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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

GARFUM.COM CORPORATION

Plaintiff,

vs.

REFLECTIONS BY RUTH D/B/A
BYTEPHOTO.COM

Defendant.

Case No. 1:14-cv-05919-JEI-KMW

**NOTICE OF MOTION TO DISMISS
PLAINTIFF'S COMPLAINT AND
DEFENDANT'S COUNTERCLAIMS**

RETURN DATE: June 15, 2015

PLEASE TAKE NOTICE that on June 15, 2015 or as soon thereafter as counsel may be heard, the undersigned, attorney for Plaintiff Garfum.com Corporation, will move before the above-mentioned court at the U.S. District Court of New Jersey, in Camden, New Jersey for an Order dismissing Plaintiff's Complaint and Defendant's counterclaims.

Garfum.com Corporation does not request oral argument.

Movant will rely on the attached Brief and Declaration of Patterson in support of its Motion.

Movant has annexed a proposed form of Order.

Dated: May 20, 2015

Respectfully submitted,

By: /s/ Lawrence C. Hersh

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vs.

REFLECTIONS BY RUTH D/B/A
BYTEPHOTO.COM

Defendant.

Civil Action 1:14-cv-05919-JEI-KMW

**PLAINTIFF'S BRIEF IN SUPPORT OF ITS
MOTION TO DISMISS PLAINTIFF'S
COMPLAINT AND DEFENDANT'S
COUNTERCLAIMS**

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Plaintiff Garfum.com Corporation submits this brief in support of its Motion to Dismiss Plaintiff's Complaint and Defendant's Counterclaims. Reflections counterclaims are moot because Garfum is dismissing its own claims and Garfum has granted Reflections a covenant not to sue on the patent in suit. Garfum therefore request that the Court dismiss Reflections counterclaims and Garfum's complaint.

I. BACKGROUND

Garfum.com Corporation ("Garfum") filed a complaint alleging a website owned by Reflections by Ruth d/b/a bytphoto.com ("Reflections") infringes U.S. Patent No. 8,209,618 ("the '618 patent"). In response, Reflections filed counterclaims requesting a declaratory judgment of invalidity and a declaratory judgment of non-infringement. Reflections then filed a motion to dismiss and an accompanying brief in support of its invalidity counterclaim. Garfum has responded to the motion and Reflections has submitted a reply.

Garfum now moves to dismiss its own claims and Reflections' counterclaims. Concurrent with this motion, Garfum has delivered a covenant not to sue to Reflections. This covenant moots Reflections counter claims because it eliminates any case or controversy between the parties over the '618 patent. Garfum is also dismissing its own claims. Therefore, there Reflections counterclaims are moot because there is no longer a dispute and the covenant not to sue eliminates the possibility of a future suit.

II. ARGUMENTS AND AUTHORITIES

1. A claim for declaratory judgment is moot under the law when a covenant not to sue makes it clear that the action cannot be resumed in the future

A declaratory judgment counterclaim may only be brought to resolve an “actual controversy.” 28 U.S.C. § 2201(a). An actual controversy must exist at all stages of the litigation, not only at the time of filing. *Intellectual Prop. Dev., Inc. v. TCI Cablevision of Calif., Inc.*, 248 F.3d 1333, 1340 (Fed. Cir. 2001). For patent cases, courts apply a two-part test to determine if there is an actual controversy: “There must be both (1) an explicit threat or other action by the patentee, which creates a reasonable apprehension on the part of the declaratory plaintiff that it will face an infringement suit, and (2) present activity which could constitute infringement or concrete steps taken with the intent to conduct such activity.” *Super Sac Mfg. Corp. v. Chase Packaging Corp.*, 57 F.3d 1054, 1058 (1995) (citing *BP Chemicals v. Union Carbide Corp.*, 4 F.3d 975, 978 (1993)).

A case is moot when an action “could not be resumed in this or any subsequent action and because it [is] entirely speculative that any similar claim would arise in the future.” *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721, 727 (2013) (quoting *Deakins v. Monaghan*, 484 U.S. 193, 200, n.4 (1988)). In other words, the test asks, “Could the allegedly wrongful behavior reasonable be expected to recur?” *Id.*

A claim for declaratory judgment is moot when a covenant not to sue makes it absolutely clear that the allegedly unlawful activity cannot reasonably be expected to recur. *Id.* at 729; *see also Dow Jones & Co. v. Abblaise Ltd.*, 606 F.3d 1338, 1346 (Fed. Cir. 2010) (holding a pre-trial covenant not to sue divested the district court of subject matter jurisdiction over claims that a patent is invalid). “In the case where a patentee defending against an action for a declaratory judgment has covenanted not to sue an alleged infringer for any past or present acts, the covenant divests the court of jurisdiction of the case.” *WHY ASAP, LLC v. Compact Power*, 461 F. Supp. 2d 308, 313 (D. N.J. 2006) (citing *Super Sac*, 57 F.3d at 1058).

2. The covenant not to sue moots Reflections by Ruth's counterclaims

Concurrent with this motion, Garfum has delivered to Reflections a covenant not to sue, wherein Garfum covenants that Reflections, its affiliate, successors, assignees, and its customers will never be sued based on the '618 patent. The covenant is irrevocable. It covers all claims based in whole or in part on the '618 patent and all other patents, if any, claiming benefit, in whole or in part, to the filing date of the '618 patent to the extent that they exist and are or have been controlled by Garfum. Furthermore, the covenant runs with the patent.

Garfum's covenant not to sue makes it absolutely clear that a claim for infringement of the '618 patent against could never be asserted against Reflections. Step one of the test for an actual controversy cannot be met because Reflections no longer has a reasonable apprehension of any infringement claim relating to the '618 patent. The covenant not to sue covers all possible claims and covers future possible infringement. Thus, because there is no longer an actual controversy, Reflections' counterclaims should be dismissed.

III. CONCLUSION

Garfum requests that the Court dismiss its claims with prejudice. Garfum requests that the Court dismiss Reflections' counterclaims without prejudice.

Dated: May 20, 2015

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system. Any other counsel of record will be served by electronic mail, facsimile, and/or first class mail on this date.

/s/ Lawrence C. Hersh
Lawrence C. Hersh