

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION

CIVIX-DDI, LLC,

Plaintiff,

v.

LOOPNET, INC.,

Defendant.

Case No. 2:12-CV-2-MSD-DEM

ANSWER AND COUNTERCLAIM

Defendant LoopNet, Inc. ("LoopNet"), by and through its undersigned counsel, hereby responds to the Complaint of Plaintiff CIVIX-DDI, LLC ("CIVIX") as follows:

THE PARTIES

1. CIVIX is a Colorado limited liability company having its principal place of business at 1220 Prince Street, Alexandria, Virginia 22314.

Answer: LoopNet lacks sufficient information to admit or deny and on that basis denies the allegations of Paragraph 1.

2. LoopNet is a Delaware corporation having its principal place of business at 185 Berry Street, Suite 4000, San Francisco, California 94107. LoopNet provides location-based searching systems and services for commercial properties throughout the United States, including Virginia. LoopNet's location-based searching services are regularly used throughout these areas, including in this judicial district by persons who reside in Virginia.

Answer: LoopNet admits that it is a Delaware corporation having its principal place of business at 185 Berry Street, Suite 4000, San Francisco, California 94107. LoopNet admits that it provides systems for users to search commercial property listings throughout the United States. Except as expressly admitted, LoopNet denies the allegations of Paragraph 2.

JURISDICTION AND VENUE

3. This is a complaint for patent infringement under the patent laws of the United States, Title 35 of the United States Code. This Court has original jurisdiction over the subject matter of this Complaint under 28 U.S.C. §§ 1331 and 1338(a). Venue in this district is proper under 28 U.S.C. §§ 1391(b) and 1391(c) and 1400(b).

Answer: LoopNet neither admits nor denies the averments of Paragraph 3 because those averments are conclusions of law as to which no response is required. To the extent those averments may be deemed averments of fact, LoopNet admits that the complaint alleges patent infringement under the patent laws of the United States; that the Court has jurisdiction under 28 U.S.C. § 1331 and 1338(a); and that the venue in this district is proper under 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b).

THE PATENTS IN SUIT

4. CIVIX owns full right, title and interest in and has the sole and exclusive right to enforce and has standing to sue and recover damages for infringement of U.S. Patent No. 6,385,622 (“the ’622 patent”), entitled “System and Methods for Remotely Accessing a Selected Group of Items of Interest From a Database” (Exhibit A); and U.S. Patent No. 6,415,291 (“the ’291 patent”), entitled “System and Methods for Remotely Accessing a Selected Group of Items of Interest From a Database” (Exhibit B). The ’622 patent and the ’291 patent ultimately derive from U.S. Patent Application No. 08/371,425, which was filed on January 11, 1995.

Answer: LoopNet lacks sufficient information to admit or deny and on that basis denies the allegations of Paragraph 4.

5. The ’622 patent was issued by the United States Patent and Trademark Office (“USPTO”) on May 7, 2002. The USPTO issued an Ex Parte Reexamination Certificate on September 22, 2009, confirming the patentability of claims 20 and 26. In addition, on May 5, 2011, the USPTO denied a third-party request for reexamination of the ’622 patent.

Answer: LoopNet admits that the issue date on the face of the '622 patent is May 7, 2002. LoopNet admits that the issue date on the face of the reexamination certificate for the '622 patent is September 22, 2009. LoopNet admits that the reexamination certificate states that "[t]he patentability of claims 20 and 26 is confirmed." Except as expressly admitted, LoopNet denies the allegations of Paragraph 5.

6. The '291 patent was issued by the USPTO on July 2, 2002. The USPTO issued an Ex Parte Reexamination Certificate on September 8, 2009, confirming the patentability of claims 8, 11-13, 16-19, 22 and 23. In addition, on May 5, 2011, the USPTO denied a third-party request for a request for reexamination of the '291 patent.

Answer: LoopNet admits that the issue date on the face of the '291 patent is July 2, 2002. LoopNet admits that the issue date on the face of the reexamination certificate for the '291 patent is September 8, 2009. LoopNet admits that the reexamination certificate states that "[t]he patentability of claims 8, 11-13, 16-19, 22 and 23 is confirmed." Except as expressly admitted, LoopNet denies the allegations of Paragraph 6.

