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8 Attorneys for Defendant
CYBERNET VENTURES, INC.
9 AND ACMP, LLC

10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12 SOUTHERN DIVISION

13 Acacia Media Technologies
14 Corporation,

15 Plaintiff,

16 v.

17 Cybernet Ventures, Inc., a California
18 Corporation; ACMP, LLC, a California
19 limited liability company; and Global
20 Media Resources SA, on behalf of
themselves and all other similarly
situated,

21 Defendants.

22 Cybernet Ventures, Inc., a California
23 Corporation; ACMP, LLC, a California
24 limited liability company;

25 Counterclaimants

26 v.

27 Acacia Media Technologies
Corporation,

28 Counterdefendant.

Case No. SA CV 03-1803 (GLT) (ANx)

**DEFENDANT CYBERNET
VENTURES, INC. AND ACMP,
LLC'S ANSWER TO ACACIA
MEDIA TECHNOLOGIES
CORPORATION'S COMPLAINT
FOR PATENT INFRINGEMENT,
PERMANENT INJUNCTION, AND
DAMAGES**

CLASS ACTION

JURY TRIAL DEMANDED

1 Pursuant to Rule 8 of the Federal Rules of Civil Procedure, Defendants
2 Cybernet Ventures, Inc. and ACMP, Ltd. (“Defendants”) hereby respond to the
3 Complaint for Patent Infringement, Permanent Injunction, and Damages
4 (“Complaint”) of Plaintiff Acacia Media Technologies Corporation (“Acacia”), on
5 personal knowledge as to their own activities and on information and belief as to the
6 activities of others, as follows:

7 Defendants deny each and every allegation contained in the Complaint that is
8 not expressly admitted below. Any factual allegation admitted below is admitted
9 only as to the specific admitted facts, not as to any purported conclusions,
10 characterizations, implications, or speculations that arguably follow from the
11 admitted facts. Defendants deny that Acacia is entitled to the relief requested or any
12 other.

13 **ANSWER**

14 1. Defendants admit that this action purports to arise under the laws of the
15 United States relating to patents (35 U.S.C. §§ 271, 281, 283, 284, 285). Defendants
16 admit that this court has federal question jurisdiction pursuant to 28 U.S.C. §§ 1331
17 and 1338(a).

18 2. Defendant lacks sufficient knowledge or belief to admit or deny the
19 allegations of the first sentence of paragraph 2, and, therefore, deny those allegations.
20 Defendants admit that venue is proper under 28 U.S.C. §§ 1391(b), 1391(c) and
21 1400(b). Defendants admit that they reside in this judicial district. Defendants deny
22 the remaining allegations of paragraph 2.

23 3. Defendants lack sufficient knowledge or belief to admit or deny the
24 allegations of paragraph 3, and, therefore, deny those allegations.

25 4. Defendant Cybernet Ventures, Inc. admits that it is a corporation duly
26 organized and existing under the laws of the State of California, with a place of
27 business at 17328 Ventura Blvd., Suite 118, Encino, CA 91316. Defendant Cybernet
28 Ventures, Inc. admits that Timothy F. Umbreit is a registered agent for service of

1 process for Cybernet Ventures, Inc. at 17328 Ventura Blvd., Suite 118, Encino, CA
2 91316. Defendants deny the remaining allegations of paragraph 4.

3 5. Defendant Cybernet Ventures, Inc. admits the allegations of paragraph 5
4 to the extent it understands them, but denies any inference, which may be contained
5 within those allegation, that the described conduct infringes any claim of the asserted
6 patents.

7 6. Defendant ACMP, LLC admits that it is a limited liability corporation
8 duly organized and existing under the laws of the State of California with a place of
9 business at 17328 Ventura Blvd., Suite 183, Encino, CA 91316. Defendant ACMP,
10 LLC admits that Timothy F. Umbreit is a registered agent for service of process for
11 ACMP, LLC at 17328 Ventura Blvd., Suite 183, Encino, CA 91316. Defendants
12 deny the remaining allegations of paragraph 6.

13 7. Defendant ACMP, LLC denies the allegations of paragraph 7 to the
14 extent they include the alleged exchange of information via file transfer protocol or
15 electronic mail. Subject to that denial, Defendant ACMP, LLC admits the allegations
16 of paragraph 7 to the extent it understands them, but denies any inference, which may
17 be contained within those allegation, that the described conduct infringes any claim
18 of the asserted patents.

