

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
TYLER DIVISION

PARALLEL NETWORKS, LLC,)	
)	
Plaintiff,)	
)	Case No. 6:10-cv-491
v.)	
)	
ADIDAS AMERICA, INC., <i>et al.</i> ,)	
)	
Defendants.)	

**HASBRO’S ANSWER TO PLAINTIFF’S
COMPLAINT, COUNTERCLAIMS, AND JURY DEMAND**

Defendant Hasbro, Inc. (“Hasbro”) submits the following answer, counterclaims, and jury demand in response to the Complaint for Patent Infringement (“complaint”) (Doc. No. 1) of Plaintiff Parallel Networks, LLC (“Plaintiff” or “Parallel”).

ANSWER

1. Hasbro lacks knowledge sufficient to confirm or deny the allegations in paragraph 1 of the complaint, and therefore denies the same.

2–28. Paragraphs 2–28 of the complaint, inclusive, do not require a response by Hasbro. To the extent that paragraphs 2–28 are deemed to require a response, Hasbro lacks sufficient knowledge or information concerning the facts asserted in paragraphs 2–28, inclusive, to form a belief about their truth, and, on that basis, denies them.

29. Hasbro admits the allegations in paragraph 29 of the complaint.

30–61. Paragraphs 30–61 of the complaint, inclusive, do not require a response by Hasbro. To the extent that paragraphs 30–61 are deemed to require a response, Hasbro lacks

sufficient knowledge or information concerning the facts asserted in paragraphs 30–61, inclusive, to form a belief about their truth, and, on that basis, denies them.

62. Hasbro admits that this action arose under the patent laws of the United States, Title 35 of the United States Code and that this Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 & 1338(a). Hasbro denies the remaining allegations in paragraph 62 as applied to Hasbro, and lacks sufficient information to admit or deny the remaining allegations applicable to other defendants and, therefore, denies the same.

63. Hasbro denies that venue is proper in this district under 28 U.S.C. §§ 1391(b), 1391(c), & 1400(b), and it reserves its rights to move to transfer to a more convenient or more appropriate venue under 28 U.S.C. § 1404. Hasbro denies the remaining allegations in paragraph 63 as applied to Hasbro, and lacks sufficient information to admit or deny the remaining allegations applicable to other defendants and, therefore, denies the same.

64. Hasbro admits that U.S. Patent No. 6,446,111 (“the ’111 patent”) indicates that it was issued on September 3, 2002, and that the patent is entitled “Method and Apparatus for Client–Server Communication Using a Limited Capability Client Over a Low–Speed Communications Link.” To the extent paragraph 64 of the complaint makes any other allegations against Hasbro, Hasbro denies the same, and specifically Hasbro does not concede that the patent was properly issued or titled.

65. Hasbro lacks knowledge sufficient to confirm or deny the allegations in paragraph 65 of the complaint, and therefore denies the same.

66. Hasbro denies the allegations of paragraph 66 of the complaint.

67–170. Paragraphs 67–170 of the complaint, inclusive, do not require a response by Hasbro. To the extent that paragraphs 67–170 are deemed to require a response, Hasbro lacks sufficient knowledge or information concerning the facts asserted in paragraphs 67–170, inclusive, to form a belief about their truth, and, on that basis, denies them.

171. Hasbro denies the allegations of paragraph 171 of the complaint.

172. Hasbro denies the allegations of paragraph 172 of the complaint.

173. Hasbro denies the allegations of paragraph 173 of the complaint.

174. Hasbro denies the allegations of paragraph 174 of the complaint.

175–302. Paragraphs 175–302 of the complaint, inclusive, do not require a response by Hasbro. To the extent that paragraphs 175–302 are deemed to require a response, Hasbro lacks sufficient knowledge or information concerning the facts asserted in paragraphs 175–302, inclusive, to form a belief about their truth, and, on that basis, denies them.

303. Hasbro denies the allegations of paragraph 303 of the complaint to the extent directed at Hasbro. To the extent that paragraph 303 is deemed to require a response with respect to the other Defendants, Hasbro lacks knowledge sufficient to confirm or deny the allegations and therefore denies the same.

304. Hasbro denies the allegations of paragraph 304 of the complaint to the extent directed at Hasbro. To the extent that paragraph 304 is deemed to require a response with respect to the other Defendants, Hasbro lacks knowledge sufficient to confirm or deny the allegations and therefore denies the same.

305. Hasbro denies the allegations of paragraph 305 of the complaint to the extent directed at Hasbro. To the extent that paragraph 305 is deemed to require a response with respect to the other Defendants, Hasbro lacks knowledge sufficient to confirm or deny the allegations and therefore denies the same.

GENERAL DENIAL

306. Hasbro denies any allegations not specifically admitted above, and requests that the Court deny all relief to Parallel, including that requested by Parallel in its Prayer for Relief.

AFFIRMATIVE DEFENSES

Hasbro reserves the right to amend its Answer to assert additional affirmative defenses, consistent with the facts discovered in this case.

FIRST AFFIRMATIVE DEFENSE

307. The Court lacks jurisdiction over the persons of Hasbro.

SECOND AFFIRMATIVE DEFENSE

308. Venue is improper in this Court.

THIRD AFFIRMATIVE DEFENSE

309. The complaint fails to state a claim upon which relief may be granted.

FOURTH AFFIRMATIVE DEFENSE

310. Hasbro has not literally infringed, infringed under the doctrine of equivalents, contributorily infringed, or induced the infringement of the patent-in-suit, and is not doing so.

