cost than any of his legitimate
6 competitors. This unfair competition undermines Plaintiffs' relationships with
7 licensees, who legitimately stream live content over the Internet and make up a
8 robust and growing part of Plaintiffs' businesses.

9 66. Tusa's conduct irreparably harms Plaintiffs and their legitimate
10 licensees by sowing confusion about the value of the Plaintiffs' Copyrighted Works.
11 By offering \$7 to \$10 subscriptions to thousands of channels (because Tusa steals,
12 rather than pays for the content), Tusa undermines consumer expectations of value
13 for legitimate services.

14 67. Tusa also harms Plaintiffs' antipiracy efforts. Plaintiffs expend
15 significant time and money each year to identify and combat online infringement to
16 protect their business. Tusa's mockery of their rights—shutting down and then
17 covertly transferring the infringing services to new domains—sets an example for
18 other would-be infringers that they do not need to take Plaintiffs' rights seriously. If
19 replicated, this would lead to the proliferation of illicit services on a massive scale.

20 68. Tusa has shown time and again that he believes he is above the law. If
21 left unchecked, he has clearly demonstrated that his rampant infringement will only
22 grow with this new service. Tusa's network of subscribers and affiliates will
23 continue to expand, and with it, the infringement of Plaintiffs' Copyrighted Works
24 will increase exponentially. All of this conduct is causing immediate and
25 irreparable harm to Plaintiffs, and that harm will continue until Tusa is enjoined
26 from engaging in his illegal conduct.

27
28

1 **FIRST CAUSE OF ACTION**

2 **Direct Copyright Infringement**

3 **(Brought by All Plaintiffs Other Than Amazon and Netflix, Against Defendants**
4 **Jason Tusa and Does 1-10)**

5 69. Plaintiffs incorporate herein by reference each and every averment
6 contained in paragraphs 1 to 68 inclusive.

7 70. Under Section 106 of the Copyright Act, Plaintiffs own the exclusive
8 right to, among other things, publicly perform their Copyrighted Works.

9 71. Plaintiffs have not authorized Tusa to publicly perform their
10 Copyrighted Works or to exercise any of Plaintiffs' other exclusive rights.

11 72. Tusa has infringed and continues to infringe Plaintiffs' Copyrighted
12 Works by violating Plaintiffs' exclusive rights to publicly perform the Copyrighted
13 Works. Without Plaintiffs' authorization, Tusa publicly performs Plaintiffs'
14 Copyrighted Works, including but not limited to those worked contained on the
15 representative list of infringed works attached at Exhibit A, by transmitting
16 performances of the Copyrighted Works over the internet to Altered Carbon
17 subscribers.

18 73. Tusa's acts of infringement are willful, in disregard of and with
19 indifference to Plaintiffs' rights.

20 74. As a direct and proximate result of the infringements by Tusa, Plaintiffs
21 are entitled to damages and Tusa's profits in amounts to be proven at trial.

22 75. Alternatively, at their election, Plaintiffs are entitled to statutory
23 damages, up to the maximum amount of \$150,000 per infringed work by virtue of
24 Tusa's willful infringement, or for such other amounts as may be proper under
25 U.S.C. § 504.

26 76. Plaintiffs further are entitled to recover their attorneys' fees and full
27 costs pursuant to 17 U.S.C. § 505.

28

1 81. Tusa materially contributes to the third parties' infringement. Tusa
2 configures and promotes the use of the IPTV Service to connect subscribers to
3 unauthorized streams of Plaintiffs' Copyrighted Works, including the 24/7 channels.
4 The third parties behind these unauthorized streams control the facilities and
5 equipment used to copy and stream performances of Plaintiffs' Copyrighted Works.
6 Those third parties directly infringe Plaintiffs' exclusive reproduction and/or public
7 performance rights by copying and/or publicly performing the Copyrighted Works
8 without Plaintiffs' authorization. By operating the Altered Carbon Websites and
9 supplying the IPTV Service, Tusa facilitates, encourages, and enables the direct
10 infringement of Plaintiffs' Copyrighted Works.

