

COPY

1 Charles K. Verhoeven (Bar No. 170151)
charlesverhoeven@quinnemanuel.com
2 Jennifer A. Kash (Bar No. 203679)
jenniferkash@quinnemanuel.com
3 Kevin A. Smith (Bar No. 250814)
kevinsmith@quinnemanuel.com
4 QUINN EMANUEL URQUHART &
SULLIVAN, LLP
5 50 California Street, 22nd Floor
San Francisco, California 94111
6 Telephone: (415) 875-6600
Facsimile: (415) 875-6700
7

ADR

ORIGINAL FILED

MAR 1 8 2012

Richard W. Wiering
Clerk, U.S. District Court
Northern District of California
San Jose

8 **Attorneys for Plaintiff Yahoo! Inc.**

E-filing

9 **UNITED STATES DISTRICT COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN JOSE DIVISION**

CV 12-01212
CASE NO.

12 YAHOO! INC., a Delaware corporation,

13 Plaintiff,

14 vs.

15 FACEBOOK, INC, a Delaware corporation,

16 Defendant.

**COMPLAINT FOR PATENT
INFRINGEMENT**

JURY TRIAL DEMANDED NC

17
18 Plaintiff Yahoo! Inc. ("Yahoo!") complains and alleges as follows against Facebook, Inc.
19 ("Facebook"):

20 **THE PARTIES**

21 1. Plaintiff Yahoo! is a corporation organized under the laws of Delaware, with its
22 principal place of business at 701 1st Avenue, Sunnyvale, CA 94089.

23 2. Upon information and belief, Facebook is a corporation organized under the laws
24 of Delaware and has its principal place of business at 1601 Willow Road, Menlo Park, CA 94025.
25 Upon information and belief, Facebook operates online networking services through its web portal
26 FACEBOOK.COM, mobile applications, social plugins, and other tools in the United States.

27 **NATURE OF THE ACTION**

28 3. This is an action for patent infringement.

1 FACTUAL BACKGROUND

2 Yahoo!'s History

3 9. Since its founding in 1994 by two Stanford University electrical engineering
4 graduate students, Jerry Yang and David Filo, Yahoo! has grown to become a premiere digital
5 media and communications company. Yahoo! began as a directory of Internet websites. Before
6 long, thousands of people were accessing the directory to identify useful websites. Yahoo!
7 celebrated its first "million-hit day" in the fall of 1994, translating to almost 100 thousand unique
8 visitors. Yahoo! registered the domain "www.yahoo.com" on January 18, 1995.

9 10. As it grew, Yahoo! diversified its product offerings beyond its original directory
10 of websites. For example, Yahoo! pioneered the field of providing customized web pages when it
11 launched My Yahoo! in 1996. My Yahoo! allows users to combine their favorite Yahoo! content
12 feeds into a single page. Yahoo! continued its investment in My Yahoo!, launching an upgraded
13 version in 2007. Further, in the late 1990s and early 2000s, Yahoo! began webhosting through
14 Yahoo! GeoCities, online gaming through Yahoo! Games, and discussion boards known as
15 Yahoo! Groups.

16 11. Yahoo! has also made significant advances and investments in the field of
17 Internet social networks. On March 29, 2005, Yahoo! made available its blogging and social
18 networking service, Yahoo! 360°. On March 20, 2005, Yahoo! acquired the photo sharing and
19 social networking website, Flickr. In September 2007, Yahoo! launched the social network
20 service Yahoo! Mash, and later introduced the social networking service Yahoo! Pulse and Yahoo!
21 Profiles.

22 12. Yahoo! has, in addition, been a leading innovator in electronic messaging.
23 Yahoo! inaugurated its web-mail service, Yahoo! Mail in 1997, which quickly grew to be one of
24 the largest web-based email services in the world. Yahoo! has launched enhanced versions of
25 Yahoo! Mail in 2007 and 2011. In 1998, Yahoo! released Yahoo! Messenger, its internet
26 messaging client, under the name "Yahoo! Pager." When Yahoo! and Microsoft made their
27 instant messaging clients interoperable in 2006, it created the world's second largest real-time
28

1 communication service. Yahoo! Integrated Yahoo! Messenger and Yahoo! Mail in 2009, allowing
2 users to transform emails into instant messages.

