

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

**MICROUNITY SYSTEMS ENGINEERING,  
INC., a California corporation,**

**Plaintiff,**

**vs.**

**ACER INC., et al.,**

**Defendants.**

**Civil Action No. 2:10-CV-00185-TJW-CE**

**JURY TRIAL DEMANDED**

**ACER INC.’S AND ACER AMERICA CORPORATION’S AMENDED ANSWER TO  
MICROUNITY SYSTEM ENGINEERING, INC.’S COMPLAINT FOR PATENT  
INFRINGEMENT**

Defendants Acer Inc. and Acer America Corporation (collectively “Acer” or “Defendants”), by and through their attorneys, hereby file this Amended Answer to Plaintiff Microunity Systems Engineering, Inc.’s Complaint (the “Complaint”) For Patent Infringement:

**THE PARTIES**

1. Defendants admit that MicroUnity Systems Engineering, Inc. (“MicroUnity” or “Plaintiff”) is a corporation duly organized and existing under the laws of the State of California. On information and belief, Defendants admit that Plaintiff’s principal place of business is at 376 Martin Avenue, Santa Clara, CA 95051.

2. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 2 of the Complaint and therefore deny those allegations.

3. Defendants admit that Qualcomm, Inc. sells “Snapdragon” processors, including

its QSD8250 and QSD8650 processors. Except as so admitted, Defendants lack sufficient information to form a belief as to the truth of the remaining allegations in Paragraph 3 of the Complaint and therefore deny those allegations.

4. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 4 of the Complaint and therefore deny those allegations.

5. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 5 of the Complaint and therefore deny those allegations.

6. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 6 of the Complaint and therefore deny those allegations.

7. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 7 of the Complaint and therefore deny those allegations.

8. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 8 of the Complaint and therefore deny those allegations.

9. Defendants admit that Defendant Acer Inc. is a corporation duly organized and existing under the laws of the Republic of China (Taiwan), with its principal place of business at 8F, 88, Sec. 1, Hsin Tai Wu Rd., Hsichih, Taipei 22I, Taiwan, ROC. Defendants further admit that Defendant Acer America Corporation is an indirectly, wholly owned subsidiary of Acer Inc., and is a corporation duly organized and existing under the laws of the state of California, with its principal place of business at 333 W. San Carlos St., Ste. 1500, San Jose, CA 95110. Defendants deny the remaining allegations of Paragraph 9.

10. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 10 of the Complaint and therefore deny those allegations.

11. Defendants lack sufficient information to form a belief as to the truth of the

allegations of Paragraph 11 of the Complaint and therefore deny those allegations.

12. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 12 of the Complaint and therefore deny those allegations.

13. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 13 of the Complaint and therefore deny those allegations.

14. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 14 of the Complaint and therefore deny those allegations.

15. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 15 of the Complaint and therefore deny those allegations.

16. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 16 of the Complaint and therefore deny those allegations.

### **JURISDICTION AND VENUE**

17. Defendants admit that this action arises under the Patent Laws of the United States, 35 U.S.C. §§ 1, et seq. Defendants deny that the Complaint properly states such claims. Defendants deny any wrongdoing or infringement and specifically deny that they have committed acts of direct or indirect infringement within this judicial district or anywhere else. Defendants further deny that venue is proper in this District. Finally, Defendants note that Paragraph 17 contains legal conclusions and contentions to which no response is required. To the extent this Paragraph purports to contain factual assertions requiring a response, Defendants deny such allegations.

18. Defendants note that Paragraph 18 contains legal conclusions and contentions to which no response is required. To the extent this Paragraph purports to contain factual assertions requiring a response, Defendants deny such allegations.

**CLAIMS FOR RELIEF**

**FIRST CLAIM FOR RELIEF**

**(Infringement of U.S. Patent No. 5,742,840 C1)**

19. Defendants admit that U.S. Patent No. 5,742,840 C1 (the “‘840 patent”), on its face, indicates an issue date of April 21, 1998, and bears the title, “General Purpose, Multiple Precision Parallel Operation, Programmable Media Processor.” Defendants further admit that a copy of the ‘840 patent is attached to the Complaint as Exhibit C. Except as so admitted, Defendants deny the allegations in Paragraph 19.

