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

PLAINTIFF'S MEMORANDUM IN SUPPORT OF ITS PARTIAL MOTION TO DISMISS UNDER FEDERAL RULE OF CIVIL PROCEDURE 12(B)(6) AND ITS MOTION TO STRIKE UNDER FEDERAL RULE OF CIVIL PROCEDURE 12(F)

Plaintiff CIVIX-DDI, LLC ("CIVIX") respectfully moves to dismiss the counterclaims of defendant LoopNet, Inc. ("LoopNet") purporting to allege that CIVIX's patents are invalid and unenforceable.

LoopNet's Second Counterclaim for Relief (Declaratory Judgment of Invalidity) fails to state a claim upon which relief can be granted and must be dismissed as a matter of law under Fed.R.Civ.P. 12(b)(6). LoopNet's Third Affirmative Defense, which mirrors the Second Counterclaim, must be stricken under Fed.R.Civ.P. 12(f). Likewise, LoopNet's Fourth Counterclaim for Relief (Declaratory Judgment of Unenforceability Due To Inequitable Conduct) must be dismissed as a matter of law because it fails to satisfy the heightened pleading requirements of Fed.R.Civ.P. 9(b) and the standards set forth by the U.S. Court of Appeals for the Federal Circuit in *Exergen Corp. v. Wal-mart Stores, Inc.*, 575 F.3d 1312 (Fed. Cir. 2009), and *Therasense, Inc. v. Becton, Dickinson and Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc). And LoopNet's Sixth Affirmative Defense, which is based entirely on the Fourth Counterclaim, must be stricken under Fed.R.Civ.P. 12(f).

With respect to patent invalidity, LoopNet nakedly asserts that CIVIX's patents are invalid under various statutory provisions. Merely citing a list of statutes – without more – is not a counterclaim. But LoopNet has taken inadequate pleading to another level by adding vague, open-ended qualifiers: "[t]he 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***." (Dkt. No. 8, ¶ 10 (emphasis added)). These conclusory allegations fail to identify which of the numerous possible statutory provisions apply and are wholly avoid of factual support. For example, LoopNet fails to identify any prior art document or activity that renders one or more asserted claim of CIVIX's patents invalid. LoopNet's allegations of invalidity do not state a claim that is plausible on its face and cannot withstand scrutiny under the Supreme Court's decisions in *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007) and *Ashcroft v. Iqbal*, 129 S. Ct. 1937 (2009).

LoopNet's allegations of unenforceability fail to comply with the requirements of *Exergen*, including the requirements that the party alleging inequitable conduct "identify which claims, and which limitations in those claims, the withheld references are relevant to, and where in those references the material information is found." 575 F.3d at 1329. LoopNet alleges that CIVIX intended to mislead the PTO by 1) failing to disclose an interference proceeding, 2) failing to disclose patent infringement suits that CIVIX pursued against Navigation Technologies Corporation and Microsoft, 3) failing to assist the patent examiner in identifying which prior art references were most relevant, 4) failing to disclose the "health history and memory impairment" of a declarant and 5) failing to disclose its litigation positions (see Dkt. No. 8, ¶¶ 25, 30, 40, 50 and 58), but LoopNet does not identify the affected claims of the patents-in-suit, the limitations in the affected claims or where in the withheld information the material information is found.

Furthermore, under *Exergen*, LoopNet's allegations of unenforceability must be sufficient to support a finding of inequitable conduct under the standards enunciated by the Federal Circuit in *Therasense*. *Thereasense* significantly raised the bar for establishing inequitable conduct, requiring that "the materiality required to establish inequitable conduct is but-for materiality," that "the accused infringer must prove that the patentee acted with specific intent to deceive the PTO" and that in the absence of direct evidence of deceptive intent, "the specific intent to deceive must be the single most reasonable inference able to be drawn from the evidence." 649 F.3d at 1290-91. In so holding, the Federal Circuit reiterated that "the habit of charging inequitable conduct in almost every major patent case has become an absolute plague. Reputable lawyers seem to feel compelled to make the charge against other reputable lawyers on the slenderest grounds, to represent their client's interests adequately, perhaps." *Id.* (citations omitted). LoopNet's charge of inequitable conduct has, indeed, been brought on the slenderest of grounds. LoopNet ignores the "but-for" standard, and fails to plead facts sufficient to plausibly suggest that intent to deceive the PTO is the single most reasonable inference to be drawn from CIVIX's actions.