3 13. As a result, Yahoo! is today a leading global Internet communications,
4 commerce, and media company that offers a comprehensive branded network of services to users
5 worldwide. Yahoo! offers a comprehensive network of online products, often free of charge—
6 including in news, finance, social networking, search, e-mail, instant messaging, sports, and
7 shopping—to a community of millions of daily users. Yahoo! has changed the way people
8 communicate with each other, find and access information, and make purchases.

9 **Yahoo!'s Innovations**

10 14. Yahoo! has a long history of innovation. From the earliest days of its history,
11 Yahoo! developed valuable new technologies that are still in widespread use today. Yahoo! filed
12 its first application for a patent on June 12, 1997. That application, based on its MyYahoo!
13 service, claimed a method for providing customized web pages using a user's preferences.

14 15. Yahoo!'s research and development has only grown since its inception. Since
15 1997, Yahoo! has filed thousands of applications for patents on innovative computing
16 technologies that it has developed. Every year, Yahoo! spends hundreds of millions of dollars in
17 research and development so that it can offer its users the most innovative products. From 2008
18 through 2010 alone, Yahoo! invested more than \$3.3 billion in research and development.

19 16. Yahoo!'s research and development arm is Yahoo! Labs. Yahoo! Labs
20 spearheads key initiatives with professors at the world's leading universities. Yahoo! Labs is
21 responsible for research into the science of the Internet and for creating next generation Internet
22 innovations. Although Yahoo! Labs is headquartered in Sunnyvale, California, it employs
23 engineers and scientists in locations worldwide.

24 17. Yahoo!'s research and development successes have propelled Yahoo.com to
25 become one of the world's most popular internet portals. Over 180 million unique users access
26 Yahoo!'s websites every month.

1 **Yahoo!'s Patents-in-Suit**

2 18. The Patents-in-Suit are a reflection of Yahoo's research and development
3 achievements. To build a successful website, users need to have easy access to many functions
4 and tasks such as messaging and privacy options. The website owner needs revenue through
5 functions such as advertising. All of these functions involve Yahoo!'s innovations. Without
6 Yahoo!'s achievements, websites such as Facebook would not enjoy repeat visitors or substantial
7 advertising revenue.

8 19. Yahoo! recognized that website users are attracted to free services. But website
9 operators need a way to generate revenue even when offering services for free. Yahoo!'s
10 Advertising Patents claim effective methods of advertising, of generating advertisements that
11 relate to users individually and increase revenue for website operators, and monitoring advertising
12 clicks for potential click fraud. Representative Yahoo! patents include the '566; '111; '599; and
13 '861, patents (collectively, "Yahoo!'s Advertising Patents").

14 20. Privacy is important to users of websites. Users want to interact with websites,
15 but at the same time, ensure that sensitive information is only shared with those the users choose.
16 Indeed, without an assurance of privacy, many users would avoid certain websites. Yahoo!
17 recognized the importance of privacy on the World Wide Web, and developed technology that
18 allows users to customize how information is shared. Representative Yahoo! patents include the
19 '590 and '935 patents (collectively, "Yahoo!'s Privacy Patents").

20 21. Website users also want to be able to customize their experience according to
21 their needs and interests. For example, a user who is not interested in sports may not want to see
22 sports information highlighted on a website. On the other hand, a user interested in sports may
23 wish that information to be the first information they encounter. Yahoo! engineers recognized the
24 importance of customizing the user's experience. Representative Yahoo! patents include the '509,
25 and '227 patents (collectively, "Yahoo!'s Customization Patents").

26 22. The heart of many websites today is social networking. The World Wide Web
27 allows users to reunite and stay connected in ways that they never could before. Yahoo!
28 recognized the importance of social interaction on the Internet and developed technology that

1 allows users to customize information about themselves, join groups of others with the same
2 interests as themselves, and share interesting information. A representative Yahoo! patent is the
3 '648 patent ("Yahoo!'s Social Networking Patent").

