

**STAPLES, INC.'S SECOND AMENDED ANSWER,
DEFENSES, AND COUNTERCLAIMS**

PART 5 OF 5

257. On or about October 1, 2007, Doyle submitted a declaration to the Patent Office in an effort to establish an earlier date of invention for the claims of the '906 patent application.

258. On or about May 9, 2008, Doyle and Krueger participated in another examiner interview in an effort to confirm the patentability of the claims of the '906 patent application.

259. On or about June 3, 2008, Doyle and Krueger participated in another examiner interview in an effort to confirm the patentability of the claims of the '906 patent application.

260. Doyle and Krueger's inequitable conduct during the 2003 reexamination infected the 2005 reexamination.

261. Although Doyle and Krueger disclosed material information about the ViolaWWW browser to the Patent Office during the 2005 reexamination, by that time it was too late.

262. For example, Doyle and Krueger disclosed the August 1994 Viola paper to the Patent Office on or about August 21, 2006.

263. This was the first time Doyle and Krueger had disclosed the August 1994 Viola paper to the Patent Office.

264. On information and belief, Doyle knew about the Viola paper no later than August 31, 1994, *see supra* ¶¶ 44–49, 56, but Doyle waited over 10 years — and two prosecutions of the '906 patent — to disclose that paper to the Patent Office.

265. On information and belief, Krueger knew about the August 1994 Viola paper no later than August of 1998, but waited 8 years — and two prosecutions of the '906 patent — to disclose that paper to the Patent Office

266. Shortly after Doyle and Krueger disclosed the August 1994 Viola Paper to the Patent Office during the 2005 reexamination, the Patent Office rejected all claims of the '906 patent.

267. In particular, on or about July 30, 2007, the Patent Office rejected all claims of the '906 patent as being anticipated by DX95, which includes a copy of the text found in Pei Wei's August 1994 Viola paper, *see supra* ¶ 48.

268. The rejection based on the August 1994 Viola paper confirms that the ViolaWWW browser was material prior art.

269. Doyle and Krueger did not respond to the merits of the rejection based on the August 1994 Viola paper. Instead Doyle filed a declaration asserting that his date of invention was before August 16, 1994.

270. In response to Doyle's declaration, the examiner withdrew the rejection based on the August 1994 Viola paper.

271. The 2005 examiner could have entered a new rejection based on DX37, which was a printed publication before the alleged conception of the inventions claimed in the '906 patent, but the 2005 examiner did not independently examine DX37 because the 2003 examiner had already concluded that DX37 did not invalidate the asserted claims of the '906 patent.

272. The conclusions about DX37 reached in the 2003 reexamination were erroneous due to Doyle and Krueger's inequitable conduct during that reexamination. *See supra* ¶¶ 229-250.

273. Thus, Doyle and Krueger's inequitable conduct during the 2003 reexamination infected the 2005 reexamination.

III. **Doyle submitted false statements about the secondary considerations of non-obviousness**

274. During the original prosecution of the '906 patent, Doyle submitted a declaration to the Patent Office containing false and misleading statements in an effort to obtain allowance of the claims.

275. Specifically, on or about June 2, 1997, Doyle submitted to the Patent Office a sworn declaration executed on or about May 27, 1997, for the purpose of overcoming the examiner's rejection on March 26, 1997.

276. On page 12 of the declaration, Doyle asserted that his claimed invention would not have been obvious over the cited prior art in view of "secondary considerations, including, in part, commercial success of products incorporating features of the claimed invention and industry recognition of the innovative nature of these products."

277. In support of his assertion, Doyle declared to the Patent Office that Sun Microsystems and Netscape had incorporated his invention into their Java software and Navigator Web browser, respectively. He stated: "Approximately 12 to 18 months after the applicants initially demonstrated the first Web plug-in and applet technology to the founders of Netscape and engineers employed by Sun Microsystems in November and December of 1993, as described in reference #4 from Appendix A (Dr. Dobb's Journal, 2/96), both Netscape and Sun released software products that incorporated features of the claimed invention"

278. On information and belief, this statement was false. Neither Doyle nor any of the other named inventors of the '906 patent demonstrated Web plug-in technology to any of the founders of Netscape in November or December of 1993.

279. On information and belief, when Doyle made these statements under oath, he also did not know whether any engineer employed by Sun Microsystems ever saw any of his demonstrations in November or December of 1993.

280. Doyle made these same false assertions in slides that he prepared and presented to the examiner in a personal interview on or about February 24, 1997. On a slide entitled “Relevant History of DHOE” (Doyle’s name for his invention), Doyle included as a bullet point: “1993 Demos to Sun & Netscape’s Founders.”