7. CIVIX has previously enforced the '622 patent and the '291 patent, including in this district. CIVIX has granted hundreds of licenses under the '622 patent and the '291 patent, resulting in more than \$40 million in royalties. CIVIX's licenses include providers of real estate searching systems and services of the types provided by LoopNet.

Answer: LoopNet admits that CIVIX has previously filed lawsuits alleging the infringement of the '622 patent and the '291 patent, including in this district. Except as expressly admitted, LoopNet lacks sufficient information to admit or deny and on that basis denies the allegations of Paragraph 7.

PATENT INFRINGEMENT

8. LoopNet has infringed at least claim 26 of the '622 patent and at least claims 8, 17 and 22 of the '291 patent under 35 U.S.C. § 271(a) by making, using, offering for sale,

selling, operating and providing real estate searching systems through at least its www.loopnet.com website.

Answer: LoopNet denies the allegations of Paragraph 8.

9. LoopNet has infringed at least claim 26 of the '622 patent and at least claims 8, 16, 17 and 22 of the '291 patent under 25 U.S.C. § 271(a) by making, using, offering for sale, selling, operating and providing real estate searching systems through at least its www.cityfeet.com website.

Answer: LoopNet denies the allegations of Paragraph 9.

10. LoopNet and LoopNet members have jointly infringed at least claim 26 of the '622 patent and at least claims 8, 17 and 22 of the '291 patent under 35 U.S.C. § 271(a) by making, using, offering for sale, selling, operating and providing real estate searching systems through the www.loopnet.com website.

Answer: LoopNet denies the allegations of Paragraph 10.

11. LoopNet and Cityfeet members have jointly infringed at least claim 26 of the '622 patent and at least claims 8, 16, 17 and 22 of the '291 patent under 35 U.S.C. § 271(a) by making, using, offering for sale, selling, operating and providing real estate searching systems through the www.cityfeet.com website.

Answer: LoopNet denies the allegations of Paragraph 11.

12. LoopNet has actively induced third parties, including LoopNet members and other users of the www.loopnet.com website, to infringe at least claim 26 of the '622 patent and claims 8, 17 and 22 of the '291 patent under 35 U.S.C. § 271(b) by making, operating, providing, promoting and assisting in the use of systems, and by operating, providing, promoting and assisting in the use of services, for searching for and locating real estate using the

www.loopnet.com website.

Answer: LoopNet denies the allegations of Paragraph 12.

13. LoopNet has actively induced third parties, including Cityfeet members and other users of the www.cityfeet.com website, to infringe at least claim 26 of the '622 patent and claims 8, 16, 17 and 22 of the '291 patent under 35 U.S.C. § 271(b) by making, operating, providing, promoting and assisting in the use of systems, and by operating, providing, promoting and assisting in the use of services, for searching for and locating real estate using the www.cityfeet.com website.

Answer: LoopNet denies the allegations of Paragraph 13.

14. On July 14, 2011, CIVIX notified LoopNet that LoopNet has infringed and is infringing the '622 and '291 patents based on the www.loopnet.com and www.cityfeet.com websites. LoopNet has continued to provide the accused real estate searching systems and services through at least the www.loopnet.com and www.cityfeet.com websites. LoopNet has acted with at least willful blindness to the existence of CIVIX's patent rights and their application to the accused systems and services.

Answer: LoopNet denies the allegations of Paragraph 14.

15. LoopNet has committed the above acts of infringement throughout Virginia, including this judicial district.

Answer: LoopNet denies the allegations of Paragraph 15.

16. CIVIX has granted license and other rights under the '622 patent and the '291 patent to third parties. CIVIX's allegations of infringement against LoopNet do not extend to activities covered by these license and other rights. In particular, the activities accused of infringement do not encompass Permitted Uses of MapQuest Technology as defined by the 1999

CIVIX-MapQuest Agreement.

Answer: LoopNet admits that CIVIX has granted license and other rights under the '622 patent and the '291 patent to third parties. LoopNet denies that CIVIX's allegations of infringement against LoopNet do not extend to activities covered by these licenses and other rights. Except as expressly admitted, LoopNet lacks sufficient information to admit or deny and on that basis denies the remaining allegations of Paragraph 16.

