

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

MINERVA INDUSTRIES, INC.,

Plaintiff,

v.

MOTOROLA, INC., *et al.*,

Defendants.

Civil Action No: 2-07-CV-0229 TJW

JURY

**DEFENDANT PALM, INC.'S
ANSWER TO COMPLAINT AND COUNTERCLAIMS**

Pursuant to Rules 8, 12 and 13 of the Federal Rules of Civil Procedure and the Local Rules of this Court, defendant Palm, Inc. ("Palm") files this Answer to Plaintiff's Complaint and Demand for Jury Trial ("Complaint") and asserts counterclaims as follows:

PARTIES

1. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 1 of the Complaint and therefore denies the allegations in that paragraph.

2. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 2 of the Complaint and therefore denies the allegations in that paragraph.

3. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 3 of the Complaint and therefore denies the allegations in that paragraph.

4. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 4 of the Complaint and therefore denies the allegations in that paragraph.

5. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 5 of the Complaint and therefore denies the allegations in that paragraph.

6. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 6 of the Complaint and therefore denies the allegations in that paragraph.

7. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 7 of the Complaint and therefore denies the allegations in that paragraph.

8. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 8 of the Complaint and therefore denies the allegations in that paragraph.

9. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 9 of the Complaint and therefore denies the allegations in that paragraph.

10. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 10 of the Complaint and therefore denies the allegations in that paragraph.

11. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 11 of the Complaint and therefore denies the allegations in that paragraph.

12. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 12 of the Complaint and therefore denies the allegations in that paragraph.

13. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 13 of the Complaint and therefore denies the allegations in that paragraph.

14. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 14 of the Complaint and therefore denies the allegations in that paragraph.

15. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 15 of the Complaint and therefore denies the allegations in that paragraph.

16. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 16 of the Complaint and therefore denies the allegations in that paragraph.

17. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 17 of the Complaint and therefore denies the allegations in that paragraph.

18. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 18 of the Complaint and therefore denies the allegations in that paragraph.

19. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 19 of the Complaint and therefore denies the allegations in that paragraph.

20. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 20 of the Complaint and therefore denies the allegations in that paragraph.

21. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 21 of the Complaint and therefore denies the allegations in that paragraph.

22. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 22 of the Complaint and therefore denies the allegations in that paragraph.

23. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 23 of the Complaint and therefore denies the allegations in that paragraph.

24. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 24 of the Complaint and therefore denies the allegations in that paragraph.

25. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 25 of the Complaint and therefore denies the allegations in that paragraph.

26. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 26 of the Complaint and therefore denies the allegations in that paragraph.

27. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 27 of the Complaint and therefore denies the allegations in that paragraph.

28. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 28 of the Complaint and therefore denies the allegations in that paragraph.

29. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 29 of the Complaint and therefore denies the allegations in that paragraph.

30. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 30 of the Complaint and therefore denies the allegations in that paragraph.

31. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 31 of the Complaint and therefore denies the allegations in that paragraph.

32. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 32 of the Complaint and therefore denies the allegations in that paragraph.

33. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 33 of the Complaint and therefore denies the allegations in that paragraph.

34. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 34 of the Complaint and therefore denies the allegations in that paragraph.

35. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 35 of the Complaint and therefore denies the allegations in that paragraph.

36. Palm admits the allegations in paragraph 36 of the Complaint.

37. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 37 of the Complaint and therefore denies the allegations in that paragraph.

38. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 38 of the Complaint and therefore denies the allegations in that paragraph.

39. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 39 of the Complaint and therefore denies the allegations in that paragraph.

40. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 40 of the Complaint and therefore denies the allegations in that paragraph.

41. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 41 of the Complaint and therefore denies the allegations in that paragraph.

42. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 42 of the Complaint and therefore denies the allegations in that paragraph.

43. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 43 of the Complaint and therefore denies the allegations in that paragraph.

44. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 44 of the Complaint and therefore denies the allegations in that paragraph.

JURISDICTION AND VENUE

45. Palm admits that the Complaint purports to be an action brought under the patent laws of the United States, Title 35 of the United States Code, and that the Court has subject matter jurisdiction. Palm denies each and every remaining allegation contained in paragraph 45.

46. Palm denies the allegations in paragraph 46 as to Palm and is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 46 as to other

defendants and therefore denies those other allegations. Palm is not asserting that venue is improper in this action.

47. Palm denies the allegations in paragraph 47 of the Complaint as to Palm and is without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 47 as to other defendants and therefore denies those other allegations. Palm is not challenging that it is subject to personal jurisdiction in this action.

COUNT I

48. Palm admits that United States Patent No. 6,681,120 (the “‘120 Patent”), entitled “Mobile Entertainment and Communication Device,” was issued by the United States Patent and Trademark Office on January 20, 2004. Palm further admits that what appears to be a copy of the ‘120 Patent is attached to the Complaint as Exhibit A. Palm is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 48 of the Complaint and therefore denies those remaining allegations.

