1 2 3 4 5 6 7 8 9 10 11 12	Sharre Lotfollahi (S.B.N. 258913) KIRKLAND & ELLIS LLP 333 South Hope Street Los Angeles, CA 90071 sharre.lotfollahi@kirkland.com Telephone: (213) 680-8400 Facsimile: (213) 680-8500 Brent Ray (S.B.N. 6291911) (pro hac vice) Kristina N. Hendricks (S.B.N. 6300216) (pro Sarah Craig (S.B.N. 6326757) (pro hac vice) KIRKLAND & ELLIS LLP 300 North LaSalle Chicago, IL 60654 brent.ray@kirkland.com kristina.hendricks@kirkland.com sarah.craig@kirkland.com Telephone: (312) 862-2608 Facsimile: (312) 862-2200 Attorneys for Defendant BEST BUY CO., INC.	o hac vice)
13		
14	UNITED STATES DISTRICT COURT	
15	SOUTHERN DISTRICT OF CALIFORNIA	
16	CONFIDENT TECHNOLOGIES, INC.,) Case No. 18-cv-2552 JLS (LL)
17	a Delaware corporation,) ANSWER, AFFIRMATIVE
18 19	Plaintiff, vs.	DEFENSÉS, ANDCOUNTERCLAIMS TOPLAINTIFF'S COMPLAINT
20	BEST BUY CO., INC., a Minnesota	DEMAND FOR JURY TRIAL
21	corporation,	Judge: Hon. Janis L. Sammartino
22	Defendant.) Courtroom: 4D
23	AND RELATED COUNTERCLAIMS.	<i>)</i>)
24)
25		
26		
27		
28		

Defendant BestBuy.com, LLC¹ ("Best Buy" or "Defendant") responds to Plaintiff Confident Technologies, Inc.'s ("Confident" or "Plaintiff") Complaint and Jury Demand (the "Complaint") as follows:

NATURE OF THE ACTION

1. Best Buy admits that Confident's Complaint purports to bring an action for patent infringement under the patent laws of the United States, 35 U.S.C. § 271, et seq., but it denies that it has committed any acts of infringement.

THE PARTIES

- 2. Best Buy is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 2, and therefore denies them.
- 3. Best Buy admits that Best Buy Co., Inc. is a Minnesota company with a principal place of business in Richfield, Minnesota. BestBuy.com, LLC is a Virginia Limited Liability Company with a principal place of business in Richfield, Minnesota.

JURISDICTION AND VENUE

- 4. Best Buy admits that this Court has subject matter jurisdiction over patent infringement claims pursuant to 28 U.S.C. §§ 1331 and 1338(a), but denies Confident's allegations of patent infringement.
- 5. For purposes of this action only, Best Buy does not contest personal jurisdiction. Best Buy denies the remaining allegations in paragraph 5, and specifically denies that it has committed any acts of infringement.

Plaintiff's Complaint is directed to another entity, Best Buy Co., Inc. Best Buy contacted Plaintiff and informed Plaintiff that Best Buy Co., Inc. is not associated with the services identified as infringing in the Complaint. Rather, without admitting to liability or to the veracity of Plaintiff's allegations, BestBuy.com, LLC is the entity associated with the www.bestbuy.com website, from which individuals can join the "Forums, Blog & More" pages as identified in the Complaint. The parties have agreed to substitute BestBuy.com, LLC for Best Buy Co., Inc. and, on January 17, 2019, filed a joint stipulation substituting the parties. Best Buy answers the allegations in the Complaint on behalf of BestBuy.com, LLC.

6. For purposes of this action only, Best Buy does not challenge that venue is proper in this District. Best Buy denies the remaining allegations in paragraph 6, and specifically denies that it has committed any acts of infringement.

FACTUAL BACKGROUND

- 7. Best Buy admits that, according to the face of the patent, United States Patent No. 8,621,578 ("the '578 patent") issued on December 31, 2013 and is entitled "Methods and Systems for Protecting Website Forms from Automated Access." Best Buy admits that what appears to be a copy of the '578 Patent is attached as Exhibit A to the Complaint. Best Buy is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 7, and therefore denies them.
- 8. Best Buy admits that the '578 Patent allegedly relates to a method and system of telling apart a human from a computer using an image recognition task. Best Buy further admits that the '578 Patent methods allegedly describe generating a matrix of non-overlapping randomly selected images in response to an access request from a user. The methods further allegedly describe that the matrix comprises at least one image known to belong to the selected image category, at least one image known to not belong to the selected image category, and at least one image suspected to belong to the selected image category and wherein the user is still granted access to the website when the input from the user access device comprises selection of the at least one image known to belong to the selected image category and selection or omission of the at least one image suspected to belong to the selected image category. Best Buy denies the remaining allegations in paragraph 8.
- 9. Best Buy admits that electronic goods are available for purchase on the www.bestbuy.com website, and that there is currently a link to "Forums, Blog & More" on the www.bestbuy.com homepage. Best Buy admits the "Forums, Blog & More" "Visit forums" page currently contains links to different pages with a number of articles and advertisements, and users may explore and research varying products under titles such as

"Best Buy Gaming News" and "Latest & Greatest." Best Buy admits that Google's reCAPTCHA V2 (checkbox) widget appears on the forums.bestbuy.com website if a user chooses to register. Best Buy admits that the right portion of the image shown in Paragraph 9 of the Complaint appears to show a portion of the code then utilized for Best Buy's website. Best Buy is without knowledge or information sufficient to form a belief as to the truth of the allegations regarding Google's service script, and therefore denies those allegations. Best Buy denies the remaining allegations in paragraph 9, and specifically denies that all users are directed to complete the reCAPTCHA verification shown in paragraph 9 of the Complaint.

obtain an API key pair for its site. The key pair consists of a site key and secret key. The site key is used to invoke the reCAPTCHA service on its website. Best Buy admits that its website includes code to display the reCAPTCHA v2 (checkbox) widget. According to Google's reCAPTCHA website, "reCAPTCHA v2 requires the user to click a checkbox indicating the user is not a robot. This will either pass the user immediately (with [n]o CAPTCHA) or challenge them to validate whether or not they are human." After Google's reCAPTCHA widget verifies that the user is most likely a human, it provides a unique token to the user. Best Buy's website gets the user's response token and uses Google's reCAPTCHA API to verify that the token is valid. If the token is valid, the user is granted access to the website resource. Best Buy denies the remaining allegations in paragraph 10, and specifically denies that it has committed any acts of infringement, that the user is presented with a matrix of non-overlapping images, and that the user submits tokens associated with images.

