

EXHIBIT C

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11 ELAN MICROELECTRONICS CORPORATION

12 UNITED STATES DISTRICT COURT
13 NORTHERN DISTRICT OF CALIFORNIA
14 SAN JOSE DIVISION
15

16 ELAN MICROELECTRONICS CORPORATION,
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18 Plaintiff and Counterdefendant,
19 v.
20 APPLE, INC.,
21 Defendant and Counterclaimant.
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Case No. 5:09-cv-01531-RS (PVT)

ELAN MICROELECTRONICS CORPORATION'S ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS IN RESPONSE TO APPLE, INC.'S THIRD AMENDED ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS

DEMAND FOR JURY TRIAL

1 Plaintiff Elan Microelectronics Corporation (“Elan”) by and through its undersigned counsel,
2 hereby answers the affirmative counterclaims raised in Defendant Apple, Inc.’s (“Apple”) Third
3 Amended Answer, Affirmative Defenses and Counterclaims (“Third Amended Answer”), Dkt. 96.

4 **I. ANSWER TO APPLE’S COUNTERCLAIMS**

5 Elan responds to Apple’s counterclaims as follows:

6 1-30. Apple’s responses to the allegations in Elan’s Complaint require no response from Elan.

7 **PARTIES**

8 31. Elan admits the allegations in paragraph 31.

9 32. Elan admits the allegations in paragraph 32.

10 **Jurisdiction and Venue**

11 33. Elan admits the allegations in paragraph 33.

12 34. Elan does not dispute personal jurisdiction in this district over Apple’s counterclaims in
13 Elan’s lawsuit brought in this district. Elan denies the remaining allegations in paragraph 34.

14 35. Elan does not dispute that venue is proper in this district.

15 **The Dispute**

16 36. Elan admits that it designs, markets, manufactures and sells touch-sensitive input devices or
17 touchpads, including the Smart-Pad product, that these products are sold in the United States by third
18 parties not under Elan’s control. Elan denies the remaining allegations in paragraph 36.

19 37. Elan admits that laptop computers including Elan touchpads are available for purchase in the
20 United States, including through Amazon.com and Best Buy. Elan denies the remaining allegations in
21 paragraph 37.

22 38. Elan denies the allegations in paragraph 38.

23 39. Elan admits that the Nov. 29, 2005 Order in Case No. 05-CV-05385 JW which Apple cites
24 in paragraph 39 found that the plaintiff in that case made a prima facie showing of jurisdiction based
25 upon the factual allegations recited in paragraph 39. Elan denies that any of those alleged activities by
26 Elan Information Technology Group (“EITG”) related to any “touch-sensitive input devices or
27 touchpads and related components,” denies that EITG markets, sells or supports any such products and
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1 denies that Elan directly sells or supports any such products directly in the United States.

2 **First Counterclaim for Declaratory Judgment – '352 Patent**

3 40. Elan incorporates herein by reference its answers above.

4 41. Elan admits the allegations in paragraph 41.

5 42. Elan admits the allegations in paragraph 42.

6 43. Elan admits the allegations in paragraph 43.

7 44. Elan denies the allegations in paragraph 44.

8 45. Elan denies the allegations in paragraph 45.

9 **Second Counterclaim for Declaratory Judgment – '353 Patent**

10 46. Elan incorporates herein by reference its answers above.

11 47. Elan admits the allegations in paragraph 47.

12 48. Elan admits the allegations in paragraph 48.

13 49. Elan admits the allegations in paragraph 49.

14 50. Elan denies the allegations in paragraph 50.

15 51. Elan denies the allegations in paragraph 51.

16 **Third Counterclaim for Patent Infringement – '218 Patent**

17 52. Elan incorporates herein by reference its answers above.

18 53. Elan admits that information including the title, issue date and named inventors appears on
19 the face of U.S. Patent No. 5,764,218 (“the '218 patent”). Elan is without knowledge or information
20 sufficient to form a belief as to the truth of the information or the remaining allegations in the paragraph,
21 and on that basis denies them.

22 54. Elan denies the allegations in paragraph 54. The scope of the '218 patent is defined by the
23 patent claims themselves.

24 55. Elan denies the allegations in paragraph 55.

25 56. Elan denies the allegations in paragraph 56.

26 57. Elan denies the allegations in paragraph 57.

27 58. Elan admits having actual knowledge of the '218 patent on or about September 24, 2008
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1 when Nick Lin, a patent engineer at Elan, prepared a summary of the '218 patent and uploaded the '218
2 patent summary onto Elan's document management system. Elan denies having actual knowledge of
3 the patent before that date.

