

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW MEXICO**

STC.UNM,

Plaintiff,

v.

INTEL CORPORATION,

Defendant.

Civil No. 10-CV-01077-RB-WDS

**STC.UNM'S REPLY IN SUPPORT OF ITS MOTION TO STRIKE INTEL CORP.'S
AFFIRMATIVE DEFENSE NO. 3 AND TO DISMISS SECOND COUNTERCLAIM**

By Intel's own admission, it has provided, through discovery, detailed bases for its invalidity charge only under sections 102, 103, 112 and 116 of the Patent Statute. Intel Br. at 4. However, Intel has pled invalidity, in the form of its third affirmative defense and second counterclaim, alleging violations of *every* section of the Patent Statute. See STC Br. at 2. Rather than simply amending its pleading to limit its invalidity charge to the four bases that it apparently intends to pursue, Intel maintains that it has no obligation to do so, and complains that STC's sufficiency challenge is too late to consider.

As to its sufficiency obligation, Intel ignores the distinction between providing notice of what it intends to assert, and the factual specificity underlying such assertion. See STC Br. at 3. Alleging that a patent is invalid under every single provision in the Patent Statute hardly provides such notice, and, in fact, conceals meritorious counterclaims and defenses in a "sea of irrelevancies." STC Br. at 2 (citation omitted). Illustrative of this point is that, in its amended answer to the complaint, Intel specifically identified sections 101, 111, 115 and 256 of the Patent Statute as bases for its invalidity challenge. Intel Corporation's First Amended Answer and Second Amended Counterclaims to STC.UNM's Complaint (Dec. 7, 2011) [ECF No. 162] at 2.

In its afore-referenced interrogatory response, by its own admission, Intel provided no explanation as to why the '998 patent was invalid under any of these provisions. Conversely, while Intel provided an explanation of alleged invalidity under section 116 of the Patent Statute in its discovery response, that section was not specifically identified in Intel's amended answer.

Authority cited by Intel actually supports STC's motion. In *Graphic Packaging Int'l, Inc. v. C.W. Zumbiel Co.*, while the court found that identifying "sections 102, 103, and/or 112" provided sufficient notice, it noted that "[t]he same cannot be said, however, of any other invalidity counterclaim or affirmative defense Zumbiel might bring that would fall outside the scope of section 102, 103, or 112." *Graphic Packaging Int'l, Inc. v. C.W. Zumbiel Co.*, 2011 U.S. Dist. LEXIS 135675 at *8-10 (N.D. Ga. Aug. 1, 2011). The court therefore struck the language "including, but not limited to" (the very same language employed by Intel) from the subject defenses and counterclaims. *Id.* at *10.

Other decisions cited by Intel, specifically, *Microsoft Corp. v. Phoenix Solutions, Inc.*, 741 F. Supp. 2d 1156, 1159 (C.D. Cal. 2010); *Pfizer Inc. v. Apotex Inc.*, 726 F. Supp. 2d 921, 937-38 (N.D. Ill. 2010); and *Elan Pharma. Int'l v. Lupin Ltd.*, 2010 U.S. Dist. LEXIS 32306, at *11-16 (D.N.J. Mar. 31, 2010), have been subsequently criticized. In *Tyco Fire Prods. LP v. Victaulic Co.*, the court looked at each of these cases, and determined that, because "the relief warranted by a counterclaim can be drastic," it rejected the reasoning in those cases allowing defendants to plead mere conclusions supporting their counterclaims. *Tyco Fire Prods. LP v. Victaulic Co.*, 777 F. Supp.2d 893, 904-05 (E.D. Pa. 2011).

On the question of STC's alleged tardiness, Intel fails to address the fact that this Court, in its discretion, and in the name of judicial expediency, can ignore technical deficiencies under Fed. R. Civ. P. 12(g). STC Br. at 4-5. This is an ideal case for the Court to do so in order to

jettison defenses and counterclaims that Intel has no serious intention of pursuing, and the instant motion to strike and dismiss should be granted. Alternatively, Intel's third affirmative defense and second counterclaim should be limited to the statutory provisions that are the subject of Intel's interrogatory response on validity.

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Respectfully submitted,

Deron B. Knoner
KELEHER & MCLEOD, P.A.
201 Third Street NW, 12th Floor
PO Box AA
Albuquerque, New Mexico 87103
(505) 346-4646

/s/ Steven R. Pedersen
Rolf O. Stadheim
Joseph A. Gear
George C. Summerfield
Keith A. Vogt
Steven R. Pedersen
STADHEIM & GREAR, LTD.
400 N. Michigan Avenue, Suite 2200
Chicago, Illinois 60611
(312) 755-4400

Attorneys for Plaintiff STC.UNM

Certificate of Service: I hereby certify that on February 1, 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