4 23. As users connect with and meet new people online, they want to be able to
5 communicate. Instant messaging, e-mail, and other messaging communication are vitally
6 important to any social networking website, as is the ability to communicate with others who may
7 not be communicating in the same forum. Yahoo!'s innovators recognized the need for users of a
8 website to communicate with others through different forms of messaging. A representative
9 Yahoo! patent includes the '501 patent ("Yahoo!'s Messaging Patent").

10 **Facebook's History**

11 24. Facebook was not launched until 2004, ten years after Yahoo! was founded.
12 Facebook has since grown into one of the most widely trafficked sites on the Internet. That
13 growth, however, has been based in large part on Facebook's use of Yahoo!'s patented technology.
14 Mr. Mark Zuckerberg, Facebook's founder and CEO, has conceded that the design of Facebook is
15 not novel and is based on the ideas of others. He has stated, "The thing that's been really
16 surprising about the evolution of Facebook is—I think then and I think now—that if we didn't do
17 this someone else would have done it." In Mr. Zuckerberg's view, "Getting there first is not what
18 it's all about."

19 25. For much of the technology upon which Facebook is based, Yahoo! got there first
20 and was therefore granted patents by the United State Patent Office to protect those innovations.
21 Yahoo!'s patents relate to cutting edge innovations in online products, including in messaging,
22 news feed generation, social commenting, advertising display, preventing click fraud, and privacy
23 controls. These innovations dramatically improve user experience, privacy, and security and
24 enhance the ability of advertisers to connect with users.

25 26. Facebook's entire social network model, which allows users to create profiles for
26 and connect with, among other things, persons and businesses, is based on Yahoo!'s patented
27 social networking technology. Prior to adopting Yahoo!'s patented social networking technology
28

1 in 2008, Facebook was considered one of the worst performing Internet sites for advertising.¹
2 Facebook's use of that social networking model has reportedly dramatically driven up Facebook's
3 advertising click through rates.²

4 27. One of Facebook's most popular features is the News Feed, launched in 2006,
5 which is a dynamically created, customized web page based on the user's and his friends'
6 preferences. The News Feed has been credited as the most popular feature on Facebook³ and
7 described as resulting in "skyrocketing" page views.⁴ The News Feed's popularity, however, is
8 directly linked to Facebook's infringement of Yahoo!'s Customization Patents. Similarly,
9 Facebook's privacy controls, which are essential to its entire business model, practice Yahoo!'s
10 Privacy Patents. Mr. Zuckerberg has described addressing privacy issues as "the biggest problem
11 in social networking."⁵ Facebook addresses the privacy problem by using Yahoo!'s Privacy
12 Patents. Facebook therefore owes much of its popularity with Internet users to its unauthorized
13 infringement of Yahoo!'s patents.

14 28. The methods that Facebook uses to profit from the web traffic that Yahoo!'s
15 technology facilitates also infringe Yahoo!'s Advertising Patents. Facebook generates nearly all of
16 its revenue by selling advertisements on its webpage. The format of many of these
17 advertisements, such as Facebook's Premium Video Comment Ads, was invented and patented by
18 Yahoo! Further, many advertisements on Facebook are paid for on a "pay-per-click" basis – i.e.,
19 advertisers pay Facebook each time that a user clicks on an advertisement. Facebook chooses
20 which ads to display to a user based in part upon how much the advertiser is willing to pay-per-

22 ¹ Nick Denton, Facebook "Consistently the Worst Performing Site," Gawker (March 7,
23 2007), available at <http://gawker.com/242234/advertising/facebook-consistently-the-worst-performing-site>

24 ² Kevin Kelleher, How Facebook Fixed the Social Advertising Problem (Nov. 22, 2010),
25 available at <http://tech.fortune.cnn.com/2010/11/22/how-facebook-fixed-the-social-advertising-problem/>

26 ³ Andrew Lipsman et al., The Power of Like 8-9, ComScore (2011).

27 ⁴ Facebook News Feed, CrunchBase, available at
<http://www.crunchbase.com/product/facebook-news-feed>.

28 ⁵ Farham Manjoo, Didn't Mean for You to See That, Grandma, Slate (Oct. 7, 2010), available
at <http://www.slate.com/id/2270323/>.