11 82. Tusa's knowing and material contribution to the infringement of
12 Plaintiffs' rights in each Copyrighted Work constitutes a separate and distinct act of
13 infringement for which Defendants are liable.

14 83. Tusa's knowing and material contribution to the infringement of the
15 Copyrighted Works is willful, intentional, and purposeful, and in utter disregard of
16 Plaintiffs' rights.

17 84. As a direct and proximate result of Tusa's infringement, Plaintiffs are
18 entitled to damages and Tusa's profits in amounts to be proven at trial.

19 85. Alternatively, at their election, Plaintiffs are entitled to statutory
20 damages, up to the maximum amount of \$150,000 per infringed work, by virtue of
21 Tusa's willful infringement, or for such other amounts as may be proper under
22 U.S.C. § 504.

23 86. Plaintiffs further are entitled to recover their attorneys' fees and full
24 costs pursuant to 17 U.S.C. § 505.

25 87. As a direct and proximate result of the foregoing acts and conduct,
26 Plaintiffs have sustained and will continue to sustain substantial, immediate and
27 irreparable injury, for which there is no adequate remedy at law. Unless enjoined
28 and restrained by this Court, Tusa will continue to infringe Plaintiffs' rights in the

1 Copyrighted Works. Plaintiffs are entitled to injunctive relief under 17 U.S.C.
2 § 502.

3 **THIRD CAUSE OF ACTION**

4 **(Intentionally Inducing the Infringement of the Copyrighted Works)**

5 **(Brought by All Plaintiffs Other Than Amazon and Netflix, Against Defendants**
6 **Jason Tusa and Does 1-10)**

7 88. Plaintiffs incorporate herein by reference each and every averment
8 contained in paragraphs 1 to 68 inclusive.

9 89. With respect to the 24/7 channels, and with respect to all other
10 offerings as to which Tusa claims that third parties, and not Tusa himself, are
11 directly infringing Plaintiffs' exclusive reproduction and/or public performance
12 rights under the Copyright Act, Tusa induces such infringement. Tusa supplies and
13 promotes the IPTV Service, which has the singular function of connecting his
14 customers to unauthorized online sources that copy and stream Plaintiffs'
15 Copyrighted Works. In addition, Tusa actively induces and encourages his affiliates
16 to promote the use of the IPTV Service for copyright infringement.

17 90. Tusa's intentional inducement of the infringement of each Copyrighted
18 Work constitutes a separate and distinct act of infringement.

19 91. Tusa's inducement of the infringement of the Copyrighted Works is
20 willful, intentional, and purposeful, and in disregard of and with indifference to
21 Plaintiffs' rights.

22 92. As a direct and proximate result of the infringement that Tusa
23 intentionally induces, Plaintiffs are entitled to damages and Tusa's profits in
24 amounts to be proven at trial.

25 93. Alternatively, at their election, Plaintiffs are entitled to statutory
26 damages, up to the maximum amount of \$150,000 per infringed work, by virtue of
27 Tusa's willful infringement, or for such other amounts as may be proper under 17
28 U.S.C. § 504.

1 94. Plaintiffs further are entitled to recover their attorneys' fees and full
2 costs pursuant to 17 U.S.C. § 505.

3 95. As a direct and proximate result of the foregoing acts and conduct,
4 Plaintiffs have sustained and will continue to sustain substantial, immediate and
5 irreparable injury, for which there is no adequate remedy at law. Unless enjoined
6 and restrained by this Court, Tusa will continue to infringe Plaintiffs' rights in the
7 Copyrighted Works. Plaintiffs are entitled to injunctive relief under 17 U.S.C.
8 § 502.

9 **FOURTH CAUSE OF ACTION**

10 **Breach of Contract**

11 **(Brought by the Contract Plaintiffs Against Defendant Jason Tusa)**

12 96. Plaintiffs incorporate herein by reference each and every averment
13 contained in paragraphs 1 to 68 inclusive.

14 97. On October 12, 2020, Plaintiffs, Jason Tusa, and Korinne Tusa
15 executed a confidential Settlement Agreement, Exhibit B, which will be filed under
16 seal.

