

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
MEMPHIS DIVISION**

B.E. TECHNOLOGY, L.L.C.,

Plaintiff,

v.

BARNES & NOBLE, INC.,

Defendant.

Case No. 2:12-cv-02823-JPM-tmp

JURY TRIAL REQUESTED

**RESPONSE OPPOSING PLAINTIFF B.E. TECHNOLOGY, L.L.C.'S
MOTION TO DISMISS UNDER FED. R. CIV. P. 12(B)(6) AND
MOTION TO STRIKE UNDER FED. R. CIV. P. 12(F)**

Defendant Barnes & Noble, Inc. (“Barnes & Noble”), by and through its undersigned counsel, hereby submits this memorandum in opposition to B.E. Technology, L.L.C.’s (“B.E. Technology”) Motion to Dismiss Under Fed. R. Civ. P. 12(b)(6) and Motion to Strike Under Fed. R. Civ. P. 12(f). Dkt. No. 33 (“Motion”).

I. Statement of Facts

B.E. Technology’s Complaint accuses Barnes & Noble of infringing U.S. Patent No. 6,771,290 (“the ‘290 Patent”) by allegedly “using, selling, and offering to sell in the United States tablet computer products” including “Nook Simple Touch; Nook Simple Touch with GlowLight; Nook Color; Nook Tablet.” It alleges that the accused products “directly infringe at least Claim 2 of the ‘290 Patent either literally or under the doctrine of equivalents.” However, the Complaint does not provide any information about why or how it contends Barnes & Noble’s products infringe the ‘290 Patent.

On December 31, 2012, Barnes & Noble filed an Answer to B.E. Technology’s Complaint, in which it denied infringing the asserted patent and brought counterclaims seeking declaratory judgments of invalidity and non-infringement of the patent-in-suit. The Answer also

included several affirmative defenses. (Answer, Dkt. No. 26). A month later, without even attempting to confer with Barnes & Noble's counsel, B.E. Technology filed motions to dismiss Barnes & Noble's counterclaims pursuant to Rule 12(b)(6) and to strike Barnes & Noble's affirmative defenses pursuant to Rule 12(f). *See* Motion, *supra*. It filed similar motions in most of the eighteen related cases.

II. Barnes & Noble's Counterclaims Should Not Be Dismissed

Barnes & Noble's counterclaims are consistent with the form of complaint for patent infringement set forth in the Federal Rules of Civil Procedure and the level of detail required by Form 30 appended to those Rules, but B.E. Technology has moved to dismiss them -- *even though they are stated with substantially the same level of specificity and factual support as B.E. Technology's own claims*. But there is no basis to hold defendants in patent infringement suits to a higher pleading standard than plaintiffs. Indeed, it would be unfair and impractical to do so because defendants have less time to prepare their responses and plaintiffs have already initiated the costly process of discovery by bringing suit. Neither the Federal Rules, nor the standard of pleading announced by the Supreme Court in *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007) and *Ashcroft v. Iqbal*, 556 U.S. 662 (2009) support, let alone compel, the incongruous treatment of claims and counterclaims that B.E. Technology invites this Court to apply.

A. Barnes and Noble's counterclaims are adequately stated under the Federal Rules of Civil Procedure

Barnes & Noble's counterclaims for declaratory judgment are pleaded in accordance with Forms 18 and 30 of the Federal Rules of Civil Procedure. Federal Rule of Civil Procedure 84 states that the forms in the appendix to the Federal Rules "suffice under these rules and illustrate the simplicity and brevity that these rules contemplate." Fed. R. Civ. P. 84. Form 30 provides that counterclaims should be "[s]et forth. . . in the same way a claim is pleaded in a complaint."

Fed. R. Civ. P. app. Form 30. Form 18 sets forth an example of a sufficient complaint for patent infringement and includes:

(1) an allegation of jurisdiction; (2) a statement that the plaintiff owns the patent; (3) a statement that the defendant has been infringing the patent “by making, selling, and using [the device] embodying the patent”; (4) a statement that the plaintiff has given the defendant notice of its infringement; and (5) a demand for injunction and damages.

In re Bill of Lading Transmission and Processing Sys. Patent Litig., 681 F.3d 1323, 1334 (Fed. Cir. 2012) (quoting *McZeal v. Sprint Nextel Corp.*, 501 F.3d 1354, 1356-57 (Fed. Cir. 2007)); *see also K-Tech Telecomm, Inc. v. Time Warner Cable, Inc.*, 714 F.3d 1277 (Fed. Cir. 2013).

Barnes & Noble’s counterclaims for declaratory judgment of non-infringement follow this form, adjusted for the pleading requirements of declaratory judgment. Barnes and Noble’s first counterclaim includes: (a) an allegation of jurisdiction, (Dkt. No. 26, Counterclaims ¶¶ 2-4); (b) a statement that an actual controversy exists as to whether the patents are infringed, (Counterclaims ¶¶ 9-10); (c) an allegation that Barnes & Noble has not and does not infringe the patent-in-suit literally or under the doctrine of equivalents (Counterclaims ¶ 12); and (d) a demand for relief in the form of a declaratory judgment of non-infringement, (Counterclaims ¶ 13). Barnes & Noble’s second counterclaim, regarding invalidity of the patent-in-suit contains corresponding allegations. (Counterclaims ¶¶ 14-16).