20. Defendants admit that Reexamination Certificate No. 5,742,840 C1, on its face, indicates request number 90/007,583. Defendants further admit that a copy of Reexamination Certificate No. 5,742,840 C1 is attached to the Complaint as Exhibit C1. Except as so admitted, Defendants deny the allegations in Paragraph 20.

21. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 21 of the Complaint and therefore deny those allegations.

22. Defendants deny the allegations in Paragraph 22 of the Complaint to the extent they are directed at Defendants. Defendants are without sufficient knowledge or information regarding the allegations of Paragraph 22 directed at other defendants, and therefore deny them.

23. Defendants lack sufficient information to form a belief as to the truth of the allegations of Paragraph 23 of the Complaint and therefore deny those allegations.

24. Defendants deny the allegations in Paragraph 24 of the Complaint to the extent they are directed at Defendants. Defendants are without sufficient knowledge or information regarding the allegations of Paragraph 24 directed at other defendants, and therefore deny them.

25. Defendants lack sufficient information to form a belief as to the truth of the

allegations in Paragraph 25 of the Complaint and therefore deny those allegations.

**SECOND CLAIM FOR RELIEF**

**(Infringement of U.S. Patent No. 7,730,287 B2)**

26. Defendants admit that U.S. Patent No. 7,730,287 B2 (the “‘287 patent”), on its face, indicates an issue date of June 1, 2010, and bears the title, “Method and Software for Group Floating-Point Arithmetic Operations.” Defendants further admit that a copy of the ‘287 patent is attached to the Complaint as Exhibit U. Except as so admitted, Defendants deny the allegations in Paragraph 26.

27. Defendants note this claim does not appear to be directed at them and lack sufficient information to form a belief as to the truth of the allegations of Paragraph 27 of the Complaint and therefore deny those allegations.

28. Defendants note this claim does not appear to be directed at them and lack sufficient information to form a belief as to the truth of the allegations of Paragraph 28 of the Complaint and therefore deny those allegations.

29. Defendants note this claim does not appear to be directed at them and lack sufficient information to form a belief as to the truth of the allegations of Paragraph 29 of the Complaint and therefore deny those allegations.

30. Defendants note this claim does not appear to be directed at them and lack sufficient information to form a belief as to the truth of the allegations of Paragraph 30 of the Complaint and therefore deny those allegations.

31. Defendants note this claim does not appear to be directed at them and lack sufficient information to form a belief as to the truth of the allegations of Paragraph 31 of the Complaint and therefore deny those allegations.

**DEMAND FOR JURY TRIAL**

32. Paragraph 32 demands a jury trial, and therefore requires no answer.

**RESPONSE TO PLAINTIFF’S PRAYER FOR RELIEF**

Defendants deny that Plaintiff is entitled to the relief requested in the Prayer for Relief of the Complaint or any other relief requested.

**AFFIRMATIVE DEFENSES**

Without altering the burdens of proof, Defendants assert the following Affirmative Defendants to the claims in the Complaint and reserve the right to amend their Answer and Affirmative Defenses as additional information becomes available:

**FIRST AFFIRMATIVE DEFENSE**

**(Failure to State a Claim)**

33. Plaintiff has failed to state a claim for which relief can be granted.

**SECOND AFFIRMATIVE DEFENSE**

**(Equitable Estoppel, Laches, Acquiescence and Waiver)**

34. On information and belief, Plaintiff’s claims should be barred by the doctrines of estoppel, laches, acquiescence, and/or waiver due to the unreasonable delay in bringing this action and the detrimental reliance on behalf of Defendants because of this unreasonable delay.

**THIRD AFFIRMATIVE DEFENSE**

**(Unclean Hands)**

35. On information and belief, Plaintiff is barred from obtaining the requested relief by the doctrine of unclean hands.

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#### **FOURTH AFFIRMATIVE DEFENSE**

##### **(Failure to Mitigate Damages)**

36. Plaintiff's claims are barred, in whole or in part, because Plaintiff failed to mitigate the alleged damages.

#### **FIFTH AFFIRMATIVE DEFENSE**

##### **(Non-Infringement of U.S. Patent No. 5,742,840 C1)**

37. Defendants have not infringed, contributed to the infringement of or induced the infringement of, either literally or by the doctrine of equivalents, any valid and enforceable claim to the '840 patent.

