

# EXHIBIT 9

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8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 SAN FRANCISCO DIVISION  
11

12 COLLABORATION PROPERTIES, INC.,

13 Plaintiff,

14 v.

15 POLYCOM, INC.,

16 Defendant.

17 POLYCOM, INC.,

18 Counterclaimant,

19 v.

20 COLLABORATION PROPERTIES, INC. and  
21 AVISTAR COMMUNICATIONS CORP.,

22 Counterdefendants.  
23

Case No. 02-04591 MMC

**POLYCOM, INC.'S SECOND AMENDED  
ANSWER AND COUNTERCLAIMS**

**DEMAND FOR JURY TRIAL**

Judge: Hon. Maxine M. Chesney

Date Complaint Filed: September 23, 2002

24 Defendant and Counterclaimant Polycom, Inc. submits its Amended Answer and  
25 Counterclaims in response to Plaintiff Collaboration Properties, Inc.'s Complaint for Patent  
26 Infringement dated September 23, 2002 as follows.  
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28

**PARTIES**

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2           1.       In response to paragraph 1 of the Complaint: On information and belief, Polycom  
3 admits that Collaboration Properties, Inc. (“CPI”) is a Nevada corporation with its principal  
4 place of business in Redwood Shores, California.

5           2.       In response to paragraph 2 of the Complaint: Polycom lacks sufficient knowledge  
6 or information to form a belief as to the allegations set forth in this paragraph, and on that basis  
7 denies these allegations.

8           3.       In response to paragraph 3 of the Complaint: Polycom admits that it is a  
9 Delaware corporation with its principal place of business in Pleasanton, California.

10          4.       In response to paragraph 4 of the Complaint: Polycom admits that it distributes  
11 and sells teleconferencing hardware and software products under the brand names Path  
12 Navigator, WebOffice, iPower, ViaVideo, and Viewstation. Polycom denies all other allegations  
13 set forth in this paragraph.

14          5.       In response to paragraph 5 of the Complaint: Polycom denies the allegations set  
15 forth in this paragraph.

**JURISDICTION AND VENUE**

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17          6.       In response to paragraph 6 of the Complaint: Polycom admits that the Court has  
18 jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

19          7.       In response to paragraph 7 of the Complaint: Paragraph 7 sets forth a legal  
20 conclusion to which no response is required.

21          8.       In response to paragraph 8 of the Complaint: Polycom admits that it does  
22 business within the United States and within the Northern District of California.

**INTRADISTRICT ASSIGNMENT**

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24          9.       In response to paragraph 9 of the Complaint: Polycom lacks sufficient knowledge  
25 or information to form a belief as to the truth of the allegations set forth in this paragraph and, on  
26 that basis, denies these allegations.

**FACTUAL ALLEGATIONS COMMON TO ALL CLAIMS**

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28          10.       In response to paragraph 10 of the Complaint: Polycom admits that the issue date

1 of the '654 patent is February 2, 1999. Polycom denies all other allegations set forth in this  
2 paragraph.

3 11. In response to paragraph 11 of the Complaint: Polycom admits that the issue date  
4 of the '500 patent is April 20, 1999. Polycom denies all other allegations set forth in this  
5 paragraph.

6 12. In response to paragraph 12 of the Complaint: Polycom admits that the issue date  
7 of the '547 patent is April 13, 2001. Polycom denies all other allegations set forth in this  
8 paragraph.

9 13. In response to paragraph 13 of the Complaint: Polycom admits that the issue date  
10 of the '314 patent is January 29, 2002. Polycom denies all other allegations set forth in this  
11 paragraph.

12 14. In response to paragraph 14 of the Complaint: Polycom believes no response is  
13 required to this paragraph.

14 15. In response to paragraph 15 of the Complaint: Polycom denies the allegations set  
15 forth in this paragraph.

16 16. In response to paragraph 16 of the Complaint: Polycom denies the allegations set  
17 forth in this paragraph.

18 17. In response to paragraph 17 of the Complaint: Polycom admits that it  
19 manufactures, uses, and sells within the Northern District of California and elsewhere in the  
20 United States teleconferencing products under the brand names Path Navigator, WebOffice,  
21 iPower, ViaVideo, and Viewstation. Polycom denies all other allegations set forth in this  
22 paragraph.

23 **FIRST COUNT**

24 **(Alleged Infringement of the '654 Patent)**

25 18. In response to paragraph 18 of the Complaint: Polycom incorporates by reference  
26 its responses to paragraphs 1 through 17 of the Complaint as though fully set forth herein.

