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

Parallel Networks, LLC,

Plaintiff,

v.

Jury Trial Demanded

Adidas America, Inc. et al.

Defendants

PLAINTIFF'S ANSWER TO THE COUNTERCLAIMS OF JONES RETAIL CORPORATION

Plaintiff Parallel Networks, LLC ("Parallel Networks") hereby Answers the Counterclaims [Dkt. No. 274] of Defendant Jones Retail Corporation, now known as JAG Footwear, Accessories and Retail Corporation ("JAGFAR"), by corresponding paragraph number as follows:

ANSWER TO COUNTERCLAIMS

The Parties

- 313. Admitted.
- 314. Admitted.

Jurisdiction

- 315. Admitted.
- 316. Admitted.

Count I

Declaratory Relief Regarding Non-Infringement

317. Admitted.

318. Admits that JAGFAR requests a declaration by the Court that it does not infringe any claim of the '111 Patent under any theory, but denies that JAGFAR is entitled to such relief, or any further relief.

Count II

Declaratory Relief Regarding Invalidity

- 319. Admitted.
- 320. Admits that JAGFAR requests a declaration by the Court that the claims of the '111 Patent are invalid, but denies that JAGFAR is entitled to such relief, or any further relief.

Count III

Declaratory Relief Regarding Unenforceability

- 321. Admitted.
- 322. Admits that JAGFAR requests a declaration by the Court that the claims of the '111 Patent are unenforceable, but denies that JAGFAR is entitled to such relief, or any further relief.

PRAYER

Parallel Networks denies that JAGFAR is entitled to any relief, including that requested in its Prayer for Relief.

JURY DEMAND

JAGFAR's Jury Demand is an averment to which no responsive pleading is required.

Dated: December 16, 2010 Respectfully submitted,

By: /s/ Charles Craig Tadlock
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ATTORNEYS FOR PLAINTIFF PARALLEL NETWORKS, LLC

CERTIFICATE OF SERVICE

I hereby certify that counsel of record who are deemed to have consented to electronic service are being served this 16th day of December, 2010, 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 electronic mail, facsimile transmission and/or first class mail on this same date.

/s/ Charles Craig Tadlock

One of the Attorneys for Parallel Networks, LLC