#### **SIXTH AFFIRMATIVE DEFENSE**

##### **(Invalidity of U.S. Patent No. 5,742,840 C1)**

38. Plaintiff's claims regarding the '840 patent are invalid because they fail to meet the requirements of the U.S. Patent Laws, 35 U.S.C. § 100 et seq., including, but not limited to, 35 U.S.C. §§ 41, 101, 102, 103, 112, 116 and 282.

39. Plaintiff's claims regarding the '840 patent are also invalid as anticipated or obvious in view of the prior art pursuant to 35 U.S.C. §§ 102 and 103. For example, the limitations found in each asserted claim can be found in one or more prior art references. The '840 patent merely combines various known design elements, all found in the prior art, to achieve a predictable result.

40. For example, the '840 patent is obvious under 35 U.S.C. § 103 at least in view of U.S. Patent No. 5,636,351 or the Hewlett Packard PA 7100LC processor, combined with Nobuhiro Ide, A 320-MFLOPS CMOS Floating-Point Processing Unit for Superscalar Processors, IEEE Journal of Solid-State Circuits, March 1993 and the knowledge of a person

having ordinary skill in the art of microprocessor design. Additional references will be disclosed as part of Defendants' invalidity contentions pursuant to local rules of this Court.

**SEVENTH AFFIRMATIVE DEFENSE**

**(Non-Infringement of U.S. Patent No. 7,730,287 B2)**

41. Defendants have not infringed, contributed to the infringement of or induced the infringement of, either literally or by the doctrine of equivalents, any valid and enforceable claim to the '287 patent.

**EIGHTH AFFIRMATIVE DEFENSE**

**(Invalidity of U.S. Patent No. 7,730,287 B2)**

42. Plaintiff's claims regarding the '287 patent are invalid because they fail to meet the requirements of the U.S. Patent Laws, 35 U.S.C. § 100 et seq., including, but not limited to, 35 U.S.C. §§ 41 101, 102, 103, 112, 116 and 282.

43. Plaintiff's claims regarding the '287 patent are also invalid as anticipated or obvious in view of the prior art pursuant to 35 U.S.C. §§ 102 and 103. For example, the limitations found in each asserted claim can be found in one or more prior art references. The '287 patent merely combines various known design elements, all found in the prior art, to achieve a predictable result.

**NINTH AFFIRMATIVE DEFENSE**

**(Limitation of Damages)**

44. Plaintiff's claims for damages and/or costs, if any, against Defendants are statutorily limited by 35 U.S.C. §§ 286 - 288.

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**TENTH AFFIRMATIVE DEFENSE**

**(License)**

45. To the extent Defendants allegedly infringed on Plaintiff's patents-in-suit, which Defendants specifically deny, the sale, purchase and use of Defendants' products are protected by at least an implied license to the inventions disclosed in such patents.

**ELEVENTH AFFIRMATIVE DEFENSE**

**(Prosecution History Estoppel)**

46. Plaintiff's claims of patent infringement are barred in whole or in part by the doctrine of prosecution history estoppel.

**TWELFTH AFFIRMATIVE DEFENSE**

**(28 U.S.C. § 1498)**

47. Plaintiff's claims of patent infringement are barred in whole or in part by 28 U.S.C. § 1498 to the extent they encompass claims for products sold to and/or designed for the United States.

**THIRTEENTH AFFIRMATIVE DEFENSE**

**(Inequitable Conduct)**

48. Defendants incorporate in this defense the foregoing admissions, denials, and allegations.

49. The strong public interest in properly issued patents is best served when the United States Patent and Trademark Office (the "USPTO") evaluates all information material to patentability during prosecution. Each individual involved in the filing and prosecuting of a patent application owes a duty of good faith, candor, and honesty to that Office. That duty places a substantial burden on those involved in preparing a patent application. Intentionally

making false statements to the USPTO or intentionally failing to disclose information material to the patentability of an application will render the entire patent unenforceable.