27 19. In response to paragraph 19 of the Complaint: Polycom denies the allegations set  
28 forth in this paragraph.



1 31. In response to paragraph 31 of the Complaint: Polycom denies the allegations set  
2 forth in this paragraph.

3 32. In response to paragraph 32 of the Complaint: Polycom denies the allegations set  
4 forth in this paragraph.

5 **AFFIRMATIVE DEFENSES**

6 **FIRST AFFIRMATIVE DEFENSE**

7 33. CPI's complaint fails to state a claim upon which relief may be granted against  
8 Polycom.

9 **SECOND AFFIRMATIVE DEFENSE**

10 34. Polycom does not infringe any claim of the '654, '500, '547, or '314 patent as  
11 properly construed.

12 **THIRD AFFIRMATIVE DEFENSE**

13 35. On information and belief, the '654, '500, '547, and '314 patents are invalid  
14 because they fail to meet the conditions for patentability set forth in Title 35 of the United States  
15 Code, including 35 U.S.C. §§ 101-103, 112.

16 **FOURTH AFFIRMATIVE DEFENSE**

17 36. CPI is not entitled to recover treble damages, attorneys' fees, or costs under its  
18 Complaint.

19 **FIFTH AFFIRMATIVE DEFENSE**

20 37. The '654, '500, '547, and '314 patents are unenforceable based on the doctrine of  
21 inequitable conduct. On information and belief, CPI, with intent to deceive, made affirmative  
22 misrepresentations and withheld from the United States Patent and Trademark Office ("PTO")  
23 material information during the prosecution of the '654, '500, '547, and '314 patents and their  
24 respective parent applications.

25 **(Specific Allegations Relating to False Claim of "Small Entity" Status)**

26 38. The respective prosecution histories of the asserted patents-in-suit and their  
27 corresponding parent applications show that CPI claimed "small entity" status throughout the  
28 prosecution of all the applications for the patents-in-suit and relevant, related patent applications.

1 Accordingly, CPI paid “small entity” fees for the prosecution, issuance, and maintenance of the  
2 patents-in-suit. In particular, with respect to the ‘654 patent, CPI paid a small entity filing fee on  
3 June 7, 1996; a small entity issue fee on October 5, 1998; and a small entity maintenance fee on  
4 July 11, 2002. With respect to the ‘500 patent, CPI paid a small entity filing fee on June 7, 1996;  
5 a small entity issue fee on January 13, 1999; and a small entity maintenance fee on September  
6 19, 2002. With respect to the ‘547 patent, CPI paid a small entity filing fee on May 5, 1998 and  
7 a small entity issue fee on May 18, 2000. With respect to the ‘314 patent, CPI paid a small entity  
8 filing fee on April 28, 1997 and a small entity issue fee on September 4, 2001. On information  
9 and belief, CPI in reality was *not* a small entity at such relevant times.

10 39. While prosecuting related predecessor application Serial No. 08/131,523 in  
11 February 1994, CPI’s parent entity then known as Vicor, Inc. (hereinafter also referred to as  
12 “CPI”) filed with the PTO a “Statement Describing Product Development” (a copy of which is  
13 attached as Exhibit A) discussing two joint-development agreements between CPI and a “Client  
14 X” (those joint-development agreements were not filed with the PTO). On information and  
15 belief, those agreements contained relevant licensing provisions between CPI and Client X.  
16 Further, on information and belief, Client X did not qualify for “small entity” status.

17 40. Under 37 C.F.R. § 1.27(a)(2)(i), a “small business concern” (i.e., an entity that  
18 can claim “small entity” status) is a business that “[h]as not assigned, granted, conveyed or  
19 licensed ... any rights in the invention to any person, concern or organization which would not  
20 qualify for small entity status ....” Based on the foregoing reasons, on information and belief,  
21 CPI licensed its rights in the invention(s) at issue to one or more non-small entities, and therefore  
22 CPI itself was not a small entity despite representing and conducting itself to the contrary before  
23 the PTO. As such, in procuring and maintaining the asserted patents-in-suit, CPI committed  
24 inequitable conduct rendering the patents unenforceable. *See Ulead Systems, Inc. v. Lex*  
25 *Computer & Management Corp.*, 130 F. Supp. 2d 1137 (C.D. Cal. 2001).