19 8. Defendants lack sufficient knowledge or belief to admit or deny the
20 allegations of paragraph 8, and, therefore, deny those allegations.

21 9. Defendants lack sufficient knowledge or belief to admit or deny the
22 allegations of paragraph 9, and, therefore, deny those allegations.

23 10. Defendants admit that Acacia purports to bring this action pursuant to
24 Federal Rules of Civil Procedure 23(a), 23(b)(1)(A), and 23(b)(1)(B) and that Acacia
25 purports to bring this action against the alleged class Acacia purports to attempt to
26 define, but Defendants deny that this action is appropriate for class certification under
27 these subsections.

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1 11. Defendants lack sufficient knowledge or belief to admit or deny the
2 allegations of paragraph 11, and therefore deny those allegations.

3 12. Defendants deny the allegations of the first sentence of Paragraph 12.
4 Defendants lack sufficient knowledge or belief to admit or deny the allegations of the
5 remainder of paragraph 12, and therefore deny those allegations.

6 13. Defendants lack sufficient knowledge or belief to admit or deny the
7 allegations of paragraph 13, and therefore deny those allegations.

8 14. Defendants deny the allegations of the first sentence of Paragraph 14.
9 Defendants lack sufficient knowledge or belief to admit or deny the allegations of the
10 remainder of paragraph 14, and therefore deny those allegations.

11 15. Defendants lack sufficient knowledge or belief to admit or deny the
12 allegations of the first sentence of Paragraph 15, and therefore deny those allegations.
13 Defendants deny the allegations of the remainder of Paragraph 15.

14 16. Defendants deny the allegations of Paragraph 16.

15 17. Defendants incorporate their individual and collective responses to
16 paragraphs 1-16 of their answer as if repeated verbatim.

17 18. Defendants admit that U.S. Patent No. 5,132,992 (“the ‘992 patent”) is
18 entitled “Audio and Video Transmission and Receiving System” and that the ‘992
19 patent was issued on July 21, 1992 by the United States Patent and Trademark Office.
20 Defendant lacks sufficient knowledge or belief to admit or deny the allegations of the
21 second sentence of paragraph 18, and, therefore, denies those allegations. Defendant
22 admit that a copy of the ‘992 patent was attached to the Complaint. Defendants deny
23 the remaining allegations of paragraph 18.

24 19. Defendants deny the allegations of paragraph 19.

25 20. Defendants admit that Acacia has corresponded with Defendants
26 regarding the ‘992 patent, but deny the remainder of the allegations of paragraph 20.

27 21. Defendants deny the allegations of paragraph 21.

28 22. Defendants deny the allegations of paragraph 22.

1 **First Affirmative Defense**
2 **(Invalidity)**

3 1. The '992 patent is invalid because it fails to comply with the
4 requirements of 35 U.S.C. § 101 *et seq.*, including, without limitation, Sections 101,
5 102, 103, and 112. For example, there are numerous prior art references that
6 invalidate the claims of the '992 patent under 35 U.S.C. §§ 102 and 103.
7 Furthermore, the specification of the '992 patent is so general, vague, and ambiguous
8 that it fails to enable persons skilled in the relevant art to make and use the claimed
9 invention, thereby invalidating the claims of the '992 patent under 35 U.S.C. § 112.
10 Moreover, many of the claims of the '992 patent are indefinite, thus rendering the
11 claims invalid under 35 U.S.C. § 112.

12 **Second Affirmative Defense**
13 **(Invalidity)**

14 2. The '702 patent is invalid because it fails to comply with the
15 requirements of 35 U.S.C. § 101 *et seq.*, including, without limitation, Sections 101,
16 102, 103, and 112. For example, there are numerous prior art references that
17 invalidate the claims of the '702 patent under 35 U.S.C. §§ 102 and 103.
18 Furthermore, the specification of the '702 patent is so general, vague, and ambiguous
19 that it fails to enable persons skilled in the relevant art to make and use the claimed
20 invention, thereby invalidating the claims of the '702 patent under 35 U.S.C. § 112.
21 Moreover, many of the claims of the '702 patent are indefinite, thus rendering the
22 claims invalid under 35 U.S.C. § 112.

