

1 KEKER & VAN NEST, LLP  
 JOHN W. KEKER - #49092  
 2 JON B. STREETER - #101970  
 DARALYN J. DURIE - #169825  
 3 MICHAEL S. KWUN - #198945  
 710 Sansome Street  
 4 San Francisco, CA 94111-1704  
 Telephone: (415) 391-5400  
 5 Facsimile: (415) 397-7188

6 Attorneys for Defendant  
 GOOGLE INC.

7

8

UNITED STATES DISTRICT COURT

9

NORTHERN DISTRICT OF CALIFORNIA

10

SAN FRANCISCO DIVISION

11

12 OVERTURE SERVICES, INC., a Delaware  
 corporation,  
 13  
 Plaintiff,  
 14  
 v.  
 15  
 GOOGLE INC., a California corporation,  
 16  
 Defendant.  
 17

Case No. C 02-01991 CRB ADR

**DEFENDANT GOOGLE INC.'S ANSWER  
 TO COMPLAINT AND  
 COUNTERCLAIMS**

**DEMAND FOR JURY TRIAL**

18

19

20 Defendant Google Inc. ("Google") answers the complaint of Plaintiff Overture Services,  
 21 Inc. ("Overture"), and alleges counterclaims against Overture, as follows:

22

**JURISDICTION AND VENUE**

23

1. Admitted.

24

**INTRADISTRICT ASSIGNMENT**

25

26

2. Google denies that assignment to the San Jose Division of this Court is  
 "appropriate," because, pursuant to Civil Local Rule 3-2, patent infringement actions are  
 27 properly assigned to any division of the Northern District of California.  
 28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**THE PARTIES**

3. Google is informed and believes that Overture is a Delaware corporation with its principal place of business at 75 North Pasadena Avenue, Pasadena, California 91103, and on that basis admits the allegations in paragraph 3 of Overture’s complaint.

4. Admitted.

**INFRINGEMENT**

5. Google admits that the ’361 patent issued on July 31, 2001, and that the assignee upon issuance was GoTo.com. Google is informed and believes that GoTo.com changed its name to Overture Services, Inc. on October 8, 2001, and on that basis admits that allegation. Except as expressly admitted, Google lacks knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 5 of Overture’s complaint, and on that basis denies those allegations.

6. Google is informed and believes, and on that basis admits, that Overture operates a service located at www.overture.com that provides users the ability to search for paid listings. Except as expressly admitted, Google lacks knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 6 of Overture’s complaint, and on that basis denies those allegations.

7. Google admits that it operates a search engine located www.google.com. Google denies the remaining allegations in paragraph 7.

8. Denied.

9. Denied.

10. Denied.

**AFFIRMATIVE DEFENSES**

**First Affirmative Defense  
(Non-Infringement)**

11. Google repeats and realleges by reference paragraphs 1 through 10, above.

12. Google does not and has never infringed, contributorily infringed, or induced others to infringe any claim, properly construed, of U.S. Patent No. 6,269,361 (hereinafter, the

1 “ ’361 patent”), and is not liable for the alleged infringement of any such claim.

2 **Second Affirmative Defense**  
3 **(Invalidity)**

4 13. Google repeats and realleges by reference paragraphs 1 through 10, above.

5 14. The ’361 patent issued on July 31, 2001, after prosecution of U.S. Patent  
6 Application Serial No. 09/322,677, filed May 28, 1999. The patent identifies “GoTo.com” as the  
7 assignee of the patent at the time of issue.

8 15. Numerous printed publications dated more than one year prior to May 28, 1999  
9 individually and/or in combination disclose the systems and services described and claimed by  
10 the ’361 patent.

11 16. Google is informed and believes, and on that basis alleges, that GoTo.com  
12 operated a system as described and claimed by the ’361 patent, which system was in public use  
13 and commercial use more than one year prior to May 28, 1999.

14 17. Google is informed and believes, and on that basis alleges, that by April 28, 1998,  
15 a system operated by GoTo.com in accordance with the description and claims of the ’361 patent  
16 attracted more than 1,000 advertisers, including iVillage’s The Women’s Network, Gamespot,  
17 ABCnews.com, The Mining Company, NFL.com, CitySearch, eToys and ESPN SportsZone.  
18 Google is further informed and believes, and on that basis alleges, that, as of April 1998,  
19 GoTo.com’s website was averaging seven million page views per month.

