SPENCER HOSIE (CA Bar No. 101777) 1 shosie@hosielaw.com GEORGE F. BISHOP (CA Bar No. 89205) gbishop@hosielaw.com DIANE S. RICE (CA Bar No. 118303) drice@hosielaw.com 4 WILLIAM P. NELSON (CA Bar No. 196091) wnelson@hosielaw.com 5 HOSIE RICE LLP 600 Montgomery Street, 34th Floor San Francisco, CA 94111 (415) 247-6000 Tel. 7 (415) 247-6001 Fax 8 Attorneys for Plaintiff 9 MASTEROBJECTS, INC. 10 11 UNITED STATES DISTRICT COURT 12 FOR THE NORTHERN DISTRICT OF CALIFORNIA SAN FRANCISCO DIVISION 13 14 MASTEROBJECTS, INC., Case No. C 11-2402 EMC 15 Plaintiff, PLAINTIFF MASTEROBJECTS, INC.'S 16 AMENDED ANSWER TO DEFENDANT v. MICROSOFT CORP.'S 17 COUNTERCLAIMS MICROSOFT CORP., 18 JURY TRIAL DEMANDED Defendant. 19 20 21 22 23 24 25 26 27 28 CASE No. C 11-2402 EMC PLAINTIFF'S AMENDED ANSWER TO COUNTERCLAIMS

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Masterobjects, Inc. v. Microsoft Corp

ANSWER TO COUNTERCLAIMS

MasterObjects, Inc. ("MasterObjects"), Plaintiff and Counter-Defendant, hereby states its Answer to the Counterclaims alleged by Microsoft Corp. ("Microsoft"), demands a jury trial, and alleges as follows:

1. Answering the allegations in Paragraph 1, MasterObjects admits the allegations in the responses to paragraphs 1-41 incorporated by reference by Microsoft only to the extent said responses consist of unqualified admissions of the allegations in MasterObjects' complaint; in all other respects, MasterObjects denies each and every allegation in Microsoft's responses and this paragraph.

PARTIES

- 2. Answering the allegations in Paragraph 2, MasterObjects admits said allegations.
- 3. Answering the allegations in Paragraph 3, MasterObjects admits that it is a corporation, admits that its principal place of business is now Maarssen, Netherlands, and denies each and every remaining allegation in said paragraph.

JURISDICTION AND VENUE

- 4. Answering the allegations in Paragraph 4, MasterObjects admits that subject matter jurisdiction exists for Microsoft's "Counterclaim I" and "Counterclaim II." MasterObjects lacks knowledge or information sufficient to admit or deny each and every allegation remaining in said paragraph, and on that basis denies each and every allegation remaining in said paragraph.
- 5. Answering the allegations in Paragraph 5, MasterObjects admits said allegations.

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6. Answering the allegations in Paragraph 6, MasterObjects admits said allegations.

FACTUAL ALLEGATIONS

United States Patent No. 5,805,911

- 7. Answering the allegations in Paragraph 7, MasterObjects lacks knowledge or information sufficient to admit or deny said allegations, and on that basis denies each and every allegation set forth in said paragraph.
- 8. Answering the allegations in Paragraph 8, MasterObjects lacks knowledge or information sufficient to admit or deny said allegations, and on that basis denies each and every allegation set forth in said paragraph.
- 9. Answering the allegations in Paragraph 9, MasterObjects lacks knowledge or information sufficient to admit or deny said allegations, and on that basis denies each and every allegation set forth in said paragraph.

MasterObjects' [Allegedly] Infringing Products and Services

- 10. Answering the allegations in Paragraph 10, MasterObjects admits said allegations.
- 11. Answering the allegations in Paragraph 11, MasterObjects admits that QuestFields includes functionality that can be used in connection with suggesting completions and additional related terms to refine a search query, and lacking knowledge or information sufficient to admit or deny the remaining allegations denies each and every remaining allegation set forth in said paragraph.
- 12. Answering the allegations in Paragraph 12, MasterObjects admits that it licenses QuestFields to customers, that customers can modify their webpages to include QuestFields-powered search fields, and that QuestFields can be used in connection with

suggesting completions and additional related terms to refine a search query, and lacking knowledge or information sufficient to admit or deny the remaining allegations denies each and every remaining allegation set forth in said paragraph.