1 click. Facebook then organizes the selected advertisements on the page in order to maximize
2 advertising revenue. Facebook's methods for displaying and arranging advertisements, however,
3 infringe Yahoo!'s Advertising Patents. Those patented methods have been shown to at least
4 double the click-through rate for online advertisements and therefore dramatically increase the
5 profitability of click-through advertising.

6 29. Facebook's use of a pay-per-click advertising model depends upon its ability to
7 combat "click fraud" by distinguishing valid from invalid clicks. In a pay-per-click advertising
8 model, competitors can drive up each others' costs by clicking on one another's advertisements
9 with no actual intent to conduct business. The potential for "click fraud" therefore discourages
10 businesses from advertising on Facebook, diminishes the reliability of its advertising model, and
11 results in lawsuits by aggrieved advertisers. To combat click fraud, Facebook uses a variety of
12 statistical methods to analyze the validity of advertising clicks. Those methods are, however,
13 patented by Yahoo!. Facebook's pay-per-click advertising model and the majority of its revenue is
14 therefore dependent on technology owned by Yahoo!.

15 30. Yahoo! is harmed by Facebook's use of Yahoo!'s patented technologies in a way
16 that cannot be compensated for by payment of a royalty alone. Facebook's use of Yahoo!'s
17 patented technologies has increased Facebook's revenue and market share because it does not
18 have to recover the costs or time involved in the development of the technology. Yahoo!, in turn,
19 must bear the costs of the development of the technology.

20 31. Even if Facebook were to subsequently pay past due royalties, it would still enjoy
21 a market share it has developed during its period of "free riding" on Yahoo!'s intellectual property.
22 Yahoo! would likewise lose its portion of the market share for this period. Due to the difficulty in
23 predicting whether, if at all, such market share can be recovered, Yahoo!'s harm cannot be
24 compensated by payment of past due royalties alone.

25 **FACEBOOK INFRINGES YAHOO!'S ADVERTISING PATENTS**

26 32. Yahoo!'s Advertising Patents claim methods and systems for advertising, placing
27 advertisements on a web page in a manner according to click through rate and advertiser bid to
28 maximize the revenue generated, and for identifying and preventing click fraud in such a pay-per-

1 click system. Facebook has infringed and continues to infringe Yahoo!'s Advertising Patents
2 through at least its advertising platform, Facebook Ads.

3 **COUNT I: INFRINGEMENT OF THE '566 PATENT**

4 33. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-32
5 of this Complaint as though fully set forth herein.

6 34. Yahoo! is the owner of all rights, title, and interest in the '566 patent, entitled
7 "Method and System for Optimum Placement of Advertisements on a Webpage," which was duly
8 and properly issued by the United States Patent and Trademark Office ("USPTO") on June 14,
9 2005. A copy of the '566 patent is attached as Exhibit 1.

10 35. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and
11 has been directly infringing the '566 patent by making, using, selling, and/or offering to sell in the
12 United States, or importing into the United States, products or processes that practice the
13 inventions claimed in the '566 patent, including without limitation, Facebook Ads. Facebook has
14 had knowledge of the '566 patent from at least February 27, 2012, when Yahoo! notified
15 Facebook of its infringement, and its infringement since at least that date has been willful.

16 36. As a result of Facebook's unlawful infringement of the '566 patent, Yahoo! has
17 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the
18 damages suffered by Yahoo! as a result of its unlawful acts.

19 37. On information and belief, Facebook intends to continue its unlawful infringing
20 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is
21 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins
22 Facebook from further infringing activities.

23 **COUNT II: INFRINGEMENT OF THE '111 PATENT**

24 38. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-32
25 of this Complaint as though fully set forth herein.

26 39. Yahoo! is the owner of all rights, title, and interest in the '111 patent, entitled
27 "Method and System for Optimum Placement of Advertisements on a Webpage," which was duly
28

1 and properly issued by the USPTO on August 29, 2006. A copy of the '111 patent is attached as
2 Exhibit 2.

3 40. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and
4 has been directly infringing the '111 patent by making, using, selling, and/or offering to sell in the
5 United States, or importing into the United States, products or processes that practice the
6 inventions claimed in the '111 patent, including without limitation, Facebook Ads. Facebook has
7 had knowledge of the '111 patent from at least February 27, 2012, when Yahoo! notified
8 Facebook of its infringement, and its infringement since at least that date has been willful.

