

CYRUS A. MORTON
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July 24, 2024

Ms. Wanji Walcott, Chief Legal Officer
Pinterest, Inc.
Suite 310
505 Brannan St.
San Francisco, CA 94107

Pinterest, Inc.
120 S. Riverside Plaza
Chicago, IL 60606

Re: Kudelski Patent Portfolio License and Notice of Infringement

Dear Ms. Walcott:

My name is Cyrus Morton and I represent Kudelski SA (“Kudelski”) in intellectual property matters. I understand Kudelski and Pinterest Inc. (“Pinterest”) have engaged in a series of licensing discussions pertaining to certain Kudelski patents. I further understand Pinterest has taken the position that its technology does not require any license from Kudelski. Kudelski disagrees. Accordingly, this letter serves as Kudelski’s final notice of Pinterest’s ongoing infringement. If this notice impacts Pinterest’s current position, Kudelski remains willing to negotiate a licensing arrangement beneficial to both parties.

1. Summary of Licensing Discussions.

Kudelski first informed Pinterest of its infringement investigations as early as June 2020. The following November, Pinterest responded to Kudelski’s investigation, and the parties executed and finalized an NDA in April 2021.

Since signing the NDA, the parties have met on numerous occasions to discuss the needs and scope of certain licenses. In or around May 2021, Kudelski shared its first set of claim charts and proposed a licensing offer. In or around August 2021, Pinterest responded to Kudelski’s position without proposing a counteroffer.

Between March and December of 2022, Kudelski informed Pinterest that it had obtained licensing agreements with its peer Social Media companies offering similar technology platforms to the market.¹ Pinterest never responded. In or around March 2023,

¹ Pinterest remains one of the sole Social Media platforms to refuse a licensing agreement with Kudelski.

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Kudelski again tried to negotiate a reasonable agreement with Pinterest. On April 10, 2023, Pinterest responded, again refusing to license Kudelski's portfolio. After exchanging communications in July and August 2023, there has been no further licensing discussions between the parties.

2. Pinterest's Past and Ongoing Infringement.

Pinterest is well aware of its past and ongoing infringement of Kudelski's patent portfolio through the aforementioned discussions. Nonetheless, Kudelski provides the following final notice of infringement:

- Pinterest's method for recommending user content (including without limitation, Pinterest's retrieval and ranking diversification through its "pin" functionality and smart feed technology based on human-curated content) infringes at least Kudelski's U.S. Patent No. 10,419,817, Claim 1.
- Pinterest's "Ad Manager" and "Ad Delivery" technology infringe at least Kudelski's U.S. Patent No. 7,669,212, Claim 44.
- Pinterest's Adaptive Streaming Content Delivery Platform (and correlating HTTP Live Streaming ("HLS")) infringed at least Kudelski's U.S. Patent No. 7,055,169, Claim 1, and EP1522191, Claim 1.
- Pinterest's implementation of shopping offers infringes at least Kudelski's U.S. Patent No. 10,506,277, Claim 1.
- Pinterest's icon-based UI infringes at least Kudelski's U.S. Patent No. 10,992,995, Claim 1.
- Pinterest's "Video Pin" functionality and technology infringes at least Kudelski's U.S. Patent No. 9,712,581, Claim 1.
- Pinterest's "Video Pin" functionality and technology also infringes at least Kudelski's U.S. Patent No. 7,950,033, Claim 1.
- Pinterest's GraphQL technology infringes at least Kudelski's U.S. Patent No. 7,890,978, Claim 58.
- Pinterest's "Video Pin" functionality, including without limitation, its reliance on "Adaptive Bitrate Streaming" infringed at least Kudelski's U.S. Patent No. 7,028,888, Claim 1.
- Pinterest's login access technology infringed at least Kudelski's U.S. Patent No. 7,996,861, Claim 9.

Pinterest's infringing technologies and functionalities are essential to its operation, business model, and user satisfaction. Notwithstanding their core necessity to Pinterest, they remain the intellectual property of Kudelski.

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We further note that the aforementioned list of patents and infringing behavior is not exhaustive, and Kudelski reserves all rights to enforce other intellectual property rights as they become known. Kudelski holds hundreds of granted patents and pending patent applications in the fields of interactive media (e.g. patent assets, categorized according to International Patent Classification (“IPC”) system under H04N and G06F) with global coverage in every major market where Pinterest offers its products and services.

Notwithstanding Pinterest’s unwillingness to enter into a reasonable license agreement over the past four years, my client remains prepared to work amicably with your team to bring this matter to a close. If Pinterest is interested in coming to the table in good faith to resolve this matter, please let me know.

Sincerely,



Cyrus A. Morton
Partner

cc: Mr. Leonard Smith, Jr.
Mr. Keith Walker