50. Defendants are informed and believe that during the prosecution of the applications leading to the '840, '061, '318, '356, '131, '217, '708, '367, '366, '806, and '973 Patents (the "Asserted Patents of the '840 Patent Family"), the named inventors, John Moussouris and Craig Hansen, and/or the MicroUnity attorneys who prosecuted these patents, Kenneth Cage in particular, failed to comply with their obligations under 37 C.F.R. § 1.56 and failed to discharge their duty of candor to the Patent Office during the prosecution of the applications leading to the issuance of these patents. Moussouris, Hansen, and/or Cage with intent to deceive the Patent Office examiner, knowingly and intentionally (1) withheld material information from the USPTO during prosecution, and (2) improperly attempted to change the priority dates of certain patents. Because Moussouris, Hansen, and/or Cage failed to comply with the duty of candor, the Asserted Patents of the '840 Patent Family are unenforceable.

#### **Withholding Material Information from the USPTO**

51. Upon information and belief, Moussouris and Hansen were aware of prior art references and the sale of prior art processors or systems that they knew to be material to the prosecution of patent applications leading to the '840, '061, and '318 Patents, yet knowingly and intentionally withheld that information from the USPTO.

#### ***Hewlett Packard References***

52. Upon information and belief, prior to the issue date of the '840, '061, and '318 Patents, MicroUnity was involved in a technology collaboration with Hewlett Packard ("HP") and several of their engineers, including Ruby Lee, Jerry Huck, and Michael Mahon.

53. HP is a company that designed and manufactured (among other things)

microprocessors and computer systems in the 1990s.

54. Upon information and belief, no later than January 1994, Hewlett Packard offered for sale the PA 7100LC microprocessor, part of the HP PA-RISC family of microprocessors. The PA 7100LC included multimedia extensions to the microprocessor instruction set that implemented dynamic partitioning for parallel processing of packed data elements.

55. Upon information and belief, Lee was involved in the design of the PA 7100LC multimedia instruction set extensions, and was also involved in the technology collaboration between MicroUnity and HP.

56. Lee published articles detailing multimedia instruction set extensions and the hardware necessary to implement multimedia extensions. Several of Lee's articles were published prior to August 16, 1995 (the "Lee Articles"), which was the filing date of the patent application that later matured into the '840 Patent. *See, e.g.*, Ruby B. Lee, Accelerating Multimedia with Enhanced Microprocessors, IEEE Micro, April 1995. Lee also filed at least two patent applications relating to dynamic partitioning for parallel processing that claim a priority date of November, 1993, and are therefore prior art to the MicroUnity '840, '061, and '318 Patents and the other Asserted Patents of the '840 Patent Family. These two patent applications matured into U.S. Patent Nos. 5,636,351 and 5,390,135.

57. Upon information and belief, Lee, Huck, and Mahon were all actively involved in the design and implementation of the second-generation multimedia instruction set extensions for the HP PA 8000 microprocessor in 1995 and 1996, prior to the issue date of the '840, '061, and '318 Patents. These multimedia instruction set extensions also implemented dynamic partitioning for parallel processing of packed data elements. Upon information and belief, Lee, Huck, and Mahon were all also involved in the technology collaboration with MicroUnity.

58. Upon information and belief, Moussouris, as CEO of MicroUnity, and Hansen, as chief architect of the MicroUnity media processor, were in contact with the HP team (and Lee, Huck, and Mahon, in particular) during the technology collaboration, and were aware or became aware of the multimedia instruction set extensions to the HP processors prior to the issue date of the '840 Patent.

59. Despite knowledge of the multimedia extensions and their operation, Moussouris and Hansen intentionally did not disclose the prior art HP microprocessors or Lee Articles during the prosecution of the '840, '061, and '318 Patents and therefore intentionally failed to disclose to the USPTO all information known to Moussouris and Hansen to be material to patentability.