23 **Third Affirmative Defense**
24 **(Non-Infringement)**

25 3. Defendants do not literally or under the doctrine of equivalents infringe
26 and have not infringed (either directly, contributorily, or by inducement) any claim of
27 the '992 patent. By asserting this affirmative defense, however, Defendants do not
28

1 assume any burden of proof on the issue of infringement and that burden remains
2 with Acacia.

3 **Fourth Affirmative Defense**
4 **(Non-Infringement)**

5 4. Defendants do not literally or under the doctrine of equivalents infringe
6 and have not infringed (either directly, contributorily, or by inducement) any claim of
7 the '702 patent. By asserting this affirmative defense, however, Defendants do not
8 assume any burden of proof on the issue of infringement and that burden remains
9 with Acacia.

10 **Fifth Affirmative Defense**
11 **(Unenforceability- Inequitable Conduct)**

12 5. On information and belief, the named inventors of the '992 patent and
13 the other individuals and attorneys associated with the prosecution of the patent
14 application that issued as the '992 patent ("the '992 patent application") violated the
15 duties of candor, good faith, and honesty they owed to the United States Patent and
16 Trademark Office ("PTO"). With an intent to deceive and mislead, as detailed in the
17 following averments, these individuals made affirmative misrepresentations of
18 material facts and failed to disclose material information to the PTO. Because these
19 individuals violated their duties and deceived the PTO, equity bars the enforcement
20 of the '992 patent.

21 6. On information and belief, Paul Yurt, H. Lee Browne, Susan Hinrichs,
22 Doris J. Johnson, and E. Robert Yoches were associated with the filing and
23 prosecution of the '992 patent application, and accordingly owed a duty of candor
24 and good faith in dealing with the PTO pursuant to 37 C.F.R. § 1.56.

25 7. On June 17, 1991, a "Petition to Make Special" pursuant to Manual of
26 Patent Examining Procedures § 708.02 (VIII) was filed to make the '992 patent
27 application special and accelerate the examination of the application. In accordance
28 with § 708.02, the '992 patent applicants confirmed that an attorney conducted a pre-

1 examination search of United States Patents listed in class 358, subclass 86 and class
2 455, subclasses 4, 5, 86, 102, 135, and 136. The applicants also indicated that
3 investigations were conducted after the initial pre-examination search.

4 8. The "Petition to Make Special" included descriptions for thirty-seven of the
5 references discovered during the initial pre-examination search and subsequent
6 investigations. In the "Petition to Make Special," the patent applicants requested that
7 the claims of the '992 patent application be passed to issue "as quickly as possible."

8 9. The individuals associated with the filing and prosecution of the '992 patent
9 application made at least the following false and/or misleading statements concerning
10 material prior art references to the PTO. Each of the following false or misleading
11 statements were made in the "Petition to Make Special:"

- 12 a. With respect to U.S. Pat. No. 4,506,387 issued to Walter, the Petition to
13 Make Special states: "After selection from memory modules, there is no
14 provision in Walter for storing the requested material in a compressed
15 form . . . Walter shows memory modules 102 in the data receiving
16 system 14, but there is no indication in Walter that compressed data is
17 stored in memory module 102. Because non-compressed data is stored
18 in the memory module, the user is limited as to the quantity of data
19 which may be stored therein."
- 20 b. With respect to U.S. Pat. No. 4,734,765 to Okada et al, the Petition to
21 Make Special states: "There is no provision for storage of the requested
22 information prior to transmission."
- 23 c. With respect to U.S. Pat. No. 4,890,320 to Monslow et al, the Petition to
24 Make Special states: "The Monslow et al system requires multiple users
25 in multiple locations to view the requested material at the time it is
26 broadcast, rather than allowing each viewer to choose his or her own
27 viewing time. Once the choice is made, the user cannot change it
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1 because Monslow et al does not provide for buffering a selected program
2 so that the user can play it back at a desired time.”

3 d. With respect to U.S. Pat. No. 4,949,187 to Cohen, the Petition to Make
4 Special states: “Cohen does not teach that the information transmitted
5 over telephone line 60 is compressed . . . Cohen also does not teach or
6 suggest the step of storing audio and video information in a compressed
7 data form . . . Cohen does not indicate that the incoming signals are
8 received in a compressed format.”

