

## **Court Order on Yardi's Motion to Dismiss**

On August 11, 2011, the United States District Court for the Central District of California dismissed all counterclaims filed against Yardi Systems by RealPage, Inc. (NASDAQ:RP) ("RealPage") for antitrust violations and interference with RealPage's customers.

The complete brief is available on Yardi's website at <http://www.yardi.com/legal/08-11-2011-Court--Order-MTD.pdf>. Following statements are quoted directly from the court order dated August 11, 2011.

### **Discussion**

First, Yardi contends RealPage's antitrust claims under the Sherman Antitrust Act and the California Cartwright Act fail to: (a) properly allege per se tying, (b) define the relevant market affected by Yardi's alleged conduct, (c) allege market power, (d) allege harm to competition, and (e) identify any agreement in restraint of trade. Second, Yardi argues RealPage's claim for intentional interference with a contract does not allege an actual breach or disruption of any contract between RealPage and a third party. Third, Yardi contends that the claims for intentional interference with a prospective economic advantage and unfair competition fail to the extent they rely on RealPage's flawed antitrust and contractual interference claims. The Court addresses each argument in turn.

### **RealPage's Antitrust Claims**

Thus, because Yardi does not tie the sale of Voyager with a tied product, i.e. the purchase of cloud computing or the non-purchase of cloud computing from RealPage, the facts as pleaded do not fit the definition of a tying arrangement. Therefore RealPage fails to allege that Yardi engaged in an illegal tying arrangement. Consequently, RealPage's antitrust claims against Yardi fail and **Yardi's Motion is GRANTED as to these claims.**

### **RealPage's Claims for Intentional Interference**

Consequently, RealPage fails to properly plead the final two elements for intentional interference of a prospective economic advantage – actual breach and resulting damage. Accordingly, **Yardi's Motion is GRANTED as to both intentional interference claims.**

### **RealPage's UCL (Unfair Competition) Claims**

RealPage's claim for misappropriation of trade secrets, however, has not been challenged. Therefore, it provides a sufficient foundation for RealPage's UCL claim against Yardi. Consequently, **Yardi's Motion is DENIED as to this claim.**

### **Conclusion**

For the foregoing reasons, RealPage's claims against Yardi for misappropriation of trade secrets and violation of the UCL survive Yardi's Motion to Dismiss. Accordingly, Yardi's Motion to Dismiss is DENIED as to these claims. As to its antitrust and intentional interference claims, however, RealPage fails to properly state a claim upon which relief can be granted. Accordingly, Yardi's Motion to Dismiss is GRANTED as to these claims. If it so chooses, RealPage may amend these claims if it can, in good faith, allege facts to support them. Any amended counterclaim must be filed within thirty (30) days of the date of this Order.

IT IS SO ORDERED.

August 11, 2011

Hon. Otis D Wright II

United States District Judge