9 41. As a result of Facebook's unlawful infringement of the '111 patent, Yahoo! has
10 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the
11 damages suffered by Yahoo! as a result of its unlawful acts.

12 42. On information and belief, Facebook intends to continue its unlawful infringing
13 activity, and Yahoo! continues to and will continue to suffer irreparable harm -- for which there is
14 no adequate remedy at law -- from such unlawful infringing activities unless this Court enjoins
15 Facebook from further infringing activities.

16 **COUNT III: INFRINGEMENT OF THE '599 PATENT**

17 43. Yahoo! recites and incorporates by reference the allegations of Paragraphs 1-32
18 of this Complaint as though fully set forth herein.

19 44. Yahoo! is the owner of all rights, title, and interest in the '599 patent, entitled
20 "Method and System for Optimum Placement of Advertisements on a Webpage," which was duly
21 and properly issued by the USPTO on May 13, 2008. A copy of the '599 patent is attached as
22 Exhibit 3.

23 45. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and
24 has been directly and jointly infringing with its users and inducing infringement by its users of the
25 '599 patent by making, using, selling, and/or offering to sell in the United States, or importing into
26 the United States, products or processes that practice the inventions claimed in the '599 patent,
27 including without limitation, Facebook Ads. Facebook has had knowledge of the '599 patent from
28

1 at least February 27, 2012, when Yahoo! notified Facebook of its infringement, and its
2 infringement since at least that date has been willful.

3 46. As a result of Facebook's unlawful infringement of the '599 patent, Yahoo! has
4 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the
5 damages suffered by Yahoo! as a result of its unlawful acts.

6 47. On information and belief, Facebook intends to continue its unlawful infringing
7 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is
8 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins
9 Facebook from further infringing activities.

10 **COUNT IV: INFRINGEMENT OF THE '861 PATENT**

11 48. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-32
12 of this Complaint as though fully set forth herein.

13 49. Yahoo! is the owner of all rights, title, and interest in the '861 patent, entitled
14 "System and Method To Determine the Validity of an Interaction on a Network," which was duly
15 and properly issued by the USPTO on February 23, 2010. A copy of the '861 patent is attached as
16 Exhibit 4.

17 50. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and
18 has been directly infringing the '861 patent by making, using, selling, and/or offering to sell in the
19 United States, or importing into the United States, products or processes that practice the
20 inventions claimed in the '861 patent, including without limitation, Facebook Ads. Facebook has
21 had knowledge of the '861 patent from at least February 27, 2012, when Yahoo! notified
22 Facebook of its infringement, and its infringement since at least that date has been willful.

23 51. As a result of Facebook's unlawful infringement of the '861 patent, Yahoo! has
24 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the
25 damages suffered by Yahoo! as a result of its unlawful acts.

26 52. On information and belief, Facebook intends to continue its unlawful infringing
27 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is
28

1 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins
2 Facebook from further infringing activities.

3 **FACEBOOK INFRINGES YAHOO!'S PRIVACY PATENTS**

4 53. Yahoo!'s Privacy Patents claim methods and systems for managing the display of
5 social network user information so that users can preserve personal privacy. Facebook has
6 infringed and continues to infringe Yahoo!'s Privacy Patents through at least its privacy controls.

7 **COUNT V: INFRINGEMENT OF THE '590 PATENT**

8 54. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31
9 & 53 of this Complaint as though fully set forth herein.

10 55. Yahoo! is the owner of all rights, title, and interest in the '590 patent, entitled
11 "Method and System for Customizing Views of Information Associated with a Social Network
12 User," which was duly and properly issued by the USPTO on September 11, 2007. A copy of the
13 '590 patent is attached as Exhibit 5.

14 56. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and
15 has been directly infringing the '590 patent by making, using, selling, and/or offering to sell in the
16 United States, or importing into the United States, products or processes that practice the
17 inventions claimed in the '590 patent, including without limitation, Facebook's privacy controls.
18 Facebook has had knowledge of the '590 patent from at least February 27, 2012, when Yahoo!
19 notified Facebook of its infringement, and its infringement since at least that date has been willful.