9 e. With respect to U.S. Pat. No. 3,746,780 to Stetten et al., the Petition to
10 Make Special states: “There is no provision in Stetten et al for storing
11 requested information after selection and prior to transmission.”

12 f. With respect to U.S. Pat. No. 4,518,989 to Yabiki et al., the Petition to
13 Make Special states: “There is no provision for storage of the requested
14 information prior to transmission.”

15 10. Each of these statements falsely or misleadingly characterizes the
16 respective prior art reference in a manner material to patentability.

17 11. Defendant is informed and believes that these false and/or misleading
18 statements were made knowingly and with the intent to deceive the PTO to assert
19 patentability and/or oppose arguments of unpatentability for the purposes of
20 procuring the ‘992 patent.

21 12. On March 6, 1992, Greenwich Technologies, which employed inventor
22 H. Lee Browne and Susan Hinrichs, signed an agreement with the David Sarnoff
23 Research Center. David Sarnoff Research Center is a research facility that was
24 formerly part of General Electric Company. Pursuant to the agreement, the David
25 Sarnoff Research Center conducted a technical evaluation of the video-on-demand
26 system outlined in the ‘992 patent application.

27 13. In a letter dated April 20, 1991 to Mr. H. Lee Browne, the David Sarnoff
28 Research Center issued a technical review of the video-on-demand system outlined in

1 the '992 patent application ("the Sarnoff Report"). The Sarnoff report provided an
2 analysis of the novelty of the system in the context of published material in the areas
3 of video-on-demand and interactive multimedia.

4 14. The Sarnoff Report included the following analysis of the video-on-
5 demand system outlined in the '992 patent application:

6 "The general principles of the system outlined in the patent document appear to
7 be technically correct, though lacking in specific details particularly at the subsystem
8 level. While the document may serve as a useful starting point for further
9 development, significant additional design / simulation / prototyping work will be
10 required for a meaningful proof-of-concept. Based on our review of published
11 material on this topic [see reference list & attached papers], we do not consider the
12 overall system architecture to be novel in a scientific/technological sense. Similar
13 concepts for storing, accessing, transmitting and displaying compressed video and
14 audio information are widely understood by researchers in the telecommunication and
15 multimedia fields. In some cases, these concepts have also been demonstrated in
16 practice, such as the MPEG-based video-on-demand / interactive multimedia
17 prototype currently being shown at Bell Communications Research, Morristown by
18 Dr. A. Gelman. Other video-on-demand system architectures (e.g., Bellcore) are
19 considered to be further developed than the Greenwich system since they are
20 associated with more technical detail, particularly in the areas of compression and
21 transmission."

22 15. The information provided in the Sarnoff Report regarding the system
23 outlined in the '992 patent application is material, as defined by 37 C.F.R. § 1.56.

24 16. The Sarnoff Report included a list of twenty-eight references that
25 disclosed various aspects of video-on-demand system outlined in the '992 patent
26 application. The Sarnoff Report included copies of the twenty-eight references. Of
27 the twenty-eight references cited in the Sarnoff Report, twenty-two were published
28 before the filing date of the '992 patent application.

1 17. Among the list of references in the Sarnoff Report was an article
2 identified as "GE 91" by A. D. Gelman, titled "A Store-and-Forward Architecture for
3 Video-On-Demand Service" ("the Gelman article"). According to the Sarnoff
4 Report, the Gelman article discloses various aspects of the video-on-demand
5 prototype shown at Bell Communications Research, Morristown.

6 18. On or about March 30 and March 31, 1991, Doris J. Johnson obtained
7 five of the references cited in the Gelman article. Doris J. Johnson and provided
8 these references to Susan Hinrichs and/or H. Lee Brown.

9 19. On August 30, 2000, the applicants filed a patent application, Serial No.
10 09/651,115 ("the '115 application), which is a continuation of U.S. Pat. No.
11 6,114,702 ("the '702 patent"), which is a division of U.S. Pat. No. 6,002,720, which
12 is a continuation of U.S. Pat. No. 5,550,863, which is a continuation of U.S. Pat. No.
13 5,253,275, which is a continuation of the '992 patent.