281. Doyle’s false statements in his declaration were material to the patentability of the pending claims. These statements purported to provide evidence of copying by others and thus objective evidence of nonobviousness, a factor to be considered in determining whether an alleged invention is patentable over the prior art. Without these false assertions, Doyle had no support for his argument that Netscape and Sun copied his alleged invention or that his technology was responsible for their commercial success.

282. By making these false statements under oath to the Patent Office, on information and belief, Doyle intended to mislead the Patent Office to believe that responsible persons at Netscape and Sun saw his alleged invention, appreciated its supposed merits, and therefore incorporated it into the Navigator browser and Java. Moreover, by making these false statements, Doyle, on information and belief, was trying to convince the Patent Office that the Netscape and Sun products succeeded because they incorporated his alleged invention.

283. Doyle’s submission of false statements under oath in his declaration to the Patent Office constituted a knowing and intentional violation of his duty of candor and good faith in dealing with the Patent Office.

IV. Conclusion

284. A judicial determination of the respective rights of the parties with respect to the unenforceability of the claims of the ‘906 Patent is now necessary and appropriate under 28 U.S.C. § 2201.

COUNT IV

285. Staples incorporates by reference the allegations contained in Paragraphs 1 to 5 of its Counterclaims.

286. An actual controversy exists between the parties with respect to the alleged infringement '985 Patent.

287. Although Eolas alleges in its Complaint that Staples has directly and/or indirectly infringed the claims of the '985 Patent, Staples has not directly and/or indirectly infringed, and does not directly and/or indirectly infringe, any claim of the '985 Patent.

288. A judicial determination of the respective rights of the parties with respect to the infringement of the claims of the '985 Patent is now necessary and appropriate under 28 U.S.C. § 2201.

COUNT V

289. Staples incorporates by reference the allegations contained in Paragraphs 1 to 5 of its Counterclaims.

290. An actual controversy exists between the parties with respect to the invalidity of the '985 Patent.

291. Although Eolas alleges in its Complaint that the '985 Patent was duly and legally issued by the United States Patent and Trademark Office after full and fair examination, each and every claim of the '985 Patent is invalid for failure to comply with the patent laws, including, but not limited to, 35 U.S.C. §§ 101, 102, 103, 112, and 113.

292. A judicial determination of the respective rights of the parties with respect to the infringement of the claims of the '985 Patent is now necessary and appropriate under 28 U.S.C. §2201.

COUNT VI

293. Staples incorporates by reference the allegations contained in Paragraphs 1 to 5 of its Counterclaims.

294. An actual controversy exists between the parties with respect to the unenforceability of the '985 Patent.

295. Although Eolas alleges in its Complaint that the '985 Patent was duly and legally issued by the United States Patent and Trademark Office after full and fair examination, each and every claim of the '985 Patent is unenforceable due to inequitable conduct before the United States Patent and Trademark Office.

296. Staples incorporates by reference the allegations contained in Paragraphs 17 to 268 of its Counterclaims.

297. The actions of Doyle and Krueger demonstrate a broad pattern of inequitable conduct that infected the prosecution of the '906 patent, the reexaminations of the '906 patent, and the prosecution of the '985 patent.

298. The application that matured into the '985 patent was filed on August 9, 2002.

299. The application number for the '985 patent was 10/217,955. This application was a continuation of a continuation of the application that had matured into the '906 patent.

300. Eolas had and still has rights to the patent application that matured into the '985 patent.

301. On information and belief, Doyle was personally involved in the prosecution of the '985 patent at the same time that he had a financial interest in Eolas.

302. On information and belief, Doyle knew that Eolas could assert the '985 patent in litigation to seek substantial settlements and/or damage awards, and thus the prosecution of the '985 patent was relevant to Doyle's financial interest in Eolas.

303. Doyle and his co-inventors are entitled to receive a portion of any royalties paid to The Regents of the University of California related to the '985 patent, and for this reason as well the prosecution of the '985 patent was relevant to Doyle's financial interests.

304. The claims at issue during prosecution of the '985 patent were similar to the claims at issue during the reexaminations of the '906 patent.

305. Accordingly, the information that Doyle and Krueger withheld during prosecution of the '906 patent was material to the patentability of the claims at issue during prosecution of the '985 patent for the same reasons previously stated.

306. As a result of the similarity between the claims at issue during prosecution of the '985 patent, and the claims of the '906 patent, the Patent Office issued a "double patenting" rejection during prosecution of the '985 patent. The rejection was issued on or about July 20, 2004.

