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MAR 12 2012

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Northern District of California  
San Jose

8 **Attorneys for Plaintiff Yahoo! Inc.**

**E-filing**

9 **UNITED STATES DISTRICT COURT**  
10 **NORTHERN DISTRICT OF CALIFORNIA**  
11 **SAN JOSE DIVISION**

CV 12-01212  
CASE NO.

12 YAHOO! INC., a Delaware corporation,

13 Plaintiff,

14 vs.

15 FACEBOOK, INC, a Delaware corporation,

16 Defendant.

**COMPLAINT FOR PATENT  
INFRINGEMENT**

**JURY TRIAL DEMANDED**

**NC**

17  
18 Plaintiff Yahoo! Inc. ("Yahoo!") complains and alleges as follows against Facebook, Inc.  
19 ("Facebook"):

20 **THE PARTIES**

- 21 1. Plaintiff Yahoo! is a corporation organized under the laws of Delaware, with its  
22 principal place of business at 701 1<sup>st</sup> Avenue, Sunnyvale, CA 94089.  
23 2. Upon information and belief, Facebook is a corporation organized under the laws  
24 of Delaware and has its principal place of business at 1601 Willow Road, Menlo Park, CA 94025.  
25 Upon information and belief, Facebook operates online networking services through its web portal  
26 FACEBOOK.COM, mobile applications, social plugins, and other tools in the United States.

27 **NATURE OF THE ACTION**

- 28 3. This is an action for patent infringement.



1 FACTUAL BACKGROUND

2 Yahoo!'s History

3 9. Since its founding in 1994 by two Stanford University electrical engineering  
4 graduate students, Jerry Yang and David Filo, Yahoo! has grown to become a premiere digital  
5 media and communications company. Yahoo! began as a directory of Internet websites. Before  
6 long, thousands of people were accessing the directory to identify useful websites. Yahoo!  
7 celebrated its first "million-hit day" in the fall of 1994, translating to almost 100 thousand unique  
8 visitors. Yahoo! registered the domain "www.yahoo.com" on January 18, 1995.

9 10. As it grew, Yahoo! diversified its product offerings beyond its original directory  
10 of websites. For example, Yahoo! pioneered the field of providing customized web pages when it  
11 launched My Yahoo! in 1996. My Yahoo! allows users to combine their favorite Yahoo! content  
12 feeds into a single page. Yahoo! continued its investment in My Yahoo!, launching an upgraded  
13 version in 2007. Further, in the late 1990s and early 2000s, Yahoo! began webhosting through  
14 Yahoo! GeoCities, online gaming through Yahoo! Games, and discussion boards known as  
15 Yahoo! Groups.

16 11. Yahoo! has also made significant advances and investments in the field of  
17 Internet social networks. On March 29, 2005, Yahoo! made available its blogging and social  
18 networking service, Yahoo! 360°. On March 20, 2005, Yahoo! acquired the photo sharing and  
19 social networking website, Flickr. In September 2007, Yahoo! launched the social network  
20 service Yahoo! Mash, and later introduced the social networking service Yahoo! Pulse and Yahoo!  
21 Profiles.

22 12. Yahoo! has, in addition, been a leading innovator in electronic messaging.  
23 Yahoo! inaugurated its web-mail service, Yahoo! Mail in 1997, which quickly grew to be one of  
24 the largest web-based email services in the world. Yahoo! has launched enhanced versions of  
25 Yahoo! Mail in 2007 and 2011. In 1998, Yahoo! released Yahoo! Messenger, its internet  
26 messaging client, under the name "Yahoo! Pager." When Yahoo! and Microsoft made their  
27 instant messaging clients interoperable in 2006, it created the world's second largest real-time  
28

1 communication service. Yahoo! Integrated Yahoo! Messenger and Yahoo! Mail in 2009, allowing  
2 users to transform emails into instant messages.

3 13. As a result, Yahoo! is today a leading global Internet communications,  
4 commerce, and media company that offers a comprehensive branded network of services to users  
5 worldwide. Yahoo! offers a comprehensive network of online products, often free of charge—  
6 including in news, finance, social networking, search, e-mail, instant messaging, sports, and  
7 shopping—to a community of millions of daily users. Yahoo! has changed the way people  
8 communicate with each other, find and access information, and make purchases.