14 20. During the prosecution of the '115 application, the applicants filed an
15 information disclosure statement that included all of the twenty-eight references cited
16 in the Sarnoff Report and six of the articles cited in the Gelman article.

17 21. The Sarnoff Report, the references cited therein, and the references cited
18 in the Gelman article are material, as defined by 37 C.F.R. § 1.56.

19 22. The Sarnoff Report was not provided to the PTO during the prosecution
20 of the '992 patent. None of the information or analysis provided in the Sarnoff
21 Report regarding the system outlined in the '992 patent was disclosed to the PTO
22 during the '992 patent's prosecution. Furthermore, none of the references cited in the
23 Sarnoff Report or the Gelman article were disclosed to the PTO during the
24 prosecution of the '992 patent.

25 23. By concealing the material information and analysis set forth in the
26 Sarnoff Report, and the material references identified in Sarnoff Report and the
27 Gelman article, Paul Yurt, H. Lee Browne, Susan Hinrichs, Doris J. Johnson, and/or
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1 E. Robert Yoches were able to obtain allowance of claims of the '992 patent
2 application and the issuance of the '992 patent.

3 24. Defendant is informed and believes that Paul Yurt, H. Lee Browne,
4 Susan Hinrichs, Doris J. Johnson, and/or E. Robert Yoches knowingly concealed
5 such material information, analysis, and references and did so with the intent to
6 deceive the PTO in order to assert patentability and/or oppose arguments of
7 unpatentability for purposes of procuring the '992 patent.

8 25. For the foregoing reasons, the '992 patent is unenforceable due to
9 inequitable conduct.

10 26. The inequitable conduct in the prosecution of the '992 patent application
11 infects the patents that are genealogically related to the '992 patent, including the
12 '702 patent. Consequently, the '702 patent is unenforceable due to inequitable
13 conduct in the prosecution of the '992 patent.

14 **Sixth Affirmative Defense**
15 **(Unenforceability- Inequitable Conduct)**

16 27. Paragraphs 5-26 of Defendants' Fifth Affirmative Defense are
17 incorporated by reference as if repeated verbatim.

18 28. On information and belief, the named inventors of the '702 patent and
19 the other individuals and attorneys associated with the patent application that issued
20 as the '702 patent ("the '702 application) violated the duties of candor, good faith,
21 and honesty they owed to the PTO. With an intent to deceive, and as detailed in the
22 following averments, these individuals failed to disclose material information to the
23 PTO. Because these individuals violated their duties and deceived the PTO, equity
24 bars the enforcement of the '702 patent.

25 29. On information and belief, Paul Yurt, H. Lee Browne, Susan Hinrichs,
26 Andrea G. Reister, and Doris J. Johnson were associated with the filing and
27 prosecution of the '702 patent application, and accordingly owed a duty of candor
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1 and good faith in dealing with the U.S. Patent and Trademark Office pursuant to 37
2 C.F.R. § 1.56.

3 30. The Sarnoff Report was not provided to the PTO during the prosecution
4 of the '702 patent. None of the information or analysis provided in the Sarnoff
5 Report regarding the system outlined in the '992 patent and '702 patent was disclosed
6 to the PTO during the prosecution of the '702 patent. Furthermore, none of the
7 references cited in the Sarnoff Report or the Gelman article were disclosed to the
8 PTO during the prosecution of the '702 patent.

9 31. By concealing the material information and analysis set forth in the
10 Sarnoff Report, and the material references identified in Sarnoff Report and the
11 Gelman article, Paul Yurt, H. Lee Browne, Susan Hinrichs, Andrea G. Reister, and/or
12 Doris J. Johnson were able to obtain allowance of claims of the '702 patent
13 application and the issuance of the '702 patent.

14 32. Defendant is informed and believes that Paul Yurt, H. Lee Browne,
15 Susan Hinrichs, Andrea G. Reister, and/or Doris J. Johnson knowingly concealed
16 such material information, analysis, and references and did so with the intent to
17 deceive the PTO in order to assert patentability and/or oppose arguments of
18 unpatentability for purposes of procuring the '702 patent.

19 33. For the foregoing reasons, the '702 patent is unenforceable due to
20 inequitable conduct.