17. CIVIX has been injured by LoopNet's acts of infringement and is entitled to damages adequate to compensate it for all the infringement that has occurred. Moreover, LoopNet's acts of infringement will continue unless enjoined by this Court.

Answer: LoopNet denies the allegations of Paragraph 17.

REQUESTED RELIEF

To the extent a response is necessary, LoopNet denies that it has infringed either directly or indirectly the '622 patent or '291 patent. LoopNet further denies that CIVIX is entitled to the requested relief.

AFFIRMATIVE DEFENSES

LoopNet asserts the following affirmative defenses in response to CIVIX's Complaint. LoopNet reserves the right to allege additional affirmative defenses as they become known through the course of discovery.

First Affirmative Defense

1. LoopNet is not infringing, and has not infringed, either directly, jointly, contributorily, or by inducement, any claim of the '622 and '291 patents (together, the "Patents-in-Suit").

Second Affirmative Defense

2. On information and belief, the Patents-in-Suit, by reasons of statements and representations made by CIVIX, the inventors, and/or prosecution counsel to the USPTO during the prosecution of applications for issuance of the Patents-in-Suit, or by reason of prior acts, CIVIX is estopped from asserting any interpretation of any of the claims of the Patents-in-Suit that would be broad enough to cover any of LoopNet's accused instrumentalities.

Third Affirmative Defense

3. On information and belief, the Patents-in-Suit are invalid for failure to satisfy the conditions of patentability as specified under one or more section of Title 35 of the U.S. Code, including, without limitation, 35 U.S.C. §§ 102, 103, and 112.

Fourth Affirmative Defense

4. On information and belief, CIVIX is barred in whole or in part from asserting the Patents-in-Suit against LoopNet by the doctrine of waiver.

Fifth Affirmative Defense

5. CIVIX's infringement claims against LoopNet are barred under the doctrines of express license, patent exhaustion, implied license, release, and/or payment pursuant to agreements, including but not limited to a license entered into between CIVIX and Microsoft Corporation on or before 2001.

Sixth Affirmative Defense

6. On information and belief, the Patents-in-Suit are unenforceable due to inequitable conduct committed during the prosecution and re-examination of the Patents-in-Suit, for reasons set forth in LoopNet's counterclaims set forth hereinafter.

Seventh Affirmative Defense

7. On information and belief, CIVIX's is barred in whole or in part from asserting the Patents-in-Suit against LoopNet by the doctrine of unclean hands.

LOOPNET'S COUNTERCLAIMS FOR DECLARATORY RELIEF

For its counterclaims against CIVIX, LoopNet alleges the following:

1. LoopNet is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in San Francisco, California.
2. On information and belief, CIVIX is a Colorado limited liability company with its principal place of business in Alexandria, Virginia.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over this counterclaim pursuant to 35 U.S.C. §§ 101, *et seq.*, 35 U.S.C. § 1125, and 28 U.S.C. §§ 1331, 1338, 2201, and 2202 as these counterclaims arise under the patent laws of the United States and the Declaratory Judgment Act.
4. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b) and (c), and 1400 because CIVIX filed this suit for alleged infringement against LoopNet in this Court.

**FIRST COUNTERCLAIM FOR RELIEF
(Declaratory Judgment of Non-Infringement)**

5. LoopNet repeats and realleges each and every allegation contained in Paragraphs 1-4 of this counterclaim as if fully set forth herein.
6. On information and belief, CIVIX represents that it owns the Patents-in-Suit, and has asserted that certain acts by LoopNet infringe the Patents-in-Suit.
7. LoopNet is not infringing, and has not infringed, directly, jointly, by inducement,

contributorily, or in any way, any claim of the Patents-in-Suit.

8. To resolve the legal and factual questions raised by CIVIX, and to afford relief from the uncertainty and controversy raised by CIVIX's allegations in its Complaint, LoopNet is entitled to a declaratory judgment that it does not infringe any valid and asserted claim of the Patents-in-Suit.

**SECOND COUNTERCLAIM FOR RELIEF
(Declaratory Judgment of Invalidity)**

9. LoopNet repeats and realleges each and every allegation contained in Paragraphs 1-8 of this counterclaim as if fully set forth herein.

10. The claims of the Patent-in-Suit are invalid for failing to comply with one or more conditions and requirements of the patent laws of the United States, including but not limited to 35 U.S.C. §§ 102, 103, and 112, and the rules, regulations and laws pertaining to these provisions.

