

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

API TECHNOLOGIES, LLC

Plaintiff,

v.

- (1) FACEBOOK, INC.;
- (2) AMAZON.COM, INC.;
- (3) AMAZON WEB SERVICES LLC;
- (4) AOL LLC;
- (5) MAPQUEST, INC.;
- (6) BEBO, INC.;
- (7) TRUVEO, INC.;
- (8) BEST BUY CO. INC.;
- (9) CBS CORPORATION;
- (10) CBS INTERACTIVE, INC.;
- (11) CBS INTERACTIVE MEDIA INC.;
- (12) CNET INVESTMENTS, INC.;
- (13) CNET NETWORKS, INC.;
- (14) LAST.FM LIMITED;
- (15) THE DUN & BRADSTREET CORPORATION;
- (16) HOOVER'S, INC.;
- (17) GOOGLE INC.;
- (18) ANDROID, INC.;
- (19) THOMSON REUTERS CORPORATION;
- (20) THOMSON REUTERS PLC;
- (21) THOMSON REUTERS U.S. INC.;
- (22) THOMSON REUTERS U.S.A. INC.;
- (23) REUTERS AMERICA, LLC; and
- (24) YAHOO! INC.,

Defendants.

CIVIL ACTION NO. 2:09-CV-147-TJW

JURY TRIAL DEMANDED

DEFENDANT YAHOO! INC.'S ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIMS TO ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

Defendant Yahoo! Inc. ("Yahoo!") answers Plaintiff API Technologies, LLC's ("API") Original Complaint for Patent Infringement ("Complaint") and counterclaims as follows:

GENERAL DENIAL

Yahoo! denies each and every allegation, matter, or thing contained in the Complaint that is not expressly admitted, qualified, or answered herein.

I. ANSWER

PARTIES

1. Yahoo! lacks knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 1 and therefore denies them.

2. Paragraph 2 does not contain any allegations directed at Yahoo! and therefore requires no answer.

3. Paragraph 3 does not contain any allegations directed at Yahoo! and therefore requires no answer.

4. Paragraph 4 does not contain any allegations directed at Yahoo! and therefore requires no answer.

5. Paragraph 5 does not contain any allegations directed at Yahoo! and therefore requires no answer.

6. Paragraph 6 does not contain any allegations directed at Yahoo! and therefore requires no answer.

7. Paragraph 7 does not contain any allegations directed at Yahoo! and therefore requires no answer.

8. Paragraph 8 does not contain any allegations directed at Yahoo! and therefore requires no answer.

9. Paragraph 9 does not contain any allegations directed at Yahoo! and therefore requires no answer.

10. Paragraph 10 does not contain any allegations directed at Yahoo! and therefore requires no answer.

11. Paragraph 11 does not contain any allegations directed at Yahoo! and therefore requires no answer.

12. Paragraph 12 does not contain any allegations directed at Yahoo! and therefore requires no answer.

13. Paragraph 13 does not contain any allegations directed at Yahoo! and therefore requires no answer.

14. Paragraph 14 does not contain any allegations directed at Yahoo! and therefore requires no answer.

15. Paragraph 15 does not contain any allegations directed at Yahoo! and therefore requires no answer.

16. Paragraph 16 does not contain any allegations directed at Yahoo! and therefore requires no answer.

17. Paragraph 17 does not contain any allegations directed at Yahoo! and therefore requires no answer.

18. Paragraph 18 does not contain any allegations directed at Yahoo! and therefore requires no answer.

19. Paragraph 19 does not contain any allegations directed at Yahoo! and therefore requires no answer.

20. Paragraph 20 does not contain any allegations directed at Yahoo! and therefore requires no answer.

21. Paragraph 21 does not contain any allegations directed at Yahoo! and therefore requires no answer.

22. Paragraph 22 does not contain any allegations directed at Yahoo! and therefore requires no answer.

23. Paragraph 23 does not contain any allegations directed at Yahoo! and therefore requires no answer.

24. Paragraph 24 does not contain any allegations directed at Yahoo! and therefore requires no answer.

25. Answering Paragraph 25, Yahoo! admits that it is a corporation existing and organized under the laws of Delaware. Yahoo! admits that it has a place of business in the United States in Sunnyvale, California, and that its registered agent in the state of Delaware is The Corporation Trust Company. Yahoo! denies any and all remaining allegations and/or legal conclusions contained in Paragraph 25 and specifically denies any wrongdoing or infringement in this judicial district or elsewhere.

JURISDICTION AND VENUE

26. Yahoo! admits that this Court has subject matter jurisdiction. Yahoo! denies any and all remaining allegations and/or legal conclusions contained in Paragraph 26.

27. Yahoo! admits it conducts business in the Eastern District of Texas. Yahoo! denies having committed acts within this judicial district that would give rise to this action. Yahoo! denies it has purposefully or voluntarily placed infringing products and services in the stream of commerce. Yahoo! denies it produces or produced infringing products or services that are being utilized in the Eastern District of Texas and that it has committed patent infringement within the State of Texas or within the Eastern District of Texas. To the extent that the remaining allegations in paragraph 27 of the Complaint relate to defendants other than Yahoo! and demand an answer by Yahoo!, Yahoo! lacks knowledge or information sufficient to form a belief as to the truth or falsity of such allegations and therefore denies them.

