

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

HON. MARSHA J. PECHMAN

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

INTERVAL LICENSING LLC,

Plaintiff,

v.

AOL, INC.; APPLE, INC.; eBAY, INC.;
FACEBOOK, INC.; GOOGLE INC.;
NETFLIX, INC.; OFFICE DEPOT, INC.;
OFFICEMAX INC.; STAPLES, INC.;
YAHOO! INC.; AND YOUTUBE, LLC,

Defendants.

Case No. 2:10-cv-01385-MJP

**OFFICE DEPOT, INC.’S ANSWER TO
FIRST AMENDED COMPLAINT,
AFFIRMATIVE DEFENSES AND
COUNTERCLAIMS**

JURY DEMAND

Defendant Office Depot, Inc. (“Office Depot”) answers the First Amended Complaint for Patent Infringement (“First Amended Complaint”) filed in this action by Plaintiff Interval Licensing LLC (“Interval” or “Plaintiff”) as follows:

1. Office Depot is without information or knowledge sufficient to admit or deny the allegations of paragraph 1 of the First Amended Complaint, and on that basis denies such allegations.

2-7. The allegations in paragraphs 2-7 are not asserted against Office Depot and therefore no answer is required.

8. Admitted.

1 9-12. The allegations in paragraphs 9-12 are not asserted against Office Depot and
2 therefore no answer is required.

3 13. Office Depot admits that this action purports to state a claim under the United
4 States patent laws and that such a claim, if proper, made by a party with sufficient standing,
5 would arise within the Court's subject matter jurisdiction. For purposes of this action only,
6 Office Depot admits that venue is proper in the United States District Court for the Western
7 District of Washington. Office Depot denies all further allegations directed against it in
8 paragraph 13 of the First Amended Complaint. No answer is required in response to the
9 allegations not asserted against Office Depot.

10 14. Office Depot admits that Paul Allen and Bill Gates co-founded Microsoft
11 Corporation in 1975. Office Depot is without information or knowledge sufficient to admit or
12 deny the remaining allegations of paragraph 14 of the First Amended Complaint, and on that
13 basis denies such allegations.

14 15. Office Depot denies that Interval Research was ever one of the preeminent
15 technology firms. Office Depot is without information or knowledge sufficient to admit or deny
16 the remaining allegations of paragraph 15 of the First Amended Complaint, and on that basis
17 denies such allegations.

18 16. Office Depot is without information or knowledge sufficient to admit or deny the
19 allegations of paragraph 16 of the First Amended Complaint, and on that basis denies such
20 allegations.

21 17. Office Depot is without information or knowledge sufficient to admit or deny the
22 allegations of paragraph 17 of the First Amended Complaint, and on that basis denies such
23 allegations.

24 18. Office Depot is without information or knowledge sufficient to admit or deny the
25 allegations of paragraph 18 of the First Amended Complaint, and on that basis denies such
26 allegations.

1 19. Office Depot is without information or knowledge sufficient to admit or deny the
2 allegations of paragraph 19 of the First Amended Complaint, and on that basis denies such
3 allegations.

4 20. Office Depot admits that Exhibit 2 to the First Amended Complaint, on its face,
5 purports to be a copy of U.S. Patent No. 6,263,507 B1 (“’507 patent”), issued on July 17, 2001,
6 which is entitled “Browser for Use in Navigating a Body of Information, With Particular
7 Application to Browsing Information Represented By Audiovisual Data.” Office Depot denies
8 that the ’507 patent was “duly and legally issued for an invention.” Office Depot is without
9 information or knowledge sufficient to admit or deny the remaining allegations set forth in
10 paragraph 20 of the First Amended Complaint, and on that basis denies such allegations.

11 21-30. The allegations in paragraphs 21-30 are not asserted against Office Depot and
12 therefore no answer is required.

13 31. Office Depot admits that it operates the OfficeDepot.com and TechDepot.com
14 websites, and that these websites provide information about products to certain website visitors.
15 Office Depot denies the remaining allegations of paragraph 31.

16 32-37. The allegations in paragraphs 32-37 are not asserted against Office Depot and
17 therefore no answer is required.

18 38. Office Depot denies the allegations asserted against it. The remaining allegations
19 in paragraph 38 are not asserted against Office Depot and therefore no answer is required.

20 39-58. The allegations in paragraphs 39-58 are not asserted against Office Depot and
21 therefore no answer is required.

22 59. Office Depot admits that Exhibit 5 to the First Amended Complaint, on its face,
23 purports to be a copy of U.S. Patent No. 6,757,682 B1 (“the ’682 patent”), issued June 29, 2004,
24 which is entitled “Alerting Users to Items of Current Interest.” Office Depot denies that the ’682
25 patent was “duly and legally issued for an invention.” Office Depot is without information or
26

1 knowledge sufficient to admit or deny the remaining allegations set forth in paragraph 59 of the
2 First Amended Complaint, and on that basis denies such allegations.