11. To resolve the legal and factual questions raised by CIVIX, and to afford relief from the uncertainty and controversy raised by CIVIX's allegations in its Complaint, LoopNet is entitled to a declaratory judgment that the Patents-in-Suit are invalid for failure to comply with one or more of the conditions and requirements of the patent laws of the United States, including but not limited to 35 U.S.C. §§ 102, 103, and 112, and the rules, regulations and laws pertaining to those provisions.

**THIRD COUNTERCLAIM FOR RELIEF
(Declaratory Judgment of License and/or Patent Exhaustion)**

12. LoopNet repeats and realleges each and every allegation contained in Paragraphs 1-11 of this counterclaim as if fully set forth herein.

13. Upon information and belief, CIVIX's claims are barred because LoopNet's allegedly infringing activities under the Patents-in-Suit are authorized by at least one license

granted by CIVIX to a company that provides software to LoopNet for use in the accused loopnet.com and cityfeet.com websites.

14. Upon information and belief, CIVIX and Microsoft Corporation entered into a license agreement (the "Microsoft License") on or before 2001. Upon information and belief, the Microsoft License includes a license to the Patents-in-Suit.

15. Upon information and belief, as a Microsoft customer, LoopNet has a license for the Patents-in-Suit under the Microsoft License.

16. Upon information and belief, CIVIX's claims are barred by the doctrine of patent exhaustion.

17. To resolve the legal and factual questions raised by CIVIX, and to afford relief from the uncertainty and controversy raised by CIVIX's allegations in its Complaint, LoopNet is entitled to a declaratory judgment that LoopNet is licensed under the Patents-in-Suit and/or that CIVIX's rights under the Patents-in-Suit are exhausted with respect to LoopNet.

**FOURTH COUNTERCLAIM FOR RELIEF
(Declaratory Judgment of Unenforceability Due To Inequitable Conduct)**

18. LoopNet repeats and realleges each and every allegation contained in Paragraphs 1-17 of this counterclaim as if fully set forth herein.

19. The Patents-in-Suit are unenforceable because, among other things, the named inventors and prosecuting attorneys, each of whom has a duty of candor and good faith when dealing with the USPTO, breached their duties in the prosecution of the applications that led to the issuance of the Patents-in-Suit and during reexamination of the Patents-in-Suit by failing to properly disclose to the USPTO material information and by making false and misleading statements, with the specific intent to deceive the USPTO.

20. The prosecuting attorneys and named inventors associated with the filing and/or

prosecution and re-examination of the Patents-in-Suit include, at least, the named inventors of the Patents-in-Suit, and prosecuting attorney Curtis Vock.

21. The Patents-in-Suit purport to be continuations of United States Patent Nos. 5,682,525 (the “’525 patent”) and 6,408,307 (the “’307 patent”).

22. CIVIX filed various lawsuits asserting the ’525 patent in and around 1999. One action was filed in the Northern District of Illinois against Navigation Technologies Corporation (“NavTech”), while three other lawsuits were filed in the District of Colorado against Microsoft Corporation and twenty-four other defendants.

23. Prior to the *NavTech* litigation, NavTech sought to provoke an interference at the USPTO between itself and CIVIX by filing U.S. Patent Application No. 09/179,299 (the “Interference Application”). NavTech sought to be declared the first and true inventor of certain mapping technologies described in both the Interference Application and the ’525 patent.

24. The prosecution histories of the Patents-in-Suit contain no written evidence that CIVIX, including Mr. Vock, informed the PTO about the *NavTech* litigation or the Interference Application.

25. Upon information and belief, CIVIX had the specific intent to deceive and/or mislead the USPTO by failing to disclose, or failing adequately to disclose, the *NavTech* litigation and the Interference Application to the USPTO during the prosecution of the Patents-in-Suit.

26. In *CIVIX v. Microsoft Corp.*, 84 F. Supp. 2d 1132 (D. Colo. 2000), the United States District Court for the District of Colorado granted defendants’ summary judgment motions on the issue of non-infringement of the ’525 patent. The district court also construed terms in the ’525 patent that are also present in the Patents-in-Suit.

