IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS TYLER DIVISION

STRAGENT, LLC, et al.,)
Plaintiffs,)
v.)
CLASSMATES ONLINE, INC., et al.,)
Defendants.)

Case No. 6:10-CV-242-LED

JURY TRIAL DEMANDED

DEFENDANT VIACOM INC.'S ANSWER, <u>AFFIRMATIVE DEFENSES, AND COUNTERCLAIMS</u>

Viacom Inc. ("Viacom") by and through its attorneys, submits the following Answer, Affirmative Defenses, and Counterclaims in response to the Second Amended Complaint for Patent Infringement ("the Second Amended Complaint") filed by Stragent, LLC ("Stragent") and Seesaw Foundation ("SeeSaw," together with Stragent, "Plaintiffs") on September 17, 2010.

ANSWER TO SECOND AMENDED

COMPLAINT FOR PATENT INFRINGEMENT

Viacom admits that the Second Amended Complaint purports to state a claim for patent infringement, but denies that such a claim is adequately stated. Viacom denies any and all remaining allegations and/or legal conclusions contained in the "Second Amended Complaint" paragraph, and specifically denies any wrongdoing or infringement, in this judicial district or elsewhere.

PARTIES

1. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 1 and, on that basis, denies such allegations.

2. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 2 and, on that basis, denies such allegations.

3. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 3 and, on that basis, denies such allegations.

4. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 4 and, on that basis, denies such allegations.

5. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 5 and, on that basis, denies such allegations.

6. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 6 and, on that basis, denies such allegations.

7. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 7 and, on that basis, denies such allegations.

8. Viacom admits that MTV is not incorporated and that MTV is a division of Viacom International Inc. Viacom further admits that Viacom International Inc. is a corporation organized under the laws of Delaware with its principal place of business in New York, New York.

Viacom admits that it is a corporation organized under the laws of Delaware.
Viacom admits that its principal place of business is in New York, New York.

10. Viacom admits that Viacom International Inc. is a subsidiary of Viacom, and further admits that MTV Networks is an unincorporated division of Viacom International Inc.

11. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 11 and, on that basis, denies such allegations.

12. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 12 and, on that basis, denies such allegations.

13. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 13 and, on that basis, denies such allegations.

JURISDICTION AND VENUE

14. Viacom admits that Plaintiffs purport to state a claim for patent infringement under Title 35 of the United States Code. However, Viacom denies that the Second Amended Complaint properly states such claims, and specifically denies any wrongdoing or infringement. Viacom admits that Plaintiffs purport to base federal jurisdiction under 28 U.S.C. §§ 1331 and 1338(a). Viacom denies any and all remaining allegations and/or legal conclusions contained in Paragraph 14.

15. As to Viacom, Viacom denies that venue is proper in this district, and reserves its rights to move the Court to transfer this action to another venue pursuant to 28 U.S.C. § 1404. Viacom denies any wrongdoing or infringement, in this judicial district or elsewhere. Viacom lacks sufficient knowledge or information to admit or deny the remaining allegations of Paragraph 15, and on that basis, denies each and every remaining allegation contained therein.

16. Viacom admits that it is subject to personal jurisdiction in the State of Texas. Viacom lacks sufficient knowledge or information to admit or deny the remaining allegations of Paragraph 16, and on that basis, denies each and every remaining allegation contained therein.

INFRINGEMENT OF U.S. PATENT NO. 6,665,722

17. Viacom denies that U.S. Patent No. 6,665,722 (the "'722 Patent") was "duly and legally issued." Viacom admits that according to the face of the '722 Patent, a copy of which is

attached as Exhibit A to the Second Amended Complaint, the '722 Patent is entitled "Store-andforward packet radio system and method." Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 17 and, on that basis, denies such allegations.

18. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 18 and, on that basis, denies such allegations.

19. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 19 and, on that basis, denies such allegations.

20. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 20 and, on that basis, denies such allegations.

21. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 21 and, on that basis, denies such allegations.

22. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 22 and, on that basis, denies such allegations.

23. Viacom denies all allegations contained in Paragraph 23 and specifically denies any wrongdoing or infringement.

24. Viacom denies all allegations contained in Paragraph 24 and specifically denies any wrongdoing or infringement.

25. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 25 and, on that basis, denies such allegations.

26. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 26 and, on that basis, denies such allegations.

27. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 27 and, on that basis, denies such allegations.

28. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 28 and, on that basis, denies such allegations.

29. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 29 and, on that basis, denies such allegations.

30. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the allegations in Paragraph 30 and, on that basis, denies such allegations.

31. As to Viacom, Viacom denies that Plaintiffs have suffered monetary damages as a result of any alleged infringement by Viacom, and denies any wrongdoing or infringement, in this judicial district or elsewhere. Viacom further denies that the '722 Patent is valid and/or enforceable. Viacom lacks knowledge and information sufficient to form a belief as to the truth or falsity of the remaining allegations in Paragraph 31 and, on that basis, denies such allegations.

PRAYER FOR RELIEF

WHEREFORE, Viacom denies that any conduct on its part subjects Viacom to liability for damages or attorneys' fees under 35 U.S.C. § 284 or any other statute, and Viacom further denies that Plaintiffs are entitled to any relief whatsoever.

JURY DEMAND

In accordance with Rule 38 of the Federal Rules of Civil Procedure and Local Rule CV-38, Viacom demands a trial by jury for all issues so triable.

AFFIRMATIVE DEFENSES

Viacom alleges and asserts the following defenses, affirmative or otherwise, without assuming any burden of proof that it would not otherwise have. In addition to the affirmative defenses described below and subject to its responses above, Viacom specifically reserves all rights to allege additional defenses, affirmative or otherwise, that become known through the course of discovery.

FIRST AFFIRMATIVE DEFENSE

(FAILURE TO STATE A CLAIM)

1. Plaintiffs' Second Amended Complaint fails to state a claim upon which relief can be granted, including, but not limited to, because Plaintiffs' Second Amended Complaint fails to meet the standard for pleading set by the Supreme Court in *Ashcroft v. Iqbal*, 129 S. Ct. 1937 (2009), and *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007).

SECOND AFFIRMATIVE DEFENSE

(INVALIDITY)

2. The '722 Patent is invalid, unenforceable, and/or void for failure to comply with one or more of the requirements of the Patent Laws of the United States, 35 U.S.C. §§ 100, *et seq.*, including, but not limited to, §§ 101, 102, 103, 112, 116 and 132.

THIRD AFFIRMATIVE DEFENSE

(NON-INFRINGEMENT)

3. Viacom has not directly infringed or contributed to the infringement of any claim of the '722 Patent through any of its products, services, or processes.

FOURTH AFFIRMATIVE DEFENSE

(LACHES)

4. Plaintiffs' claims and remedies are barred in whole or in part by the doctrine of laches.

FIFTH AFFIRMATIVE DEFENSE

(ADEQUATE REMEDY AT LAW)

5. To the extent that the Second Amended Complaint could be read to request injunctive relief, the relief Plaintiffs seek is barred because, if Plaintiffs are entitled to any relief, Plaintiffs have an adequate remedy at law.

SIXTH AFFIRMATIVE DEFENSE

(FAILURE TO GIVE NOTICE)

6. To the extent that Plaintiffs seek damages for alleged infringement prior to their giving actual or constructive notice of the '722 Patent to Viacom, the relief Plaintiffs seek is limited by 35 U.S.C. § 287.

SEVENTH AFFIRMATIVE DEFENSE

(STATUTORY DAMAGES LIMITATION)

Plaintiffs' claims for damages are statutorily limited or barred by 35 U.S.C. §§
286.

EIGHTH AFFIRMATIVE DEFENSE

(LICENSE)

8. The relief sought by Plaintiffs is barred in whole or in part because Viacom's

actions are licensed under the '722 Patent.

NINTH AFFIRMATIVE DEFENSE

(PATENT EXHAUSTION OR IMPLIED LICENSE)

9. Plaintiffs have authorized the sale of components by third parties such that their

patent rights have been exhausted, and such that they have at least impliedly authorized

Viacom's manufacture, sale, offer for sale, or importation of products containing or utilizing such components.

TENTH AFFIRMATIVE DEFENSE

(CLAIM CONSTRUCTION ESTOPPEL)

10. Plaintiffs are estopped from construing the '722 Patent to cover any of Viacom's products or services because representations, omissions, and/or concessions made during prosecution of the '722 Patent and/or related U.S. or foreign patents and patent applications, limit the scope of the claims of the '722 Patent.

ELEVENTH AFFIRMATIVE DEFENSE

(PROSECUTION HISTORY ESTOPPEL)

11. Prosecution history estoppel bars Plaintiffs from asserting infringement under the doctrine of equivalents and from adopting claim construction positions contrary to statements and amendments made during prosecution of the '722 patent and/or related U.S. or foreign patents and patent applications.