I. BACKGROUND

CIVIX is a Colorado limited liability company with its principal place of business in Alexandria, Virginia. CIVIX is in the business of developing, patenting and licensing technology in the field of location-based searching. CIVIX owns U.S. Patent No. 6,385,622 (the "622 patent") and U.S. Patent No. 6,415,291 (the "291 patent"). The 622 and 291 patents are directed to systems and methods used to locate and provide information about items of interest, such as real estate, from a remote database, using the Internet. The information may include photos, videos and advertising about the items of interest.

CIVIX has entered into 26 license agreements for its patents, resulting in over $42 million in royalties. The validity of the claims asserted in this suit (claims 20 and 26 of the 622 patent and claims, 8, 16, 17 and 22 of the 291 patent) was confirmed by the PTO in an extensive reexamination proceeding that began in October 2006 and concluded in September 2009. In May 2011, the PTO denied requests for further reexaminations of the 622 and 291 patents.

LoopNet is a Delaware corporation with its principal place of business in San Francisco, California. LoopNet provides systems for users to search commercial property listings throughout the United States, including the www.loopnet.com and www.cityfeet.com websites. CIVIX contacted LoopNet regarding the 622 and 291 patents and their application to real estate search functionalities provided through the www.loopnet.com and www.cityfeet.com websites on July 14, 2011.

CIVIX filed this suit against LoopNet on January 3, 2012, after protracted discussions between the parties failed to produce an out-of-court resolution. In its Complaint, CIVIX identified specific claims of the 622 and 291 patents that have been infringed through real estate functionalities provided through the www.loopnet.com and www.cityfeet.com websites, and specified whether the infringement has been direct, under 35 U.S.C. § 271(a), or indirect, under 35 U.S.C. § 271(b). (Dkt. No. 1, ¶¶ 8-13).

Following an extension consented to by CIVIX and granted by the Court, LoopNet filed and served its Answer and Counterclaims to CIVIX's Complaint on February 16, 2012. (Dkt. No. 8).

II. THE APPLICABLE LAW

A. Rule 8(a)(2) and Rule 12(b)(6)

"Under Federal Rule of Civil Procedure 8(a)(2), a pleading must contain 'a short and plain statement of the claim showing that the pleader is entitled to relief.'" *Ashcroft v. Iqbal,* 129

S. Ct. 1937, 1949 (2009) (quoting Fed.R.Civ.P. 8(a)(2)). "A pleading that offers 'labels' and conclusions' or 'a formulaic recitation of the elements of a cause of action will not do.'" *Id.* (citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)). "Nor does a complaint suffice if it tenders 'naked assertion[s]' devoid of 'further factual enhancement.'" *Id.*

"A motion filed under Rule 12(b)(6) challenges the legal sufficiency of a complaint considered with the assumption that the facts alleged are true." *Francis v. Giacomelli,* 588 F.3d 186, 192 (4th Cir. 2009). "To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Iqbal*, 129 S. Ct. at 1949 (citations omitted). The Supreme Court in *Iqbal* explained that:

> A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged. … The plausibility standard is not akin to a "probability requirement," but it asks for more than a sheer possibility that a defendant has acted unlawfully. … Where a complaint pleads facts that are "merely consistent with" a defendant's liability, it "stops short of the line between possibility and plausibility of 'entitlement to relief.'"

Id. The *Iqbal* Court further explained that its decision in *Twombly* was based on two underlying principles. *Id.* "First, the tenet that a court must accept as true all of the allegations contained in a complaint is inapplicable to legal conclusions. Threadbare recitals of the elements of the cause of action, supported by mere conclusory statements, do not suffice." *Id.* In accepting the factual allegations as true, "the court 'need not accept the legal conclusions drawn from the facts, and [] need not accept as true unwarranted inferences, unreasonable conclusions, or arguments.'" *Monroe v. City of Charlottesville,* 579 F.3d 380, 385-386 (4th Cir. 2009) (citations omitted). "Second, only a complaint that states a plausible claim for relief survives a motion to dismiss. … Determining whether a complaint states a plausible claim for relief will … be a context-specific task that requires the reviewing court to draw on its judicial experience and common sense." *Iqbal*, 129 S. Ct. at 1950. As this Court has explained, "[i]f the factual allegations do not nudge

the plaintiff's claims 'across the line from conceivable to plausible, the[] complaint must be dismissed.'" *Tessler v. NBC Universal, Inc.*, 2009 U.S. Dist. LEXIS 27345, at *6 (E.D. Va. Mar. 31, 2009).