9 **Yahoo!'s Innovations**

10 14. Yahoo! has a long history of innovation. From the earliest days of its history,  
11 Yahoo! developed valuable new technologies that are still in widespread use today. Yahoo! filed  
12 its first application for a patent on June 12, 1997. That application, based on its MyYahoo!  
13 service, claimed a method for providing customized web pages using a user's preferences.

14 15. Yahoo!'s research and development has only grown since its inception. Since  
15 1997, Yahoo! has filed thousands of applications for patents on innovative computing  
16 technologies that it has developed. Every year, Yahoo! spends hundreds of millions of dollars in  
17 research and development so that it can offer its users the most innovative products. From 2008  
18 through 2010 alone, Yahoo! invested more than \$3.3 billion in research and development.

19 16. Yahoo!'s research and development arm is Yahoo! Labs. Yahoo! Labs  
20 spearheads key initiatives with professors at the world's leading universities. Yahoo! Labs is  
21 responsible for research into the science of the Internet and for creating next generation Internet  
22 innovations. Although Yahoo! Labs is headquartered in Sunnyvale, California, it employs  
23 engineers and scientists in locations worldwide.

24 17. Yahoo!'s research and development successes have propelled Yahoo.com to  
25 become one of the world's most popular internet portals. Over 180 million unique users access  
26 Yahoo!'s websites every month.

1           **Yahoo!'s Patents-in-Suit**

2           18.       The Patents-in-Suit are a reflection of Yahoo's research and development  
3 achievements. To build a successful website, users need to have easy access to many functions  
4 and tasks such as messaging and privacy options. The website owner needs revenue through  
5 functions such as advertising. All of these functions involve Yahoo!'s innovations. Without  
6 Yahoo!'s achievements, websites such as Facebook would not enjoy repeat visitors or substantial  
7 advertising revenue.

8           19.       Yahoo! recognized that website users are attracted to free services. But website  
9 operators need a way to generate revenue even when offering services for free. Yahoo!'s  
10 Advertising Patents claim effective methods of advertising, of generating advertisements that  
11 relate to users individually and increase revenue for website operators, and monitoring advertising  
12 clicks for potential click fraud. Representative Yahoo! patents include the '566; '111; '599; and  
13 '861, patents (collectively, "Yahoo!'s Advertising Patents").

14           20.       Privacy is important to users of websites. Users want to interact with websites,  
15 but at the same time, ensure that sensitive information is only shared with those the users choose.  
16 Indeed, without an assurance of privacy, many users would avoid certain websites. Yahoo!  
17 recognized the importance of privacy on the World Wide Web, and developed technology that  
18 allows users to customize how information is shared. Representative Yahoo! patents include the  
19 '590 and '935 patents (collectively, "Yahoo!'s Privacy Patents").

20           21.       Website users also want to be able to customize their experience according to  
21 their needs and interests. For example, a user who is not interested in sports may not want to see  
22 sports information highlighted on a website. On the other hand, a user interested in sports may  
23 wish that information to be the first information they encounter. Yahoo! engineers recognized the  
24 importance of customizing the user's experience. Representative Yahoo! patents include the '509,  
25 and '227 patents (collectively, "Yahoo!'s Customization Patents").

26           22.       The heart of many websites today is social networking. The World Wide Web  
27 allows users to reunite and stay connected in ways that they never could before. Yahoo!  
28 recognized the importance of social interaction on the Internet and developed technology that

1 allows users to customize information about themselves, join groups of others with the same  
2 interests as themselves, and share interesting information. A representative Yahoo! patent is the  
3 '648 patent ("Yahoo!'s Social Networking Patent").

4 23. As users connect with and meet new people online, they want to be able to  
5 communicate. Instant messaging, e-mail, and other messaging communication are vitally  
6 important to any social networking website, as is the ability to communicate with others who may  
7 not be communicating in the same forum. Yahoo!'s innovators recognized the need for users of a  
8 website to communicate with others through different forms of messaging. A representative  
9 Yahoo! patent includes the '501 patent ("Yahoo!'s Messaging Patent").