FIFTH AFFIRMATIVE DEFENSE

311. To the extent that Parallel ultimately states a valid claim against Hasbro for the indirect infringement of the patent-in-suit, either by contributing to or inducing infringement,

Hasbro is not liable to Parallel for any acts alleged to have been performed before Hasbro knew that its actions would cause indirect infringement.

SIXTH AFFIRMATIVE DEFENSE

312. Some or all of the claims of the patent-in-suit are invalid and unenforceable under the patent laws, including without limitation 35 U.S.C. §§ 101, 102, 103, and 112.

SEVENTH AFFIRMATIVE DEFENSE

313. Any claim by Parallel for damages for patent infringement is limited by 35 U.S.C. § 286 to those damages incurred within the six years before the filing of the complaint.

EIGHTH AFFIRMATIVE DEFENSE

314. Any claim by Parallel for damages for patent infringement is limited by 35 U.S.C. § 287 to those damages incurred after Hasbro had notice of infringement.

NINTH AFFIRMATIVE DEFENSE

315. To the extent that Parallel seeks a declaration that Hasbro has willfully infringed the patent-in-suit, Parallel has neither made nor has any factual basis to make any allegation that Hasbro has willfully infringed the patent-in-suit.

TENTH AFFIRMATIVE DEFENSE

316. Parallel has improperly joined unrelated defendants in a single action in which there are not sufficient common questions of law or fact to justify a trial against all such defendants in a single action consistent with due process principles.

ELEVENTH AFFIRMATIVE DEFENSE

317. Without conceding that Hasbro performs any step of any claim of the patent-in-suit, Hasbro cannot and does not perform all of the steps of any claim of the patent-in-suit.

TWELFTH AFFIRMATIVE DEFENSE

318. To the extent that Parallel, and alleged predecessors-in-interest to the patent-in-suit, failed to properly mark any of their relevant products as required by 35 U.S.C. § 287 or otherwise give proper notice that Hasbro's actions allegedly infringed the patent-in-suit, Hasbro is not liable to Parallel for the acts alleged to have been performed before it received actual notice that it was allegedly infringing the patent-in-suit.

THIRTEENTH AFFIRMATIVE DEFENSE

319. Parallel's attempted enforcement of the patent-in-suit against Hasbro is barred by laches and estoppel.

COUNTERCLAIMS

For its counterclaims, Hasbro complains and alleges against Parallel as follows:

INTRODUCTION

320. By its counterclaims, Hasbro seeks a declaration that it has not infringed the patent-in-suit and that the patent-in-suit is invalid.

PARTIES

321. Hasbro is a corporation with a place of business in Pawtucket, Rhode Island.

322. On information and belief, Parallel is a Texas limited liability company with a principal place of business in Tyler, Texas.

JURISDICTION

323. Hasbro's counterclaims arise under the Federal Declaratory Judgments Act, 28 U.S.C. §§ 2201, 2202 and the patent laws of the United States of America, 35 U.S.C. § 1, *et seq.*, and this Court has jurisdiction under 28 U.S.C. §§ 1331 and 1338.

THE PATENT

324. On information and belief, Parallel claims to be the current owner of all rights, interest, and title in the patent-in-suit.

EXISTENCE OF AN ACTUAL CONTROVERSY

325. On September 23, 2010, Parallel filed suit in this Court alleging that Hasbro infringes the patent-in-suit.

326. Hasbro disputes the validity of the patent-in-suit, and denies that it has infringed it literally or under the doctrine of equivalents, or induced or contributed to its infringement, or is currently doing so.

327. Accordingly, there is a substantial and actual controversy between Hasbro and Parallel over whether the patent-in-suit is valid and enforceable, and, if it is valid and enforceable, whether Hasbro has infringed, or is infringing, it.

328. There exists a clear and serious threat to Hasbro's business so long as this controversy remains unresolved.

FIRST COUNTERCLAIM [Declaration of Non-Infringement of the '739 Patent]

329. Hasbro repeats the allegations of the preceding paragraphs as if set forth in this paragraph.

330. Parallel has asserted that Hasbro has infringed, or is infringing, the patent-in-suit.

331. Hasbro denies that it has infringed, or is infringing, the patent-in-suit.

332. Hasbro requests a judicial declaration that it neither has infringed, nor is infringing, the patent-in-suit.

SECOND COUNTERCLAIM
[Declaration of Invalidity of the '739 Patent]

333. Hasbro repeats the allegations of the preceding paragraphs as if set forth in this paragraph.

334. Hasbro asserts that the claims of the patent-in-suit are invalid and unenforceable under one or more sections of the patent laws, including, without limitation, 35 U.S.C. §§ 101, 102, 103, and/or 112.

335. On information and belief, Parallel asserts that the claims of the patent-in-suit are valid and enforceable.

336. Hasbro requests a judicial declaration that the claims of the patent-in-suit are invalid and unenforceable.

PRAYER FOR RELIEF

WHEREFORE, Hasbro requests that the Court enter judgment on Parallel's complaint that:

A. Parallel's complaint is dismissed in its entirety with prejudice and that Parallel takes nothing by its complaint;

B. Parallel's request for injunctive relief is denied;

C. Hasbro has not infringed, and is not infringing, the patent-in-suit;

D. The patent-in-suit is declared invalid and/or unenforceable;

E. Hasbro is awarded its costs, disbursements, and attorneys' fees pursuant to 35 U.S.C. § 285, and other applicable provisions of law; and

F. Hasbro is granted such other and further relief as the Court deems just and proper.

JURY DEMAND

Hasbro demands a jury trial of all issues so triable in this action.

Dated: November 22, 2010

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on November 22, 2010, the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this document was served on all counsel who have consented to electronic service. Local Rule CV-5(a)(3)(A).

/s/ Stacy O. Stitham
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