21 **Seventh Affirmative Defense**
22 **(Unenforceability- Prosecution Laches)**

23 34. Acacia is barred in equity and by the doctrine of prosecution laches from
24 enforcing the '702 patent against Defendant.

25 35. On information and belief, the named inventors of the '702 patent, Paul
26 Yurt and H. Lee Browne, made absolutely no effort to claim the subject matter that
27 issued as the '702 patent until, at least, July 23, 1998, more than seven years after
28 they filed their application for the '992 patent.

1 36. On information and belief, the named inventors did not seek the claims
2 of the '702 patent when they filed their application for the '992 patent on January 7,
3 1991 because they believed that subject matter was well known and not patentable
4 then.

5 37. When the named inventors eventually did seek the claims of the '702
6 patent in 1998, the claims they sought were different and broader in scope than the
7 claims they sought at any time during the prosecution of the '992 patent.

8 38. By seeking these broader claims long after the filing date of the '992
9 patent, the named inventors sought to lay claim not only to the earlier inventions of
10 others, but to inventions that others had invested substantial time and effort in
11 developing into commercial products and that were in wide public use.

12 39. Equity and the doctrine of prosecution laches prohibit Acacia from
13 abusing the patent system by seeking claims broader than those originally sought
14 after an unreasonable and unexplained delay.

15 **Eighth Affirmative Defense**
16 **(Laches)**

17 40. Acacia is barred by the doctrine of laches from enforcing the '992 patent
18 against Defendants.

19 **Ninth Affirmative Defense**
20 **(Laches)**

21 41. Acacia is barred by the doctrine of laches from enforcing the '702 patent
22 against Defendants.

23 **Tenth Affirmative Defense**
24 **(Estoppel)**

25 42. Acacia is barred by the doctrine of equitable estoppel from enforcing the
26 '992 patent against Defendants.

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1 **Eleventh Affirmative Defense**
2 **(Estoppel)**

3 43. Acacia is barred by the doctrine of equitable estoppel from enforcing the
4 '702 patent against Defendants.

5 **Twelfth Affirmative Defense**
6 **(Patent Misuse)**

7 44. Acacia's claims against Defendants are barred by Acacia's patent
8 Misuse.

9 **Thirteenth Affirmative Defense**
10 **(Unenforceability- Unclean Hands)**

11 45. Acacia's claims against Defendants are barred by Acacia's unclean
12 hands.

13 **Fourteenth Affirmative Defense**
14 **(Implied License)**

15 46. Acacia's claims against Defendants are barred by the doctrine of license
16 and/or implied license.

17 **Fifteenth Affirmative Defense**
18 **(Prosecution History Estoppel)**

19 47. Acacia is estopped, based on statements, representations and admissions
20 made during prosecution of the patent applications resulting in the '992 and '702
21 patents, and during prosecution of related patent applications, from asserting any
22 interpretation of any of the patent claims that would be broad enough to cover any of
23 Defendants' products, services or activities. By asserting this affirmative defense,
24 Defendants do not assume any burden of proof that is otherwise on Acacia.

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DEFENDANTS' COUNTERCLAIMS

Defendants seek a declaratory judgment of invalidity, noninfringement, and unenforceability of the '992 and '702 patents (the "Counterclaims") and alleges as follows:

1. This counterclaim for a declaratory judgment of invalidity, noninfringement and unenforceability of the '992 and '702 patents arises under 28 U.S.C. §§ 2201 and 2202 and the Patent Act of the United States, 35 U.S.C. § 101, *et seq.*, including but not limited to Sections 101, 102, 103 and 112. This Court has subject matter jurisdiction over the matters pled under 28 U.S.C. §§ 1331, 1338, 2201 and 2202. This counterclaim also includes claims for unfair competition and abuse of process. Such claims are so related to the claims asserted in Plaintiff's complaint that they form part of the same case or controversy and this Court has jurisdiction of these claims pursuant to 28 U.S.C. § 1367(a).

2. Acacia alleges to be the owner of all right, title, and interest in and to the '992 and '702 patents.

3. Acacia alleges that Defendants have infringed and are infringing, have induced or are inducing others to infringe, and/or have committed and are committing acts of contributory infringement of one or more claims of the '992 and '702 patents.