- 13. Answering the allegations in Paragraph 13, MasterObjects admits that it licenses QuestFields to customers for mobile use, that customers can modify their webpages to include QuestFields-powered search fields, and that QuestFields can be used in connection with suggesting completions and additional related terms to refine a search query, and lacking knowledge or information sufficient to admit or deny the remaining allegations denies each and every remaining allegation set forth in said paragraph.
- 14. Answering the allegations in Paragraph 14, MasterObjects admits that MasterObjects sells an implementation of QuestFields called ProductFinder, that ProductFinder enables customers to search for products in a database, that users may start typing the first characters of a word in a product name to begin a query, that the QuestField Server may communicate with a product database and show the first matches while the user is typing, that a ProductFinder QuestField can be used in connection with a product database to show product names and other metadata that is available in the database, and that users can submit a value found, and that users can submit values in an input field in web applications, and lacking knowledge or information sufficient to admit or deny the remaining allegations denies each and every remaining allegation set forth in said paragraph.
- 15. Answering the allegations in Paragraph 15, MasterObjects admits said allegations.
- 16. Answering the allegations in Paragraph 16, MasterObjects sells an implementation of QuestFields called PeopleFinder QuestField, that PeopleFinder enables customers to search for people information in connection with a corporate directory or a

people database, that PeopleFinder may be delivered with examples of configurations of content channels that can enable the return of people information, and that PeopleFinder can display information in a dropdown list in various ways, and lacking knowledge or information sufficient to admit or deny the remaining allegations denies each and every remaining allegation set forth in said paragraph.

COUNTERCLAIM I:

DECLARATORY RELIEF REGARDING NON-INFRIGEMENT

- 17. Answering the allegations in Paragraph 17, MasterObjects restates and realleges its answer to Paragraphs 1 through 16 above as if set forth fully herein.
- 18. Answering the allegations in Paragraph 18, MasterObjects admits said allegations.
- 19. Answering the allegations in Paragraph 19, MasterObjects admits that Microsoft requests declaratory relief, but denies that Microsoft is entitled to relief and denies each and every allegation remaining in said paragraph.

COUNTERCLAIM II:

DECLARATORY RELIEF REGARDING INVALIDITY

- 20. Answering the allegations in Paragraph 20, MasterObjects restates and realleges its answer to Paragraphs 1 through 19 above as if set forth fully herein.
- 21. Answering the allegations in Paragraph 21, MasterObjects admits said allegations.
- 22. Answering the allegations in Paragraph 22, MasterObjects admits that Microsoft requests declaratory relief, but denies that Microsoft is entitled to relief and denies each and every allegation remaining in said paragraph.

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COUNTERCLAIM III:

INFRINGEMENT OF THE '911 PATENT

- 23. Answering the allegations in Paragraph 23, MasterObjects restates and realleges its answer to Paragraphs 1 through 22 above as if set forth fully herein.
- 24. Answering the allegations in Paragraph 24, MasterObjects denies each and every allegation set forth in said paragraph.
- 25. Answering the allegations in Paragraph 25, MasterObjects denies each and every allegation set forth in said paragraph.
- 26. Answering the allegations in Paragraph 26, MasterObjects denies each and every allegation set forth in said paragraph.
- 27. Answering the allegations in Paragraph 27, MasterObjects denies each and every allegation set forth in said paragraph.

EXCEPTIONAL CASE

28. Answering the allegations in Paragraph 28, MasterObjects denies each and every allegation set forth in said paragraph.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

(Non-Infringement)

29. MasterObjects does not infringe and has not infringed (either directly, contributorily or by inducement) any claim of the '911 patent.

SECOND AFFIRMATIVE DEFENSE

(Invalidity)