49. Palm admits that the face of the ‘120 patent states: “Inventor: Ki Il Kim, Los Angeles, CA (US).”

50. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 50 of the Complaint and therefore denies the allegations in that paragraph.

51. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 51 of the Complaint and therefore denies the allegations in that paragraph.

52. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 52 of the Complaint and therefore denies the allegations in that paragraph.

53. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 53 of the Complaint and therefore denies the allegations in that paragraph.

54. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 54 of the Complaint and therefore denies the allegations in that paragraph.

55. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 55 of the Complaint and therefore denies the allegations in that paragraph.

56. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 56 of the Complaint and therefore denies the allegations in that paragraph.

57. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 57 of the Complaint and therefore denies the allegations in that paragraph.

58. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 58 of the Complaint and therefore denies the allegations in that paragraph.

59. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 59 of the Complaint and therefore denies the allegations in that paragraph.

60. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 60 of the Complaint and therefore denies the allegations in that paragraph.

61. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 61 of the Complaint and therefore denies the allegations in that paragraph.

62. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 62 of the Complaint and therefore denies the allegations in that paragraph.

63. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 63 of the Complaint and therefore denies the allegations in that paragraph.

64. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 64 of the Complaint and therefore denies the allegations in that paragraph.

65. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 65 of the Complaint and therefore denies the allegations in that paragraph.

66. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 66 of the Complaint and therefore denies the allegations in that paragraph.

67. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 67 of the Complaint and therefore denies the allegations in that paragraph.

68. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 68 of the Complaint and therefore denies the allegations in that paragraph.

69. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 69 of the Complaint and therefore denies the allegations in that paragraph.

70. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 70 of the Complaint and therefore denies the allegations in that paragraph.

71. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 71 of the Complaint and therefore denies the allegations in that paragraph.

72. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 72 of the Complaint and therefore denies the allegations in that paragraph.

73. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 73 of the Complaint and therefore denies the allegations in that paragraph.

74. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 74 of the Complaint and therefore denies the allegations in that paragraph.

75. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 75 of the Complaint and therefore denies the allegations in that paragraph.

76. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 76 of the Complaint and therefore denies the allegations in that paragraph.

77. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 77 of the Complaint and therefore denies the allegations in that paragraph.

78. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 78 of the Complaint and therefore denies the allegations in that paragraph.

79. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 79 of the Complaint and therefore denies the allegations in that paragraph.

80. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 80 of the Complaint and therefore denies the allegations in that paragraph.

81. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 81 of the Complaint and therefore denies the allegations in that paragraph.

82. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 82 of the Complaint and therefore denies the allegations in that paragraph.

83. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 83 of the Complaint and therefore denies the allegations in that paragraph.

84. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 84 of the Complaint and therefore denies the allegations in that paragraph.

85. Palm denies each and every allegation contained in paragraph 85 of the Complaint, but admits that it received a facsimile from Minerva on January 21, 2004, referring to the patent in suit.

86. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 86 of the Complaint and therefore denies the allegations in that paragraph.

87. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 87 of the Complaint and therefore denies the allegations in that paragraph.

88. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 88 of the Complaint and therefore denies the allegations in that paragraph.

89. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 89 of the Complaint and therefore denies the allegations in that paragraph.

90. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 90 of the Complaint and therefore denies the allegations in that paragraph.

91. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 91 of the Complaint and therefore denies the allegations in that paragraph.

92. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 92 of the Complaint and therefore denies the allegations in that paragraph.

93. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 93 of the Complaint and therefore denies the allegations in that paragraph.

94. Palm denies the allegations contained in paragraph 94 of the Complaint insofar as the allegations are directed to Palm. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 94 of the Complaint insofar as the allegations are directed to other defendants, and therefore, denies the remaining allegations in that paragraph.

95. Palm denies the allegations contained in paragraph 95 of the Complaint insofar as the allegations are directed to Palm. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 95 of the Complaint insofar as the allegations are directed to other defendants, and therefore, denies the remaining allegations in that paragraph.

96. Palm denies the allegations contained in paragraph 96 of the Complaint insofar as the allegations are directed to Palm. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 96 of the Complaint insofar as the allegations are directed to other defendants, and therefore, denies the remaining allegations in that paragraph.

97. Palm denies the allegations contained in paragraph 97 of the Complaint insofar as the allegations are directed to Palm. Palm is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 97 of the Complaint insofar as the allegations are directed to other defendants, and therefore, denies the remaining allegations in that paragraph.

98. Palm denies that Plaintiff is entitled to any relief requested in the “Prayer for Relief” in the Complaint.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

99. Palm has not directly infringed, either literally or under the doctrine of equivalents, and has not indirectly infringed, by contributing to infringement or inducing infringement of, any valid and enforceable claim of the ‘120 patent.

SECOND AFFIRMATIVE DEFENSE

100. Each and every claim of the '120 Patent is invalid and/or void for failure to comply with one or more requirements of Part II of Title 35 of the United States Code, including, without limitation, §§ 101, 102, 103, and 112, and the applicable provisions of Title 37 of the Code of Federal Regulations.