11. Denied.

² https://developers.google.com/recaptcha/docs/versions

https://developers.google.com/recaptcha/docs/verify

2

3

4

5

6

7

8

FIRST CLAIM FOR RELIEF

(Infringement of the '578 patent)

- 12. Best Buy repeats and incorporates each of the preceding paragraphs as if fully set forth herein.
 - 13. Denied.
- 14. Best Buy admits that to start using Google's reCAPTCHA service, a user must sign up for an API key pair for its site. The key pair consists of a site key and secret key. The site key is used to invoke the reCAPTCHA service on Best Buy's website. Best Buy further admits that, according to Google's reCAPTCHA website, it currently offers the following client-side integrations: reCAPTCHA v3; reCAPTCHA v2 (checkbox); reCAPTCHA v2 (invisible); and reCAPTCHA v2 (Android). Best Buy admits that reCAPTCHA v2 (invisible), as well as the other reCAPTCHA versions, do not infringe the '578 patent. Best Buy admits that its website includes code to display the reCAPTCHA v2 (checkbox) widget. According to Google's reCAPTCHA website, "reCAPTCHA v2 requires the user to click a checkbox indicating the user is not a robot. This will either pass the user immediately (with [n]o CAPTCHA) or challenge them to validate whether or not they are human." ⁴ After Google's reCAPTCHA widget verifies that the user is most likely a human, it provides a unique token to the user. Best Buy's website gets the user's response token and uses Google's reCAPTCHA API to verify that the token is valid. 5 If the token is valid, the user is granted access to the website resource. Best Buy denies the remaining allegations in paragraph 14, and specifically denies that it has committed any acts of infringement and that it directs or controls Google's reCAPTCHA service.
- 15. Best Buy admits that to start using Google's reCAPTCHA service, a user must sign up for an API key pair for its site. The key pair consists of a site key and secret key. The site key is used to invoke the reCAPTCHA service on its website. Best Buy denies the

⁴ https://developers.google.com/recaptcha/docs/versions

⁵ https://developers.google.com/recaptcha/docs/verify

remaining allegations in paragraph 15, and specifically denies that it has committed any acts of infringement.

- 16. Denied.
- 17. Denied.
- 18. Best Buy is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 18. Best Buy specifically denies that its use of reCAPTCHA V2 technology embodies other claims set forth in the '578 patent, and denies that it has committed any acts of infringement.
- 19. Best Buy reserves the right to assert any additional defenses or counterclaims based on any amendments to Plaintiff's infringement theories.
 - 20. Denied.
 - 21. Denied.
 - 22. Denied.
 - 23. Denied.
 - 24. Denied.
 - 25. Denied.

SECOND CLAIM FOR RELIEF (Declaratory Relief)

- 26. Best Buy repeats and incorporates each of the preceding paragraphs as if fully set forth herein.
- 27. Best Buy denies that it has committed any acts of infringement. Otherwise, admitted.
 - 28. Denied.

PRAYER FOR RELIEF

Best Buy denies that Confident is entitled to any relief in this case, and prays that the Court deny all relief sought by Confident.

AFFIRMATIVE AND OTHER DEFENSES

For the asserted affirmative and other defenses, Best Buy does not assume the burden of proof where such burden is not legally upon Best Buy. Best Buy alleges and asserts the following defenses in response to Confident's allegations and reserves all rights to allege additional defenses that may now exist or become known through the course of discovery or further investigation in this case. Best Buy asserts the following affirmative defenses in response to Plaintiff's Complaint.

FIRST AFFIRMATIVE DEFENSE (Noninfringement of U.S. Patent No. 8,621,578)

29. Best Buy does not infringe and has not infringed, either directly or indirectly, literally or under the doctrine of equivalents, any valid, enforceable, and properly construed claim of the '578 patent.

SECOND AFFIRMATIVE DEFENSE (No Willful Infringement of U.S. Patent No. 8,621,578)

30. To the extent that Best Buy is found to infringe any claim of the '578 patent (and Best Buy contends that it has and does not), any such infringement is not, and has not been, willful.

THIRD AFFIRMATIVE DEFENSE (Invalidity of U.S. Patent No. 8,621,578)

31. The claims of the '578 patent are invalid for failure to satisfy one or more provisions of the patentability requirements specified in 35 U.S.C. § 101 et seq., including without limitation, §§ 101, 102, 103, and 112. A more detailed basis for this defense is set forth in Count II of Best Buy's Counterclaims, which is included below and incorporated by reference herein.

FOURTH AFFIRMATIVE DEFENSE (No Entitlement to Injunctive Relief)

32. Confident is not entitled to injunctive relief against Best Buy because any alleged injury to Confident as a result of Best Buy's alleged activities is not immediate or

irreparable, and Confident has an adequate remedy at law. Furthermore, the balance of hardships favors Best Buy, and an injunction against Best Buy would harm the public interest.