3 60-68. The allegations in paragraphs 60-68 are not asserted against Office Depot and
4 therefore no answer is required.

5 69. Office Depot admits that it operates the OfficeDepot.com and TechDepot.com
6 websites, and that these websites provide product recommendations to certain website visitors.
7 Office Depot admits that information regarding certain activities of OfficeDepot.com and
8 TechDepot.com website visitors can be used in determining recommendations to provide to
9 certain website visitors. Office Depot denies the remaining allegations of paragraph 69.

10 70-73. The allegations in paragraphs 70-73 are not asserted against Office Depot and
11 therefore no answer is required.

12 74. Office Depot denies the allegations directed at it. The remaining allegations in
13 paragraph 74 are not asserted against Office Depot and therefore no answer is required.

14 75. Paragraph 75 does not contain allegations and therefore no response is required.

15 **[THE FIRST AMENDED COMPLAINT'S] PRAYER FOR RELIEF**

16 Office Depot denies that Plaintiff is entitled to any of the relief sought in its prayer for
17 relief against Office Depot. Office Depot denies the alleged infringement of the '507 or '682
18 patents. The '507 and '682 patents are invalid. Plaintiff is not entitled to recover damages,
19 injunctive relief, costs, fees, interest, or any other type of recovery from Office Depot. Plaintiff's
20 prayer against Office Depot should, therefore, be denied in its entirety and with prejudice, and
21 Plaintiff should take nothing.

22 **AFFIRMATIVE AND OTHER DEFENSES**

23 Further answering the First Amended Complaint, Office Depot asserts the following
24 defenses without assuming any burden that it would not otherwise have. Office Depot reserves
25 the right to amend its answer with additional defenses as further information is obtained.
26
27

1 **First Defense: Non-Infringement of the Asserted Patents**

2 1. Office Depot has not infringed, literally or by the doctrine of equivalents, any
3 valid claim of the '507 or '682 patents, and is not liable for infringement thereof.

4 **Second Defense: Invalidity of the Asserted Patents**

5 2. The claims of the '507 and '682 patents are invalid for failing to comply with the
6 provisions of Title 35 U.S.C., including, without limitation, one or more of 35 U.S.C. §§ 101,
7 102, 103, 112 *et seq.*

8 **Third Defense: Failure to State a Claim**

9 3. Plaintiff has failed to state a claim for infringement under 35 U.S.C. § 271.

10 **Fourth Defense: Use/Manufacture By/For United States Government**

11 4. To the extent that any accused method, system, apparatus, and/or product has
12 been used or manufactured by or for the United States, Plaintiff's claims and demands for relief
13 are barred by 28 U.S.C. § 1498.

14 **Fifth Defense: Dedication to the Public**

15 5. Plaintiff has dedicated to the public all methods, systems, apparatus, computer
16 readable media and/or products disclosed in the asserted patent, but not literally claimed therein,
17 and is estopped from claiming infringement by any such public domain methods, systems,
18 apparatus, computer readable media and/or products.

19 **Sixth Defense: Equitable Defenses**

20 6. Plaintiff's claims may be barred, in whole or in part, by estoppel, laches, waiver,
21 and/or other equitable doctrines.

22 **Seventh Defense: Lack of Standing**

23 7. Plaintiff has not pled sufficient facts to establish standing and may be unable to
24 sustain its burden of proving standing.

1 **Eighth Defense: Failure to Mitigate Damages**

2 8. Plaintiff's claims are barred, in whole or in part, by its failure to mitigate
3 damages.

4 **Ninth Defense: Sections 284-288**

5 9. On information and belief, Plaintiff has failed to meet the requirements of 35
6 U.S.C. §§ 287 or 288.

7 10. Plaintiff did not notify Office Depot of the '507 or '682 patents prior to
8 commencing this lawsuit against Office Depot.

9 11. If Plaintiff is entitled to recover any damages, which Office Depot denies, it is
10 not entitled to recover increased damages under 35 U.S.C. §§ 284 and 285.

11 **Tenth Defense: Reverse Doctrine Of Equivalents**

12 12. What Plaintiff accused operates in ways substantially different in principle from
13 the way the purported invention described in the '507 and '682 patents operates, and Plaintiff
14 cannot sustain its burden of proving otherwise.

15 **Eleventh Defense: Prosecution History Estoppel**

16 13. Plaintiff is estopped from making any assertion inconsistent with or negating any
17 argument, representation, or position taken in the course of prosecuting the applications that
18 issued as the '507 patent and/or '682 patent.

19 **Twelfth Defense: No Entitlement To An Injunction**

20 14. On information and belief, Plaintiff does not presently engage in current
21 commercial activity that practices any claim of the '507 patent or '682 patent.

22 15. Plaintiff cannot show that it has suffered or will suffer any irreparable injury as a
23 result of Office Depot's actions.

