UNITED STATES DISTRICT COURT
DISTRICT OF NEW MEXICO

STC.UNM,

Plaintiff,

v.

INTEL CORPORATION,

Defendant.

Civil No. 1:10-cv-01077-RB-WDS

Plaintiff's Motion to Strike Intel's Affirmative Defense Nos. 1, 3, 6, 9 & 10 and to Dismiss Intel's Second Counterclaim

I. INTRODUCTION

Plaintiff in the afore-captioned matter, STC.UNM ("STC") hereby moves pursuant to Fed. R. Civ. P. 12(f)(2) to strike the Third Affirmative Defense, and, pursuant to Fed. R. Civ. P. 12(b)(6), to dismiss the Second Counterclaim asserted by the defendant, Intel Corp. ("Intel") in this matter. Therein, Intel has asserted a laundry list of statutory provisions related to patentability, providing no notice to STC as to what Intel truly intends to assert in this matter. *See Crystal Photonics, Inc. v. Siemens Medical Solutions USA, Inc.*, Civ. No. 6:11-cv-1118, Order (M.D. Fla. Dec. 21, 2011) [ECF No. 22] (Ex. A) at 1. Intel has thus failed to satisfy the pleading requirements of Fed. R. Civ. P. 8.

II. DISCUSSION

A. Intel's Pleadings are Deficient

In response to STC's claim for patent infringement in the afore-captioned matter, Intel has asserted, *inter alia*, that the claims of the '998 patent are invalid for a host of reasons. Specifically, Intel has asserted by way of its Third Affirmative Defense that "[t]he '998 patent is

invalid by reason of having been issued in violation of U.S. patent laws, including ***but not limited to*** 35 U.S.C. §§ 101, 102, 103, 111, 112, 115, or 256, or judicially created doctrines of invalidity, and the Rules and Regulations of the United States Patent and Trademark Office ("PTO") relating thereto." Intel Corporation's First Amended Answer and Second Amended Counterclaims to STC.UNM's Complaint (Dec. 7, 2011) [ECF No. 162] at 2 (emphasis added).[1]

Similarly, Intel's Second Counterclaim seeks a declaration that the '998 patent "is invalid for failure to comply with the requirements of patentability set forth in 35 U.S.C. §§101 et seq." *Id*. at 12. Thus, Intel has failed to provide ***any*** notice as to the true bases of its invalidity charge – either in the form of its affirmative defense or its counterclaim.

Pleadings must serve as something more than a placeholder for potential claims and defenses. *Crystal Photonics, Inc. v. Siemens Medical Solutions USA, Inc.*, Civ. No. 6:11-cv-1118, Order (M.D. Fla. Dec. 21, 2011) [ECF No. 22] (Ex. A) at 2. Conclusory allegations such as those offered up by Intel do not put anyone on notice, as they do not suggest that Intel actually intends to pursue them. *Id.* If anything, they conceal potentially meritorious counterclaims and affirmative defenses in a "sea of irrelevancies." *Id.*

In *Crystal Photonics*, the court struck an affirmative defense that read that the claims in suit "are invalid for failing to comply with one or more of the conditions for patentability as set forth in Title 35 of the United States Code, including, without limitation, 35 U.S.C. § 101, 102, 103 and/or 112." *Id.* (striking all affirmative defenses); and *Crystal Photonics, Inc. v. Siemens Medical Solutions USA, Inc.*, Civ. No. 6:11-cv-1118, Answers, Defenses, and Counterclaims of Defendant/ Counterclaim Plaintiff Siemens Medical Solutions USA, Inc. (M.D. Fla. Nov. 10, 2011) [ECF No. 14] (Ex. B) at 5 (Third Defense). Not surprisingly, then, a counterclaim

[1] Counsel for Intel suggested that STC should refer to Intel's interrogatory answers for the details of these defenses, but the interrogatory answers do not address 35 U.S.C. § 101, 111, 115 or 256.

asserting invalidity under 35 U.S.C. §§ 101, *et seq.* is insufficiently pled. *Cleversafe, Inc. v. Amplidata, Inc.*, 2011 U.S. Dist. LEXIS 145995 at *6-7 (N.D. Ill. Dec. 20, 2011).

This Court has considered the question of pleading sufficiency for affirmative defenses in *Lane v. Page*, 272 F.R.D. 581 (D.N.M. Jan. 14, 2011). The question addressed by this Court in *Lane* was whether the heightened pleading standard for plaintiffs set out by the Supreme Court in *Bell Atlantic v. Twombly*, 550 U.S. 544 (2007), and *Ashcroft v. Iqbal*, 556 U.S. 662, 129 S. Ct. 1937 (2009) should be extended to affirmative defenses. *Lane*, 272 F.R.D. at 589-90. The Court acknowledged that the majority of jurisdictions considering this question have opted to apply that pleading standard to affirmative defense. *Id.*

Nonetheless, this Court determined to follow the minority rule exempting affirmative defenses from the heightened pleading requirement, given the difference in wording between Fed. R. Civ. P. 8(a) and (b) on the one hand, and Fed. R. Civ. P. 8(c), on the other hand. *Id*. at 592. Specifically, the Court noted the "short and plain statement" requirement of Rule 8(a), the "short and plain terms" requirement of Rule 8(b), and an absence of a corresponding requirement in Rule 8(c) governing affirmative defenses. *Id., quoting First Nat'l Ins. Co. of Am. v. Camps Servs.*, 2009 U.S. Dist. LEXIS 149 (E.D. Mich. Jan. 5, 2009).