26 **(Specific Allegations Relating to Failure to Disclose On-Sale Bar)**

27 41. The above-referenced “Statement Describing Product Development” described  
28 development activities that CPI performed for “Client X” from mid-1991 through mid-1993. On

1 information and belief, among other things, CPI developed a four-workstation “prototype” for  
2 Client X, under an agreement executed in August 1991, and delivered the four-workstation  
3 prototype to Client X in January 1992. CPI also developed a thirty-workstation “pilot” system  
4 for Client X, under an agreement executed in June 1992, and delivered the thirty-workstation  
5 pilot system to Client X in December 1992. On information and belief, these systems embodied  
6 the invention(s) claimed in the asserted patents-in-suit.

7 42. Over the next decade, CPI filed multiple continuing applications, each claiming  
8 priority dating back to the parent application Serial No. 08/131,523 – including the applications  
9 that resulted in the ‘654, ‘547, ‘500, and ‘314 patents-in-suit. All of these applications share  
10 substantially the identical patent specification. Under 35 U.S.C. § 102(b), the patents would be  
11 invalid if CPI sold or offered for sale the subject invention(s) more than one year before the  
12 October 1, 1993 filing date of the parent application. After submitting the “Statement Describing  
13 Product Development,” CPI made no further disclosure regarding any on-sale activities, despite  
14 filing hundreds of additional claims in the subsequent related applications pertaining to various  
15 aspects of the prototypes and/or pilot systems developed for and delivered to Client X. CPI had  
16 a duty to disclose such information to the PTO for review because that information was relevant  
17 to an “on-sale bar” and material to patentability.

18 43. The disclosure that CPI filed with the PTO, the “Statement Describing Product  
19 Development,” was misleading in its characterization of the referenced systems as exempt from  
20 the on-sale bar based on CPI’s allegations that the described on-sale activities were experimental  
21 in nature. On information and belief, in so doing, CPI and its attorneys attempted to conceal  
22 what was in reality an on-sale bar and to confuse the PTO into believing that CPI was still  
23 experimenting with and testing its invention as of the October 1, 1992 “on-sale-bar” date. Each  
24 instance of nondisclosure or misleading disclosure by CPI was material to the determination of  
25 patentability by the PTO.

#### 26 SIXTH AFFIRMATIVE DEFENSE

27 44. CPI’s claims for relief under the ‘654, ‘500, ‘547, and ‘314 patents are barred  
28 under the equitable doctrines of laches and prosecution laches.



**COUNTERCLAIMS**

**GENERAL ALLEGATIONS**

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3 45. Polycom repeats and realleges its answers set forth in paragraphs 1-32 above to  
4 the allegations in CPI's Complaint.

5 46. Controversy: As a result of the allegations of infringement against Polycom, an  
6 actual controversy exists as to issues of infringement, validity, and enforceability (or lack thereof  
7 with respect to each issue) of the '654, '500, '547, and '314 patents.

8 47. Jurisdiction: These counterclaims arise under the United States patent laws, Title  
9 35 of the United States Code, and the provisions for declaratory judgment under §§ 2201-2202 of  
10 Title 28 of the United States Code. This Court has jurisdiction over the subject matter of these  
11 counterclaims under 28 U.S.C. §§ 1331, 1338.

12 48. Venue: Venue in this district is based on 28 U.S.C. § 1391.

13 49. Parties: Counterplaintiff Polycom is a Delaware corporation with its principal  
14 place of business in Pleasanton, California. Polycom is a leading video- and data-conferencing  
15 company and owns multiple foundational patents in the videoconferencing space. On  
16 information and belief, Counterdefendant Collaboration Properties, Inc. ("CPI") is a Nevada  
17 corporation with its principal place of business in Redwood Shores, California. On information  
18 and belief, Counterdefendant Avistar Communications Corp., Inc. ("Avistar") is the parent  
19 company of CPI and is a Delaware corporation with its principal place of business in Redwood  
20 Shores, California. According to its website ([www.avistar.com](http://www.avistar.com)), Avistar has multiple offices in  
21 the United States, including headquarters located within the Northern District of California at  
22 555 Twin Dolphin Drive, Third Floor, Redwood Shores, California, 94065.