FIFTH AFFIRMATIVE DEFENSE

(Prosecution History Estoppel)

33. Confident is estopped, by virtue of cancellations, amendments, representations, and/or concessions made to the U.S. Patent and Trademark Office during the prosecution of the '578 patent, or during the prosecution of any applications for patents from which they claim priority, or during inter partes review proceedings, from construing any claims of the '578 patent to have been infringed by Best Buy.

SIXTH AFFIRMATIVE DEFENSE (Estoppel, Waiver, and Unclean Hands)

34. Confident's purported claims are barred in whole or in part by one or more of the equitable doctrines of estoppel, waiver, unclean hands, and/or other equitable remedies.

SEVENTH AFFIRMATIVE DEFENSE (Statutory Limitations on Damages and Costs)

35. Confident's claims for damages and costs are limited by 35 U.S.C. §§ 286, 287, and/or 288.

COUNTERCLAIMS

Defendant and Counterclaim-Plaintiff BestBuy.com, LLC ("Best Buy") asserts the following counterclaims against Plaintiff and Counterclaim-Defendant Confident Technologies, Inc. ("Confident"):

THE PARTIES

1. Counterclaim-Plaintiff BestBuy.com, LLC ("Best Buy") is a Virginia Limited Liability Company with a principal place of business in Richfield, Minnesota.

2. Counterclaim-Defendant Confident Technologies, Inc. ("Confident") alleges that it is a Delaware corporation with a principal place of business in Solana Beach, California.

JURISDICTION AND VENUE

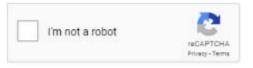
- 3. These counterclaims arise under the patent laws of the United States, 35 U.S.C. § 1, *et seq.* This Court has subject matter jurisdiction over these counterclaims pursuant to 28 U.S.C. §§ 1331, 1338(a).
- 4. This Court has personal jurisdiction over Confident by virtue, inter alia, of its filing of its Complaint for patent infringement against Best Buy in this Court. Confident has consented to venue in this District by filing this action, which is currently pending in this District. Accordingly, these counterclaims may, at this time, be brought in this District pursuant to 28 U.S.C. §§ 1391 and 1400(b).
- 5. By virtue of the allegations in Confident's Complaint and Best Buy's Answer thereto, an actual controversy exists between Best Buy and Confident as to whether U.S. Patent No. 8,621,578 is invalid, unenforceable, and/or not infringed by Best Buy.

FACTUAL BACKGROUND

A. Best Buy's Community Forum Registration Webpage

- 1. BestBuy.com LLC owns the website www.bestbuy.com on which the Best Buy Community Forum pages can be found.
- 2. Best Buy's Community Forum offers users an opportunity to interact with Best Buy employees and other consumers by posting on a series of message boards relating to various topics, including "Technology & Me" and "Customer Service." Consumers can also follow blogs authored by Best Buy through the Community Forum, including Best Buy's "Latest & Greatest" and "Beyond the Blue" blogs.

- 3. To participate in Best Buy's Community Forum, website users can register using the form provided on the registration page, https://forums.bestbuy.com/t5/user/use rregistrationpage.
- 4. Google's reCAPTCHA v2 (checkbox) technology is incorporated into the registration page on the Best Buy Community Forum to distinguish between human and non-human users trying to gain access to particular website functionality.
- 5. The Google reCAPTCHA v2 (checkbox) method that is incorporated into the registration page on the Best Buy Community Forum includes code to display the below reCAPTCHA v2 (checkbox) widget:



- 6. Upon information and belief, when a user clicks the checkbox, it triggers a sophisticated algorithm that, among other things, analyzes the user's browser history and how the user moved his or her mouse before clicking on the checkbox to guess if the user is a human or non-human.
- 7. If the user is suspected to be human, the user is allowed to register with the community without further interaction.
- 8. If the user is suspected to be non-human, the Google reCAPTCHA widget presents the user with a reCAPTCHA challenge.

9. For example, Google's reCAPTCHA challenge (shown below) instructs the user to select all images with traffic lights and then click "verify":



- 10. The Google reCAPTCHA v2 (checkbox) challenge, shown in Paragraph 9, does not instruct the user to select only one image.
- 11. The Google reCAPTCHA v2 (checkbox) challenge, shown in Paragraph 9, instructs the user to select all images that belong to the selected image category.
- 12. The Google reCAPTCHA v2 (checkbox) challenge, shown in Paragraph 9, includes images of multiple objects within each cell of a matrix.
- 13. The Google reCAPTCHA v2 (checkbox) challenge, shown in Paragraph 9, includes a bottom, right cell of a matrix with images of both a car and a traffic light.
- 14. The Google reCAPTCHA v2 (checkbox) challenge, shown in Paragraph 9, includes over-lapping images within the cells of a matrix.
- 15. The Google reCAPTCHA v2 (checkbox) challenge, shown in Paragraph 9, does not display access codes associated with the images presented to the user.
- 16. The Google reCAPTCHA v2 (checkbox) challenge, shown in Paragraph 9, lacks an access code field for typing or entering access codes associated with the images presented to the user.

B. Confident's Asserted Patent

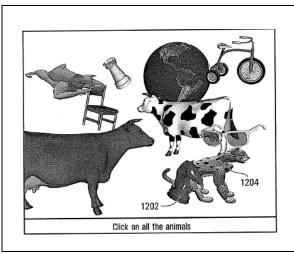
- 17. Patent Application No. 12/332,266 was filed on December 10, 2008, and later matured into U.S. Patent No. 8,621,578 ("the '578 patent").
- 18. Claim 1 of the '578 patent contains the limitation: "wherein the image recognition task comprises an instruction to select one image corresponding to the selected image category from the matrix of non-overlapping randomly selected images." [Doc. No. 1-2, '578 patent at 9:11-15].
- 19. During prosecution of the '578 patent, the Applicant amended claim 1, in part, as follows:

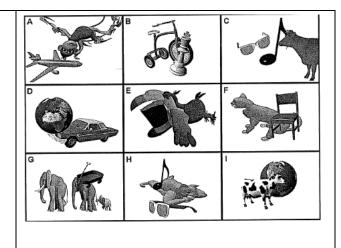
each image comprises is associated with a unique randomly generated access code, wherein the image recognition task comprises an instruction to select an one image corresponding to the selected image category from the matrix of non-overlapping dynamic graphical arrangement of randomly selected images;

[Ex. B (Excerpted '578 Patent File History, 5-17-2013 RCE) at 28].

