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7 Attorneys for Plaintiff
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9 UNITED STATES DISTRICT COURT
 10 CENTRAL DISTRICT OF CALIFORNIA
 11 WESTERN DIVISION

Glaser Weil Fink Jacobs
 Howard Avchen & Shapiro LLP

12
 13 LEGALZOOM.COM, INC., a Delaware
 corporation
 14
 Plaintiff,
 15
 v.
 16 ROCKET LAWYER INCORPORATED,
 a Delaware corporation
 17
 Defendant.

CASE NO.: CV 12-9942-GAF (AGR_x)

Hon. Gary A. Feess

**LEGALZOOM.COM, INC.'S
 ANSWER TO ROCKET LAWYER
 INCORPORATED'S
 COUNTERCLAIMS**

Courtroom: 740
 Judge: Judge Gary A. Feess
 255 East Temple Street
 Los Angeles, CA 90012

Original Complaint Filed: November
 20, 2012

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1 Plaintiff LegalZoom.com, Inc. (“LegalZoom” or “Plaintiff”), by and through its
2 undersigned counsel, hereby respond to, and answer as follows to Defendant Rocket
3 Lawyer Incorporated’s (“RocketLawyer” or “Defendant”) Counterclaims:

4 **ANSWER**

5 1. Denied. LegalZoom has brought this lawsuit to expose the willful and
6 systematic acts of false advertising and unfair competition by RocketLawyer.

7 2. Denied. LegalZoom specifically denies that it “created” the website
8 Legalspring.com. LegalZoom further denies that Legalspring.com’s registrant and
9 manager, Travis Giggy, is LegalZoom’s agent.

10 3. Admitted.

11 4. Admitted.

12 5. Denied except to admit that the court has personal jurisdiction over it.

13 6. Admitted.

14 7. Admitted.

15 8. Denied. LegalZoom provides personalized, affordable, online legal
16 solutions for families and small businesses.

17 9. Denied except to admit that LegalZoom was founded in 2000 by
18 attorneys with experience at some of the top law firms in the country, and has helped
19 over two million Americans become protected with binding legal documents.

20 10. After reasonable investigation, LegalZoom is without knowledge or
21 information sufficient to form a belief as to the truth of the allegations of this
22 paragraph and they are therefore denied.

23 11. After reasonable investigation, LegalZoom is without knowledge or
24 information sufficient to form a belief as to the truth of the allegations of this
25 paragraph and they are therefore denied.

26 12. After reasonable investigation, LegalZoom is without knowledge or
27 information sufficient to form a belief as to the truth of the allegations of this
28 paragraph and they are therefore denied.

1 13. After reasonable investigation, LegalZoom is without knowledge or
2 information sufficient to form a belief as to the truth of the allegations of this
3 paragraph and they are therefore denied.

4 14. Admitted.

5 15. Denied. LegalZoom does not currently purchase search terms from
6 Google and other search engines such as Bing.com and Yahoo.com that relate to
7 RocketLawyer.

8 16. After reasonable investigation, LegalZoom is without knowledge or
9 information sufficient to form a belief as to the truth of the allegations of this
10 paragraph and they are therefore denied.

11 17. Admitted.

12 18. The allegations of this paragraph are conclusions of law to which no
13 response is required. To the extent any allegations in paragraph 18 are factual,
14 LegalZoom denies all such allegations to the extent that such allegations pertain to it.

15 19. LegalZoom admits only that certain of LegalZoom's advertisements for
16 its incorporation services say "Launch your new corporation. Free to Get Started,"
17 but specifically denies that the language is similar to RocketLawyer's advertisements.

18 20. After reasonable investigation, LegalZoom is without knowledge or
19 information sufficient to form a belief as to the truth of the allegations of this
20 paragraph and they are therefore denied.

21 21. After reasonable investigation, LegalZoom is without knowledge or
22 information sufficient to form a belief as to the truth of the allegations of this
23 paragraph and they are therefore denied.

24 22. The allegations of this paragraph are conclusions of law to which no
25 response is required. To the extent any allegations in paragraph 22 are factual,
26 LegalZoom denies all such allegations to the extent that such allegations pertain to it
27 except to admit that RocketLawyer has registered the two domain names –
28 www.legalzoomer.com and www.legalzoomgadget.com.

1 23. Denied. When accessing Legalzoomer.com on Internet Explorer,
2 Mozilla and Chrome , a user is directed to the GoDaddy.com website, which provides
3 the greeting, “Welcome to legalzoomer.com.”