#### 10 **Facebook's History**

11 24. Facebook was not launched until 2004, ten years after Yahoo! was founded.  
12 Facebook has since grown into one of the most widely trafficked sites on the Internet. That  
13 growth, however, has been based in large part on Facebook's use of Yahoo!'s patented technology.  
14 Mr. Mark Zuckerberg, Facebook's founder and CEO, has conceded that the design of Facebook is  
15 not novel and is based on the ideas of others. He has stated, "The thing that's been really  
16 surprising about the evolution of Facebook is—I think then and I think now—that if we didn't do  
17 this someone else would have done it." In Mr. Zuckerberg's view, "Getting there first is not what  
18 it's all about."

19 25. For much of the technology upon which Facebook is based, Yahoo! got there first  
20 and was therefore granted patents by the United State Patent Office to protect those innovations.  
21 Yahoo!'s patents relate to cutting edge innovations in online products, including in messaging,  
22 news feed generation, social commenting, advertising display, preventing click fraud, and privacy  
23 controls. These innovations dramatically improve user experience, privacy, and security and  
24 enhance the ability of advertisers to connect with users.

25 26. Facebook's entire social network model, which allows users to create profiles for  
26 and connect with, among other things, persons and businesses, is based on Yahoo!'s patented  
27 social networking technology. Prior to adopting Yahoo!'s patented social networking technology  
28

1 in 2008, Facebook was considered one of the worst performing Internet sites for advertising.<sup>1</sup>  
2 Facebook's use of that social networking model has reportedly dramatically driven up Facebook's  
3 advertising click through rates.<sup>2</sup>

4 27. One of Facebook's most popular features is the News Feed, launched in 2006,  
5 which is a dynamically created, customized web page based on the user's and his friends'  
6 preferences. The News Feed has been credited as the most popular feature on Facebook<sup>3</sup> and  
7 described as resulting in "skyrocketing" page views.<sup>4</sup> The News Feed's popularity, however, is  
8 directly linked to Facebook's infringement of Yahoo!'s Customization Patents. Similarly,  
9 Facebook's privacy controls, which are essential to its entire business model, practice Yahoo!'s  
10 Privacy Patents. Mr. Zuckerberg has described addressing privacy issues as "the biggest problem  
11 in social networking."<sup>5</sup> Facebook addresses the privacy problem by using Yahoo!'s Privacy  
12 Patents. Facebook therefore owes much of its popularity with Internet users to its unauthorized  
13 infringement of Yahoo!'s patents.

14 28. The methods that Facebook uses to profit from the web traffic that Yahoo!'s  
15 technology facilitates also infringe Yahoo!'s Advertising Patents. Facebook generates nearly all of  
16 its revenue by selling advertisements on its webpage. The format of many of these  
17 advertisements, such as Facebook's Premium Video Comment Ads, was invented and patented by  
18 Yahoo! Further, many advertisements on Facebook are paid for on a "pay-per-click" basis – i.e.,  
19 advertisers pay Facebook each time that a user clicks on an advertisement. Facebook chooses  
20 which ads to display to a user based in part upon how much the advertiser is willing to pay-per-

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22 <sup>1</sup> Nick Denton, Facebook "Consistently the Worst Performing Site," Gawker (March 7,  
23 2007), available at <http://gawker.com/242234/advertising/facebook-consistently-the-worst-performing-site>

24 <sup>2</sup> Kevin Kelleher, How Facebook Fixed the Social Advertising Problem (Nov. 22, 2010),  
25 available at <http://tech.fortune.cnn.com/2010/11/22/how-facebook-fixed-the-social-advertising-problem/>

26 <sup>3</sup> Andrew Lipsman et al., The Power of Like 8-9, ComScore (2011).

26 <sup>4</sup> Facebook News Feed, CrunchBase, available at  
<http://www.crunchbase.com/product/facebook-news-feed>.

27 <sup>5</sup> Farham Manjoo, Didn't Mean for You to See That, Grandma, Slate (Oct. 7, 2010), available  
28 at <http://www.slate.com/id/2270323/>.

1 click. Facebook then organizes the selected advertisements on the page in order to maximize  
2 advertising revenue. Facebook's methods for displaying and arranging advertisements, however,  
3 infringe Yahoo!'s Advertising Patents. Those patented methods have been shown to at least  
4 double the click-through rate for online advertisements and therefore dramatically increase the  
5 profitability of click-through advertising.