27. The prosecution histories of the Patents-in-Suit contain no written evidence that CIVIX disclosed to the USPTO information about the *Microsoft* litigation. For instance, there is no written evidence that CIVIX informed the USPTO that the District of Colorado had construed terms in the '525 patent that are present in the Patents-in-Suit. In addition, CIVIX failed to disclose the district court's order granting defendants' motion for summary judgment of non-infringement of the '525 patent. The Information Disclosure Statements ("IDS") provided by CIVIX in connection with the prosecution of the Patents-in-Suit fail to disclose the *Microsoft* litigation.

28. CIVIX has asserted in other lawsuits that Mr. Vock had oral conversations with the patent examiner regarding the *Microsoft* litigation. The written interview summaries of those conversations, however, do not make any mention of the *Microsoft* litigation.

29. CIVIX had an opportunity to enter a written record of the alleged discussions with the patent examiner into the prosecution history, but, upon information and belief, failed to do so.

30. Upon information and belief, CIVIX, including Mr. Vock, had the specific intent to deceive and/or mislead the USPTO by failing to disclose, or failing adequately to disclose, the *Microsoft* litigation to the USPTO during the prosecution of the Patents-in-Suit.

31. In or around June 1999, the defendants in the *Microsoft* litigation filed motions for summary judgment of patent invalidity regarding the '525 patent. Microsoft filed one such motion itself on November 5, 1999. Upon information and belief, that motion identified three prior art references that Microsoft alleged invalidated various claim of the '525 patent. CIVIX failed to identify any of the prior art on which Microsoft relied in its previous IDSs.

32. By June 1999, CIVIX had filed three different IDSs in connection with the prosecution of the '307 patent. The first IDS, submitted to the USPTO on November 10, 1997,

disclosed one patent. The second IDS, submitted to the USPTO on March 9, 1998, disclosed 16 patents. The third IDS, submitted to the USPTO on June 1, 1999, disclosed six patents and four other documents.

33. Fifteen months after Microsoft filed its summary judgment motion of invalidity, CIVIX submitted its fourth IDS to the USPTO on February 8, 2001. Upon information and belief, CIVIX's fourth IDS included the prior art on which Microsoft relied, but in "a mountain of material," that included approximately 244 U.S. patents, 64 published patent applications, and 290 non-patent references.

34. On August 12, 2001, after receiving the above-described fourth IDS, the patent examiner reminded CIVIX that "[a]n applicant's duty of disclosure of material and information is not satisfied by presenting a patent examiner with 'a mountain of largely irrelevant [material] from which he is presumed to have been able . . . to have found the critical [material]'. It ignores the real world conditions under which examiners work."

35. CIVIX's response to the August 12, 2001 office action did not assist the patent examiner in determining which patents, published applications, and non-patent references in its fourth IDS were most relevant to the prosecution of the '307 patent. In fact, CIVIX's response did not even specify the three references on which Microsoft relied to prove invalidity.

36. CIVIX has asserted in other lawsuits that Mr. Vock and Mr. Semple had oral conversations with the patent examiner regarding the prior art set forth in its fourth IDS. The written interview summaries of those conversations, however, do not make mention of the prior art set forth in the fourth IDS.

37. CIVIX had an opportunity to enter a written record of the alleged discussions with the patent examiner into the prosecution history, but, upon information and belief, failed to do so.

38. CIVIX submitted an IDS on January 17, 2002 in connection with the prosecution of the '291 patent. The IDS, like the fourth IDS submitted in connection with the prosecution of the '307 patent, contained approximately 600 references.

39. CIVIX did not submit an IDS in connection with the prosecution of the '622 patent.

40. Upon information and belief, CIVIX, including Mr. Vock, had the specific intent to deceive and/or mislead the USPTO during the prosecution of the Patents-in-Suit by (1) submitting an excessive number of largely irrelevant references to the patent examiner while failing to identify which pieces of material were most relevant, or (2) submitting no IDS to the USPTO at all.

41. On September 20, 2006, a request for *ex parte* re-examination of the '622 patent was filed with the USPTO. On January 23, 2007, a request for *ex parte* re-examination of the '291 patent was filed with the USPTO. Both requests were granted. Upon information and belief, CIVIX made affirmative misrepresentations of, and/or failed to disclose, material information to the USPTO during re-examination of the Patents-in-Suit.