307. To overcome the "double patenting" rejection during prosecution of the '985 patent, a terminal disclaimer was filed on or about March 7, 2005. As a result of the terminal disclaimer, the '985 patent may be in force up until November 17, 2015, the date on which the '906 patent will expire.

308. For at least this reason, Doyle and Krueger's inequitable conduct during the prosecution of the '906 patent infected the prosecution of the '985 patent.

309. On or about May 5, 2005, the Patent Office suspended prosecution of the '985 patent in light of the 2003 reexamination of the '906 patent. The Patent Office determined that the outcome of the 2003 reexamination had a material bearing on the patentability of the claims at issue during prosecution of the '985 patent.

310. For at least this reason, Doyle and Krueger's inequitable conduct during the 2003 reexamination of the '906 patent infected the prosecution of the '985 patent.

311. On or about January 18, 2006, the Patent Office suspended prosecution of the '985 patent in light of the 2005 reexamination of the '906 patent. The Patent Office determined that the outcome of the 2005 reexamination had a material bearing on the patentability of the claims at issue during prosecution of the '985 patent.

312. For at least this reason, Doyle and Krueger's inequitable conduct during the 2005 reexamination of the '906 patent infected the prosecution of the '985 patent.

313. On or about April 11, 2008, the claims at issue during prosecution of the '985 patent were amended to claim substantially the same subject matter claimed in the '906 patent.

314. Accordingly, the Patent Office did not undertake a separate substantive examination of the patentability of the claims in the '985 patent. Instead, the Patent Office simply applied the results of the prosecution of the '906 patent (including the results of the two reexaminations of the '906 patent) to the '985 patent.

315. For at least this reason, Doyle and Krueger's inequitable conduct during the prosecution and reexaminations of the '906 patent infected the prosecution of the '985 patent.

316. On or about November 13, 2008, a request was filed to lift the stay on the prosecution of the '985 patent in light of the completion of the 2005 reexamination of the '906 patent.

317. On or about March 20, 2009, the Patent Office allowed the claims in the '985 patent for the same reasons set forth by the Patent Office during the reexaminations of the '906 patent.

318. The examiner's reasons for allowance patent included the following statement: "[T]he claims [of the '985 patent] are allowable as the claims contain the subject matter deemed allowable in both Re exam 90/006,831 [the 2003 reexamination of the '906 patent] and Re exam 90/007,838 [the 2005 reexamination of the '906 patent] for the same reasons as set forth in the NIRC of the two Re exams."

319. The examiner's reasons for allowance of the '985 patent confirm that Doyle and Krueger's inequitable conduct during the prosecution and reexaminations of the '906 patent infected the prosecution of the '985 patent.

320. Eolas filed the complaint in this action on October 6, 2009, the same day that the '985 patent issued.

321. As a result of Doyle and Krueger's pattern of inequitable conduct, Eolas came to this Court with unclean hands.

322. As a result of Doyle and Krueger's inequitable conduct, and the unclean hands of Eolas, the '906 and '985 patents are unenforceable.

323. A judicial determination of the respective rights of the parties with respect to the unenforceability of the claims of the '985 Patent is now necessary and appropriate under 28 U.S.C. § 2201.

REQUESTS FOR RELIEF

Staples respectfully requests that this Court grant the following relief:

- A. Dismissal of the Second Amended Complaint for Patent Infringement against Staples with prejudice;
- B. A declaration that Plaintiff recovers nothing from Staples;
- C. An order enjoining Plaintiff, its owners, agents, employees, attorneys, and representatives, and any successors or assigns thereof, from charging or asserting infringement of any claim of the '906 Patent and the '985 Patent against Staples or anyone in privity with Staples;

- D. An award to Staples of its reasonable attorneys' fees and costs;
- E. A declaration that Staples has not infringed any claim of the '906 Patent, either directly or indirectly;
- F. A declaration that each and every claim of the '906 Patent is invalid;
- G. A declaration that each and every claim of the '906 Patent is unenforceable;
- H. A declaration that Staples has not infringed any claim of '985 Patent, either directly or indirectly;
- I. A declaration that each and every claim of the '985 Patent is invalid;
- J. A declaration that each and every claim of the '985 Patent is unenforceable; and
- K. Such other and further relief as the Court deems just and proper.

JURY DEMAND

Under Federal Rule of Civil Procedure 38(b), Staples respectfully requests a trial by jury on all matters raised in its Answer, and Defenses, or in the Amended Complaint for Patent Infringement.

Date: August 4, 2011

Respectfully submitted,

/s/ Michael E. Richardson

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**ATTORNEYS FOR DEFENDANT
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by facsimile transmission and/or first class mail this 4th day of August, 2011.

/s/ Michael E. Richardson

Michael E. Richardson