TWELFTH AFFIRMATIVE DEFENSE

(UNCLEAN HANDS)

12. Plaintiffs are barred from seeking equitable relief from the Court by their unclean hands.

THIRTEENTH AFFIRMATIVE DEFENSE

(WAIVER, ACQUIESCENCE, OR CONSENT)

13. Plaintiffs' remedies under the '722 Patent are barred by the doctrines of waiver, acquiescence, and/or consent.

WHEREFORE, Viacom denies that any of its products, services, or processes infringes any claim of the '722 Patent, and further denies that Plaintiffs are entitled to any judgment against Viacom whatsoever. Viacom asks that Plaintiffs' Second Amended Complaint be dismissed with prejudice, that judgment be entered for Viacom, and that Viacom be awarded its costs and attorneys' fees incurred in defending against Plaintiffs' Second Amended Complaint, together with such other relief the Court deems appropriate.

COUNTERCLAIMS

Counter-plaintiff Viacom hereby states its Counterclaims against Stragent and Seesaw as follows:

JURISDICTION AND THE PARTIES

 Viacom is a Delaware corporation with its principal place of business in New York, New York.

 According to the allegations of the Second Amended Complaint, Stragent is a limited liability company organized under the laws of Texas with its principal place of business in Longview, Texas.

3. According to the allegations of the Second Amended Complaint, SeeSaw is a non-profit corporation organized under the laws of Texas with its principal place of business in Longview, Texas.

4. This is an action for Declaratory Relief for which this Court has jurisdiction under Title 35 of the United States Code as well as under 28 U.S.C. §§ 1331, 1338, and 2201.

 Venue is proper in this District because Stragent and SeeSaw have asserted a Second Amended Complaint for patent infringement in this District, in response to which these Counterclaims are asserted.

FIRST COUNTERCLAIM

(NON-INFRINGEMENT OF U.S. PATENT NO. 6,665,722)

6. Viacom repeats and re-alleges Paragraphs 1 through 5 above as if fully set forth herein.

7. By the filing of its Second Amended Complaint, Stragent and SeeSaw have purported to assert claims against Viacom for the alleged infringement of the '722 Patent.

8. Viacom has denied Stragent and SeeSaw's claims of infringement and believes that the Second Amended Complaint has been filed without good cause.

9. An actual controversy has arisen between Viacom, on the one hand, and Stragent and SeeSaw, on the other hand, concerning the infringement of the '722 Patent.

10. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201, et seq.,

Viacom is entitled to judgment from this Court finding that the '722 Patent is not infringed by any of Viacom's products, services, or processes.

SECOND COUNTERCLAIM

(INVALIDITY OF U.S. PATENT NO. 6,665,722 PURSUANT TO 35 U.S.C. §§ 101,

et seq.)

11. Viacom repeats and re-alleges Paragraphs 1 through 10 above as if fully set forth herein.

12. Viacom has denied that the '722 Patent is valid and has asserted that the patent is invalid pursuant to 35 U.S.C. §§ 101, *et seq*.

13. As a result, Viacom is entitled to judgment from this Court finding that the '722Patent is invalid pursuant to 35 U.S.C. §§ 101, *et seq*.

PRAYER FOR RELIEF

WHEREFORE, Viacom prays for relief as follows:

A. For a declaratory judgment that the '722 Patent, and each and every asserted claim thereof, be declared not infringed by Viacom and/or invalid;

B. That the Second Amended Complaint be dismissed with prejudice, with Stragent and SeeSaw taking nothing;

C. That pursuant to 35 U.S.C. § 285, Fed. R. Civ. Proc. 11, and/or other applicable authority, Stragent and SeeSaw be ordered to pay all of Viacom's reasonable attorneys' fees in this action because this is an exceptional case;

D. That Viacom be awarded its cost of suit; and

E. That Viacom be awarded such other relief as the Court shall deem just and reasonable.

DATED: October 4, 2010

Respectfully submitted,

/s/ Emily Kalanithi

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Attorneys for Viacom Inc.

CERTIFICATE OF SERVICE

I hereby certify that all counsel of record who have consented to electronic service and are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3) on October 4, 2010. Any other counsel of record will be served by First Class U.S. mail on this same date.

> <u>/s/ Michael E. Jones</u> Michael E. Jones