60. The HP 7100LC microprocessor and the Lee Articles, including the article entitled Accelerating Multimedia with Enhanced Microprocessors, were material to the USPTO's examination of the '840, '061, and '318 Patents. During the prosecution of the '840 Patent, on May 28, 1997 Moussouris and Hansen distinguished their alleged invention from the prior art by arguing that the cited prior art references did not include dynamic partitioning of media data that is narrower than the data path for parallel processing. During the prosecution of the '061 Patent, on February 11, 1998 Moussouris and Hansen distinguished their alleged invention from the prior art by arguing that the cited prior art references did not disclose the dynamic partitioning and parallel processing of a plurality of data streams, the width of the data path being equal to or narrower than the data path. The '318 Patent also claimed dynamic partitioning.

61. On information and belief, Moussouris and Hansen did not cite any references during the prosecution of the '840 Patent that disclosed or performed dynamic partitioning for parallel processing.

62. On information and belief, Moussouris and Hansen did not cite any references during the prosecution of the '061 Patent that disclosed or performed dynamic partitioning for parallel processing.

63. On information and belief, Moussouris and Hansen did not cite any references during the prosecution of the '318 Patent that disclosed or performed dynamic partitioning for parallel processing.

64. The HP 7100LC microprocessor performed dynamic partitioning of media data that is narrower than the data path for parallel processing. The Lee Articles, including the article entitled Accelerating Multimedia with Enhanced Microprocessors, disclosed dynamic partitioning of media data that is narrower than the data path for parallel processing.

65. The materiality of the Lee Articles is further demonstrated by the rejection of claims 1, 2, 7, 10-14, and 22 of the '061 Patent during reexamination based on the Lee article entitled Accelerating Multimedia with Enhanced Microprocessors.

66. Upon information and belief, despite their knowledge of the materiality of the HP prior art processors and publications, including the PA 7100LC microprocessor and the Lee article entitled Accelerating Multimedia with Enhanced Microprocessors, Moussouris and Hansen intentionally withheld this information during the prosecution of '840, '061, and '318 Patents from the USPTO in violation of their duty of candor.

#### ***Intel and Philips References***

67. Upon information and belief, on August 15, 1995 an email was circulated to the MicroUnity Zeus media processor design team discussing competitive microprocessor products ("MicroUnity Zeus email"). Upon information and belief, Moussouris was copied on the MicroUnity Zeus email. Upon information and belief, on August 16, 1995, the MicroUnity Zeus

email was forwarded to Craig Hansen. August 16, 1995 was also the filing date of the patent application that would mature into the '840 Patent.

68. The MicroUnity Zeus email included an update from the MicroUnity marketing group. According to the MicroUnity Zeus email, one of the MicroUnity employees was performing a competitive analysis of other microprocessor companies. The MicroUnity Zeus email noted that the publicized business plans of the competitive microprocessor companies was “remarkably similar” to MicroUnity’s plans, in which multimedia capabilities were added to the microprocessor. In particular, the MicroUnity Zeus email noted Intel’s plans to add DSP functions to its processors (“Intel’s plans”) and Philips’s plans to include specialized operations for video compression and communications into its new VLIW processor core (“Philips’s plans”). Even though the approach taken in these processors was noted in this email to be “remarkably similar,” no information regarding Intel’s plans or Phillips’s plans or any Intel references or any Philips references were cited during the prosecution of the patent application for the '840, '061, and '318 Patents.

69. Upon information and belief, the MicroUnity Zeus email was referring to Intel’s intent to add DSP-like functionality to its processors by including the MMX instruction set, which allowed dynamic partitioning of the execution unit for parallel processing.

70. Upon information and belief, both Moussouris and Hansen read the MicroUnity Zeus email. Upon information and belief, both Moussouris and Hansen were aware of these competing processor architectures, including Intel’s plans and Philips’s plans, discussed in the MicroUnity Zeus email. Neither Moussouris nor Hansen cited any information regarding Intel’s plans, Philips’s plans, Philips references or Intel references during the prosecution of the patent applications leading to the '840, '061, or '318 Patents, despite the fact that the plans for Philips

and Intel to add DSP and multimedia functions were “remarkably similar.”

