

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

PERFORMANCE PRICING, INC.,

Plaintiff,

v.

GOOGLE INC., AOL LLC, MICROSOFT
CORPORATION, YAHOO! INC.,
IAC SEARCH & MEDIA, INC., and
A9.COM, INC.,

Defendants.

Case No. 2:07-cv-432 (LED)

JURY TRIAL DEMANDED

PLAINTIFF AND COUNTERDEFENDANT PERFORMANCE PRICING, INC.'S

REPLY TO COUNTERCLAIMS OF DEFENDANT IAC SEARCH & MEDIA, INC.

Plaintiff Performance Pricing, Inc. ("Performance Pricing") hereby answers the counterclaims of Defendant IAC Search & Media, Inc. ("IAC"). The paragraphs in this reply are numbered to correspond to the paragraph numbers in IAC's counterclaims. All of the allegations of the counterclaims not specifically admitted herein are specifically denied.

COUNTERCLAIMS

(Declaratory Judgment as to the '253 Patent)

1. With respect to IAC's incorporation by reference of the preceding paragraphs in its answer and defenses, Performance Pricing denies the allegations contained in those paragraphs.

2. Performance Pricing admits the allegations in paragraph 2 of IAC's counterclaims.

3. Performance Pricing admits the allegations contained in paragraph 3 of IAC's counterclaims.

4. Performance Pricing denies the allegations contained in paragraph 4 of IAC's counterclaims, except to the extent that it admits that this Court has jurisdiction over these Counterclaims.

COUNT ONE

(Declaratory Judgment of Non-Infringement)

5. Performance Pricing incorporates by reference its responses to the facts and allegations in paragraphs 1 through 4 of its reply to IAC's counterclaims as if fully set forth herein.

6. Performance Pricing denies the allegations contained in paragraph 6 of IAC's counterclaims.

7. Performance Pricing denies the allegations contained in paragraph 7 of IAC's counterclaims.

COUNT TWO

(Declaratory Judgment of Invalidity of the '253 Patent)

8. Performance Pricing incorporates by reference its responses to the facts and allegations in paragraphs 1 through 7 of its reply to IAC's counterclaims as if fully set forth herein.

9. Performance Pricing denies the allegations contained in paragraph 9 of IAC's counterclaims.

JURY DEMAND

Performance Pricing demands trial by jury of all issues.

PRAYER FOR RELIEF

Plaintiff and Counterdefendant Performance Pricing denies that IAC is entitled to the relief it seeks or any relief for the allegations made in its Answer or Counterclaims. Plaintiff and Counterdefendant Performance Pricing requests that judgment be entered in its favor on all issues and it be awarded the appropriate damages, exceptional damages, costs, and attorneys' fees.

Dated: December 26, 2007

Respectfully submitted,

By: /s/ Christin Cho

Christin Cho
CA State Bar No. 238173
Email: christin@dovellaw.com
Gregory S. Dovel
CA State Bar No. 135387
Email: greg@dovellaw.com
Sean Luner
CA State Bar No. 165443
Email: sean@dovellaw.com
Dovel & Luner, LLP
201 Santa Monica Blvd., Suite 600
Santa Monica, CA 90401
Telephone: 310-656-7066
Facsimile: 310-657-7069

S. Calvin Capshaw
State Bar No. 03783900
Elizabeth L. DeRieux
State Bar No. 05770585
Brown McCarroll, L.L.P.
1127 Judson Road, Suite 220
Longview, TX 75601
Telephone: (903) 236-9800
Facsimile: (903) 236-8787
Email: capshaw@mailbmc.com
Email: ederieux@mailbmc.com

Robert M. Parker
State Bar No. 15498000
Email: rmparker@cox-internet.com
Robert Christopher Bunt
State Bar No. 00787165
Email: cbunt@cox-internet.com
Parker & Bunt, P.C.
100 East Ferguson, Ste. 1114
Tyler, TX 75702
Telephone: 903/531-3535
Facsimile: 903/533-9687

Franklin Jones, Jr.
State Bar No. 00000055
Email: maizieh@millerfirm.com
Jones & Jones, Inc., P.C.
201 W. Houston St.
P.O. Drawer 1249
Marshall, TX 75670

Otis W. Carroll, Jr.
State Bar No. 03895700
Email: fedserv@icklax.com
6101 S. Broadway, Suite 500
Tyler, TX 75703

ATTORNEYS FOR PLAINTIFF
PERFORMANCE PRICING, INC.