

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

**PARALLEL NETWORKS, LLC,**

**Plaintiff,**

v.

**ADIDAS AMERICA, INC., et al.,**

**Defendants.**

**6:10-CV-00491**

**JURY TRIAL DEMANDED**

**MACY'S' ANSWER AND COUNTERCLAIM TO PARALLEL  
NETWORKS' ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT**

Defendants Macy's West Stores, Inc. and Macys.com, Inc. ("Macy's") file this Answer and Counterclaim to Plaintiff Parallel Networks, LLC's ("Parallel Networks") Original Complaint for Patent Infringement ("Complaint"). Macy's denies the allegations and characterizations in Parallel Networks' Complaint unless expressly admitted in the following paragraphs:

1. Macy's lacks knowledge sufficient to confirm or deny the allegations of Paragraph 1 and therefore denies the same.

2–40. Paragraphs 2 through 40 do not require a response by Macy's. To the extent that Paragraphs 2 through 40 are deemed to require a response, Macy's lacks knowledge sufficient to confirm or deny the allegations and therefore denies the same.

41. Macy's admits that Macy's West Stores, Inc. is a corporation with a place of business in Cincinnati, Ohio.

42. Macy's admits that Macys.com, Inc. is a corporation with a place of business in San Francisco, California.

43–61. Paragraphs 43 through 61 do not require a response by Macy’s. To the extent that Paragraphs 43 through 61 are deemed to require a response, Macy’s lacks knowledge sufficient to confirm or deny the allegations and therefore denies the same.

### **JURISDICTION AND VENUE**

62. Macy’s admits that this action arises under the patent laws of the United States, Title 35 of the United States Code and that this Court has subject matter jurisdiction of this action under 28 U.S.C. §§ 1331 and 1338(a). Macy’s admits that it is subject to this Court’s specific and general jurisdiction but denies it is due to any alleged infringement. Macy’s further lacks knowledge sufficient to confirm or deny the allegations against the other defendants and therefore denies the same. Except as expressly admitted herein, Macy’s denies each and every allegation of Paragraph 62.

63. Macy’s admits that venue is proper under 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b), but denies that venue is convenient. Macy’s admits that it is subject to personal jurisdiction in the Eastern District of Texas but denies it is due to any alleged infringement. Macy’s lacks knowledge sufficient to confirm or deny the allegations against the other defendants and therefore denies the same. Except as expressly admitted herein, Macy’s denies each and every allegation of Paragraph 63.

### **COUNT I** **INFRINGEMENT OF U.S. PATENT NO. 6,446,111**

64. Macy’s admits that U.S. Patent No. 6,446,111 (the “’111 Patent”) issued on September 3, 2002. Macy’s denies that the ’111 Patent was duly and legally issued. Except as expressly admitted herein, Macy’s denies each and every allegation of Paragraph 64.

65. Macy's lacks knowledge sufficient to confirm or deny the allegations of Paragraph 65 and therefore denies the same.

66. Macy's lacks knowledge sufficient to confirm or deny the allegations of Paragraph 66 and therefore denies the same.

67–218. Paragraphs 67 through 218 do not require a response by Macy's. To the extent that Paragraphs 67 through 218 are deemed to require a response, Macy's lacks knowledge sufficient to confirm or deny the allegations and therefore denies the same.

219. Macy's denies the allegations of Paragraph 219.

220. Macy's denies the allegations of Paragraph 220.

221. Macy's denies the allegations of Paragraph 221.

222. Macy's denies the allegations of Paragraph 222.

223. Macy's denies the allegations of Paragraph 223.

224. Macy's denies the allegations of Paragraph 224.

225. Macy's denies the allegations of Paragraph 225.

226. Macy's denies the allegations of Paragraph 226.

227–302. Paragraphs 227 through 302 do not require a response by Macy's. To the extent that Paragraphs 227 through 302 are deemed to require a response, Macy's lacks knowledge sufficient to confirm or deny the allegations and therefore denies the same.

303. Macy's denies the allegations of Paragraph 303 directed at Macy's. To the extent that Paragraph 303 is deemed to require a response with respect to the other Defendants, Macy's lacks knowledge sufficient to confirm or deny the allegations and therefore denies the same. Except as expressly admitted herein, Macy's denies each and every allegation of Paragraph 303.

304. Macy's denies the allegations of Paragraph 304 directed at Macy's. To the extent that Paragraph 304 is deemed to require a response with respect to the other Defendants, Macy's lacks knowledge sufficient to confirm or deny the allegations and therefore denies the same. Except as expressly admitted herein, Macy's denies each and every allegation of Paragraph 304.

**COUNT II**  
**WILLFUL INFRINGEMENT**

305. Macy's denies the allegations of Paragraph 305 directed at Macy's. Macy's lacks knowledge sufficient to confirm or deny the allegations against the other defendants and therefore denies the same. Except as expressly admitted herein, Macy's denies each and every allegation of Paragraph 305.

306. Macy's requests that the Court deny all relief to Parallel Networks, including that requested by Parallel Networks in its Prayer for Relief.

