UNITED STATES DISTRICT COURT EASTERN DISTRICT OF VIRGINIA NORFOLK DIVISION

| I/P ENGINE, INC., | |) | |
|-------------------|--------------------------|---|-----------------------------|
| | |) | |
| | |) | |
| | Plaintiff and |) | |
| | Counterclaim-Defendant, |) | |
| v. | |) | Civ. Action No. 2:11-cv-512 |
| AOL, INC. et al., | |) | |
| | |) | Jury Trial Demanded |
| | Defendants and |) | • |
| | Counterclaim-Plaintiffs. |) | |
| | |) | |

<u>I/P ENGINE'S ANSWER TO IAC SEARCH & MEDIA, INC.'S</u> <u>FIRST AMENDED COUNTERCLAIMS</u>

Plaintiff I/P Engine, Inc. ("I/P Engine") hereby responds to Defendant IAC Search & Media, Inc.'s ("IAC") First Amended Counterclaims, as follows:

NATURE OF THE ACTION

142. I/P Engine admits that IAC's counterclaims purport to seek declaratory judgments of non-infringement and invalidity of U.S. Patent Nos. 6,314,420 ("the '420 patent") and 6,775,664 ("the '664 patent") under the patent laws of the United States, 35 U.S.C. § 101 et seq., and the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202. I/P Engine, however, denies that IAC's counterclaims have merit.

THE PARTIES

- 143. I/P Engine admits, on information and belief, that IAC is a corporation organized and existing under the laws of Delaware, with its corporate headquarters at 555 12th Street, #500, Oakland, California 94607.
 - 144. I/P Engine admits that it is a corporation organized and existing under the laws of

the Commonwealth of Virginia, with its principal place of business in New York, New York.

JURISDICTION AND VENUE

- 145. I/P Engine admits that this Court has subject matter jurisdiction over IAC's Counterclaims.
 - 146. I/P Engine admits that this Court has personal jurisdiction.
 - 147. I/P Engine admits venue is proper in this District for the present action.
- 148. I/P Engine admits that the '420 patent was issued by the U.S. Patent and Trademark Office on November 6, 2001, that it is the assignee of the '420 patent, that it holds the right to assert patent infringement against Defendants and recover for past, present, and future infringement of the '420 patent, and that it alleges that IAC has infringed the '420 patent.
- 149. I/P Engine admits that the '664 patent was issued by the U.S. Patent and Trademark Office on August 10, 2004, it is the assignee of the '664 patent, it holds the right to assert patent infringement against Defendants and recover for past, present, and future infringement of the '664 patent, and it alleges that IAC has infringed the '664 patent.

COUNT I

(DECLARATORY RELIEF REGARDING NON-INFRINGEMENT OF THE '420 PATENT)

- 150. I/P Engine admits that a controversy exists between IAC and itself as to IAC's infringement of the '420 patent.
 - 151. I/P Engine denies the allegations of paragraph 151 of IAC's Counterclaims.

COUNT II

(DECLARATORY RELIEF REGARDING NON-INFRINGEMENT OF THE '664 PATENT)

152. I/P Engine admits that a controversy exists between IAC and itself as to IAC's infringement of the '664 patent.

153. I/P Engine denies the allegations of paragraph 153 of IAC's Counterclaims.

COUNT III

(DECLARATORY RELIEF REGARDING INVALIDITY OF THE '420 PATENT)

- 154. I/P Engine admits that a controversy exists between IAC and itself as to the validity of the '420 patent.
 - 155. I/P Engine denies the allegations of paragraph 155 of IAC's Counterclaims.

COUNT IV

(DECLARATORY RELIEF REGARDING INVALIDITY OF THE '664 PATENT)

- 156. I/P Engine admits that a controversy exists between IAC and itself as to the validity of the '664 patent.
 - 157. I/P Engine denies the allegations of paragraph 157 of IAC's Counterclaims.

REQUEST FOR RELIEF

158. I/P Engine denies that IAC is entitled to any relief, including the relief requested in the Counterclaims.

JURY DEMAND

I/P Engine demands a jury trial on all issues in IAC's Counterclaims.

Dated: December 9, 2011 By: /s/ Jeffrey K. Sherwood.

Jeffrey K. Sherwood (VA#19222)

Frank C. Cimino, Jr. (Admitted pro hac vice) Kenneth W. Brothers (Admitted pro hac vice)

Charles J. Monterio, Jr. (VA#70206, Admitted pro hac vice)

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Counsel for Plaintiff I/P Engine, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of December, 2011, the foregoing I/P ENGINE'S

ANSWER TO IAC SEARCH & MEDIA, INC.'S FIRST AMENDED

COUNTERCLAIMS, was served via the Court's CM/ECF system, on the following:

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/s/ Armands Chagnon Senior Paralegal