17 98. The Settlement Agreement mandated that Tusa, *inter alia*, immediately
18 and permanently cease infringing Plaintiffs' Copyrighted Works, and pay an agreed
19 financial sum (the "Settlement Sum").

20 99. Pursuant to the terms of the Settlement Agreement, in the event of a
21 breach by Tusa, Plaintiffs are entitled to pursue legal action against him for any and
22 all copyright claims arising out of his infringing activities—past and present.
23 Plaintiffs may bring these claims without waiving their right to receive full and
24 immediate payment of the Settlement Sum.

25 100. Plaintiffs have performed all obligations required of them under the
26 Settlement Agreement or, to the extent Plaintiffs have not done so, their
27 performance is excused.
28

1 101. Tusa has materially breached the Settlement Agreement in multiple
2 ways, including, but not limited to, by launching infringing IPTV services in direct
3 contravention of his contractual commitment not to do so.

4 102. As a direct and proximate result of Tusa's breach of the Settlement
5 Agreement, Plaintiffs have been damaged.

6 **PRAYER FOR RELIEF**

7 WHEREFORE, Plaintiffs pray for judgment against Jason Tusa and Does 1-
8 10 for the following relief:

9 1. For preliminary and permanent injunctions (a) enjoining Tusa and his
10 officers, agents, servants, employees, attorneys, and all persons acting in active
11 concert or participation with him, from publicly performing, reproducing,
12 distributing or otherwise infringing in any manner (including without limitation by
13 materially contributing to or intentionally inducing the infringement of) any of
14 Plaintiffs' rights under the Copyright Act in any of the Copyrighted Works,
15 including without limitation by publicly performing or reproducing those Works, or
16 by distributing any software or providing any service or device that does or
17 facilitates any of the foregoing illegitimate acts; and (b) impounding hardware in
18 Tusa's possession, custody, or control, and any and all documents or other records
19 in Tusa's possession, custody, or control relating to Tusa's direct and secondary
20 infringement of the Copyrighted Works.

21 2. For entry of a preliminary injunction enjoining the domain name
22 registrar for the Altered Carbon Websites, as well as all others who receive notice of
23 the Court's order, from allowing the Altered Carbon Websites to be modified, sold,
24 transferred to another owner, or deleted.

25 3. For entry of an order requiring Tusa to transfer the Altered Carbon
26 Websites as well as all others who receive notice of the court's order, to transfer
27 these domain names and any additional domain names found to be associated with
28 Tusa's operation of the infringing services to a registrar to be appointed by Plaintiffs

1 to re-register the domain names in Plaintiffs' names, or the name(s) of their
2 designee(s), and under Plaintiffs' ownership.

3 4. For Plaintiffs' damages and Tusa's profits in such amount as may be
4 found; alternatively, at Plaintiffs' election, for maximum statutory damages or for
5 such other amounts as may be proper pursuant to 17 U.S.C. § 504(c).

6 5. For an accounting, the imposition of a constructive trust, restitution of
7 Tusa's unlawful proceeds from copyright infringement, and damages according to
8 proof.

9 6. For a declaration that Tusa's activities as alleged herein constitute
10 direct and secondary copyright infringement of Plaintiffs' exclusive rights under
11 copyright in violation of 17 U.S.C. § 106.

12 7. For entry of an order requiring Tusa to specifically perform their
13 obligations under the Settlement Agreement.

14 8. For Plaintiffs' consequential and incidental damages, arising from
15 Tusa's breach of the Settlement Agreement.

16 9. For prejudgment interest according to law.

17 10. For Plaintiffs' attorneys' fees and full costs incurred in this action
18 pursuant to 17 U.S.C. § 505.

19 11. For all such further and additional relief, in law or in equity, to which
20 Plaintiffs may be entitled or which the Court deems just and proper.

21 **DEMAND FOR JURY TRIAL**

22 Plaintiffs demand a trial by jury on all issues triable by jury.
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1 DATED: July 6, 2021

MUNGER, TOLLES & OLSON LLP

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By: /s/ Rose Leda Ehler
ROSE LEDA EHLER
Attorneys for Plaintiffs