

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

INTERNATIONAL BUSINESS MACHINES
CORPORATION,

Plaintiff,

v.

ZYNGA INC., and CHARTBOOST, INC.,

Defendants.

C.A. No. 22-590-GBW

JURY TRIAL DEMANDED

DEFENDANTS' ANSWER TO FIRST AMENDED COMPLAINT

Defendants Zynga Inc. (“Zynga”) and Chartboost, Inc. (“Chartboost”) (collectively “Defendants”) hereby answer the claims in Plaintiff International Business Machines Corporation’s (“IBM” or “Plaintiff”) First Amended Complaint (D.I. 27 (“FAC”)) as follows:

Defendants deny all allegations which they do not expressly admit. The numbered paragraphs in this Answer correspond to the numbered paragraphs of the FAC. Plaintiff’s headings are restated for ease of reference, but no admissions are made thereby.

INTRODUCTION

1. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, deny them.

2. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, deny them.

3. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, deny them.

4. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations and, on that basis, deny them.

167. No response to this paragraph is required because Count Four of the FAC was dismissed with prejudice when this Court found that the invention claimed in the '904 patent is patent ineligible under 35 U.S.C. § 101. *See* D.I. 75.

168. No response to this paragraph is required because Count Four of the FAC was dismissed with prejudice when this Court found that the invention claimed in the '904 patent is patent ineligible under 35 U.S.C. § 101. *See* D.I. 75.

169. No response to this paragraph is required because Count Four of the FAC was dismissed with prejudice when this Court found that the invention claimed in the '904 patent is patent ineligible under 35 U.S.C. § 101. *See* D.I. 75.

170. No response to this paragraph is required because Count Four of the FAC was dismissed with prejudice when this Court found that the invention claimed in the '904 patent is patent ineligible under 35 U.S.C. § 101. *See* D.I. 75.

COUNT FIVE

ZYNGA'S INFRINGEMENT OF THE '719 PATENT

171. Defendants incorporate by reference paragraphs 1–170.

172. Defendants lack knowledge or information sufficient to form a belief as to whether “IBM is the owner of all right, title and interest in the '719 patent” and whether “[t]he '719 patent was duly assigned to IBM,” and, on that basis, deny the allegations. Defendants admit that the '719 patent purportedly issued on April 20, 2010 but deny that it is valid. Defendants admit that a purported copy of the '719 patent is attached to the FAC as Exhibit D. Defendants deny all allegations which they do not expressly admit.

173. Denied.

174. Denied.

a. Denied.

b. Denied.

c. Denied.

175. Defendants deny infringement. Defendants lack knowledge or information sufficient to form a belief as to the truth of the remaining allegations and, on that basis, deny them.

176. Denied.

177. Defendants admit that Zynga has had knowledge of the '719 Patent since May 20, 2020 but deny infringement.

178. Defendants deny infringement. Defendants lack knowledge or information sufficient to form a belief as to the truth of the remaining allegations and, on that basis, deny them.

179. Denied.

180. Denied.

181. Defendants admit that Zynga's users agree to terms of service. Defendants deny infringement. Defendants lack knowledge or information sufficient to form a belief as to the remaining allegations and, on that basis, deny them.

182. Defendants lack knowledge or information sufficient to form a belief as to the allegations in the first and second sentences and, on that basis, deny them. Defendants admit that Zynga works with service providers. Defendants deny that Zynga "manage[s]" activities of customers. Defendants admit that Zynga's business is funded in part through advertising. Defendants deny the allegations in the last sentence. Defendants lack information or knowledge sufficient to form a belief as to the remaining allegations and, on that basis, deny them. Defendants deny all allegations which they do not expressly admit.

183. Denied.

184. Denied.

185. Denied.

186. Denied.

187. Denied.

RELIEF REQUESTED

Defendants deny infringement. Defendants deny that IBM is entitled to any judgment against Zynga or Chartboost. Defendants deny that IBM is entitled to any damages, fees, or relief of any kind.

DEMAND FOR JURY TRIAL

Defendants hereby demand a jury trial on all claims and issues so triable.

DEFENSES

Defendants assert the following affirmative and other defenses in response to the allegations in the FAC without waiver, limitation, or prejudice. Defendants undertake the burden of proof only as to those defenses deemed affirmative defenses by law regardless of how such defenses are denominated herein. In addition to the affirmative and other defenses described below, Defendants reserve the right to assert additional affirmative and other defenses as they become known through further investigation and discovery.

First Defense – Noninfringement

Defendants do not infringe and have not infringed, either directly or indirectly, any valid and enforceable claim of the '849, '346, and '719 patents (the "Asserted Patents"), either literally or under the doctrine of equivalents.