6 29. Facebook's use of a pay-per-click advertising model depends upon its ability to  
7 combat "click fraud" by distinguishing valid from invalid clicks. In a pay-per-click advertising  
8 model, competitors can drive up each others' costs by clicking on one another's advertisements  
9 with no actual intent to conduct business. The potential for "click fraud" therefore discourages  
10 businesses from advertising on Facebook, diminishes the reliability of its advertising model, and  
11 results in lawsuits by aggrieved advertisers. To combat click fraud, Facebook uses a variety of  
12 statistical methods to analyze the validity of advertising clicks. Those methods are, however,  
13 patented by Yahoo!. Facebook's pay-per-click advertising model and the majority of its revenue is  
14 therefore dependent on technology owned by Yahoo!.

15 30. Yahoo! is harmed by Facebook's use of Yahoo!'s patented technologies in a way  
16 that cannot be compensated for by payment of a royalty alone. Facebook's use of Yahoo!'s  
17 patented technologies has increased Facebook's revenue and market share because it does not  
18 have to recover the costs or time involved in the development of the technology. Yahoo!, in turn,  
19 must bear the costs of the development of the technology.

20 31. Even if Facebook were to subsequently pay past due royalties, it would still enjoy  
21 a market share it has developed during its period of "free riding" on Yahoo!'s intellectual property.  
22 Yahoo! would likewise lose its portion of the market share for this period. Due to the difficulty in  
23 predicting whether, if at all, such market share can be recovered, Yahoo!'s harm cannot be  
24 compensated by payment of past due royalties alone.

### 25 **FACEBOOK INFRINGES YAHOO!'S ADVERTISING PATENTS**

26 32. Yahoo!'s Advertising Patents claim methods and systems for advertising, placing  
27 advertisements on a web page in a manner according to click through rate and advertiser bid to  
28 maximize the revenue generated, and for identifying and preventing click fraud in such a pay-per-



1 click system. Facebook has infringed and continues to infringe Yahoo!'s Advertising Patents  
2 through at least its advertising platform, Facebook Ads.

3 **COUNT I: INFRINGEMENT OF THE '566 PATENT**

4 33. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-32  
5 of this Complaint as though fully set forth herein.

6 34. Yahoo! is the owner of all rights, title, and interest in the '566 patent, entitled  
7 "Method and System for Optimum Placement of Advertisements on a Webpage," which was duly  
8 and properly issued by the United States Patent and Trademark Office ("USPTO") on June 14,  
9 2005. A copy of the '566 patent is attached as Exhibit 1.

10 35. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and  
11 has been directly infringing the '566 patent by making, using, selling, and/or offering to sell in the  
12 United States, or importing into the United States, products or processes that practice the  
13 inventions claimed in the '566 patent, including without limitation, Facebook Ads. Facebook has  
14 had knowledge of the '566 patent from at least February 27, 2012, when Yahoo! notified  
15 Facebook of its infringement, and its infringement since at least that date has been willful.

16 36. As a result of Facebook's unlawful infringement of the '566 patent, Yahoo! has  
17 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the  
18 damages suffered by Yahoo! as a result of its unlawful acts.

19 37. On information and belief, Facebook intends to continue its unlawful infringing  
20 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is  
21 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins  
22 Facebook from further infringing activities.

23 **COUNT II: INFRINGEMENT OF THE '111 PATENT**

24 38. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-32  
25 of this Complaint as though fully set forth herein.

26 39. Yahoo! is the owner of all rights, title, and interest in the '111 patent, entitled  
27 "Method and System for Optimum Placement of Advertisements on a Webpage," which was duly  
28

1 and properly issued by the USPTO on August 29, 2006. A copy of the '111 patent is attached as  
2 Exhibit 2.

3 40. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and  
4 has been directly infringing the '111 patent by making, using, selling, and/or offering to sell in the  
5 United States, or importing into the United States, products or processes that practice the  
6 inventions claimed in the '111 patent, including without limitation, Facebook Ads. Facebook has  
7 had knowledge of the '111 patent from at least February 27, 2012, when Yahoo! notified  
8 Facebook of its infringement, and its infringement since at least that date has been willful.