20 18. To the extent that there are any differences between the foregoing disclosures and  
21 public uses, individually and/or in combination, and the systems and services described and  
22 claimed by the ’361 patent, those differences are such that the subject matter as a whole of the  
23 claims of the ’361 patent would have been obvious to those of ordinary skill in the art as of more  
24 than one year prior to May 28, 1999.

25 19. For at least the foregoing reasons, Google is informed and believes, and on that  
26 basis alleges, that the ’361 patent fails to meet one or more of the conditions for patentability and  
27 requirements set forth in 35 U.S.C. §§ 102, 103 and 112.

28

**Third Affirmative Defense  
(Unenforceability)**

1  
2  
3 20. Google repeats and realleges by reference paragraphs 1 through 10 and 14  
4 through 19, above.

5 21. During the prosecution of the patent application that led to the issuance of the  
6 '361 patent, GoTo.com submitted to the U.S. Patent and Trademark Office (hereinafter, the  
7 "USPTO") a declaration pursuant to 37 C.F.R. § 1.132 by Darren J. Davis, the lead named  
8 inventor of the '361 patent.

9 22. Google is informed and believes, and on that basis alleges, that the statements in  
10 Mr. Davis's declaration were false when made in at least the following respects:

11 a. In paragraph 3 of his declaration, Mr. Davis states that the GoTo.com  
12 search engine as it existed in May 1998 "was a beta or test version of a system then under  
13 development," but Google is informed and believes, and on that basis alleges, that the  
14 GoTo.com search engine was a fully operational, public and commercial system as of  
15 May 1998.

16 b. In paragraph 4 of his declaration, after discussing the account database  
17 limitation of claim 1 of the patent application, Mr. Davis states that the invention defined  
18 by claim 1 was not in existence as of May 1998, but Google is informed and believes,  
19 and on that basis alleges, that claim 1 of the patent application (including the account  
20 database limitation) read on the GoTo.com search engine that was in public and  
21 commercial use as of May 1998.

22 c. In paragraph 15 of his declaration Mr. Davis states that the invention  
23 defined by claim 15 was not in existence as of May 1998, but Google is informed and  
24 believes, and on that basis alleges, that claim 15 of the patent application read on the  
25 GoTo.com search engine that was in public and commercial use as of May 1998.

26 23. Google is informed and believes, and on that basis alleges, that Mr. Davis knew  
27 that the statements in his declaration were false when made.

28 24. Google is informed and believes, and on that basis alleges, that the false

1 statements made by Mr. Davis were material to the decision by the USPTO to grant the '361  
2 patent.

3 25. At the same time the Davis Declaration was submitted to the USPTO, John G.  
4 Rausch, outside patent counsel for GoTo.com, submitted an Amendment to the patent  
5 application and accompanying Remarks. In the Remarks, counsel represented that Mr. Davis in  
6 his declaration "specifies limitations of each independent claim, claims 1 as amended herein and  
7 claims 11, 14, 15, 30, 52 and 68 that were not disclosed" in a May 19, 1998 press release that the  
8 patent examiner had asserted was prior art that anticipated and/or rendered obvious the claims of  
9 the patent application.

10 26. Counsel's statement was false when made, because Mr. Davis's declaration failed  
11 to specify any limitation of claims 15, 30, 52 or 68 that purportedly was not disclosed in the May  
12 19, 1998 press release. Instead, for each of these claims Mr. Davis stated only that "the subject  
13 matter of this claim as a whole was not disclosed in the May 19, 1998 press release."

14 27. Google is informed and believes, and on that basis alleges, that counsel knew that  
15 his statement was false when made.

16 28. Google is informed and believes, and on that basis alleges, that the false statement  
17 made by counsel was material to the decision by the USPTO to grant the '361 patent.

18 29. The '361 patent is unenforceable for at least the foregoing acts of inequitable  
19 conduct during the prosecution of the patent application that led to the grant of the '361 patent.

## 20 COUNTERCLAIMS

### 21 General Allegations

22 30. As a result of Overture's allegations of infringement against Google, an actual  
23 controversy exists as to issues of infringement, validity, and enforceability (or lack thereof with  
24 respect to each issue) of the '361 patent.