20 57. As a result of Facebook's unlawful infringement of the '590 patent, Yahoo! has
21 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the
22 damages suffered by Yahoo! as a result of its unlawful acts.

23 58. On information and belief, Facebook intends to continue its unlawful infringing
24 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is
25 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins
26 Facebook from further infringing activities.

27
28

1 **COUNT VI: INFRINGEMENT OF THE '935 PATENT**

2 59. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31
3 & 53 of this Complaint as though fully set forth herein.

4 60. Yahoo! is the owner of all rights, title, and interest in the '935 patent, entitled
5 "Control for Enabling a User To Preview Display of Selected Content Based on Another User's
6 Authorization Level," which was duly and properly issued by the USPTO on October 6, 2009. A
7 copy of the '935 patent is attached as Exhibit 6.

8 61. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and
9 has been directly infringing the '935 patent by making, using, selling, and/or offering to sell in the
10 United States, or importing into the United States, products or processes that practice the
11 inventions claimed in the '935 patent, including without limitation, Facebook's privacy controls.
12 Facebook has had knowledge of the '935 patent from at least February 27, 2012, when Yahoo!
13 notified Facebook of its infringement, and its infringement since at least that date has been willful.

14 62. As a result of Facebook's unlawful infringement of the '935 patent, Yahoo! has
15 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the
16 damages suffered by Yahoo! as a result of its unlawful acts.

17 63. On information and belief, Facebook intends to continue its unlawful infringing
18 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is
19 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins
20 Facebook from further infringing activities.

21 **FACEBOOK INFRINGES YAHOO!'S CUSTOMIZATION PATENTS**

22 64. Yahoo!'s Customization Patents claim methods and systems for creating custom
23 data streams and web pages for users based on community and user preferences. Facebook has
24 infringed and continues to infringe Yahoo!'s Customization Patents through at least the Facebook
25 News Feed and the Facebook Wall.

26 **COUNT VII: INFRINGEMENT OF THE '509 PATENT**

27 65. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31
28 & 64 of this Complaint as though fully set forth herein.

1 66. Yahoo! is the owner of all rights, title, and interest in the '509 patent, entitled
2 "Online Playback System with Community Bias," which was duly and properly issued by the
3 USPTO on November 18, 2008. A copy of the '509 patent is attached as Exhibit 7.

4 67. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and
5 has been directly infringing the '509 patent by making, using, selling, and/or offering to sell in the
6 United States, or importing into the United States, products or processes that practice the
7 inventions claimed in the '509 patent, including without limitation, Facebook News Feed.
8 Facebook has had knowledge of the '509 patent from at least February 27, 2012, when Yahoo!
9 notified Facebook of its infringement, and its infringement since at least that date has been willful.

10 68. As a result of Facebook's unlawful infringement of the '509 patent, Yahoo! has
11 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the
12 damages suffered by Yahoo! as a result of its unlawful acts.

13 69. On information and belief, Facebook intends to continue its unlawful infringing
14 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is
15 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins
16 Facebook from further infringing activities.

17 **COUNT VIII INFRINGEMENT OF THE '227 PATENT**

18 70. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31
19 & 64 of this Complaint as though fully set forth herein.

20 71. Yahoo! is the owner of all rights, title, and interest in the '227 patent, entitled
21 "Dynamic Page Generator," which was duly and properly issued by the USPTO on November 9,
22 2009. A copy of the '227 patent is attached as Exhibit 8.

23 72. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and
24 has been directly infringing the '227 patent by making, using, selling, and/or offering to sell in the
25 United States, or importing into the United States, products or processes that practice the
26 inventions claimed in the '227 patent, including without limitation, Facebook News Feed and
27 Facebook Wall. Facebook has had knowledge of the '227 patent from at least February 27, 2012,
28

1 when Yahoo! notified Facebook of its infringement, and its infringement since at least that date
2 has been willful.

3 73. As a result of Facebook's unlawful infringement of the '227 patent, Yahoo! has
4 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the
5 damages suffered by Yahoo! as a result of its unlawful acts.