B. Rule 12(f)

Under Rule 12(f), "[t]he court may strike from a pleading an insufficient defense or any redundant, immaterial, impertinent, or scandalous matter." Fed.R.Civ.P. 12(f). "A Rule 12(f) motion 'is the primary procedure for objecting to an insufficient defense.'" *Hanzlik v. Birach*, 2009 U.S. Dist. LEXIS 63091, at *5 (E.D. Va. July 14, 2009) citing (5C CHARLES ALAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE § 1380 (3d ed. 2004) and *Conley v. Gibson*, 355 U.S. 41, 47-48, 78 S. Ct. 99, 2 L. Ed. 2d 80 & n.9 (1957) (noting that the purpose of procedural motions, including 12(f) motions, is "to disclose more precisely the basis of both claim and defense and to define more narrowly the disputed facts and issues")). In *Surface Shields, Inc. v. Poly-Tak Prot. Sys.*, on which numerous courts have relied, the court held that "[a] three-part test determines the fate of an affirmative defense subject to a motion to strike. (1) The matter must be properly pleaded as an affirmative defense; (2) the matter must be adequately pleaded under the requirements of Rules 8 and 9; and (3) the matter must withstand a Rule 12(b)(6) challenge." 213 F.R.D. 307, 308 (N.D. Ill. 2003). Though motions to strike defenses are generally disfavored, a court may nevertheless strike an affirmative defense which fails to allege facts in support and does not provide fair notice of the grounds on which it rests. *Hanzlik*, 2009 U.S. Dist. LEXIS 63091, at *15 (striking an affirmative defense found to be "too conclusory and too vague to stand as pled").

C. Rule 9(b) and the Law of Inequitable Conduct

For pleading special matters, "[t]he legal sufficiency of a complaint is measured by whether it meets the standards for a pleading stated in [] Rule 9." *Francis*, 588 F.3d at 192.

"[I]nequitable conduct, while a broader concept than fraud, must be pled with particularity" under Fed.R.Civ.P. 9(b). *Exergen*, 575 F.3d at 1326-1327. Merely averring the substantive elements of inequitable conduct, without setting forth the particularized bases for the allegation, does not satisfy Rule 9(b). *Id*. ("[r]ule 9(b) requires that the pleadings contain explicit rather than implied expression of fraud").

In *Exergen*, the Federal Circuit heightened the pleading standard under Rule 9(b) for allegations of inequitable conduct holding that a pleading of inequitable conduct under Rule 9(b) requires the identification of the specific what, when, where, how and why of the material misrepresentation or omission committed before the PTO. 575 F.3d at 1327 and 1329-30. At the very least, this requires LoopNet to "identify which claims, and which limitations in those claims, the withheld [prior art] references are relevant to, and where in those references the material information is found." *Id.* at 1329.

Recognizing that "[i]nequitable conduct has been overplayed, is appearing in nearly every patent suit, and is cluttering up the patent system," the Federal Circuit recently tightened the standards for inequitable conduct in *Therasense, Inc. v. Becton, Dickinson and Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc). To prevail on a claim for inequitable conduct, LoopNet must plausibly plead and ultimately prove by clear and convincing evidence "that the applicant [for the CIVIX patents] misrepresented or omitted material information with the specific intent to deceive the PTO." 649 F.3d at 1287. Importantly, under the new standards, "the materiality required to establish inequitable conduct is but-for materiality," that is, "[w]hen an applicant fails to disclose prior art to the PTO, that prior art is but-for material if the PTO would not have allowed a claim had it been aware of the undisclosed prior art." *Id.* at 1291. And in the absence of direct evidence of deceptive intent, "the specific intent to deceive must be the single most reasonable inference to be drawn from the evidence." *Id.* at 1290. "Accordingly, "[a] charge of

inequitable conduct based on a failure to disclose will survive a motion to dismiss only if [LoopNet's Counterclaim] recites facts from which the court may reasonably infer that a specific individual both knew of invalidating information that was withheld from the PTO and withheld that information with a specific intent to deceive the PTO." *Delano Farms Co. v. The California Grape Commission*, 655 F.3d 1337, 1350 (Fed. Cir. 2011).

III. ARGUMENT

A. LoopNet's Single-Sentence Counterclaim Alleging Patent Invalidity Fails To Comply With Rule 12(b)(6)

LoopNet's Second Counterclaim seeking a declaratory judgment that the 622 and 291 patents are invalid reads as follows:

> The claims of the Patents-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.

