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Attorneys for Plaintiffs

14 **IN THE UNITED STATES DISTRICT COURT**
 15 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

16 CHF TECHNOLOGIES, INC. and
 17 ENDOSCOPIC TECHNOLOGIES, INC.,

Plaintiffs,

vs.

CHASE MEDICAL, INC.,

Defendant.

Case No.: C 04-05317 SI
 The Honorable Susan Illston

**REPLY TO DEFENDANT'S
 COUNTERCLAIMS**

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REPLY TO DEFENDANT’S COUNTERCLAIMS

Plaintiff Endoscopic Technologies, Inc. (“Estech” or “plaintiff”), by its undersigned counsel, for its reply to the counterclaims of defendant Chase Medical, Inc. (“Chase Medical” or “defendant”), hereby:

1. Denies the allegations of paragraph 26, except admits that it owns the ‘349 Patent and that it filed a complaint in this action alleging, inter alia, that defendant has infringed, induced the infringement of, and contributed to the infringement of, the ‘349 Patent.

2. Denies the allegations of paragraph 27 except admits that the Court has jurisdiction over defendant’s counterclaims and that venue is proper in this district.

First Counterclaim – Declaratory Judgment of Patent Invalidity and/or Unenforceability

3. As to the allegations in paragraph 28, denies the allegations in paragraphs 21-25 and repeats its reply to the allegations in paragraphs 26-27 as if fully set forth herein.

- 4. Denies the allegations in paragraph 29.
- 5. Denies the allegations in paragraph 30.
- 6. Denies the allegations in paragraph 31.

Second Counterclaim: Declaratory Judgment of Non-Infringement

7. As to the allegations in paragraph 32, repeats its reply to the allegations of paragraphs 21-31 as if fully set forth herein.

- 8. Denies the allegations in paragraph 33.
- 9. Denies the allegations in paragraph 34.
- 10. Denies the allegations in paragraph 35.

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REQUEST FOR JURY TRIAL

11. States the allegations of paragraph 36 require no response and further states that Estech demands a trial by jury.

First Affirmative Defense

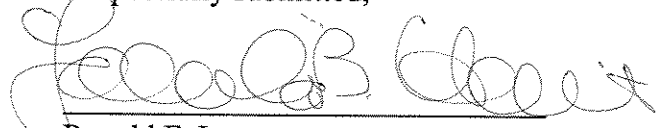
Defendant has failed to state claims upon which relief may be granted.

Second Affirmative Defense

Chase Medical's counterclaims are barred, in whole or in part, by the doctrine of unclean hands.

WHEREFORE, Estech prays that defendant's counterclaims be dismissed in their entirety with prejudice, that the relief sought therein be denied, that reasonable attorneys' fees and costs be awarded to plaintiff, and that the Court grant such additional relief to which plaintiff is entitled.

Dated: July 6, 2005

Respectfully submitted,


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