42. On January 21, 2009, CIVIX and its prosecution counsel submitted a declaration in connection with re-examination proceedings of the Patents-in-Suit to overcome a USPTO invalidity rejection (the "swear-behind declaration"). The swear-behind declaration purports to describe the circumstances surrounding the claimed invention so as to establish a priority date that antedates a dispositive prior art reference: U.S. Patent No. 4,482,535 ("Hershey"). The swear-behind declaration is signed by named inventors Mr. Semple and Mr. Bouve.

43. By submitting the swear-behind declaration with Mr. Bouve's signature, CIVIX represented to the USPTO that Mr. Bouve was competent to affirm and attest to the facts set forth in the declaration. The last two paragraphs of the declaration provide as follows:

All statement [sic] made herein of our personal knowledge are true and all statements on information and belief are believed to be true.

We make the above statements with the knowledge that under 18 U.S.C. § 1001, willful false statements and the like, so made, are punishable by fine or imprisonment, or both, and that such willful false statements may jeopardize the validity of any associated patent application or patent issued thereon.

44. Upon information and belief, CIVIX knew that Mr. Bouve had suffered at least two strokes, one in 1995 and one in 2002. CIVIX also knew that by 2007, Mr. Bouve had suffered substantial memory loss and had difficulty speaking intelligibly. Further, CIVIX litigation counsel, in connection with another CIVIX lawsuit involving the Patents-in-Suit, informed the defendants' counsel in that litigation that because of Mr. Bouve's health problems, he was unfit for deposition.

45. The swear-behind declaration fails to note or otherwise make mention of any competence or capacity issues affecting Mr. Bouve or his recollection of the events related to the invention.

46. Upon information and belief, on March 16, 2009, counsel for Yahoo!, one of the defendants unable to depose Mr. Bouve, informed CIVIX's re-examination counsel of Mr. Bouve's health history and memory impairment.

47. The prosecution history of the re-examinations of the Patents-in-Suit reveal no written evidence that CIVIX informed the USPTO of the unreliability of Mr. Bouve's declaration or made any effort to withdraw the swear-behind declaration.

48. Upon information and belief, CIVIX knew that the swear-behind declaration was material to the USPTO because the declaration was provided in response to the patent examiner's rejection of the claims as invalid in view of prior art and following an interview with the patent examiner during which the appropriateness and relevance of such a declaration was

allegedly discussed. Information concerning Mr. Bouve's health history and memory impairment was material to the USPTO's determination of patentability because a reasonable examiner would consider it important in deciding whether to allow the claims to survive re-examination, and because false declarations are inherently material.

49. CIVIX submitted a supplemental declaration, attesting to essentially the same facts as the swear-behind declaration, dated May 8, 2009, signed only by Mr. Semple.

50. Upon information and belief, CIVIX had the specific intent to deceive and/or mislead the USPTO during the re-examination of the Patents-in-Suit when it failed to disclose Mr. Bouve's health history, memory impairment, and diminished capacity to the USPTO and sought to disguise that wrongdoing by later submitting a nearly identical declaration without his signature.

51. On January 21, 2009, and again in connection with the re-examination proceedings of the Patents-in-Suit, Mr. Semple submitted a declaration in his individual capacity, but on behalf of CIVIX, to set forth his "intent and understanding as an inventor and person of ordinary skill in the relevant art . . . concerning the meaning and use of the capitalized version of 'Internet' versus the non-capitalized version, 'internet'" at the alleged time of conception.

52. According to Mr. Semple's declaration, those two terms were used interchangeably at the time he claimed to have invented the subject-matter claimed in the patent.

In the early 1990s, including 1994, as the Internet was becoming more well known, it was common to use the two different versions (capitalized/non-capitalized) of the "internet" interchangeably when making reference to the publicly accessible, global interconnection of computer networks which is today more consistently referred to as using the capitalized version, "the Internet." This is not only my opinion as an inventor and person of ordinary skill in the art, but is also consistent with and supported in literature from that period[.]

53. This position is directly at odds with the positions CIVIX advanced during claim

construction in its litigations against such companies like Expedia, Inc. and Hotels.com. In the *Expedia* litigation, CIVIX argued during claim construction that a distinction existed between the two terms:

The parties agree that the Court should construe “internet” as “a group of networks that have been connected by means of a common communications protocol.” The Court will adopt this construction. The parties disagree, however, on the construction of the term “Internet.” In its briefing, CIVIX argues that a distinction exists between “internet” and “Internet.” . . . Defendants, however, argue that both “internet” and “Internet” have the same construction.