- 20. The Applicant also discussed U.S. Patent Pub. No. 2008/0216163 to Pratte et al. ("Pratte"), attached hereto as Exhibit A, and stated that Pratte failed to teach the "image recognition task" claimed by the '578 patent because "the claimed 'image recognition task comprises an instruction to select <u>one</u> image corresponding to the selected image category from the <u>matrix of non-overlapping</u> randomly selected images." [Ex. B (Excerpted '578 Patent File History, 5-17-2013 RCE) at 29 (emphasis in original)].
 - 21. Figures 12A and 12B of Pratte are shown below:

Fig. 12A	Fig. 12B

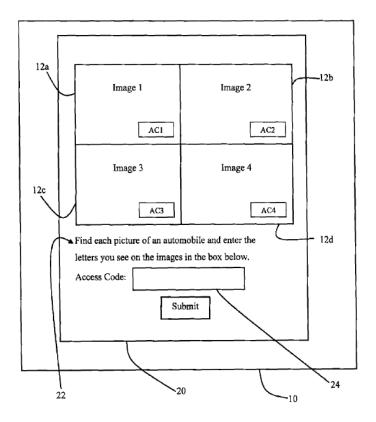




[Ex. A (Pratte) at 13]

- 22. The Applicant further stated that "Pratte does not instruct a user to select 'one image.' Rather, Pratte instructs a user to select <u>all</u> images that are associated with animals." [Ex. B (Excerpted '578 Patent File History, 5-17-2013 RCE) at 29 (emphasis in original)].
- 23. During prosecution of the '578 patent, the Applicant stated that, "Pratte does not provide a matrix of non-overlapping images. Rather, Pratte employs over-lapping images either in a window (see, e.g., Fig. 12A) or within the cells of a matrix (see, e.g., Fig. 12B)." *Id.* at 30.
- 24. The Applicant further stated that "[o]verlapping images is important to Pratte as one of ordinary skill in the art recognizes that humans, as opposed to computers, are better able to classify an image when a portion of that image is occluded by another image." *Id*.
- 25. The Summary of the Invention section of the specification of the '578 patent states, in part, "[e]ach image of the dynamic graphical arrangement comprises a unique and randomly generated access code. . . . An input is received from the user access device. The input comprises the unique randomly generated access code corresponding to the at least one image from the selected category." [Doc. No. 1-2, '578 patent at 1:21-28].

26. Figure 2 of the '578 patent, below, shows access code field 24.



Id. Fig. 2.

The specification of the '578 patent states "[u]pon presentation of the dynamic graphical arrangement, a user is instructed to select images from the selected category assigned for the access session and to type or enter within an access code field 24 the characters displayed for images from the selected category." *Id.* at 5:38-42.

- 27. During prosecution, the claims of the '578 patent were rejected over U.S. Publication No. 2008/0244700 to Osborn *et al.* in combination with other art, including U.S. Publication No. 2009/0077629 to Douceur *et al.*
- 28. During prosecution, the Examiner explicitly stated that certain claims of the '578 patent would be allowable if rewritten in independent form to include limitations from the base claim and any intervening dependent claims and if "wherein the user is still granted access to the website" was added. [Ex. B (Excerpted '578 Patent File History, 7-18-2013 Office Action) at 31-33].

29. The Applicant amended the claims of the '578 patent to add "wherein the user is still granted access to the website":

wherein the matrix comprises at least one image known to belong to the selected image category, at least one image known to not belong to the selected image category and at least one image suspected to belong to the selected image category and wherein the user is still granted access to the website when the input from the user access device comprises selection of the at least one image known to belong to the selected image category and selection or omission of the at least one image suspected to belong to the selected image category.

[Ex. B (Excerpted '578 Patent File History, Applicant 7-23-2013 Reply) at 34-35.

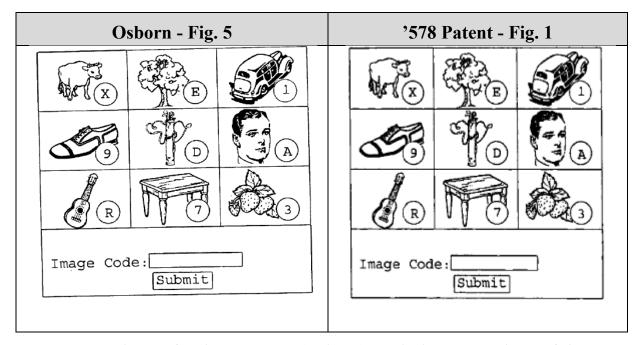
C. Patents and Printed Publications Pre-Dating the '578 Patent

- 30. The subject matter claimed in the '578 patent was also the subject matter of patents and printed publications filed or published prior to the time when the '578 application was filed, including but not limited to those listed in paragraph 114.6
- 31. The earliest priority date that the '578 patent is entitled to is December 10, 2008.
- 32. U.S. Publication No. 2008/0244700 to Osborn *et al.* ("Osborn") entitled "Methods and Systems for Graphical Image Authentication" was filed on February 21, 2008 and published on October 2, 2008. [Ex. C (Osborn)].
- 33. Because Osborn was published prior to December 10, 2008, Osborn is prior art to the '578 patent under 35 U.S.C. § 102(a).
- 34. Because Osborn was filed prior to December 10, 2008, Osborn is prior art to the '578 patent under under 35 U.S.C. § 102(e).
- 35. Osborn discloses a system and method for providing authentication using an arrangement of dynamic graphical images. A user is required to input a username, and if the username is validated, a grid of images that corresponds to pre-defined categories is displayed. Each of the images is overlaid with an image identifier. The user identifies