23 50. Avistar and its wholly owned subsidiary, CPI, share a unity of interest in this  
24 litigation and are agents and alter egos of each other for purposes of this litigation. On  
25 information and belief, Avistar's products commercially embody the invention(s) claimed in the  
26 patents-in-suit that Polycom allegedly infringes, for which injunctive relief is sought against  
27 Polycom. Further, it was Avistar that purported to bring the current patents-in-suit to Polycom's  
28 attention and discuss potential licensing before initiating litigation. The pre-litigation

1 correspondence addressed to Polycom concerning the patents-in-suit and allegations of  
 2 infringement was sent to Polycom by or on behalf of Avistar. The principals who handled pre-  
 3 litigation discussions with Polycom on behalf of Avistar/CPI were Gerald Burnett, Avistar's  
 4 Chairman, CEO, and a 45% shareholder in the company; Paul Carmichael, Avistar's licensing  
 5 counsel; and William Campbell, Executive VP of Avistar and CEO of CPI. Face-to-face  
 6 meetings between Polycom's principals and Avistar/CPI's principals were conducted at Avistar's  
 7 offices. At no time did Avistar purport to conduct its patent licensing and/or litigation activities  
 8 separately from CPI, nor did it represent that CPI alone could assert the patents-in-suit.  
 9 Moreover, in its own government filings as well as press releases and other public  
 10 announcements, Avistar presents itself as owning the patents-in-suit asserted against Polycom  
 11 and as controlling this litigation. For example, in its 10-Q filing with the Securities and  
 12 Exchange Commission dated November 7, 2002 (for the quarter ending September 30, 2002),  
 13 Avistar states:

14           On September 23, 2002, we (through a wholly owned subsidiary) filed a patent  
 15           infringement lawsuit in the United States District Court for the Northern District of  
 16           California against Polycom, Inc. alleging that several Polycom videoconferencing  
 17           products infringe four patents of our wholly-owned subsidiary, CPI. In this action, we  
 18           have requested injunctive relief, damages to compensate for past and present  
 19           infringement, treble damages, costs associated with the litigation and such further  
           relief as the Court deems just and proper. Litigation such as this suit can take years  
           to resolve and can be expensive to prosecute. Regardless of the outcome, the  
           prosecution of our claims may result in the use of significant financial resources and  
           may require us to obtain additional financing. Finally, judgment adverse to CPI could  
           require CPI, under certain circumstances, to compensate Polycom.

20 In addition, Avistar's website states:

21           **AVISTAR FILES PATENT INFRINGEMENT LAWSUIT AGAINST POLYCOM**

22           *Suit for Unlawful Use of Fundamental Videoconferencing Technologies*

23           **REDWOOD SHORES, Calif.—September 23, 2002—**Avistar Communications  
 24           Corporation (NASDAQ: AVSR), the leading provider of enterprise video  
 25           communication solutions, today announced that it has filed a patent infringement  
 26           lawsuit against Polycom, Inc. (NASDAQ: PLCM). In the suit Avistar alleges that  
 27           several Polycom videoconferencing products infringe four patents of Collaboration  
 28           Properties, Inc. (CPI), a wholly owned subsidiary of Avistar. \* \* \*

On its website, Avistar also represents that its products are manufactured under and embody the  
 inventions claimed in the patents-in-suit asserted against Polycom. On information and belief,

1 Avistar and CPI share common officers, directors, and management personnel.

2 **FIRST COUNTERCLAIM**  
3 **AGAINST COUNTERDEFENDANTS CPI AND AVISTAR**

4 **(Declaratory Judgment of Noninfringement)**

5 51. Polycom repeats and realleges its answers set forth in paragraphs 1-32 above.

6 52. Polycom has not infringed and does not infringe any of the '654, '500, '547, and  
7 '314 patents either literally or under the doctrine of equivalents.

8 53. A judicial declaration that Polycom does not infringe the '654, '500, '547, and  
9 '314 patents is necessary and appropriate at this time so that Polycom can ascertain its rights and  
10 duties with respect to the manufacturing and marketing of the products that Avistar/CPI accuses  
11 of infringement.

12 **SECOND COUNTERCLAIM**  
13 **AGAINST COUNTERDEFENDANTS CPI AND AVISTAR**

14 **(Declaratory Judgment of Invalidity)**

15 54. Polycom repeats and realleges its answers set forth in paragraphs 1-32 above.

16 55. A judicial declaration that the '654, '500, '547, and '314 patents are invalid for  
17 failure to comply with the requirements of Title 35 of the United States Code is necessary and  
18 appropriate at this time so that Polycom can ascertain its rights and duties with respect to the  
19 manufacturing and marketing of the products that Avistar/CPI accuses of infringement.

20 **THIRD COUNTERCLAIM**  
21 **AGAINST COUNTERDEFENDANTS CPI AND AVISTAR**

22 **(Declaratory Judgment of Unenforceability)**

23 56. Polycom repeats and realleges its answers set forth in paragraphs 1-32 above.