(Dkt. No. 8, ¶ 10).

A claim for declaratory judgment of invalidity that wholly fails to specify the grounds for invalidity is insufficient. *Duramed Pharms., Inc. v. Watson Labs., Inc.*, 2008 U.S. Dist. LEXIS 103389, at *10-11 (D. Nev. Dec. 12, 2008). In *Duramed*, the defendant's counterclaim for a declaration of invalidity of the patent in suit was supported by an allegation that "[t]he claims of the '969 patent are invalid because they fail to comply with one or more of the statutory requirements for patentability set forth in 35 U.S.C. §§ 101 *et seq*." *Id*. at *11. The court dismissed the counterclaim, finding that "[Plaintiff] is correct that this allegation fails to state a claim. By failing to specify which of the many grounds of patent invalidity it is relying upon, [Defendant] does not put [Plaintiff] on fair notice as to the basis of its counterclaim." *Id*.

In so holding, the *Duramed* court relied on *Qarbon.com v. eHelp Corp.* which dismissed a similarly deficient counterclaim for invalidity, finding it "radically insufficient." 315 F. Supp. 2d 1046, 1051 (N.D. Cal. 2004). In assessing the counterclaim, the *Qarbon* court stated:

> eHelp alleges that "the '441 patent is invalid and void under the provisions of Title 35, United States Code §§ 100 et seq., and specifically, §§ 101, 102, 103, and/or 112 ...." Counterclaim P6. Such a pleading is "radically insufficient." … By making general allegations, eHelp fails to give "fair notice" to Qarbon. "Effective notice pleading should provide the defendant with a basis for assessing the initial strength of the plaintiff's claim, for preserving relevant evidence, for identifying any related counter- or cross-claims, and for preparing an appropriate answer."

Id. at 1050-1051 (internal citations omitted). See also *Groupon, Inc. v. MobGob LLC*, 2011 U.S. Dist. LEXIS 56937, at *10-13 (N.D. Ill. May 25, 2011) (granting motion to dismiss a counterclaim seeking a declaratory judgment of patent invalidity that "simply cite[d] a whole series of statutory provisions" because the allegations "fail[ed] to give [the plaintiff] notice of the basis of [the] claim" and "provid[ed] the Court with no basis for making a reasonable inference in [the defendant's] favor"). Accord, *IconFind, Inc. v. Google, Inc.*, 2011 U.S. Dist. LEXIS 84720, at *3-5 (E.D. Cal. Aug. 2, 2011); *Sprint Communications Co., L.P. v. Theglobe.com, Inc.*, 233 F.R.D. 615, 619 (D. Kan. 2006); *PB Farradyne, Inc. v. Peterson*, 2006 U.S. Dist. LEXIS 3408, at *9-10 (N.D. Cal. Jan. 13, 2006).

LoopNet's Second Counterclaim provides no more detail than the "radically insufficient" claims dismissed in *Duramed* and *Qarbon*. The counterclaim merely lists statutory provisions, providing ***no facts*** in support of its conclusion that the 622 and 291 patents are invalid. Moreover, each statutory provision identified by LoopNet contains numerous subsections. Section 102 alone includes seven subsections, at least five of which, in turn, set forth numerous, independent and distinct grounds for invalidating a patent claim, such as prior public use, prior offer to sell, prior printed publication, abandonment, prior patenting in a foreign country by the

inventor or his or her legal representatives or assigns, prior published patent applications by others, prior issued patents by others, non-joinder of inventors prior invention by others and the like. See 35 U.S.C. § 102(a)-(g). LoopNet fails to identify any of these grounds under section 102 for alleged patent invalidity, fails to provide even the barest legal elements of any such ground and, worse yet, fails to provide any facts, such as prior uses, prior offers to sell, prior printed publications or prior patents, and the manner in which such prior art applies to the asserted claims, to support its allegations.

The same is true with respect to section 103, which sets forth additional bases for patent invalidity in the event "the invention is not identically disclosed or described as set forth in section 102." 35 U.S.C. § 103. LoopNet does not explain how section 103 applies to any asserted claim of the 622 or 291 patent.

Section 112 likewise provides numerous additional and independent grounds for challenging the validity of a patent including, among others, written description, lack of enablement and claim indefiniteness. 35 U.S.C. § 112. LoopNet does not identify any of these bases or plead any legal elements, much less plead adequate facts to support such elements.