25 31. These counterclaims arise under the United States patent laws, 35 U.S.C. § 100 *et*  
26 *seq.*, and the provisions for declaratory judgment under 28 U.S.C. §§ 2201-2202. This Court has  
27 jurisdiction over the subject matter of these counterclaims under 28 U.S.C. § 1338.

28 32. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391.

1 33. Counterclaimant Google is a California corporation with its principal place of  
2 business in Mountain View, California.

3 34. On information and belief, Counterdefendant Overture is a Delaware corporation  
4 with its principal place of business in Pasadena, California.

5 **First Counterclaim**  
6 **(Declaratory Judgment of Non-Infringement)**

7 35. Google repeats and realleges by reference paragraphs 1 through 10, 12, and 30  
8 through 34, above.

9 36. A judicial declaration that Google does not infringe the '361 patent is necessary  
10 and appropriate at this time so that Google can ascertain its rights and duties with respect to the  
11 development, marketing and sale of its products and services.

12 37. This case is exceptional and, accordingly, Google is entitled to its costs, expenses,  
13 and disbursements in this action, including attorneys' fees, pursuant to 35 U.S.C. § 285.

14 **Second Counterclaim**  
15 **(Declaratory Judgment of Invalidity)**

16 38. Google repeats and realleges by reference paragraphs 1 through 10, 14 through  
17 19, and 30 through 34, above.

18 39. A judicial declaration that the '361 patent is invalid for failing to meet the  
19 conditions for patentability and requirements of one or more of 35 U.S.C. §§ 102, 103 and 112 is  
20 necessary and appropriate at this time so that Google can ascertain its rights and duties with  
21 respect to the development, marketing and sale of its products and services.

22 40. This case is exceptional and, accordingly, Google is entitled to its costs, expenses,  
23 and disbursements in this action, including attorneys' fees, pursuant to 35 U.S.C. § 285.

24 **Third Counterclaim**  
25 **(Declaratory Judgment of Unenforceability)**

26 41. Google repeats and realleges by reference paragraphs 1 through 10, 14 through  
27 19, and 21 through 34, above.

28 42. A judicial declaration that the '361 patent is unenforceable for at least the

1 foregoing acts of inequitable conduct during the prosecution of the patent application that led to  
2 the grant of the '361 patent is necessary and appropriate at this time so that Google can ascertain  
3 its rights and duties with respect to the development, marketing and sale of its products and  
4 services.

5 43. This case is exceptional and, accordingly, Google is entitled to its costs, expenses,  
6 and disbursements in this action, including attorneys' fees, pursuant to 35 U.S.C. § 285.

7 **PRAYER**

8 WHEREFORE, Google prays for judgment as follows:

9 (a) That Overture take nothing by its complaint and that the Court dismiss the  
10 complaint with prejudice;

11 (b) Declaring that Google has not and does not infringe any claim of the '361 patent;

12 (c) Declaring that the claims of the '361 patent are invalid;

13 (d) Declaring that the claims of the '361 patent are unenforceable;

14 (e) Awarding Google its fees and costs, as provided in 35 U.S.C. § 285; and

15 (f) Awarding Google such other and further relief as it deems just and proper.

16 **CERTIFICATION OF INTERESTED ENTITIES OR PERSONS**

17 Pursuant to Civil L.R. 3-16, the undersigned certifies that the following listed persons,  
18 associations of persons, firms, partnerships, corporations (including parent corporations) or other  
19 entities (i) have a financial interest in the subject matter in controversy or in a party to the  
20 proceeding, or (ii) have a non-financial interest in that subject matter or in a party that could be  
21 substantially affected by the outcome of this proceeding: Kleiner, Perkins, Caulfield & Byers  
22 and Sequoia Capital (and various affiliated entities of Kleiner, Perkins, Caulfield & Byers and  
23 Sequoia Capital).

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**JURY DEMAND**

Google hereby demands a jury trial as to all issues triable before a jury.

Dated: June 7, 2002

KEKER & VAN NEST, LLP

By: \_\_\_\_\_  
MICHAEL S. KWUN  
Attorneys for Defendant and  
Counterclaimant GOOGLE INC.