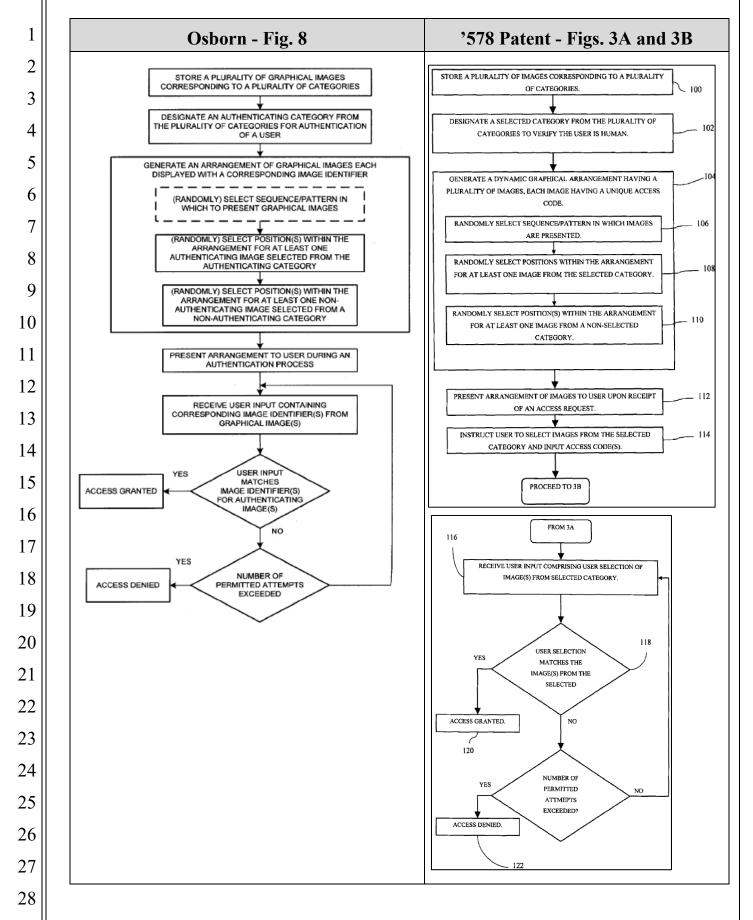
⁶ Best Buy's mapping of the claim language to the prior art is based on Plaintiff's apparent claim interpretations. Best Buy reserves its right to amend its mapping as the case progresses.

images corresponding to the pre-selected image category by inputting the corresponding image identifier. The identity of the user is verified by matching the image identifiers provided by the user with the image identifiers selected in a pre-chosen authentication sequence.

36. Fig. 5 of Osborn [Ex. C (Osborn)] and Fig. 1 of the '578 patent [Doc. No. 1-2] are shown below:

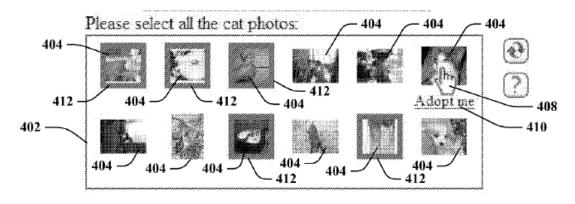


37. Fig. 8 of Osborn [Ex. C (Osborn)] and Figs. 3A and 3B of the '578 patent [Doc. No. 1-2] are shown below:



- 38. Osborn discloses generating a matrix of non-overlapping randomly selected images in response to an access request of a user. [See, e.g., Ex. C (Osborn) Fig. 5, ¶ 62].
- 39. Osborn discloses the dynamic graphical arrangement comprising one randomly selected image from a selected image category chosen for an image recognition task and at least one image not from the selected image category. *See, e.g., id.*, Figs. 5 and 8, ¶¶ 58-59, 66, 68, 72, 87.
- 40. Osborn discloses that each image is associated with a unique randomly generated access code. *See, e.g., id.*, Figs. 5 and 8, ¶¶ 58, 62.
- 41. Osborn discloses that the image recognition task comprises an instruction to select one image corresponding to the selected image category from the matrix of non-overlapping randomly selected images. *See, e.g., id.*, Figs. 5 and 8, ¶¶ 58-59, 62.
- 42. Osborn discloses the dynamic graphical arrangement of randomly selected images to the user. *See*, *e.g.*, *id.*, Figs. 5 and 8, ¶¶ 58-59, 66, 68, 72.
- 43. Osborn discloses communicating the image recognition task to the user. *See*, *e.g.*, *id.*, Figs. 5 and 8, \P 58-59, 62.
- 44. Osborn discloses receiving an input from the user access device at a server system. See, e.g., id., Fig. 8, ¶¶ 59, 88.
- 45. Osborn discloses the input comprising the unique randomly generated access code corresponding to the at least one image from the selected category. See, e.g., id., Fig. 8, ¶¶ 59, 88.
- 46. Osborn discloses the server system comparing the input from the user access device to an authenticating reference code. *See, e.g., id.*, Fig. 8, \P 59, 88.
- 47. Osborn discloses that the matrix comprises at least one image known to belong to the selected image category and at least one image known to not belong to the selected image category. *See, e.g., id.*, Figs. 5 and 8, ¶¶ 58-59, 66, 68, 72, 87.
- 48. Osborn discloses that the user is granted access to the website when the input from the user access device comprises selection of the at least one image known to belong to the selected image category. *See, e.g., id.*, Fig. 8, ¶¶ 59, 88.