Making matters worse, LoopNet vaguely refers to "rules, regulations and laws pertaining to" the statutory provisions it identifies. What "rules, regulations and laws" is LoopNet referring to? And how do they apply to claims of the 622 and 291 patents? LoopNet does not say.

LoopNet's allegations fail to provide any, much less "fair [] notice of what the…claim is and the grounds upon which it rests." *Twombly*, 550 U.S. at 555. CIVIX is left to guess which statutory provisions and subsections apply to which patents and which asserted claims, and the factual support (if any) for LoopNet's contention that it is entitled to a declaratory judgment that the 622 and 291 patents are invalid. Moreover, because LoopNet has alleged ***no facts at all***,

LoopNet's Second Counterclaim fails to either "raise a right to belief about the speculative level" or "state a claim that is plausible on its face." *Id.* at 555 and 570.

The deficiencies in LoopNet's Second Counterclaim are especially inappropriate given that LoopNet had an extended period of time to consider CIVIX's allegations. As noted above, CIVIX first contacted LoopNet in July 2011 and the parties engaged in protracted discussions about CIVIX's patents and how they apply to real estate searching functionalities www.loopnet.com and www.cityfeet.com websites. In the course of these discussions, CIVIX provided LoopNet with charts applying claims that are being asserted in this suit to these real estate searching functionalities. Then, after CIVIX filed this suit, CIVIX consented to (and the Court granted) an extension of time for LoopNet to investigate CIVIX's patents further before responding to CIVIX's complaint. After all this time, LoopNet has simply listed statutory provisions in support of its allegations that CIVIX's patents are invalid.

CIVIX will be unfairly prejudiced by LoopNet's inadequate allegations. CIVIX is entitled to know the basis for LoopNet's allegations from the start of this suit so it can respond to them and gear its discovery and trial preparation accordingly. Scheduling orders and other discovery controls are meant to streamline the litigation process – not to provide litigants an opportunity to offer a vague pleading and then rely on the expensive and time-consuming fact and expert discovery process to reveal their positions.

If LoopNet has viable theories of patent invalidity (which at the very least is required by Fed.R.Civ.P. 11), it should be required to disclose them in its Second Counterclaim. What LoopNet should ***not*** be permitted to do is speculate – without providing any notice to CIVIX and the Court – that the 622 and 291 patents are invalid for unspecified reasons and then use that deficient pleading to expand the suit unnecessarily.

B. LoopNet's Third Affirmative Defense Should Be Stricken

LoopNet's Third Affirmative Defense is substantially the same as LoopNet's Second Counterclaim. (Dkt. No. 8, ¶ 3). Accordingly, the above arguments supporting dismissal of LoopNet's Second Counterclaim equally support striking LoopNet's Third Affirmative Defense. *Hanzlik*, 2009 U.S. Dist. LEXIS 63091, at *15 (striking an affirmative defense found to be "too conclusory and too vague to stand as pled").

C. LoopNet's Allegations Of Inequitable Conduct Fail To Comply With Rule 9(b) And The Federal Circuit's *Exergen* Decision

LoopNet devotes 43 paragraphs of its Fourth Counterclaim to allegations of supposed misdeeds by the applicants for the 622 and 291 patents and their attorneys. (Dkt. No. 8, ¶¶ 18-60). But nowhere in this mud-slinging (which the Federal Circuit has characterized as a plague on the patent system) does LoopNet "identify which claims, and which limitations in those claims, the withheld references are relevant to, and where in those references the material information is found" as it is required to do. See *Exergen*, 575 F.3d at 1329.

LoopNet alleges that CIVIX engaged in inequitable conduct during prosecution of the 622 and 291 patents by failing to inform the PTO about a lawsuit brought by CIVIX against Navigation Technologies Corporation (now known as NAVTEQ) in the Northern District of Illinois; efforts by NAVTEQ to declare an interference between one of its patent applications and the 525 patent; and a lawsuit brought by CIVIX against Microsoft and others in the District of Colorado alleging infringement of the 525 patent. (Dkt. No. 8, ¶¶ 20-30). CIVIX disputes these allegations, but the point is LoopNet has failed to plead facts sufficient to show how any of this information applies to particular claims and claim limitations of the 622 and 291 patents.