Second Defense – Invalidity and Unenforceability

The claims of the Asserted Patents are invalid and/or unenforceable. For example, they fail to satisfy the conditions for patentability under the patent laws of the United States, pre-AIA 35 U.S.C. §§ 1 *et seq.*, including without limitation, pre-AIA 35 U.S.C. §§ 101, 102, 103, 112, 116, and 256, and/or because they fail to satisfy the requirements of other equitable and/or judicially-created doctrines. As one non-limiting example, the '849 patent is invalid per § 102 because the claimed invention was in public use, on sale, or otherwise available to the public more than one year prior to the filing of the '849 patent application in connection with IBM's Trintex venture with Sears and CBS. As another non-limiting example, the '849 patent is invalid in view of U.S. Pat. No. 5,796,967 under the doctrine of non-statutory obviousness-type double patenting. Further, one or more of the claims of the Asserted Patents are invalid for at least the reasons that will be set forth in Defendants' invalidity contentions, and are incorporated herein by reference.

Third Defense – Prosecution History Estoppel

Plaintiff's claims of patent infringement are barred by the doctrine of prosecution history estoppel to the extent Plaintiff's interpretations of the claims of the Asserted Patents extend beyond or are inconsistent with statements, amendments, or positions made during prosecution and post-grant proceedings. Plaintiff is further estopped from construing one or more claims of the Asserted Patents to claim scope ceded during the prosecution and post-grant proceedings of the Asserted Patents to, for example, avoid prior art.

Fourth Defense – Limitation on Damages

Plaintiff's claims for damages and costs are statutorily limited, in whole or in part, by one or more of 35 U.S.C. §§ 286, 287, and 288.

'346 patent based on Plaintiff's conduct as described regarding Defendants' Sixth Defense of license. Those allegations are incorporated by reference herein. As another non-limiting example, Plaintiff waived its infringement claims on all of the Asserted Patents when it ceased licensing communications with Defendants from approximately late 2015 through early 2020.

Fourteenth Defense – Equitable Estoppel

Plaintiff's claims for relief are barred, in whole or in part, by the doctrine of equitable estoppel. For example, with respect to the '849 and '346 patents, IBM caused Zynga to reasonably infer that IBM did not intend to enforce these patents because IBM went silent for approximately four years after claiming that various Zynga products infringed them; Zynga relied on IBM's silence by, *inter alia*, continuing to invest in the purportedly infringing products; and Zynga would suffer material, economic and evidentiary prejudice because of its reliance on IBM's silence if IBM were allowed to proceed with its claims on these two patents.

PRAYER FOR RELIEF

Wherefore, having fully answered, Defendants pray for judgment as follows:

- A. That the Court fully and finally dismiss Plaintiff's First Amended Complaint against Defendants (and each and every claim therein) with prejudice and that Plaintiff take nothing from Defendants pursuant to the claim alleged in the First Amended Complaint;
- B. That the Court enter judgment in Defendants' favor and against Plaintiff and declare that Defendant does not infringe and has not infringed the Asserted Patents, that said patents are invalid, and that said patents are unenforceable against Defendants;
- C. That the Court award Defendants their costs of suit;
- D. That the Court find this case to be an exceptional case and award Defendants their reasonable attorneys' fees under 35 U.S.C. § 285 or otherwise; and

E. That the Court grant Defendants further relief as the Court deems just and proper.

Dated: December 7, 2022

Respectfully submitted,

FARNAN LLP

/s/ Brian E. Farnan

Brian E. Farnan (Bar. No. 4089)
Michael J. Farnan (Bar No. 5165)
919 North Market Street, 12th Floor
Wilmington, DE 19801
(302) 777-0300
(302) 777-0301 (Fax)
bfarnan@farnanlaw.com
mfarnan@farnanlaw.com

Alyssa Caridis (admitted pro hac vice)
Jake O'Neal (admitted pro hac vice)
ORRICK, HERRINGTON & SUTCLIFFE LLP
355 S Grand Ave, Ste 2700
Los Angeles, CA 90071
(213) 629-2020
acaridis@orrick.com
jake.oneal@orrick.com

Clement S. Roberts (admitted pro hac vice)
ORRICK, HERRINGTON & SUTCLIFFE LLP
The Orrick Building
405 Howard Street
San Francisco, CA 94105-2669
(415) 773-5700
croberts@orrick.com

Evan D. Brewer (admitted pro hac vice)
ORRICK, HERRINGTON & SUTCLIFFE LLP
401 Union St, Ste 3300
Seattle, WA 98101
(206) 839-4300
ebrewer@orrick.com

Richard F. Martinelli (admitted pro hac vice)
ORRICK, HERRINGTON & SUTCLIFFE LLP
51 West 52nd Street
New York, NY 10019
(212) 506-5000
rmartinelli@orrick.com

***Attorneys for Defendants Zynga Inc. and
Chartboost, Inc.***