The Supreme Court adopted the revised versions of these forms when the Federal Rules of Civil Procedure were amended in 2007, just three weeks before it announced its decision in *Twombly*. *See* Fed. R. Civ. P. 84 note. Despite the *Twombly* decision, the forms remain the standard against which claims for direct infringement are to be measured. *In re Bill of Lading*, 681 F.3d at 1334 (“[T]o the extent that the parties argue that *Twombly* and its progeny conflict with the Forms and create differing pleading requirements, the Forms control.”) (citing *McZeal*, 501 F.3d at 1360). Rule 84 specifically states that the forms suffice, and “any changes to the

Federal Rules of Civil Procedure must be obtained by the process of amending the Federal Rules, and not by judicial interpretation.” *In re Bill of Lading*, 681 F.3d at 1323, 1334 (citing *Leatherman v. Tarrant Cnty, Narcotics Intel. & Coordination Unit*, 507 U.S. 163, 168 (1992)); *see also Twombly*, 550 U.S. at 569 n. 14 (acknowledging that altering the Federal Rules of Civil Procedure cannot be accomplished by judicial interpretation). Several district courts have followed the Federal Circuit’s decision in *In re Bill of Lading*, holding that claims related to direct infringement are sufficient if they reflect the degree of particularity demonstrated by Form 18. *See, e.g., Driessen v. Sony Music Entm’t*, 904 F. Supp. 2d 1196, 1198-1201 (D. Utah 2012); *Joao Control & Monitoring Sys. of Cal., LLC v. Sling Media, Inc.*, No. C-11-6277 EMC, 2012 WL 3249510, at *4-5 (N.D. Cal. Aug. 7, 2012); *Lone Star Document Mgmt., LLC v. Atalasoft, Inc.*, Civil Action No. 2:11-CV-00319-JRG, 2012 WL 4033322, at *2, 3-4 (E.D. Tex. Sep. 12, 2012); *Select Retrieval, LLC v. L.L. Bean, Inc.*, Civil No. 2:12-cv-00003-NT, 2012 WL 5381503, at *2-3 (D. Me. Oct. 31, 2012).

B. Barnes and Noble’s counterclaims are properly pleaded under the *Twombly/Iqbal* standard

In *Twombly*, the Supreme Court interpreted the standard for pleading claims for relief set forth in Rule 8(a)(2) of the Federal Rules of Civil Procedure, which applies to all civil actions in federal court. *Iqbal*, 556 U.S. at 684. The standard it announced requires “only ‘a short and plain statement of the claim showing that the pleader is entitled to relief,’ in order to ‘give the defendant fair notice of what the . . . claim is and the ground upon which it rests.’” *Twombly*, 550 U.S. 544, 555 (2007). Determining compliance with this standard is not “a ‘fact-based’ question of law,” 556 U.S. at 674, and “does not require ‘detailed factual allegations,’” but a claim for relief must be “plausible on its face.” *Id.* at 678 (quoting 550 U.S. at 570). After the *Twombly* and *Iqbal* decisions, “[d]etermining 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.” *Id.* at 679.

Even if this Court finds that the standard articulated in *Twombly* and *Iqbal* should apply to counterclaims in patent cases, Barnes & Noble’s counterclaims are still properly pleaded because they state the basis for each claim and provide notice to B.E. Technology of what the claims are. The Eastern District of Texas has taken this approach, holding that in a counterclaim for invalidity, just as in a claim for infringement, allegations must be “clear enough as to effectively put Plaintiff on notice of the legal and factual grounds for the asserted invalidity.” *Teirstein v. AGA Med. Corp.*, Civ. Action No. 6:08cv14, 2009 WL 704138, at *4 (E.D. Tex. Mar. 16, 2009). In *Teirstein*, the court denied a motion to dismiss the defendant’s counterclaim for declaratory judgment of invalidity. *Id.* at 6. The counterclaim alleged “[t]he claims of the [patent-in-suit] are invalid for failing to satisfy one or more of the statutory requirements for patentability set forth in 35 U.S.C. §§ 101, 102, 103 and/or 112.” *Id.* at *4. The court determined that the counterclaim was sufficient under the *Twombly* standard not only because it put the plaintiff on notice by listing the statutory sections under which the patent was allegedly invalid, but also because it was a “short and plain statement of the claim,” that “show[ed] that the pleader is entitled to relief.” *Id.* (citing *Twombly*, 550 U.S. at 555). Barnes & Noble’s counterclaim for declaratory judgment of invalidity uses substantially the same language as that of the defendant in *Teirstein*. (Counterclaims, ¶ 15.)

Several district courts that have adopted local patent rules have determined that the goal of *Twombly*, “namely, mandating early notice of the factual predicate for the suit so that the court may weed out unmeritorious claims and relieve the defendant from the burden of unnecessary discovery,” is met by local patent rules that require detailed information regarding a defendant’s

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