4 24. After reasonable investigation, LegalZoom is without knowledge or
5 information sufficient to form a belief as to the truth of the allegations of this
6 paragraph and they are therefore denied. However, if RocketLawyer is in fact willing
7 to transfer these domains to LegalZoom, LegalZoom will accept RocketLawyer’s
8 transfer of these domains to LegalZoom.

9 25. Admitted.

10 26. After reasonable investigation, LegalZoom is without knowledge or
11 information sufficient to form a belief as to the truth of the allegations of this
12 paragraph and they are therefore denied.

13 27. Denied except to admit that LegalZoom operates
14 www.legalcenterpro.com.

15 28. Denied except to the extent that this paragraph purports to characterize
16 the Reuter article and LegalZoom’s May 10, 2012 S-1 filing. Such documents, being
17 in writing, speak for themselves.

18 29. Denied.

19 30. Denied.

20 31. Denied except to admit that LegalZoom states on its website that it is the
21 leading, nationally recognized legal brand for small business and consumers in the
22 United States.

23 32. The allegations of this paragraph are conclusions of law to which no
24 response is required. To the extent any allegations in paragraph 32 are factual,
25 LegalZoom denies all such allegations to the extent that such allegations pertain to it.

26 33. Denied except to admit that Legalspring.com does not reference, among
27 other legal services websites, Rocket Lawyer.

28 34. Admitted only that the Legalspring.com website is a document that

1 speaks for itself.

2 35. Denied except to admit that Legalspring.com is registered to Travis
3 Giggy.

4 36. Denied except to admit that Legalspring.com is a participant in
5 LegalZoom's Affiliate Program and, as a participant, is entitled to receive a
6 commission for directing customers of Legalspring.com to the LegalZoom website
7 using a unique URL.

8 37. The allegations of this paragraph are conclusions of law to which no
9 response is required. To the extent any allegations in paragraph 32 are factual,
10 LegalZoom denies all such allegations to the extent that such allegations pertain to it.

11 38. Denied.

12 39. Denied.

13 40. Admitted only that the Legalspring.com website is a document that
14 speaks for itself.

15 41. Denied except to admit that LegalZoom operated
16 www.legalcenterpro.com and www.lightwavelaw.com. Legaldocumentfinder.com
17 and Estateguidance.com are independent affiliate sites.

18 42. Denied.

19 **FIRST CLAIM FOR RELIEF**

20 43. Realleges paragraphs 1 through 42.

21 44. Denied except to admit that an actual and justiciable case and
22 controversy exists between the parties as to whether RocketLawyer infringed on
23 LegalZoom's trademarks.

24 45. Denied.

25 **SECOND CLAIM FOR RELIEF**

26 46. Realleges paragraphs 1 through 45.

27 47. Denied except to admit that an actual and justiciable case and
28 controversy exists between the parties as to whether RocketLawyer infringed on

1 LegalZoom's trademarks.

2 48. Denied except to admit that LegalZoom has purchased "RocketLawyer"
3 search terms.

4 49. Denied.

5 50. Denied.

6 **THIRD CLAIM FOR RELIEF**

7 51. Realleges paragraphs 1 through 50.

8 52. Denied.

9 53. LegalZoom is without knowledge or information sufficient to form a
10 belief as to the truth of any of the allegations set forth in this paragraph and they are
11 therefore denied.

12 54. Denied except to admit that LegalSpring.com states that LegalZoom is
13 the best legal services website.

14 55. Denied.

15 56. Denied.

16 57. Denied.

17 58. Denied.

18 59. Denied.

19 60. Denied.

20 **FOURTH CLAIM FOR RELIEF**

21 61. Realleges paragraphs 1 through 60.

22 62. Denied.

23 63. Denied.

24 64. Denied.

25 65. Denied.

26 66. Denied.

27 67. Denied.

28 **RESPONSE TO ROCKETLAWYER'S PRAYER FOR RELIEF**

1 1. The remaining paragraphs contain prayers for relief to which no response
2 is required. To the extent a response is required, LegalZoom denies that
3 RocketLawyer is entitled to any relief.

4 **AFFIRMATIVE DEFENSES**

5 LegalZoom provides its affirmative defenses as known at this time below
6 without assuming the burden of proof when such burden would otherwise be on
7 RocketLawyer.

8 **FIRST AFFIRMATIVE DEFENSE**

9 **(Failure to State a Claim)**

10 1. RocketLawyer fails to state a claim upon which relief may be granted.