6 74. On information and belief, Facebook intends to continue its unlawful infringing
7 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is
8 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins
9 Facebook from further infringing activities.

10 **FACEBOOK INFRINGES YAHOO!'S SOCIAL NETWORKING PATENT**

11 75. Yahoo!'s Social Networking Patent claims a method and system using a world
12 model containing entity models for, among other things, people and businesses. Facebook has
13 infringed and continues to infringe Yahoo!'s Social Networking Patent through at least Facebook
14 Pages and Facebook Groups.

15 **COUNT IX: INFRINGEMENT OF THE '648 PATENT**

16 76. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31
17 & 75 of this Complaint as though fully set forth herein.

18 77. Yahoo! is the owner of all rights, title, and interest in the '648 patent, entitled
19 "World Modeling Using a Relationship Network with Communication Channels to Entities,"
20 which was duly and properly issued by the USPTO on June 29, 2010. A copy of the '648 patent is
21 attached as Exhibit 9.

22 78. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and
23 has been directly infringing the '648 patent by making, using, selling, and/or offering to sell in the
24 United States, or importing into the United States, products or processes that practice the
25 inventions claimed in the '648 patent, including without limitation, Facebook Pages and Facebook
26 Groups. Facebook has had knowledge of the '648 patent from at least February 27, 2012, when
27 Yahoo! notified Facebook of its infringement, and its infringement since at least that date has been
28 willful.

1 79. As a result of Facebook's unlawful infringement of the '648 patent, Yahoo! has
2 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the
3 damages suffered by Yahoo! as a result of its unlawful acts.

4 80. On information and belief, Facebook intends to continue its unlawful infringing
5 activity, and Yahoo! continues to and will continue to suffer irreparable harm -- for which there is
6 no adequate remedy at law -- from such unlawful infringing activities unless this Court enjoins
7 Facebook from further infringing activities.

8 **FACEBOOK INFRINGES YAHOO!'S MESSAGING PATENT**

9 81. Yahoo!'s Messaging Patent claims a method and system for allowing an instant
10 messenger user to exchange messages with an email user. Facebook has infringed and continues
11 to infringe Yahoo!'s patent rights through at least Facebook Messages.

12 **COUNT X: INFRINGEMENT OF THE '501 PATENT**

13 82. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31
14 & 81 of this Complaint as though fully set forth herein.

15 83. Yahoo! is the owner of all rights, title, and interest in the '501 patent, entitled
16 "System and Method for Instant Messaging Using an E-Mail Protocol," which was duly and
17 properly issued by the USPTO on July 29, 2008. A copy of the '501 patent is attached as Exhibit
18 10.

19 84. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and
20 has been directly infringing the '501 patent by making, using, selling, and/or offering to sell in the
21 United States, or importing into the United States, products or processes that practice the
22 inventions claimed in the '501 patent, including without limitation, Facebook Messages. Facebook
23 has had knowledge of the '501 patent from at least February 27, 2012, when Yahoo! notified
24 Facebook of its infringement, and its infringement since at least that date has been willful.

25 85. As a result of Facebook's unlawful infringement of the '501 patent, Yahoo! has
26 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the
27 damages suffered by Yahoo! as a result of its unlawful acts.

28

1 DATED: March 12, 2012

Respectfully submitted,

2

3

By: 

4

Charles K. Verhoeven

Jennifer A. Kash

Kevin A. Smith

5

Quinn Emanuel Urquhart & Sullivan LLP

6

50 California Street, 22nd Floor

San Francisco, CA 94111

Telephone: 415-875-6600

7

Attorneys for Plaintiff Yahoo! Inc.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

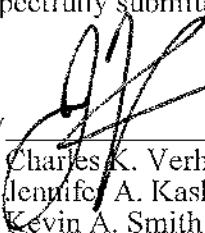
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff hereby demands a trial by jury as to all issues so triable.

DATED: March 12, 2012

Respectfully submitted,

By 

Charles K. Verhoeven
Jennifer A. Kash
Kevin A. Smith
Quinn Emanuel Urquhart & Sullivan LLP
50 California Street, 22nd Floor
San Francisco, CA 94111
Telephone: 415-875-6600

Attorneys for Plaintiff Yahoo! Inc.