9 41. As a result of Facebook's unlawful infringement of the '111 patent, Yahoo! has  
10 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the  
11 damages suffered by Yahoo! as a result of its unlawful acts.

12 42. On information and belief, Facebook intends to continue its unlawful infringing  
13 activity, and Yahoo! continues to and will continue to suffer irreparable harm -- for which there is  
14 no adequate remedy at law -- from such unlawful infringing activities unless this Court enjoins  
15 Facebook from further infringing activities.

16 **COUNT III: INFRINGEMENT OF THE '599 PATENT**

17 43. Yahoo! recites and incorporates by reference the allegations of Paragraphs 1-32  
18 of this Complaint as though fully set forth herein.

19 44. Yahoo! is the owner of all rights, title, and interest in the '599 patent, entitled  
20 "Method and System for Optimum Placement of Advertisements on a Webpage," which was duly  
21 and properly issued by the USPTO on May 13, 2008. A copy of the '599 patent is attached as  
22 Exhibit 3.

23 45. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and  
24 has been directly and jointly infringing with its users and inducing infringement by its users of the  
25 '599 patent by making, using, selling, and/or offering to sell in the United States, or importing into  
26 the United States, products or processes that practice the inventions claimed in the '599 patent,  
27 including without limitation, Facebook Ads. Facebook has had knowledge of the '599 patent from  
28

1 at least February 27, 2012, when Yahoo! notified Facebook of its infringement, and its  
2 infringement since at least that date has been willful.

3 46. As a result of Facebook's unlawful infringement of the '599 patent, Yahoo! has  
4 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the  
5 damages suffered by Yahoo! as a result of its unlawful acts.

6 47. On information and belief, Facebook intends to continue its unlawful infringing  
7 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is  
8 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins  
9 Facebook from further infringing activities.

10 **COUNT IV: INFRINGEMENT OF THE '861 PATENT**

11 48. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-32  
12 of this Complaint as though fully set forth herein.

13 49. Yahoo! is the owner of all rights, title, and interest in the '861 patent, entitled  
14 "System and Method To Determine the Validity of an Interaction on a Network," which was duly  
15 and properly issued by the USPTO on February 23, 2010. A copy of the '861 patent is attached as  
16 Exhibit 4.

17 50. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and  
18 has been directly infringing the '861 patent by making, using, selling, and/or offering to sell in the  
19 United States, or importing into the United States, products or processes that practice the  
20 inventions claimed in the '861 patent, including without limitation, Facebook Ads. Facebook has  
21 had knowledge of the '861 patent from at least February 27, 2012, when Yahoo! notified  
22 Facebook of its infringement, and its infringement since at least that date has been willful.

23 51. As a result of Facebook's unlawful infringement of the '861 patent, Yahoo! has  
24 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the  
25 damages suffered by Yahoo! as a result of its unlawful acts.

26 52. On information and belief, Facebook intends to continue its unlawful infringing  
27 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is  
28

1 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins  
2 Facebook from further infringing activities.

3 **FACEBOOK INFRINGES YAHOO!'S PRIVACY PATENTS**

4 53. Yahoo!'s Privacy Patents claim methods and systems for managing the display of  
5 social network user information so that users can preserve personal privacy. Facebook has  
6 infringed and continues to infringe Yahoo!'s Privacy Patents through at least its privacy controls.

7 **COUNT V: INFRINGEMENT OF THE '590 PATENT**

8 54. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31  
9 & 53 of this Complaint as though fully set forth herein.

10 55. Yahoo! is the owner of all rights, title, and interest in the '590 patent, entitled  
11 "Method and System for Customizing Views of Information Associated with a Social Network  
12 User," which was duly and properly issued by the USPTO on September 11, 2007. A copy of the  
13 '590 patent is attached as Exhibit 5.

14 56. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and  
15 has been directly infringing the '590 patent by making, using, selling, and/or offering to sell in the  
16 United States, or importing into the United States, products or processes that practice the  
17 inventions claimed in the '590 patent, including without limitation, Facebook's privacy controls.  
18 Facebook has had knowledge of the '590 patent from at least February 27, 2012, when Yahoo!  
19 notified Facebook of its infringement, and its infringement since at least that date has been willful.