28. To the extent the allegations of Paragraph 28 are directed to Yahoo!, they are denied. To the extent the allegations of Paragraph 28 are directed to other entities, Yahoo! lacks knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 28 and therefore denies them.

COUNT I

INFRINGEMENT OF U.S. PATENT NO. 6,859,699

29. Yahoo! admits that United States Patent No. 6,859,699 (“the ‘699 Patent”) is entitled “Network-Based Method and System for Distributing Data” and indicates on its face that it was issued on February 22, 2005. Yahoo! also admits that a purported copy of the ‘699 Patent

is attached as Exhibit A to the Complaint. Yahoo! lacks sufficient knowledge or information to form a belief as to the truth or falsity of the remaining allegations in Paragraph 29 and therefore denies them.

30. Yahoo! admits the allegations of Paragraph 30.

31. Paragraph 31 does not contain any allegations directed at Yahoo! and therefore requires no answer.

32. Paragraph 32 does not contain any allegations directed at Yahoo! and therefore requires no answer.

33. Paragraph 33 does not contain any allegations directed at Yahoo! and therefore requires no answer.

34. Paragraph 34 does not contain any allegations directed at Yahoo! and therefore requires no answer.

35. Paragraph 35 does not contain any allegations directed at Yahoo! and therefore requires no answer.

36. Paragraph 36 does not contain any allegations directed at Yahoo! and therefore requires no answer.

37. Paragraph 37 does not contain any allegations directed at Yahoo! and therefore requires no answer.

38. Paragraph 38 does not contain any allegations directed at Yahoo! and therefore requires no answer.

39. Paragraph 39 does not contain any allegations directed at Yahoo! and therefore requires no answer.

40. Paragraph 40 does not contain any allegations directed at Yahoo! and therefore requires no answer.

41. Paragraph 41 does not contain any allegations directed at Yahoo! and therefore requires no answer.

42. Paragraph 42 does not contain any allegations directed at Yahoo! and therefore requires no answer.

43. Paragraph 43 does not contain any allegations directed at Yahoo! and therefore requires no answer.

44. Paragraph 44 does not contain any allegations directed at Yahoo! and therefore requires no answer.

45. Paragraph 45 does not contain any allegations directed at Yahoo! and therefore requires no answer.

46. Paragraph 46 does not contain any allegations directed at Yahoo! and therefore requires no answer.

47. Paragraph 47 does not contain any allegations directed at Yahoo! and therefore requires no answer.

48. Paragraph 48 does not contain any allegations directed at Yahoo! and therefore requires no answer.

49. Paragraph 49 does not contain any allegations directed at Yahoo! and therefore requires no answer.

50. Paragraph 50 does not contain any allegations directed at Yahoo! and therefore requires no answer.

51. Paragraph 51 does not contain any allegations directed at Yahoo! and therefore requires no answer.

52. Paragraph 52 does not contain any allegations directed at Yahoo! and therefore requires no answer.

53. Paragraph 53 does not contain any allegations directed at Yahoo! and therefore requires no answer.

54. Yahoo! denies infringing, contributing to the infringement of, or inducing others to infringe the '699 Patent. Yahoo! lacks knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 54 and therefore denies them.

55. Yahoo! lacks knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 55 and therefore denies them.

56. The allegations of Paragraph 56 set forth legal rights reserved by the Plaintiff, and therefore no answer is required. Yahoo! denies the allegations of willful infringement implicit in Paragraph 56.

57. Yahoo! denies the allegations in Paragraph 57.

58. Yahoo! denies the allegations in Paragraph 58.

PRAYER FOR RELIEF

Yahoo! denies that API is entitled to any of the relief requested in the Complaint and/or the Prayer for Relief contained in the Complaint, and to the extent that any statement therein is deemed factual, it is denied. Yahoo! further denies that any conduct on its part subjects Yahoo! to liability for damages or attorneys' fees under 35 U.S.C. § 285, and Yahoo! denies that API is entitled to any relief whatsoever.

DEMAND FOR JURY TRIAL

Yahoo! admits and joins API's demand for a jury trial.

II. AFFIRMATIVE DEFENSES

Without altering the burdens of proof, Yahoo! asserts the following affirmative and other defenses. Yahoo! reserves the right to assert additional affirmative defenses as further information is obtained.

FIRST AFFIRMATIVE DEFENSE

(Failure to State a Claim)

The Complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

(Non-Infringement)

Yahoo! has not and does not directly infringe, contributorily infringe, or induce infringement of any valid and enforceable claim of the '699 Patent.