4. An actual and justiciable controversy exists between Defendants and Acacia as to the infringement, validity, and enforceability of the '992 and '702 patents, which is evidenced by the Complaint and Defendants' Answer to the Complaint, set forth above.

5. Venue over this counterclaim is proper in this District pursuant to 28 U.S.C. §§ 1391 and 1400(b) because, among other reasons, Acacia has brought the Complaint for infringement of the '992 and '702 patents in this Court.

6. On information and belief, Acacia is a California corporation.

7. Defendant Cybernet Ventures, Inc. is a California corporation and Defendant ACMP, LLC is a California limited liability corporation.

1 **Counterclaim No. 1**

2 **Non-Infringement of the '992 patent**

3 8. Defendants incorporate paragraphs 1-7 of their Counterclaims as if
4 repeated verbatim.

5 9. Defendants do not and have never infringed any claim of the '992 patent,
6 either directly, contributarily, or by inducement. Defendants have the right to offer
7 their products and services without being harassed, threatened, or molested by
8 Acacia.

9 **Counterclaim No. 2**

10 **Non-Infringement of the '702 patent**

11 10. Defendants incorporate paragraphs 1-9 of its Counterclaims as if
12 repeated verbatim.

13 11. Defendants do not and have never infringed any claim of the '702 patent,
14 either directly, contributarily, or by inducement. Defendants have the right to offer
15 their products and services without being harassed, threatened, or molested by
16 Acacia.

17 **Counterclaim No. 3**

18 **Invalidity of the '992 patent**

19 12. Defendants incorporate paragraphs 1-11 of their Counterclaims as if
20 repeated verbatim.

21 13. The '992 patent is invalid under the Patent Act, 35 U.S.C. § 101, *et seq.*,
22 including, but not limited to, Sections 101, 102, 103 and 112.

23 **Counterclaim No. 4**

24 **Invalidity of the '702 patent**

25 14. Defendants incorporate paragraphs 1-13 of their Counterclaims as if
26 repeated verbatim.

27 15. The '702 patent is invalid under the Patent Act, 35 U.S.C. § 101, *et seq.*,
28 including, but not limited to, Sections 101, 102, 103 and 112

1 **Counterclaim No. 5**

2 **Unenforceability of the '992 patent (Inequitable Conduct)**

3 16. Defendants incorporate paragraphs 1-15 of its Counterclaims as if
4 repeated verbatim.

5 17. The '992 patent is unenforceable based on the inequitable conduct of
6 Paul Yurt, H. Lee Browne, Doris J. Johnson, and/or E. Robert Yoches during the
7 prosecution of the application that matured into the '992 patent as stated in
8 Paragraphs 5-26 of Defendants' Affirmative Defenses, which Paragraphs are
9 incorporated by reference as if repeated verbatim.

10 **Counterclaim No. 6**

11 **Unenforceability of the '702 patent (Inequitable Conduct)**

12 18. Defendants incorporate paragraphs 1-18 of its Counterclaims as if
13 repeated verbatim.

14 19. The '702 patent is unenforceable based on the inequitable conduct of
15 Paul Yurt, H. Lee Browne, Andrea G. Reister, and/or Doris J. Johnson during the
16 prosecution of the application that matured into the '702 patent as stated in
17 Paragraphs 5-33 of Defendants' Affirmative Defenses, which Paragraphs are
18 incorporated by reference as if repeated verbatim.

19 20. The '702 patent is unenforceable based on the inequitable conduct in the
20 prosecution of the applications that matured into the '992 patent, the '275 patent, the
21 '863 patent, and the '720 patent as alleged in Paragraphs 5-33 of Defendants'
22 Affirmative Defenses, which Paragraphs are incorporated by reference repeated
23 verbatim.

24 **Counterclaim No. 7**

25 **Unenforceability of the '702 patent (Prosecution Laches)**

26 21. Defendants incorporate paragraphs 1-21 of their Counterclaims as if
27 repeated verbatim.

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1 **JURY DEMAND**

2 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Defendant
3 Cybernet Ventures, Inc. and ACMP, LLC, hereby demands a trial by jury of all
4 issues.

5
6 Dated: February 9, 2004

FISH & RICHARDSON P.C.

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8 By: 
9 Todd G. Miller

10 Attorneys for Defendant
11 CYBERNET VENTURES, INC.
12 AND ACMP, LLC
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