- 49. U.S. Publication No. 2009/0077629 to Douceur *et al.* ("Douceur") entitled "Interest Aligned Manual Image Categorization for Human Interactive Proofs" was filed on September 17, 2007. [Ex. D (Douceur)].
- 50. Because Douceur was filed prior to December 10, 2008, Douceur is prior art to the '578 patent, under 35 U.S.C. § 102(e).
- 51. Douceur discloses a system and method for distinguishing between human and non-human computer users by using a database of categorized images, which are displayed as part of Turing test challenge (commonly known as a CAPTCHA) as shown below:



[Ex. D (Douceur) Fig. 4]

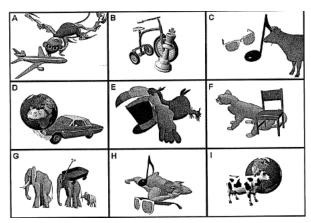
After the user makes its selections, the service determines if the user is a human or a non-human and reports back to the application. The application then determines if the user should be granted access. *See*, *e.g.*, *id.*, Figs. 4, 7 and 8, \P 44.

- 52. Douceur discloses generating a matrix of non-overlapping randomly selected images in response to an access request of a user. *See, e.g., id.*, Figs. 3-4, ¶¶ 29, 35.
- 53. Douceur discloses the dynamic graphical arrangement comprising one randomly selected image from a selected image category chosen for an image recognition task and at least one image not from the selected image category. *See, e.g., id.*, Figs. 3-4, ¶¶ 29, 35.

- 54. Douceur discloses that each image is associated with a unique randomly generated access code. *See*, *e.g.*, *id.*, Fig. 7, ¶¶ 29, 35.
- 55. Douceur discloses that the image recognition task comprises an instruction to select one image corresponding to the selected image category from the matrix of non-overlapping randomly selected images. *See, e.g., id.*, Figs. 3-4, \P 25, 29, 35.
- 56. Douceur discloses presenting the dynamic graphical arrangement of randomly selected images to the user. *See, e.g., id.*, Figs. 3-4, ¶¶ 25, 29, 35.
- 57. Douceur discloses communicating the image recognition task to the user. See, e.g., id., Fig. 3, ¶¶ 25, 29, 33.
- 58. Douceur discloses receiving an input from the user access device at a server system. *See*, *e.g.*, *id.*, Figs. 7 and 10, \P 29, 32, 35, 41.
- 59. Douceur discloses the input comprises a unique randomly generated access code corresponding to the at least one image from the selected category. *See, e.g., id.*, Fig. 7, \P 29, 35.
- 60. Douceur discloses the server system comparing the input from the user access device to an authenticating reference code to confirm the user is a human and not a computer. See, e.g., id., ¶ 32.
- 61. Douceur discloses that the matrix comprises at least one image known to belong to the selected image category, at least one image known to not belong to the selected image category and at least one image suspected to belong to the selected image category. See, e.g., id., Figs. 3-4 and 7, \P 25, 29, 31, 32, 35, 36.
- 62. Douceur discloses that the user is still granted access to the website when the input from the user access device comprises selection of the at least one image known to belong to the selected image category and selection or omission of the at least one image suspected to belong to the selected image category. *See, e.g., id.*, Fig. 7, ¶¶ 25, 29, 31, 32, 35, 36, 37.
- 63. Douceur discloses every element recited in one or more claims of the '578 patent.

25

- U.S. Patent Pub. No. 2008/0216163 to Pratte et al. ("Pratte") entitled, 64. "Method and Apparatus for Network Authentication of Human Interaction and User Identity," was filed on January 31, 2008 and published on September 4, 2008. Ex. A.
- 65. Because Pratte was published prior to December 10, 2008, Pratte is prior art to the '578 patent, under 35 U.S.C. § 102(a).
- 66. Because Pratte was filed prior to December 10, 2008, Pratte is prior art to the '578 patent under 35 U.S.C. § 102(e).
- Pratte discloses a system and method for distinguishing between human and non-human computer users by requiring the user to solve a CAPTCHA challenge, where a display screen requires users to select all images containing the required objects (e.g., select all of the chess pieces) as shown below:



[Ex. A (Pratte), Fig. 12B].

If the objects are successfully identified, the server authorizes access to the services. If the objects are not properly identified, the server provides notification of failure to the client and denies further access. *Id.*, Fig. 12B, ¶¶ 139-41.

- Pratte discloses generating a matrix of non-overlapping randomly selected 68. images in response to an access request of a user. See, e.g., id., Fig. 12B, ¶ 139.
- 69. Pratte discloses a dynamic graphical arrangement comprising one randomly selected image from a selected image category chosen for an image recognition task and at least one image not from the selected image category. See, e.g., id., Fig. 12B, ¶¶ 98, 135, 139, 141, 149, 150.

- 70. Pratte discloses that each image is associated with a unique randomly generated access code. *See*, *e.g.*, *id.*, Fig. 12B, ¶ 101.
- 71. Pratte discloses that the image recognition task comprises an instruction to select one image corresponding to the selected image category from the matrix of non-overlapping randomly selected images. See, e.g., id., Fig. 12A, ¶¶ 136, 139, 140.
- 72. Pratte discloses presenting the dynamic graphical arrangement of randomly selected images to the user. *See, e.g., id.*, Figs. 12A, 12B, ¶¶ 98, 135, 136, 137, 139, 141, 149, 150.
- 73. Pratte discloses communicating the image recognition task to the user. *See*, *e.g.*, *id.*, Fig. 12A, $\P\P$ 108, 136, 139, 140.
- 74. Pratte discloses receiving an input from the user access device at a server system. See, e.g., id., Fig. 9, ¶¶ 101, 111, 139, 141.
- 75. Pratte discloses the input comprising the unique randomly generated access code corresponding to the at least one image from the selected category. See, e.g., id., Fig. 9, ¶¶ 101, 111, 139.
- 76. Pratte discloses the server system comparing the input from the user access device to an authenticating reference code to confirm the user is a human and not a computer. See, e.g., id., Fig. 9, ¶¶ 101, 111, 112, 139, 141.
- 77. Pratte discloses the matrix comprises at least one image known to belong to the selected image category and at least one image known to not belong to the selected image category. *See, e.g., id.*, Fig. 12B, ¶¶ 98, 135, 139, 141, 149, 150.
- 78. Pratte discloses that the user is granted access to the website when the input from the user access device comprises selection of the at least one image known to belong to the selected image category. See, e.g., id., Fig. 9, ¶¶ 101, 111, 112, 139, 141.
- 79. The publication entitled "Asirra: A CAPTCHA that Exploits Interest-Aligned Manual Image Categorization" by Jeremy Elson, et al. ("Elson") was published on or before November 2, 2007. [Ex. E (Elson)].