71. Upon information and belief, Moussouris and Hansen knew of Intel’s MMX instruction set extensions prior to the issue date of the ‘840 and ‘061 Patents.

72. Upon information and belief, Moussouris and Hansen knew of Intel’s MMX instruction set extensions prior to October 13, 1998, the filing date of the ‘318 Patent.

73. Upon information and belief, Moussouris and Hansen intentionally failed to cite any references discussing the Intel MMX instruction set extensions in the ‘840, ‘061, and ‘318 Patents and therefore intentionally failed to disclose to the Office all information known to Moussouris and Hansen to be material to patentability.

74. On information and belief, Intel’s plans and the Intel MMX instruction set were material to the prosecution of the ‘840, ’061, and ‘318 Patents. On information and belief, Intel’s plans disclosed dynamic partitioning of media data that is narrower than the data path for parallel processing. The Intel MMX instruction set defines instructions for dynamic partitioning of media data that is narrower than the data path for parallel processing. Moussouris and Hansen intentionally withheld this information from the USPTO in violation of their duty of candor.

#### ***Sun UltraSPARC and HP PA-RISC References***

75. Upon information and belief, Hansen knew of the Sun UltraSPARC multimedia instruction set extensions and the HP PA-RISC multimedia instruction set extensions on or before November 7, 1995.

76. Upon information and belief, on November 7, 1995, Hansen responded to questions on Usenet, an internet bulletin board service, regarding a presentation given by Moussouris and Hansen on the operation of the MicroUnity media processor.

77. Upon information and belief, a questioner on the Usenet board made the

following statement and question: “The title of the slide and the accompanying diagram indicate that these instructions operate simultaneously on many packed data items within their operands. (Sometimes called ‘multigauge.’ Much like the PA-RISC and UltraSPARC multimedia extensions.) The slide indicates that the size of the sub-register data items can be from 1 to 64 bits. How is the size specified?” Upon information and belief, Hansen responded via Usenet, stating “The size of the data is specified as part of the operation code of the instruction.”

78. On information and belief, Hansen read and understood the references to the PA-RISC and UltraSPARC multimedia extensions, and understood that the statement “these instructions operate simultaneously on many packed data items within their operands” to mean that the multimedia extensions included instructions for dynamic partitioning for parallel processing.

79. The multimedia extensions to the PA-RISC and UltraSPARC processors were material to the prosecution of the ‘840, ‘061, and ‘318 Patents.

80. On information and belief, the multimedia extensions to the UltraSPARC processors included instructions for dynamic partitioning of media data that is narrower than the data path for parallel processing.

81. Moussouris and Hansen intentionally withheld information on the PA-RISC and UltraSPARC processors from the USPTO in violation of their duty of candor.

#### **Unenforceability Due to Failure to Disclose References**

82. The materiality of the references described in paragraphs 47 through 79, together with Moussouris’s and Hansen’s knowledge of (1) the reference’s existence, and (2) the claimed features of the ‘840, ‘061, and ‘318 Patents, shows that Moussouris and Hansen intentionally withheld these references from the USPTO during prosecution of the ‘840, ‘061, and ‘318



Patents with an intent to deceive the USPTO.

83. Moussouris and Hansen understood that the USPTO required them to disclose prior art that was material to patentability, including the references described in paragraphs 47 through 79. Moussouris and Hansen signed a Combined Declaration/Power of Attorney document. This document included a declaration that “We acknowledge the duty to disclose information which is material to the examination of this application in accordance with Title 37, Code of Federal Regulations, § 1.56(a).” Despite signing this declaration, Moussouris and Hansen intentionally withheld information that was material and non-cumulative to the examination of the ‘840, ‘061, and ‘318 Patents. This intentional withholding of material and non-cumulative information constitutes inequitable conduct and renders the ‘840, ‘061, and ‘318 Patents unenforceable.