It is indisputable that the purpose of Rule 8(c) is to provide notice to a plaintiff of any unanticipated defenses. *Yellen v. Cooper*, 828 F.2d 1471, 1476 (10th Cir. 1987). Irrespective of whether Rule 8(c) requires the same degree of factual specificity as Fed. R. Civ. P. 8(a) & (b), ***something*** in the listing of affirmative defenses must put the plaintiff on notice as to which defenses the defendant actually intends to maintain. Notwithstanding this Court's holding in *Lane*, a wholesale listing of statutory provisions as affirmative defenses ***cannot*** satisfy the notice requirement of Rule 8(c), as the courts in *Crystal Photonics* and *Cleversafe* ruled.

Further, the decision in *Lane* would not inform as to the sufficiency of Intel's invalidity ***counterclaim***, which would be subject to heightened pleading requirements, given the wording of Fed. R. Civ. P. 8(a), pursuant to which such counterclaim was filed, and which requires "a short and plain statement of the claim showing that the pleader is entitled to relief."

B. Fed. R. Civ. P. 12(g) Does Not Bar The Instant Motion

Pursuant to Fed. R. Civ. P. 12(g)(2), "[e]xcept as provided in Rule 12(h)(2) or (3), a party that makes a motion under this rule must not make another motion under this rule raising a defense or objection that was available to the party but omitted from its earlier motion." It is true that STC has filed an earlier motion to dismiss Intel's counterclaim for inequitable conduct. *See* STC.UNM's Motion to Dismiss Intel's Amended Counterclaim and Strike Intel's Affirmative Defense for Unenforceability (Feb. 28, 2011) [ECF No. 45].

However, courts faced with successive motions to dismiss "often exercise their discretion to consider the ***new*** arguments in the interests of judicial economy." *See, e.g., Amaretto Ranch Breedables, LLC v. Ozimals, Inc.*, 2011 U.S. Dist. LEXIS 73853 at 6, n. 1 (N.D. Cal., July 8, 2011), *citing Nat. City Bank, N.A. v. Prime Lending, Inc.*, 2010 U.S. Dist. LEXIS 85888 (E.D. Wash. July 19, 2010) (emphasis added). The two decisions cited by STC herein, *Crystal Photonics* and *Cleversafe*, were both decided within the last few weeks, and were obviously not available when Intel filed its earlier affirmative defenses and counterclaims. This Court should use its discretion in the name of judicial economy to consider these new decisions, and STC's arguments based thereon, notwithstanding STC's earlier motion to dismiss a completely different counterclaim and affirmative defense.

Further, by the plain language thereof, Rule 12(g)(2) allows for a successive motion filed pursuant to Fed. R. Civ. P. 12(h)(2)(B), which, in turn, references Fed. R. Civ. P. 12(c). That

latter, rule, in turn, provides that, "[a]fter the pleadings are closed—but early enough not to delay trial—a party may move for judgment on the pleadings." Thus, a party in STC's position could simply file a motion pursuant to Rule 12(c), as the court in *National City Bank* recognized:

> Judicial economy favors ignoring the motions' technical deficiencies. Rule 12(g) merely prohibits them from raising it before filing an answer because they did not raise it in their initial response under Rule 12(b). Plaintiffs do not dispute that Defendants would simply be able to renew their motion as a Rule 12(c) motion for judgment on the pleadings after filing an answer. The Court declines to pass on this opportunity to narrow the issues because Defendants are entitled to raise these defenses even if they already filed a motion to dismiss. Nor do the motions result in prejudice or surprise. The Court finds good cause to consider them now.

Nat. City Bank, N.A. v. Prime Lending, Inc., 2010 U.S. Dist. LEXIS 85888 at *6 (E.D.Wash. July 19, 2010).

Thus, despite any "technical difficulties" the instant motion may have, the Court should avail itself of this opportunity to jettison any invalidity defenses and counterclaims that Intel simply has no intent of pursuing.

III. CONCLUSION

Given Intel's complete lack of notice regarding the invalidity defenses it actually intends to maintain, the appropriate remedy is to dismiss Intel's Third Affirmative Defense, as well as its Second Counterclaim.

Dated: January 4, 2012 Respectfully submitted,

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Certificate of Conference: The undersigned conferred with counsel for Intel regarding the relief requested herein and was informed that Intel objects to the motion. /s/ Steven R. Pedersen

Certificate of Service: I hereby certify that on January 4, 2012, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF system which will send notification of such filing via electronic mail to all counsel of record. /s/ Steven R. Pedersen