20 57. As a result of Facebook's unlawful infringement of the '590 patent, Yahoo! has  
21 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the  
22 damages suffered by Yahoo! as a result of its unlawful acts.

23 58. On information and belief, Facebook intends to continue its unlawful infringing  
24 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is  
25 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins  
26 Facebook from further infringing activities.

1 **COUNT VI: INFRINGEMENT OF THE '935 PATENT**

2 59. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31  
3 & 53 of this Complaint as though fully set forth herein.

4 60. Yahoo! is the owner of all rights, title, and interest in the '935 patent, entitled  
5 "Control for Enabling a User To Preview Display of Selected Content Based on Another User's  
6 Authorization Level," which was duly and properly issued by the USPTO on October 6, 2009. A  
7 copy of the '935 patent is attached as Exhibit 6.

8 61. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and  
9 has been directly infringing the '935 patent by making, using, selling, and/or offering to sell in the  
10 United States, or importing into the United States, products or processes that practice the  
11 inventions claimed in the '935 patent, including without limitation, Facebook's privacy controls.  
12 Facebook has had knowledge of the '935 patent from at least February 27, 2012, when Yahoo!  
13 notified Facebook of its infringement, and its infringement since at least that date has been willful.

14 62. As a result of Facebook's unlawful infringement of the '935 patent, Yahoo! has  
15 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the  
16 damages suffered by Yahoo! as a result of its unlawful acts.

17 63. On information and belief, Facebook intends to continue its unlawful infringing  
18 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is  
19 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins  
20 Facebook from further infringing activities.

21 **FACEBOOK INFRINGES YAHOO!'S CUSTOMIZATION PATENTS**

22 64. Yahoo!'s Customization Patents claim methods and systems for creating custom  
23 data streams and web pages for users based on community and user preferences. Facebook has  
24 infringed and continues to infringe Yahoo!'s Customization Patents through at least the Facebook  
25 News Feed and the Facebook Wall.

26 **COUNT VII: INFRINGEMENT OF THE '509 PATENT**

27 65. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31  
28 & 64 of this Complaint as though fully set forth herein.

1 66. Yahoo! is the owner of all rights, title, and interest in the '509 patent, entitled  
2 "Online Playback System with Community Bias," which was duly and properly issued by the  
3 USPTO on November 18, 2008. A copy of the '509 patent is attached as Exhibit 7.

4 67. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and  
5 has been directly infringing the '509 patent by making, using, selling, and/or offering to sell in the  
6 United States, or importing into the United States, products or processes that practice the  
7 inventions claimed in the '509 patent, including without limitation, Facebook News Feed.  
8 Facebook has had knowledge of the '509 patent from at least February 27, 2012, when Yahoo!  
9 notified Facebook of its infringement, and its infringement since at least that date has been willful.

10 68. As a result of Facebook's unlawful infringement of the '509 patent, Yahoo! has  
11 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the  
12 damages suffered by Yahoo! as a result of its unlawful acts.

13 69. On information and belief, Facebook intends to continue its unlawful infringing  
14 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is  
15 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins  
16 Facebook from further infringing activities.

17 **COUNT VIII INFRINGEMENT OF THE '227 PATENT**

18 70. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31  
19 & 64 of this Complaint as though fully set forth herein.

20 71. Yahoo! is the owner of all rights, title, and interest in the '227 patent, entitled  
21 "Dynamic Page Generator," which was duly and properly issued by the USPTO on November 9,  
22 2009. A copy of the '227 patent is attached as Exhibit 8.

23 72. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and  
24 has been directly infringing the '227 patent by making, using, selling, and/or offering to sell in the  
25 United States, or importing into the United States, products or processes that practice the  
26 inventions claimed in the '227 patent, including without limitation, Facebook News Feed and  
27 Facebook Wall. Facebook has had knowledge of the '227 patent from at least February 27, 2012,  
28

1 when Yahoo! notified Facebook of its infringement, and its infringement since at least that date  
2 has been willful.

3 73. As a result of Facebook's unlawful infringement of the '227 patent, Yahoo! has  
4 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the  
5 damages suffered by Yahoo! as a result of its unlawful acts.