- 80. Because Elson was published more than one year prior to December 10, 2008, Elson is prior art to the '578 patent, under 35 U.S.C. § 102(b).
- 81. Elson discloses a CAPTCHA challenge that asks users to identify cats out of a set of 12 photographs of both cats and dogs. [See, e.g., Ex. E (Elson), Abstract].
- 82. Elson discloses generating a matrix of non-overlapping randomly selected images in response to an access request of a user. *See, e.g., id.*, Fig. 1, §3.1.
- 83. Elson discloses a dynamic graphical arrangement comprising one randomly selected image from a selected image category chosen for an image recognition task and at least one image not from the selected image category. *See, e.g., id.*, Fig. 1, §3.
- 84. Elson discloses that each image is associated with a unique randomly generated access code. *See*, *e.g.*, *id.*, Fig. 1, §5.2.
- 85. Elson discloses that the image recognition task comprises an instruction to select one image corresponding to the selected image category from the matrix of non-overlapping randomly selected images. *See, e.g., id.*, Fig. 1, Abstract.
- 86. Elson discloses presenting the dynamic graphical arrangement of randomly selected images to the user. *See, e.g., id.*, Fig. 1, §3.1.
- 87. Elson discloses communicating the image recognition task to the user. *See*, *e.g.*, *id.*, Fig. 1, Abstract.
- 88. Elson discloses receiving an input from the user access device at a server system. *See*, *e.g.*, *id.*, Fig. 1, Abstract, §§5.1, 5.2.
- 89. Elson discloses the input comprising the unique randomly generated access code corresponding to the at least one image from the selected category. *See, e.g., id.*, Fig. 1, Abstract, §§3.1, 5.1, 5.2.
- 90. Elson discloses the server system comparing the input from the user access device to an authenticating reference code to confirm the user is a human and not a computer. *See*, *e.g.*, *id.*, Fig. 1, Abstract, §§3.1, 5.1, 5.2.
- 91. Elson discloses that the matrix comprises at least one image known to belong to the selected image category, at least one image known to not belong to the selected

image category and at least one image suspected to belong to the selected image category. *See, e.g., id.*, Fig. 1, §§3, 4.1.

- 92. Elson discloses that the user is still granted access to the website when the input from the user access device comprises selection of the at least one image known to belong to the selected image category and selection or omission of the at least one image suspected to belong to the selected image category. *See, e.g., id.*, Fig. 1, §§3, 4.1, 5.1.
- 93. Elson discloses every element recited in one or more claims of the '578 patent.
- 94. The publication entitled "Image Recognition CAPTCHAs" by Monica Chew and J.D. Tygar ("Chew") was published in September 2004. [Ex. F (Chew)].
- 95. Because Chew was published more than one year prior to December 10, 2008, Chew is prior art to the '578 patent under 35 U.S.C. § 102(b).
- 96. Chew discloses various image recognition CAPTCHAs, including an image recognition CAPTCHA where five images of the same subject and one image of a different subject are displayed to a user, and the user must identify the image that is of a different subject to pass the test. [See, e.g., Ex. F (Chew), Abstract, Fig. 1, §2].
- 97. Chew discloses generating a matrix of non-overlapping randomly selected images in response to an access request of a user. *See, e.g., id.*, Fig. 1, §2.
- 98. Chew discloses the dynamic graphical arrangement comprising one randomly selected image from a selected image category chosen for an image recognition task and at least one image not from the selected image category. *See, e.g., id.*, Fig. 1, §2.
- 99. Chew discloses that the image recognition task comprises an instruction to select one image corresponding to the selected image category from the matrix of non-overlapping randomly selected images. *See, e.g., id.*, Fig. 1, §2.
- 100. Chew discloses the dynamic graphical arrangement of randomly selected images to the user. *See, e.g., id.*, Fig. 1, §2.
- 101. Chew discloses communicating the image recognition task to the user. *See*, *e.g.*, *id.*, Fig. 1, §2.

- 102. Chew discloses the matrix comprises at least one image known to belong to the selected image category, at least one image known to not belong to the selected image category and at least one image suspected to belong to the selected image category. *See, e.g., id.*, Fig. 1, §§2, 2.1.
- 103. Chew discloses the the user is still granted access to the website when the input from the user access device comprises selection of the at least one image known to belong to the selected image category and selection or omission of the at least one image suspected to belong to the selected image category. *See, e.g., id.*, Fig. 1, §§2, 2.1.