84. The remaining asserted patents from the ‘840 Patent Family are all directly descended from either the ‘840 Patent, or both the ‘840 and ‘318 Patents. Upon information and belief, as described in paragraphs 47 through 81, Moussouris and Hansen obtained the ‘840 and ‘318 Patents through inequitable conduct in their dealings with the USPTO, without which the ‘840 and ‘318 Patents would not have been granted, or would have been granted in an amended form. Based on this inequitable conduct, the ‘366, ‘356, ‘217, ‘708, ‘973, ‘367, ‘131, and ‘806 Patents are unenforceable as well.

#### **FOURTEENTH AFFIRMATIVE DEFENSE**

##### **(Failure to Mark)**

85. On information and belief, Plaintiff is barred or limited from recovering damages, in whole or in part, by the failure to mark, by itself or by one or more parties licensed to practice one or more of the asserted patents, as required by 35 U.S.C. § 287.

**FIFTEENTH AFFIRMATIVE DEFENSE**

**(Fed. R. Civ. P. 42(a))**

86. Plaintiff has filed a duplicative action in this District, identified as Case No. 02:10-cv-00091-TJW-CE, which involves common questions of law and fact. In order to avoid unnecessary costs or delay, the duplicative actions should be consolidated or this action should be dismissed.

**SIXTEENTH AFFIRMATIVE DEFENSE**

**(Intervening Rights)**

87. Plaintiff's claims for damages and relief are barred, in part, by the doctrine of intervening rights including that set forth in 35 U.S.C. §§ 307 and 252 (as referenced in 35 U.S.C. § 307).

**SEVENTEENTH AFFIRMATIVE DEFENSE**

**(Lack of Jurisdiction)**

88. Plaintiff's claims for relief are barred for lack of subject matter jurisdiction and/or personal jurisdiction over Defendants.

**EIGHTEENTH AFFIRMATIVE DEFENSE**

**(Improper/Inconvenient Venue)**

89. This action should be dismissed and/or transferred pursuant to improper venue as well as under the doctrine of forum non conveniens.

**NINETEENTH AFFIRMATIVE DEFENSE**

**(Incorporation)**

90. To the extent not alleged herein, Defendants incorporate by reference, as if fully alleged herein, the affirmative defenses and counterclaims, and supporting facts asserted in

Qualcomm Inc.'s Answer and Counterclaims.

**RESERVATION OF RIGHT TO ASSERT ADDITIONAL DEFENSES**

Defendants reserve the right to assert additional defenses as may be warranted by discovery or further investigation in this action.

**JURY DEMAND**

Pursuant to Fed R. Civ. P. 38(b), Defendants demand a jury trial of all issues triable by jury.

**PRAYER FOR RELIEF**

WHEREFORE, Defendants deny that any of their products, services, or processes infringe any claim of the '840 patent or the '287 patent identified in the Complaint and further deny that Plaintiff is entitled to any judgment against Defendants whatsoever. Defendants pray that the Court enter judgment in their favor and against Plaintiff with respect to all relief requested in the Complaint and grant relief as follows:

- A. That Plaintiff recover nothing and that its Complaint be dismissed with prejudice;
- B. That the Court declare that Defendants and their customers, distributors, affiliates and all others in privity with Defendants have not infringed and do not infringe, either directly or indirectly, any claims of the '840 patent and '287 patent;
- C. That the Court declare and order that the '840 patent and '287 patent are invalid and/or unenforceable;
- D. That the Court deny all of Plaintiff's requests for injunctive relief;
- E. That the Court enjoin Plaintiff, its assigns, licensees and all those in privity therewith from asserting the '840 patent and '287 patent against Defendants or their customers, distributors, affiliates and all others in privity with Defendants;

F. That the Court find this case to be exceptional pursuant to 35 USC § 285, among other statutes, and award Defendants their costs, expenses and reasonable attorneys' fees in this action; and

G. That the Court grant such other and further relief as the Court deems appropriate.

Respectfully submitted,

Dated: August 25, 2010

By: /s/ Jeffrey M. Ratinoff

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Attorney for Defendants,  
Acer Inc. and Acer America Corporation

**CERTIFICATE OF SERVICE**

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this motion 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 email, on this the 25<sup>th</sup> day of August 2010.

/s/ Jeffrey M. Ratinoff

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Jeffrey M. Ratinoff