4 59. Elan denies the allegations in paragraph 59.

5 60. Elan denies the allegations in paragraph 60.

6 61. Elan denies the allegations in paragraph 61.

7 62. Elan denies the allegations in paragraph 62.

8 **Fourth Counterclaim for Patent Infringement – '659 Patent**

9 63. Elan incorporates herein by reference its answers above.

10 64. Elan admits that information including the title, issue date and named inventors appears on
11 the face of U.S. Patent No. 7,495,659 ("the '659 patent"). Elan is without knowledge or information
12 sufficient to form a belief as to the truth of the information or the remaining allegations in the paragraph,
13 and on that basis denies the same.

14 65. Elan denies the allegations in paragraph 65. The scope of the '659 patent is defined by the
15 patent claims themselves.

16 66. Elan denies the allegations in paragraph 66.

17 67. Elan denies the allegations in paragraph 67.

18 68. Elan denies the allegations in paragraph 68.

19 69. Elan admits having actual knowledge of the '659 patent on or about September 25, 2008
20 when Nick Lin, a patent engineer at Elan, prepared a summary of the '659 patent, uploaded the '659
21 patent summary onto Elan's document management system and circulated the '659 patent summary.
22 Elan denies having actual knowledge of the patent before that date.

23 70. Elan denies the allegations in paragraph 70.

24 71. Elan denies the allegations in paragraph 71.

25 72. Elan denies the allegations in paragraph 72.

26 73. Elan denies the allegations in paragraph 73.

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1 **II. ELAN’S AFFIRMATIVE DEFENSES**

2 **First Affirmative Defense – Non-Infringement**

3 74. Elan does not infringe and has not directly or indirectly infringed any claims of the ’218 or
4 ’659 patents (“Apple Patents”), either literally or under the doctrine of equivalents, willfully or
5 otherwise.

6 **Second Affirmative Defense – Invalidity**

7 75. Apple’s claims for infringement of the Apple Patents are barred because each and every
8 claim of the Apple Patents is invalid for failure to comply with the requirements of Title 35 of the
9 United States Code, including but not limited to Sections 101, 102, 103 and/or 112.

10 **Third Affirmative Defense – Laches**

11 76. Apple’s claims for relief are barred in whole or in part by the doctrine of laches.

12 **Fourth Affirmative Defense – Statute of Limitations**

13 77. To the extent Apple seeks damages for alleged infringement more than six years before the
14 filing of this action, the relief sought by Apple is barred by 35 U.S.C. § 286.

15 **Fifth Affirmative Defense – Notice**

16 78. To the extent Apple seeks damages for alleged infringement before giving actual or
17 constructive notice of the Apple Patents, the relief sought by Apple is barred by 35 U.S.C. § 287.

18 **Sixth Affirmative Defense – No Injunctive Relief**

19 79. To the extent Apple seeks injunctive relief for alleged infringement, the relief sought by
20 Apple is unavailable because any alleged injury to Apple is not immediate or irreparable and because
21 Apple has an adequate remedy at law for any alleged injury.

22 **Seventh Affirmative Defense – Inequitable Conduct**

23 80. Apple’s claims for infringement of the ’218 patent are barred because the ’218 patent is
24 unenforceable due to the inequitable conduct before the U.S. Patent and Trademark Office (“USPTO”)
25 of those named as inventors and others involved in the prosecution of the patent. On information and
26 belief, the named inventors, in particular at least Mr. Mark Della Bona, knowingly made affirmative
27 misrepresentations of fact and failed to disclose to the USPTO material information known to him. Also
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1 on information and belief others involved in the filing and prosecution of the application that led to the
2 '218 patent were aware of material prior art but failed to disclose that prior art to the USPTO. On
3 information and belief, those misrepresentations and omissions were made with the intention of
4 deceiving the USPTO.

5 81. In the patent application filed by Apple on January 31, 1995, which ultimately resulted in the
6 '218 patent, the named inventors each knowingly, and with specific intent to deceive the USPTO, falsely
7 represented that the prior art did not include any devices capable of using gestures on the touch sensor
8 surface to emulate mechanical button values, but rather that prior art touchpads required mechanical
9 buttons. Contrary to those representations, more than eight months prior to that filing, and at least as
10 early as May 1994, Cirque Corporation ("Cirque") announced and began commercial sales of its
11 GlidePoint® touchpad product, which was widely known in the art to include "tap," "double-tap" and
12 "tap and drag" gestures on the touchpad surface in lieu of activation of a mechanical button. Those
13 functions were invoked based upon the time period of successive finger contacts with the touchpad and
14 the time intervals between such contacts, as described and claimed in the '218 patent application. A
15 reasonable patent examiner would have considered Cirque's prior art GlidePoint® touchpad material to
16 the alleged inventions claimed in the '218 patent and not cumulative of the other art cited.