In particular, LoopNet fails to allege facts sufficient to show that if the patent examiner had known about the attempted interference and the lawsuits (assuming he did not know about

these already), the PTO would not have granted the 622 and 291 patents. *Exergen*, 575 F.3d at 1329-30. LoopNet's allegations are also insufficient to show that the allegedly withheld information more material than information the patent examiner already had, including the prior art identified by NAVTEQ and Microsoft in the lawsuits. See *Rothman v. Target Corp.*, 556 F.3d 1310, 1326 (Fed. Cir. 2009). Independently, LoopNet fails to allege facts sufficient to show that intent to deceive the PTO was the single most reasonable inference that can be drawn from the alleged non-disclosure. *Therasense*, 649 F.3d at 1290-91.

LoopNet alleges that CIVIX engaged in inequitable conduct during prosecution of the 622 and 291 patents by failing to assist the patent examiner in determining which patents in CIVIX's Information Disclosure Statement were most relevant to the prosecution of U.S. Patent No. 6,408,307 (the "307 patent"). (Dkt. No. 8, ¶¶ 31-40). CIVIX disputes these allegations as well, but, again, the point is LoopNet has failed to plead facts sufficient so show that if CIVIX had assisted the examiner during prosecution of a ***different*** patent (the 307 patent), the PTO would not have granted the 622 and 291 patents. *Exergen*, 575 F.3d at 1329-30. And LoopNet has failed to plead facts sufficient to show that intent to deceive the PTO is the single most reasonable inference that can be drawn from the alleged failure to assist the examiner. *Therasense*, 649 F.3d at 1290-91.

LoopNet alleges that during the *ex parte* reexamination of the 622 and 291 patents, CIVIX engaged in inequitable conduct by submitting a declaration of Lincoln Bouve (one of the named inventors on the 622 and 291 patents) that did not recite Mr. Bouve's health history and supposed memory impairment and diminished capacity, and CIVIX attempted to disguise this information by submitting a declaration of William Semple (another named inventor on the 622 and 291 patents). (Dkt. No. 8, ¶¶ 41-50). As with the allegations of inequitable conduct discussed above, LoopNet fails to plead facts sufficient to show that the PTO would not have

granted the 622 and 291 patents had the patent examiner been aware of the information LoopNet asserts was improperly withheld, *Exergen*, 575 F.3d at 1329-30, and facts sufficient to show that intent to deceive the PTO is the single most reasonable inference that can be drawn from the declarations. *Therasense*, 649 F.3d at 1290-91.

Finally, LoopNet alleges that during the *ex parte* reexamination of the 622 and 291 patents, CIVIX engaged in inequitable conduct by taking a position in the PTO regarding the meaning of the term "Internet" (which appears in the 622 and 291 patent claims) that differs from the position it took in litigation against Expedia, Inc. and Hotels.com, and failing to inform the patent examiner of the inconsistency. (Dkt. No. 8, ¶¶ 51-58). However, LoopNet fails to note in its allegations (which are disputed) that in the reexamination of the 622 and 291 patents CIVIX 1) expressly disclosed all of its patent infringement lawsuits to the patent examiner, and 2) provided litigation materials to him – including filings in which CIVIX argued its constructions of "Internet" and "internet." (Ex. A, IDS at pp. 6-11).[1] This alone is fatal to LoopNet's claim, as CIVIX ***gave*** the patent examiner the information that LoopNet contends was improperly withheld.

D. LoopNet's Sixth Affirmative Defense Should Be Stricken

LoopNet's Sixth Affirmative Defense is substantially the same as LoopNet's Second Counterclaim. (Dkt. No. 8, ¶ 6). Accordingly, the above arguments supporting dismissal of LoopNet's Fourth Counterclaim equally support striking LoopNet's Sixth Affirmative Defense. *Hanzlik*, 2009 U.S. Dist. LEXIS 63091, at *15 (striking an affirmative defense found to be "too conclusory and too vague to stand as pled").

[1] The Court can take judicial notice of the contents of the prosecution histories of the 622 and 291 patents, which are public records that "capable of accurate and ready determination by resort to sources whose accuracy cannot be reasonably questioned." Fed.R.Evid. 201(b); *Iconfind*, 2012 U.S. Dist. LEXIS 5460, at *2-3.

IV. CONCLUSION

For the foregoing reasons, LoopNet's Second and Fourth Counterclaims should be dismissed and LoopNet's corresponding Third and Sixth Affirmative Defenses should be stricken.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on February 21, 2012 the foregoing

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was filed with the Clerk of Court using the CM/ECF system, which will then send a notification of such filing to the following counsel of record, who were also served via electronic transmission:

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