

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

SIPCO, LLC and IP CO., LLC <i>d/b/a</i> INTUS IQ,)	
)	
)	
Plaintiffs,)	
)	
v.)	C.A. No. 16-830-RGA
)	
STREETLINE, INC., KAPSCH TRAFFICCOM HOLDING CORP., and KAPSCH TRAFFICCOM U.S. CORP.)	
)	
Defendants.)	
)	

**DEFENDANTS’ REPLY BRIEF IN SUPPORT OF THEIR
MOTION TO DISMISS THE FIRST AMENDED COMPLAINT**

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I. INTRODUCTION

When it comes to the pleading requirements for patent infringement, SIPCO is living in the past. SIPCO repeatedly argues that its complaint only needs to provide “notice” of “what the case is about.” D.I. 20 at 7, 14. That is no longer true. Rather, now that *Twombly* and *Iqbal* apply to direct patent infringement, the complaint must “plead[] factual content that allows the court to draw the reasonable inference that the defendant is liable.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (emphases added). As shown in Defendants’ briefs, SIPCO has utterly failed to meet this burden.

SIPCO counters that it must have met its burden, because (according to SIPCO) there is “no [case] where a complaint having the type of detailed allegations as in the [FAC] was held insufficient” under *Twombly/Iqbal*. D.I. 20 at 1. That is not true. In many of the cases cited in Defendants’ Opening Brief, the complaint contained at least as much – and often far more – detail as there is in SIPCO’s FAC. *See* Exh. A¹ at 6-9 (claim chart matching features of accused product to claim elements); Exh. B² at ¶¶ 63-95 (detailed allegations comparing accused products to claim elements); Exh. C³ at ¶¶ 15-22 (detailed summary of accused product). Yet, in each of these cases, the court found that the complaint did not satisfy *Twombly/Iqbal*. Thus, it would not be “unprecedented” for a complaint “as detailed” as the FAC to be dismissed. To the contrary, dismissal of the FAC would be entirely in line with what courts around the nation (including this Court) have been doing with patent complaints, post-Form 18.

¹ Exhibit A is the Second Amended Complaint in *Atlas IP, LLC v. Exelon Corp.*, 189 F. Supp. 3d 768, 775 (N.D. Ill. 2016), which the court found did not satisfy *Twombly/Iqbal*.

² Exhibit B is the complaint in *TeleSign Corp. v. Twilio, Inc.*, No. 16-2106, 2016 WL 4703873, at *4 (C.D. Cal. Aug. 3, 2016), which the court found did not satisfy *Twombly/Iqbal*.

³ Exhibit C is the First Amended Complaint in *Raindance Techs., Inc. v. 10X Genomics, Inc.*, No. 15-152-RGA, 2016 WL 927143 (D. Del. Mar. 4, 2016), which this Court found did not satisfy *Twombly/Iqbal*.

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