THIRD AFFIRMATIVE DEFENSE
(Invalidity and/or Unenforceability)

The claims of the '699 Patent are invalid, unenforceable, and/or void for failure to satisfy one or more of the conditions of patentability set forth in Title 35 of the United States Code, including without limitation 35 U.S.C. §§ 101, 102, 103, 112, 116, and 282, because the alleged invention thereof is taught by, suggested by, and/or obvious in view of the prior art, and/or is unsupported by the written description of the patented invention, and/or claims unpatentable subject matter, and no claim of those patents can validly be construed to cover any Yahoo! product.

FOURTH AFFIRMATIVE DEFENSE
(Estoppel, Waiver, and Laches)

API's claims against Yahoo! regarding the '699 Patent are barred, in whole or in part, by the doctrines of estoppel, waiver, and laches.

FIFTH AFFIRMATIVE DEFENSE
(Prosecution History Estoppel and Disclaimer)

API's claims of patent infringement against Yahoo! are barred in whole or in part by the doctrines of prosecution history estoppel and/or prosecution disclaimer.

WHEREFORE, Yahoo! denies that any of its products, services, or processes infringes any valid claim of the '699 Patent, and it further denies that API is entitled to any judgment against Yahoo! whatsoever. Yahoo! asks that API's Complaint be dismissed with prejudice, that judgment be entered for Yahoo!, and that Yahoo! be awarded attorneys' fees incurred in defending against Plaintiff's Complaint, together with such other relief the Court deems appropriate.

III. COUNTERCLAIMS

Yahoo! alleges its Counterclaims against Plaintiff as follows:

PARTIES, JURISDICTION, AND VENUE

1. In its Complaint, API Technologies, LLC ("API") purports to be a Texas limited liability company with its principal place of business in Marshall, Texas.

2. Yahoo! is a corporation organized and existing under the laws of Delaware with a principal business address in California.

3. This is an action for Declaratory Relief for which this Court has jurisdiction under Title 35 of the United States Code, as well as under 28 U.S.C. §§ 1331, 1338, 2201, and 2202.

4. This Court has personal jurisdiction over API by virtue of the Complaint API filed in this Court.

5. Venue is proper in this District because API asserts a Complaint for patent infringement in this District, in response to which these Counterclaims are asserted.

6. An actual controversy exists between Yahoo! and API regarding the unenforceability, validity, and infringement of any valid and enforceable claim of United States Patent No. 6,859,699 (“the ‘699 Patent”) by virtue of API’s Complaint.

FIRST COUNTERCLAIM

(Declaratory Judgment of Non-Infringement of the ‘699 Patent)

7. Yahoo! incorporates by reference the responses and allegations set forth in Paragraphs 1-6 above.

8. By the filing of its Complaint, API has purported to assert claims against Yahoo! for the alleged infringement of the ‘699 Patent.

9. Yahoo! has not and does not market, distribute, use, sell, or offer to sell any product or process that infringes any valid and/or enforceable claim of the ‘699 Patent.

10. Yahoo! has neither contributed to nor induced another party’s infringement of the ‘699 Patent.

11. An actual controversy has arisen between Yahoo! and API concerning the alleged infringement and validity of the ‘699 Patent.

12. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201, *et seq.*, Yahoo! is entitled to judgment from this Court finding that the ‘699 Patent is not infringed by any Yahoo! product, service, or process.

SECOND COUNTERCLAIM
(Declaratory Judgment of Invalidity of the '699 Patent)

13. Yahoo! incorporates by reference the responses and allegations set forth in Paragraphs 1-12 above.

14. The claims of the '699 Patent are invalid and/or unenforceable for failure to satisfy one or more of the requirements of Title 35 of the United States Code, including without limitation 35 U.S.C. §§ 101, 102, 103, 112, 133, 200 *et seq.*, and 301 *et seq.*

15. As a result, Yahoo! is entitled to judgment from this Court finding that the claims of the '699 Patent are invalid pursuant to 35 U.S.C. §§ 101 *et seq.*

EXCEPTIONAL CASE

On information and belief, this is an exceptional case entitling Yahoo! to an award of its attorneys' fees incurred in connection with defending and prosecuting this action pursuant to 35 U.S.C. § 285, as a result of, *inter alia*, API's assertion of the '699 Patent against Yahoo! with the knowledge that Yahoo! does not infringe any valid or enforceable claim of the '699 patent and/or that the '699 patent is invalid and/or unenforceable.

PRAYER FOR RELIEF

WHEREFORE, Yahoo! prays for relief as follows:

- A. For a Declaratory Judgment that the '699 Patent, and each and every asserted claim thereof, is not infringed, invalid, and/or unenforceable;
- B. That API's Complaint be dismissed with prejudice, with API taking nothing;
- C. That pursuant to 35 U.S.C. § 285, FEDERAL RULE OF CIVIL PROCEDURE 11, and/or other applicable authority, API be ordered to pay all of Yahoo!'s reasonable attorneys' fees incurred in defending against API's claims; and
- D. That Yahoo! be awarded such other relief as the Court deems appropriate.

Dated: July 22, 2009

Respectfully submitted,

By: /s/ Kevin A. Smith
Kevin A. Smith

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