54. The court ultimately agreed with CIVIX, and construed the terms differently. Relying in part on a 1994 book that Mr. Semple also cited in his “Internet declaration,” the court construed “Internet” to mean “a system of linked computer networks, worldwide in scope, that typically is associated with using TCP/IP as a standard protocol,” and “internet” to mean “a group of networks that have been connected by means of a common communications protocol.”

55. In the *Hotels.com* litigation, CIVIX again argued for a distinction between the terms “Internet” and “internet,” but the court ultimately disagreed with CIVIX.

[Hotels.com] contend[s] that “Internet” and “internet” have the same meaning in the ’622 and ’291 patents. [citation omitted]. Civix does not take an explicit stance on the issue, but appears to implicitly opposed [Hotels.com]’s position. [citations omitted]. The Court agrees with [Hotels.com] and thus declines to adhere to its earlier determination that the two terms carry different meanings.

56. Upon information and belief, in a letter dated March 16, 2009, counsel for defendant Yahoo! notified CIVIX’s re-examination counsel that the position CIVIX advanced to the USPTO regarding the construction of capitalized “Internet” and non-capitalized “internet” was the opposite of the construction CIVIX asserted in the *Expedia* and *Hotels.com* lawsuits. There is no evidence that CIVIX identified this inconsistency to the USPTO or made any effort to withdraw Mr. Semple’s Internet declaration.

57. Upon information and belief, CIVIX knew that Mr. Semple's Internet declaration was material to the USPTO because it was submitted after its claims had been rejected for invalidity in view of prior art that disclosed "Internet" references. Moreover, CIVIX's litigation position was material to the USPTO's determination of patentability because a reasonable patent examiner would consider it important in deciding whether to allow the claims to survive re-examination because of the obvious inconsistency.

58. Upon information and belief, CIVIX had the specific intent to deceive and/or mislead the USPTO during the re-examination proceedings of the Patents-in-Suit when it took a position before the USPTO wholly contrary with its positions in lawsuits and failed to notify the USPTO of this inconsistency.

59. By engaging in at least the foregoing acts of misrepresentations, omissions, and deceit, CIVIX breached its duty of disclosure and engaged in inequitable conduct.

60. To resolve the legal and factual questions raised by CIVIX, and to afford relief from the uncertainty and controversy raised by CIVIX's allegations in its Complaint, LoopNet is entitled to a declaratory judgment that the Patents-in-Suit are unenforceable by reason of inequitable conduct.

PRAYER FOR RELIEF ON COUNTERCLAIMS

WHEREFORE, LoopNet respectfully requests that this Court enter judgment in its favor and grant the following relief:

- (A) A declaration that LoopNet is not infringing and has not infringed any claim of any of the Patents-in-Suit alleged by CIVIX;
- (B) A declaration that all claims of the Patents-in-Suit alleged by CIVIX are invalid;
- (C) A declaration that the Patents-in-Suit are not infringed due to license or patent

exhaustion;

(D) A declaration that the Patents-in-Suit are unenforceable due to inequitable conduct;

(E) That all of CIVIX's claims are dismissed in their entirety with prejudice;

(F) A declaration that CIVIX shall take nothing by way of its Complaint;

(G) A finding that this is an exceptional case and warranting the award to LoopNet of its reasonable attorney fees pursuant to 35 U.S.C. § 285 and any other applicable statutes, rules, or laws;

(H) That LoopNet be awarded pre- and post-judgment interest and that such interest be awarded at the highest legal rate from and after the date of service of the initial complaint in this action;

(I) That LoopNet recover its costs in this suit; and

(J) That such additional relief as the Court may deem just and proper under the circumstances be awarded.

JURY DEMAND

LoopNet demands a trial by jury on all issues so triable.

Dated: February 16, 2012

Respectfully submitted,

By: /s/

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CERTIFICATE OF SERVICE

I hereby certify that on February 16, 2012, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of the filing to the following:

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To the best of my knowledge, there are no other attorneys who require service by U.S. Mail.

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