COUNT I: DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '578 PATENT

- 104. Best Buy restates and incorporates by reference its allegations in paragraphs1-103 of its Counterclaims so that each of those allegations is made in this Count I.
- 105. Confident claims to have an ownership interest by assignment in the '578 patent and claims to have the right to enforce the '578 patent.
 - 106. Confident, in this action, alleges that Best Buy infringes the '578 patent.
- 107. Best Buy is not infringing, has not infringed, and is not liable for any infringement, either directly or indirectly, literally or under the doctrine of equivalents, of any valid and enforceable claim of the '578 patent, and Confident is entitled to no relief of any claim in the Complaint for, *inter alia*, at least the reasons stated in Best Buy's Answer and in Best Buy's Affirmative Defenses.
- 108. Thus, an immediate, real, and justiciable controversy exists between Confident, on the one hand, and Best Buy, on the other hand, with respect to the alleged infringement of the '578 patent.
- 109. Best Buy is entitled to a declaratory judgment that it has not and does not infringe, directly or indirectly, any valid, enforceable claim of the '578 patent.

COUNT II: DECLARATORY JUDGMENT OF INVALIDITY OF THE '578 PATENT

- 110. Best Buy restates and incorporates by reference its allegations in paragraphs1-103 of its Counterclaims so that each of those allegations is made in this Count II.
- 111. Claims of the '578 patent are invalid for failure to meet one or more of the conditions for patentability specified in Title 35, U.S.C., or the rules, regulations, and law related thereto, including, without limitation, one or more of 35 U.S.C. §§ 101, 102, 103, and/or 112.
- 112. Best Buy alleges infringement of the '578 patent only with respect to claim 1.
- 113. Claim 1 of the '578 patent, for example, is invalid under 35 U.S.C. § 101 because it is directed to the abstract idea of recognizing and categorizing images and recites only generic computer technology for carrying out that process.
- 114. Claim 1 of the '578 patent, for example, is invalid under 35 U.S.C. §§ 102 and/or 103 for anticipation and/or obviousness based at least on the following exemplary references:
 - a) Applicant admitted prior art
 - b) Prior art listed on the face of the patent
 - c) U.S. Publication No. 2008/0244700 (Osborn)
 - d) U.S. Publication No. 2009/0077629 (Douceur)
 - e) U.S. Publication No. 2008/0216163 (Pratte)
 - f) Asirra: A CAPTCHA that Exploits Interest-Aligned Manual Image Categorization by Jeremy Elson, et al. (Elson)
 - g) Image Recognition CAPTCHAs by Monica Chew and J.D. Tygar (Chew)
- 115. Claim 1 of the '578 patent, for example, is invalid under 35 U.S.C. § 112 for failing the written description and enablement requirements because the specification does not support the breadth of the claims—at least as asserted in Confident's

Complaint—nor does the specification enable a person of ordinary skill in the art to make and use the alleged claimed invention without undue experimentation.

- 116. For example, the specification fails to describe or enable the "wherein the matrix comprises at least one image known to belong to the selected image category, at least one image known to not belong to the selected image category and at least one image suspected to belong to the selected image category and wherein the user is still granted access to the website when the input from the user access device comprises selection of the at least one image known to belong to the selected image category and selection or omission of the at least one image suspected to belong to the selected image category" limitation [Doc. No. 1-2, '578 patent at 9:26-35].
- 117. Thus, an immediate, real and justiciable controversy exists between Confident, on the one hand, and Best Buy, on the other hand, with respect to the alleged validity of the '578 patent.
- 118. Best Buy is entitled to a declaratory judgment that the claims of the '578 patent are invalid.

EXCEPTIONAL CASE

119. For the reasons set forth in Best Buy's Defenses and Counterclaims, this is an exceptional case entitling Best Buy to an award of its attorneys' fees incurred in connection with defending and prosecuting this action pursuant to 35 U.S.C. § 285.

PRAYER FOR RELIEF

WHEREFORE, Best Buy respectfully requests that the Court grant the following relief:

(a) A judgment in favor of Best Buy denying Confident all relief requested in its Complaint in this action and dismissing Confident's Complaint against Best Buy with prejudice;

- (b) A declaration that Best Buy has not infringed and is not infringing, either literally or under the doctrine of equivalents, any valid or enforceable claims of the '578 patent, that Best Buy has not contributed to or induced, and is not contributing to or inducing, infringement of any valid or enforceable claims of the '578 patent, and that Best Buy is not liable for any infringement;
- (c) A declaration that the claims of the '578 patent are invalid;
- (d) A judgment awarding Best Buy prejudgment and post-judgment interest and its costs, fees and other expenses incurred in this action;
- (e) A declaration that this is an exceptional case within the meaning of 35 U.S.C. § 285 and that Best Buy be awarded its attorneys' fees; and
- (f) Any and all other relief as this Court may deem just and proper.

JURY DEMAND

Best Buy demands trial by jury on all issues so triable, including specifically on Confident's claims, Best Buy's defenses thereto, and Best Buy's counterclaims.

Date: January 17, 2019

Respectfully submitted,

KIRKLAND & ELLIS LLP

/s/ Brent Ray

Sharre Lotfollahi (S.B.N. 258913) KIRKLAND & ELLIS LLP

333 South Hope Street Los Angeles, CA 90071

Telephone: (213) 680-8400 Facsimile: (213) 680-8500

sharre.lotfollahi@kirkland.com

Brent Ray (pro hac vice) Kristina N. Hendricks (*pro hac vice*) Sarah Craig (*pro hac vice*) KIRKLAND'& ELLIS LLP 300 North LaSalle

Chicago, IL 60654

CERTIFICATE OF SERVICE

I, the undersigned, declare: I am a citizen of the United States and am employed at Kirkland & Ellis, LLP. I am over the age of 18 and not a party to this action. My business address is 300 North LaSalle, Chicago, Illinois 60654.

On January 17, 2019, a true and correct copy of the foregoing document was served to all counsel of record who are deemed to have consented to electronic service via the Court's CM/ECF system per Civil Local Rule 5.4. Any other counsel of record will be served by electronic mail, facsimile, U.S. Mail and/or overnight delivery.

FEDERAL: I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on January 17, 2019, at Chicago, Illinois.

/s/ Brent Ray

Brent Ray