17 82. At least one of the inventors of Apple's '218 patent, Mr. Della Bona, knew of the Cirque
18 GlidePoint® product from contemporaneous press reports. On information and belief, Mr. Della Bona
19 also knew that the GlidePoint® product was material to the patentability of the invention recited in the
20 '218 patent, not cumulative to the other cited references and inconsistent with statements made to the
21 USPTO. At no time did Mr. Della Bona, the other inventors, or any others involved in the patent
22 application disclose the existence of Cirque's GlidePoint® product to the USPTO.

23 83. On information and belief, the other inventors named on the '218 patent, as well as others
24 involved in the patent application, were also aware of the GlidePoint® product and its materiality to the
25 alleged invention claimed in the '218 patent application and that the GlidePoint® prior art rendered
26 statements made in the application false and misleading. On information and belief, at least the
27 attorneys prosecuting the application that led to the '218 patent were also aware of this highly material
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1 prior art. Those attorneys and other inventors did not disclose the GlidePoint® prior art to the USPTO,
2 falsely claimed in the '218 patent application that no such prior art existed, and on information and
3 belief made or allowed those false statements and withheld the material prior art with the specific intent
4 to deceive the USPTO.

5 **III. ELAN'S COUNTERCLAIMS**

6 **First Counterclaim for Declaratory Judgment – '218 Patent**

7 84. Elan incorporates herein by reference its statements above.

8 85. Elan asserts this counterclaim against Apple pursuant to the patent laws of the United States,
9 Title 35 of the United States Code, and the Declaratory Judgments Act, 28 U.S.C. §§ 2201 and 2202.

10 86. In its Third Amended Answer, Apple alleges that Elan is now and has been directly and/or
11 indirectly infringing the '218 patent by the sale of at least its Smart-Pad product. Elan denies that
12 allegation.

13 87. An actual controversy exists between Elan and Apple by virtue of the allegations in Apple's
14 Third Amended Answer and Elan's Answer in response thereto, as to the invalidity, non-infringement
15 and unenforceability of the '218 patent.

16 88. The '218 patent is invalid and not infringed, as set forth in paragraphs 74 through 79 above.

17 89. The '218 patent is not enforceable due to the inequitable conduct of the named inventors and
18 others involved with the prosecution of the patent before the U.S. Patent and Trademark Office as set
19 forth in paragraphs 80 through 83 above

20 90. Elan is entitled to a judgment that the '218 patent is invalid, unenforceable and/or not
21 infringed.

22 **Second Counterclaim for Declaratory Judgment – '659 Patent**

23 91. Elan incorporates herein by reference its statements above.

24 92. Elan asserts this counterclaim against Apple pursuant to the patent laws of the United States,
25 Title 35 of the United States Code, and the Declaratory Judgments Act, 28 U.S.C. §§ 2201 and 2202.

26 93. In its Third Amended Answer, Apple alleges that Elan is now and has been directly and/or
27 indirectly infringing the '659 patent by the sale of at least its Smart-Pad product. Elan denies that
28

1 allegation.

2 94. An actual controversy exists between Elan and Apple by virtue of the allegations in Apple’s
3 Third Amended Answer and Elan’s Answer in response thereto, as to the validity and infringement of
4 the ’659 patent.

5 95. The ’659 patent is invalid and not infringed, as set forth in paragraphs 74 through 79 above.

6 96. Elan is entitled to judgment that the ’659 patent is invalid and not infringed.

7 **IV. DEMAND FOR JURY TRIAL**

8 97. Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Elan hereby demands a trial by
9 jury on all issues so triable.

10 **V. PRAYER FOR RELIEF**

11 WHEREFORE, in addition to the relief Elan seeks in its Complaint, Elan further prays for
12 judgment:

- 13 A. that Apple’s counterclaims be dismissed with prejudice;
- 14 B. that judgment be entered in favor of Elan and against Apple for each and every
15 counterclaim asserted by Apple;
- 16 C. for judgment that each of the Apple Patents is unenforceable;
- 17 D. for entry of an Order declaring each and every claim of the Apple Patents invalid and not
18 infringed by Elan;
- 19 E. an assessment of costs of defending against the counterclaims, together with an award of
20 such interests and costs;
- 21 F. that pursuant to 35 U.S.C. § 285 and/or other applicable laws, Apple’s conduct be found to
22 render this an exceptional case and that Elan be awarded its attorneys’ fees incurred in
23 connection with the counterclaims; and

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