THIRD AFFIRMATIVE DEFENSE

101. Plaintiff's claims are barred by the equitable doctrine of laches and/or estoppel.

FOURTH AFFIRMATIVE DEFENSE

102. Plaintiff is not entitled to injunctive relief because any alleged injury to the Plaintiff is not immediate or irreparable, and Plaintiff has an adequate remedy at law.

PALM'S COUNTERCLAIMS

Counterclaimant Palm hereby brings its counterclaims against Counterclaim-defendant Minerva, alleging as follows:

PARTIES

1. Counterclaimant Palm, Inc. ("Palm") is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 950 W. Maude Avenue, Sunnyvale, California, 94085.

2. On information and belief, Counterclaim-defendant Minerva Industries, Inc. ("Minerva") is a California corporation with its principal place of business at 255 S. Grande Avenue, Suite 2004, Los Angeles, California, 90012.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this counterclaim pursuant to 28 U.S.C. §§ 1331, 1338, 2201, and 2202.

4. By filing its Complaint, Minerva has consented to the personal jurisdiction of this Court.

5. Venue for this action is proper in this District pursuant to 28 U.S.C. §§ 1391 and 1400.

FACTS

6. Upon information and belief, Minerva claims to be the owner of all rights, title and interest in and to the '120 Patent.

7. Minerva has accused Palm of making, using, offering to sell, or selling mobile entertainment and communication devices covered by one or more claims of the '120 Patent. Minerva has also accused Palm of active inducement of the '120 Patent, contributory infringement of the '120 Patent, and willful infringement of the '120 Patent. Palm denies that any of its products infringe the '120 patent and further believes that such patent is invalid and/or unenforceable.

8. An actual case and controversy exists between the parties concerning the infringement, validity, and enforceability of the '120 Patent, and that controversy is ripe for adjudication by this Court.

FIRST COUNTERCLAIM

(Non-Infringement)

9. Palm repeats and realleges the allegations contained in paragraphs 1-8 of the Counterclaim as if fully set forth herein.

10. Palm is not infringing and has not infringed, directly, or by inducement or contributorily, any claim of the '120 Patent.

11. To resolve the legal and factual questions raised by Minerva and to afford relief from the uncertainty and controversy which Minerva's accusations have precipitated, Palm is entitled

to a declaratory judgment that it has not infringed and is not infringing, directly or indirectly, any valid, enforceable claim of the '120 Patent either literally or under the doctrine of equivalents.

SECOND COUNTERCLAIM

(Invalidity)

12. Palm repeats and realleges the allegations contained in paragraphs 1-11 of the Counterclaim as if fully set forth herein.

13. Each and every claim of the '120 Patent is invalid and/or void for failing to meet one or more of the requisite conditions for patentability specified by Title 35 of the United States Code, including without limitation §§ 102, 103, and 112.

14. To resolve the legal and factual questions raised by Minerva and to afford relief from the uncertainty and controversy which Minerva's accusations have precipitated, Palm is entitled to a declaratory judgment that the claims of the '120 Patent is invalid and/or void.

THIRD COUNTERCLAIM

(Unenforceability)

15. Palm repeats and realleges the allegations contained in paragraphs 1-14 of the Counterclaim as if fully set forth herein.

16. The '120 Patent is unenforceable against Palm because of estoppel, laches, and/or other applicable doctrines.

17. To resolve the legal and factual questions raised by Minerva and to afford relief from the uncertainty and controversy which Minerva's accusations have precipitated, Palm is entitled to a declaratory judgment that the '120 Patent is unenforceable.

PRAYER FOR RELIEF

WHEREFORE, Palm requests that this Court enter a judgment in its favor and against Minerva as follows:

- A. Dismiss the Complaint in its entirety, with prejudice;
- B. Enter judgment in favor of Palm and against Minerva;
- C. Declare that the '120 Patent has not been infringed by Palm;
- D. Declare that the '120 Patent is invalid and/or void against Palm;
- E. Declare that the '120 Patent is unenforceable;
- F. Award Palm its costs (including expert fees), disbursements, and reasonable attorneys' fees incurred in this action, pursuant to 35 U.S.C. § 285; and
- G. Grant such further relief to Palm as is just and proper.

DEMAND FOR JURY TRIAL

In accordance with Fed. R. Civ. P. 38(b), Palm demands a trial by jury on all issues so triable.

Dated: January 7, 2008

Respectfully submitted,

/s/ Scott E. Stevens

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically on January 7, 2008, in compliance with Local Rule CV-5(a). As such, this document was served on all counsel who are deemed to have consented to electronic service. Local Rule CV-5(a)(3)(A). Pursuant to Fed. R. Civ. P. 5(d) and Local Rule CV-5(d) and (e), all other counsel of record not deemed to have consented to electronic service were served with a true and correct copy of the foregoing by facsimile on this same date.

/s/ Scott E. Stevens
Scott E. Stevens