6 74. On information and belief, Facebook intends to continue its unlawful infringing  
7 activity, and Yahoo! continues to and will continue to suffer irreparable harm – for which there is  
8 no adequate remedy at law – from such unlawful infringing activities unless this Court enjoins  
9 Facebook from further infringing activities.

10 **FACEBOOK INFRINGES YAHOO!'S SOCIAL NETWORKING PATENT**

11 75. Yahoo!'s Social Networking Patent claims a method and system using a world  
12 model containing entity models for, among other things, people and businesses. Facebook has  
13 infringed and continues to infringe Yahoo!'s Social Networking Patent through at least Facebook  
14 Pages and Facebook Groups.

15 **COUNT IX: INFRINGEMENT OF THE '648 PATENT**

16 76. Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31  
17 & 75 of this Complaint as though fully set forth herein.

18 77. Yahoo! is the owner of all rights, title, and interest in the '648 patent, entitled  
19 "World Modeling Using a Relationship Network with Communication Channels to Entities,"  
20 which was duly and properly issued by the USPTO on June 29, 2010. A copy of the '648 patent is  
21 attached as Exhibit 9.

22 78. Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and  
23 has been directly infringing the '648 patent by making, using, selling, and/or offering to sell in the  
24 United States, or importing into the United States, products or processes that practice the  
25 inventions claimed in the '648 patent, including without limitation, Facebook Pages and Facebook  
26 Groups. Facebook has had knowledge of the '648 patent from at least February 27, 2012, when  
27 Yahoo! notified Facebook of its infringement, and its infringement since at least that date has been  
28 willful.

1           79.       As a result of Facebook's unlawful infringement of the '648 patent, Yahoo! has  
2 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the  
3 damages suffered by Yahoo! as a result of its unlawful acts.

4           80.       On information and belief, Facebook intends to continue its unlawful infringing  
5 activity, and Yahoo! continues to and will continue to suffer irreparable harm -- for which there is  
6 no adequate remedy at law -- from such unlawful infringing activities unless this Court enjoins  
7 Facebook from further infringing activities.

8                           **FACEBOOK INFRINGES YAHOO!'S MESSAGING PATENT**

9           81.       Yahoo!'s Messaging Patent claims a method and system for allowing an instant  
10 messenger user to exchange messages with an email user. Facebook has infringed and continues  
11 to infringe Yahoo!'s patent rights through at least Facebook Messages.

12                           **COUNT X: INFRINGEMENT OF THE '501 PATENT**

13           82.       Yahoo! realleges and incorporates by reference the allegations of Paragraphs 1-31  
14 & 81 of this Complaint as though fully set forth herein.

15           83.       Yahoo! is the owner of all rights, title, and interest in the '501 patent, entitled  
16 "System and Method for Instant Messaging Using an E-Mail Protocol," which was duly and  
17 properly issued by the USPTO on July 29, 2008. A copy of the '501 patent is attached as Exhibit  
18 10.

19           84.       Upon information and belief, in violation of 35 U.S.C. § 271, Facebook is and  
20 has been directly infringing the '501 patent by making, using, selling, and/or offering to sell in the  
21 United States, or importing into the United States, products or processes that practice the  
22 inventions claimed in the '501 patent, including without limitation, Facebook Messages. Facebook  
23 has had knowledge of the '501 patent from at least February 27, 2012, when Yahoo! notified  
24 Facebook of its infringement, and its infringement since at least that date has been willful.

25           85.       As a result of Facebook's unlawful infringement of the '501 patent, Yahoo! has  
26 suffered and will continue to suffer damage. Yahoo! is entitled to recover from Facebook the  
27 damages suffered by Yahoo! as a result of its unlawful acts.

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1 DATED: March 12, 2012

Respectfully submitted,

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By: 

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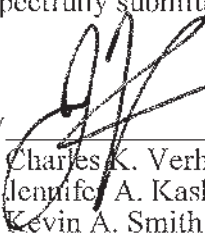
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**DEMAND FOR JURY TRIAL**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff hereby demands a trial by jury as to all issues so triable.

DATED: March 12, 2012

Respectfully submitted,

By   
\_\_\_\_\_  
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