24 57. A judicial declaration that the '654, '500, '547, and '314 patents are  
25 unenforceable due to CPI's inequitable conduct is necessary and appropriate at this time so that  
26 Polycom can ascertain its rights and duties with respect to the manufacturing and marketing of  
27 the products that Avistar/CPI accuses of infringement.

28 **FOURTH COUNTERCLAIM**  
**AGAINST COUNTERDEFENDANTS CPI AND AVISTAR**

**(Declaration of Exceptional Case)**

1 58. Polycom repeats and realleges its answers set forth in paragraphs 1-32 above.

2 59. This case is exceptional under 35 U.S.C. § 285, and Polycom is entitled to an  
3 award of its attorneys' fees and expenses related to defending and pursuing this action.

4 **FIFTH COUNTERCLAIM**  
5 **AGAINST COUNTERDEFENDANT AVISTAR**

6 **(Infringement of U.S. Patent No. 5,767,897)**

7 60. Paragraphs 1-50 above are incorporated herein by reference.

8 61. Polycom owns all title and interest in U.S. Patent No. 5,767,897 ("the '897  
9 patent" attached as Exhibit B), entitled "Video Conferencing System," issued on June 16, 1998,  
10 and assigned to PictureTel, Inc., a wholly owned subsidiary of Polycom.

11 62. On information and belief, Avistar has been and is infringing the '897 patent, has  
12 been and is contributing to the infringement of the '897 patent, and/or has been and is actively  
13 inducing others to infringe the '897 patent by its actions and conduct that constitute direct and/or  
14 indirect infringement under 35 U.S.C. § 271 with respect to products that practice the invention  
15 claimed in the '897 patent, including without limitation Avistar's AC500, AG2500, and AS2000  
16 products.

17 63. On information and belief, Avistar has had actual and constructive knowledge of  
18 the '897 patent, and Avistar's infringement of the '897 patent has been and is willful and will  
19 continue unless enjoined by this Court. Under 35 U.S.C. § 284, Polycom is entitled to damages  
20 for infringement and treble damages. Under 35 U.S.C. § 283, Polycom is entitled to a permanent  
21 injunction against further infringement.

22 **PRAYER FOR RELIEF**

23 WHEREFORE, Polycom prays for judgment as follows:

- 24 a. That Plaintiff take nothing by its Complaint and that the Court dismiss the Complaint  
25 with prejudice;
- 26 b. That the Court enter a judgment declaring that no claim of the '654, '500, '547, and  
27 '314 patents has been infringed by Polycom;
- 28 c. That the Court enter a judgment declaring that the claims of the '654, '500, '547, and

- 1 '314 patents are invalid;
- 2 d. That the Court enter a judgment declaring that the claims of the '654, '500, '547, and
- 3 '314 patents are unenforceable;
- 4 e. That the Court enter a judgment that Avistar infringes Polycom's '897 patent;
- 5 f. That the Court enter a judgment that Avistar is liable for contributory infringement
- 6 and inducement of infringement of Polycom's '897 patent;
- 7 g. That the Court enter a judgment that Avistar's infringement of Polycom's '897 patent
- 8 has been and continues to be willful;
- 9 h. That the Court award Polycom damages to compensate for Avistar's patent
- 10 infringement of Polycom's '897 patent, including treble damages, interest, and costs;
- 11 i. That the Court grant Polycom injunctive relief against further patent infringement by
- 12 Avistar;
- 13 j. That the Court award Polycom reasonable attorneys' fees and expenses under 35
- 14 U.S.C. § 285; and
- 15 k. That the Court award Polycom such other and further relief as it deems just and
- 16 proper.

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18 **CERTIFICATION OF INTERESTED ENTITIES OR PERSONS**

19 Pursuant to Civil L.R. 3-16, the undersigned certifies that the following listed persons,

20 associations of persons, firms, partnerships, corporations (including parent corporations) or other

21 entities (i) have a financial interest in the subject matter in controversy or in a party to the

22 proceeding, or (ii) have a non-financial interest in that subject matter or in a party that could be

23 substantially affected by the outcome of this proceeding: PictureTel, Inc.

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**JURY DEMAND**

Polycom hereby demands a trial by jury of all issues so triable in this action.

Dated: June 23, 2003

KEKER & VAN NEST, LLP

By: \_\_\_\_\_/s/\_\_\_\_\_  
ASHOK RAMANI  
Attorneys for Defendant and  
Counterplaintiff POLYCOM, INC.