**AFFIRMATIVE DEFENSES**

Macy's' Affirmative Defenses are listed below. Macy's reserves the right to amend its Answer to add additional Affirmative Defenses, including instances of inequitable conduct, consistent with the facts discovered in the case.

**FIRST DEFENSE**

307. Macy's does not infringe and has not infringed any claim of the '111 Patent under any theory (including directly (whether individually or jointly) or indirectly (whether contributorily or by inducement)).

### **SECOND DEFENSE**

308. The '111 Patent is invalid because the alleged invention fails to satisfy the conditions for patentability specified in 35 U.S.C. § 100 *et seq.*, including §§ 101, 102, 103, and 112.

### **THIRD DEFENSE**

309. To the extent that Parallel Networks, and alleged predecessors-in-interest to the '111 Patent, failed to properly mark any of their relevant products as required by 35 U.S.C. § 287 or otherwise give proper notice that Macy's' actions allegedly infringed the '111 Patent, Macy's is not liable to Parallel Networks for the acts alleged to have been performed before it received actual notice that it was allegedly infringing the '111 Patent.

### **FOURTH DEFENSE**

310. To the extent that Parallel Networks asserts that Macy's indirectly infringes, either by contributory infringement or inducement of infringement, Macy's is not liable to Parallel Networks for the acts alleged to have been performed before Macy's knew that its actions would cause indirect infringement.

### **FIFTH DEFENSE**

311. Parallel Networks' attempted enforcement of the '111 Patent against Macy's is barred by laches and estoppel.

### **SIXTH DEFENSE**

312. Parallel Networks' claims directed to indirect infringement, either by contributory infringement or inducement of infringement, and willful infringement fail to state a claim for which relief may be granted.

## **COUNTERCLAIM**

### **The Parties**

313. Counterclaim Plaintiff Macy's West Stores, Inc. is a corporation with its principal place of business located in Cincinnati, Ohio.

314. Counterclaim Plaintiff Macy.com, Inc. is a corporation with its principal place of business located in San Francisco, California. Macy's West Stores, Inc. and Macy.com, Inc. are referred to collectively as "Macy's."

315. On information and belief based solely on Paragraph 1 of the Complaint as pled by Parallel Networks, Parallel Networks is a Texas Limited Liability Company with its principal place of business located in Tyler, Texas.

### **Jurisdiction**

316. This counterclaim arises under the patent laws of the United States, Title 35, United States Code. The jurisdiction of this Court is proper under at least 35 U.S.C. § 271 *et seq.* and 28 U.S.C. §§ 1331, 1338, 1367, and 2201 *et seq.*

317. Venue is proper in this District pursuant to at least 28 U.S.C. §§ 1391 and 1400. Venue is further proper in the Tyler Division.

### **Count I**

#### **Declaratory Relief Regarding Non-infringement**

318. Based on Parallel Networks' filing of this action and Macy's' First Defense, an actual controversy has arisen and now exists between the parties as to whether Macy's infringes the '111 Patent.

319. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, Macy's requests a declaration by the Court that it does not infringe any claim of the '111

Patent under any theory (including directly (whether individually or jointly) or indirectly (whether contributorily or by inducement)).

## **Count II**

### **Declaratory Relief Regarding Invalidity**

320. Based on Parallel Networks' filing of this action and Macy's' Second Defense, an actual controversy has arisen and now exists between the parties as to the validity of the claims of the '111 Patent.

321. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, and 35 U.S.C. § 100 *et seq.*, Macy's requests a declaration by the Court that the claims of the '111 Patent are invalid.

## **Count III**

### **Declaratory Relief Regarding Unenforceability**

322. Based on Parallel Networks' filing of this action and Macy's' Third, Fourth, and Fifth Defenses, an actual controversy has arisen and now exists between the parties as to the enforceability of the '111 Patent.

323. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, Macy's requests a declaration by the Court that the claims of the '111 Patent are unenforceable.

## **PRAYER**

Macy's respectfully requests a judgment against Parallel Networks as follows:

- A. A declaration that the '111 Patent is unenforceable;
- B. A declaration that the asserted claims of the '111 Patent are invalid;

- C. A declaration that Macy's does not infringe, under any theory, any valid claim of the '111 Patent that may be enforceable;
- D. A declaration that Parallel Networks take nothing by its Complaint;
- E. Judgment against Parallel Networks and in favor of Macy's;
- F. Dismissal of the Complaint with prejudice;
- G. An award to Macy's of its costs and attorneys' fees incurred in this action; and
- H. Further relief as the Court may deem just and proper.

**JURY DEMAND**

Macy's hereby demands trial by jury on all issues.

Dated: November 24, 2010

Respectfully submitted,

FISH & RICHARDSON P.C.

By: /s/ Neil J. McNabney

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**Counsel for Defendants  
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MACYS.COM, INC.**



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the above and foregoing document has been served on November 24, 2010, to all counsel of record who are deemed to have consented to electronic service via the Court's CM/ECF system per Local Rule CV-5(a)(3).

*/s/ Neil J. McNabney*

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Neil J. McNabney