1	30. Oı	ne or more asserted claims of the '911 patent are invalid because they fail to	
2	comply with the requirements of 35 U.S.C. § 101 et seq., including, without limitation,		
3	sections 101, 102, 103 and 112.		
4		THIRD AFFIRMATIVE DEFENSE	
5		(Equitable Defenses - Laches)	
6	31. M	icrosoft's claims are barred, in whole or in part by the equitable doctrine of	
7		terosoft's claims are barred, in whole of in part by the equitable doctrine of	
8	laches.		
9	FOURTH AFFIRMATIVE DEFENSE		
10		(Equitable Defenses - Estoppel)	
11	32. M	icrosoft's claims are barred, in whole or in part by the equitable doctrines	
12	of estoppel and/or waiver.		
13		SIXTH AFFIRMATIVE DEFENSE	
14		(Prosecution History Estoppel)	
15	22 M		
16		icrosoft's claims are barred by the doctrine of prosecution history estoppel	
17	based on statements, representations and admissions made during prosecution of the patent		
18	application resulting in the '911 patent.		
19		SEVENTH AFFIRMATIVE DEFENSE	
20		(Statutory Damages Limitations)	
21	34. Mi	crosoft's claim for damages is statutorily limited by 35 U.S.C. § 286 and/or	
22	§ 287.		
23	3 2071	FIGURE AFFIRMATIVE DEFENCE	
24		EIGHTH AFFIRMATIVE DEFENSE	
25		(Government Sales)	
26	35. M	icrosoft's remedies are limited under 28 U.S.C. § 1498.	
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NINTH AFFIRMATIVE DEFENSE 1 (No Injunctive Relief) 2 3 36. 4 5 such relief. 6 **TENTH DEFENSE** 7 (No Standing) 8 37. Microsoft does not have standing to bring an action for infringement of the 9 '911 patent under the United States patent laws. 10 11 **ELEVENTH DEFENSE** 12 (Unclean Hands) 13 38. Some or all of Microsoft's claims for relief are barred and unenforceable, in 14 whole or in part, under the doctrine of unclean hands. 15 TWELFTH DEFENSE 16 (Reverse Doctrine of Equivalents) 17 39. Microsoft's accused methods and/or systems operate and/or are configured in 18 19 ways substantially different in principle from the way the invention described in the '911 20 patent operates and/or is programmed, and Microsoft cannot sustain its burden of proving 21 otherwise. 22 **THIRTEENTH DEFENSE** 23 (Failure to Mitigate Damages) 24 40. Microsoft's claims are barred, in whole or in part, by its failure to mitigate 25 26 damages. 27

Microsoft's claim for injunctive relief is barred because there exists an adequate remedy at law and Microsoft's claims otherwise fail to meet the requirements for

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FOURTEENTH DEFENSE

(Substantial Non-Infringing Uses)

41. Any and all products or actions accused of infringement have substantial uses that do not infringe and do not induce or contribute to the alleged infringement of the claims of the '911 Patent.

FIFTEENTH DEFENSE

(Dedication to the Public)

42. Microsoft has dedicated to the public any method, system, and/or product disclosed in the '911 patent but not literally claimed therein and is therefore estopped from claiming infringement by any such public domain method, system, and/or product.

PRAYER FOR RELIEF

Answering Microsoft's Prayer for Relief, MasterObjects denies that Microsoft is entitled to any of the relief it requests, including the relief Microsoft requests in its paragraphs (a) - (i), and prays that Microsoft take nothing by its Counterclaims.

WHEREFORE, Plaintiff MasterObjects further prays for entry of judgment:

- A. that the Patents-in-Suit are valid and enforceable;
- B. that Microsoft has infringed one or more claims of the Patents-in-Suit;
- C. that Microsoft account for and pay to Plaintiff all damages caused by the infringement of the Patents-in-Suit, which by statute can be no less than a reasonable royalty;
- D. that this Court issue a preliminary and final injunction enjoining Microsoft, its officers, agents, servants, employees and attorneys, and any other person in active concert or participation with them, from continuing the acts herein complained of, and more

particularly, that Microsoft and such other persons be permanently enjoined and restrained from further infringing the instant search patent;

- E. that MasterObjects be granted pre-judgment and post-judgment interest on the damages caused to them by reason of Microsoft's infringement of the Patents-in-Suit;
- F. that this Court require Microsoft to file with this Court, within thirty (30) days after entry of final judgment, a written statement under oath setting forth in detail the manner in which Defendant has complied with the injunction;
- G. that this be adjudged an exceptional case and that MasterObjects be awarded its attorney's fees in this action pursuant to 35 U.S.C. § 285;
- H. that this Court award MasterObjects its costs and disbursements in this civil action, including reasonable attorney's fees; and
- I. that MasterObjects be granted such other and further relief as the Court may deem just and proper under the current circumstances.

Dated: August 16, 2011 Respectfully submitted,

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Attorneys for Plaintiff MASTEROBJECTS, INC.

1	<u>DEMAND FOR JURY TRIAL</u>		
2	Plaintiff, by its undersigne	d attorneys, demands a trial by jury on all issues so triable.	
3	Dated: August 16, 2011	Respectfully submitted,	
4			
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