11 **SECOND AFFIRMATIVE DEFENSE**

12 **(Unclean Hands)**

13 2. RocketLawyer's claims and remedies are barred, in whole or in part, for
14 want of equity or by the doctrine of unclean hands. Specifically, RocketLawyer
15 engages in false and misleading advertising and unfair competition practices. *See*
16 *First Amended Complaint at ¶¶ 12-16.* RocketLawyer's unclean hands warrant
17 dismissal and denial of all remedies.

18 **THIRD AFFIRMATIVE DEFENSE**

19 **(Injunctive Relief Unavailable)**

20 3. RocketLawyer is not entitled to an injunction because, among other
21 things, assuming it was entitled, RocketLawyer has an adequate remedy at law, and
22 no basis exists for the grant of equitable relief.

23 **FOURTH AFFIRMATIVE DEFENSE**

24 **(Laches)**

25 4. On information and belief, RocketLawyer delayed filing suit for an
26 unreasonable and inexcusable length of time from when it knew or reasonably should
27 have known of LegalZoom's alleged misconducts. RocketLawyer raises the alleged
28 misconduct only to attempt to deflect the negative publicity resulting from

1 LegalZoom's filing of its complaint against RocketLawyer. This delay has prejudiced
2 and injured LegalZoom.

3 **FIFTH AFFIRMATIVE DEFENSE**

4 **(Statute of Limitations)**

5 5. RocketLawyer's claims are barred, in whole or in part, by the applicable
6 statute of limitations to the extent that RocketLawyer's claims are based on conduct
7 outside the statute of limitations.

8 **SIXTH AFFIRMATIVE DEFENSE**

9 **(Punitive and Exemplary Damages Unavailable)**

10 6. The requirements and circumstances warranting punitive and exemplary
11 damages are not satisfied. Even more, punitive damages is not an available remedy
12 for the alleged violation of California Business and Professions Code Sections 17200
13 and 17500.

14 **SEVENTH AFFIRMATIVE DEFENSE**

15 **(No Agency)**

16 7. If RocketLawyer sustained any injury or incurred any loss or damages as
17 alleged in RocketLawyer's Counterclaims, such injuries were caused in whole or in
18 part by acts or omissions of persons over whom LegalZoom neither exercised nor had
19 any right of control for whom LegalZoom is and was not responsible, and whose
20 conduct LegalZoom had no duty or reason to anticipate or control. Specifically,
21 Legalspring.com's registrant and manager, Travis Giggy, is *not* LegalZoom's agent.

22 **EIGHTH AFFIRMATIVE DEFENSE**

23 **(Lack of Standing)**

24 8. RocketLawyer lacks standing to bring all or some of its claims alleged in
25 its Counterclaims.

26 **RESERVATION OF ADDITIONAL DEFENSES**

27 9. Discovery in this action has not yet commenced and LegalZoom
28 continues to investigate the allegations set forth in RocketLawyer's Counterclaims.

1 LegalZoom specifically gives notice that it intends to rely upon such other defenses as
2 may become available by law, or pursuant to statute, or discovery proceedings in this
3 case, and hereby reserves the right to assert such additional defenses.

4 **PRAYER FOR RELIEF**

5 WHEREFORE, LegalZoom respectfully requests:

- 6 1. That RocketLawyer's Counterclaims be dismissed in its entirety, with
7 prejudice;
- 8 2. That RocketLawyer take nothing by way of its Counterclaims and that
9 judgment be rendered in favor of LegalZoom; and
- 10 3. That LegalZoom be awarded its reasonable costs and attorneys' fees and
11 such other and further relief as may be just and proper.

12
13 DATED: January 7, 2013

GLASER WEIL FINK JACOBS
HOWARD AVCHEN & SHAPIRO LLP

14
15 By: /s/ Fred D. Heather
16 PATRICIA L. GLASER
17 FRED D. HEATHER
18 MARY ANN T. NGUYEN
19 Attorneys for Plaintiff
LegalZoom.com, Inc.

20 **JURY TRIAL DEMAND**

21 In accordance with Rule 38 of the Federal Rules of Civil Procedure and L.R.
22 38-1, LegalZoom respectfully demands a trial by jury on all issues and claims so
23 triable.
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1 **CERTIFICATE OF SERVICE**

2 The undersigned hereby certifies that all counsel who have consented to
3 electronic service are being served with a copy of the foregoing document via the
4 Central District of California CM/ECF system on January 7, 2012.

5
6 /s/ Fred D. Heather
Fred D. Heather

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