

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

PAID SEARCH ENGINE TOOLS, LLC	§	
	§	
Plaintiff,	§	
v.	§	Case No.2:08-cv-061 (DF/CE)
	§	
	§	
GOOGLE, INC. and	§	
MICROSOFT COPRORIATION,	§	
	§	
Defendant.	§	

MICROSOFT CORPORATION,	§	
	§	
Counterclaim-Plaintiff,	§	
	§	
v.	§	
	§	
PAID SEARCH ENGINE TOOLS, LLC,	§	
	§	
Counterclaim-Defendant.	§	

**PLAINTIFF, PAID SEARCH ENGINE TOOLS, LLC’S, REPLY TO
MICROSOFT CORP.’S COUNTERCLAIMS**

Plaintiff Paid Search Engines Tools, LLC (" PSET"), by and through its counsel,
herein replies to the numbered paragraphs of Defendant Microsoft Corporation's
("Microsoft") Counterclaims ("Counterclaims"):

NATURE OF THIS ACTION

1. PSET admits that Microsoft has brought an action for declaratory judgment under the Declaratory Judgment Act, 28 U.S.C. §§2201-2202, and that such action arises under the Patent Laws of the United States, Title 35, United States Code. However, PSET denies that the claims of U.S. Patent No. 7,043,450 are either invalid or not infringed.

PARTIES

2. PSET admits the allegations of Paragraph 2 of the Counterclaims.

3. PSET admits the allegations of Paragraph 3 of the Counterclaims.

JURISDICTION AND VENUE

4. PSET admits the allegations of Paragraph 4 of the Counterclaims.

5. PSET admits the allegations of Paragraph 5 of the Counterclaims.

6. PSET admits the allegations of Paragraph 6 of the Counterclaims.

FACTUAL BACKGROUND

7. PSET admits the allegations of Paragraph 7 of the Counterclaims.

8. PSET admits the allegations of Paragraph 8 of the Counterclaims.

COUNT I

9. PSET repeats and incorporates by reference its replies set forth in Paragraphs 1-8 herein.

10. PSET denies the allegations of Paragraph 10 of the Counterclaims.

COUNT II

11. PSET repeats and incorporates by reference its replies set forth in Paragraphs 1-10 herein.

12. PSET denies the allegations of Paragraph 12 of the Counterclaims.

WHEREFORE, PSET prays for and demands the following relief:

- A. That Microsoft's Counterclaims be dismissed with prejudice and that judgment be entered for PSET;
- B. That Microsoft take nothing by its Counterclaims;
- C. PSET be awarded its costs and attorneys fees in defending against Microsoft's Counterclaims; and,
- D. For such other and further relief as the Court deems just and proper.

Dated: May 19, 2008

Respectfully submitted,

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**ATTORNEYS FOR PLAINTIFF,
PAID SEARCH ENGINE TOOLS,
LLC**

CERTIFICATE OF SERVICE

I hereby certify that counsel of record who are deemed to have consented to electronic service are being served this 19th day of May, 2008, with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by electronic mail, facsimile transmission and/or first class mail on this same date.

/s/ Elizabeth L. DeRieux
Elizabeth L. DeRieux