24 16. Plaintiff cannot show that remedies available at law, such as monetary damages,
25 are inadequate to compensate for any alleged injury caused by Office Depot's actions.

1 **PARTIES**

2 1. Office Depot Inc. is a Delaware corporation with a principal place of business in
3 Boca Raton, Florida.

4 2. According to paragraph 1 of the First Amended Complaint, Plaintiff Interval
5 Licensing has a principal place of business in Seattle, Washington and is a Washington limited
6 liability company.

7 **JURISDICTION**

8 3. This is an action for a declaration of non-infringement and invalidity of the '507
9 patent and the '682 patent. This Court has jurisdiction over these counterclaims pursuant to 35
10 U.S.C. §§ 1331, 1338, and 2201.

11 4. Plaintiff is subject to personal jurisdiction in this District for at least the reason
12 that, on information and belief, Plaintiff has a principal place of business in this District.

13 5. An actual case and controversy exists between Plaintiff and Office Depot based
14 on Plaintiff having filed a Complaint alleging that it holds all rights and interest in the '507
15 patent and '682 patent and alleging that Office Depot infringes the '507 patent and the '682
16 patent. Thus, this controversy is ripe for adjudication by this Court.

17 **COUNT ONE**

18 **DECLARATION OF NON-INFRINGEMENT OF THE '507 PATENT**

19 6. Office Depot incorporates and realleges the allegations of paragraphs 1-5 of
20 these counterclaims.

21 7. Office Depot has not infringed, literally or by the doctrine of equivalents, any
22 claim of the '507 patent asserted against it, and is not liable for infringement thereof.

23 8. To resolve the legal and factual questions raised by Plaintiff, and to afford Office
24 Depot relief from the uncertainty and controversy precipitated by Plaintiff's accusations against
25 it, Office Depot is entitled to a declaratory judgment pursuant to 28 U.S.C. §§ 2201 and 2202
26
27

1 that Office Depot does not infringe and has not infringed any claim of the '507 patent asserted
2 against it.

3 **COUNT TWO**

4 **DECLARATION OF NON-INFRINGEMENT OF THE '682 PATENT**

5 9. Office Depot incorporates and realleges the allegations of paragraphs 1-5 of
6 these counterclaims.

7 10. Office Depot has not infringed, literally or by the doctrine of equivalents, any
8 claim of the '682 patent asserted against it, and is not liable for infringement thereof.

9 11. To resolve the legal and factual questions raised by Plaintiff, and to afford Office
10 Depot relief from the uncertainty and controversy precipitated by Plaintiff's accusations against
11 it, Office Depot is entitled to a declaratory judgment pursuant to 28 U.S.C. §§ 2201 and 2202
12 that Office Depot does not infringe and has not infringed any claim of the '682 patent asserted
13 against it.

14 **COUNT THREE**

15 **DECLARATION OF INVALIDITY OF THE '507 PATENT**

16 12. Office Depot incorporates and realleges the allegations of paragraphs 1-5 of
17 these counterclaims.

18 13. The claims of the '507 patent asserted against Office Depot are invalid under one
19 or more sections of Title 35 of the United States Code, including without limitation 35 U.S.C.
20 §§ 101, 102, 103, and 112.

21 14. To resolve the legal and factual questions raised by Plaintiff, and to afford Office
22 Depot relief from the uncertainty and controversy precipitated by Plaintiff's accusations against
23 it, Office Depot is entitled to a declaratory judgment pursuant to 28 U.S.C. §§ 2201 and 2202
24 that the claims of the '507 patent asserted against it are invalid.

1 **COUNT FOUR**

2 **DECLARATION OF INVALIDITY OF THE '682 PATENT**

3 15. Office Depot incorporates and realleges the allegations of paragraphs 1-5 of
4 these counterclaims.

5 16. The claims of the '682 patent asserted against Office Depot are invalid under one
6 or more sections of Title 35 of the United States Code, including without limitation 35 U.S.C.
7 §§ 101, 102, 103, and 112.

8 17. To resolve the legal and factual questions raised by Plaintiff, and to afford Office
9 Depot relief from the uncertainty and controversy precipitated by Plaintiff's accusations against
10 it, Office Depot is entitled to a declaratory judgment pursuant to 28 U.S.C. §§ 2201 and 2202
11 that the claims of the '682 patent asserted against it are invalid.

12
13 **DEMAND FOR A JURY TRIAL**

14 In accordance with Fed. R. Civ. P. 38(b), Office Depot hereby demands a jury trial on all
15 issues so triable.

16
17 **PRAYER FOR RELIEF**

18 WHEREFORE, Office Depot prays for the following relief:

19 A. A judgment for Office Depot and against Plaintiff, dismissing with prejudice
20 Plaintiff's First Amended Complaint and all claims asserted therein against Office Depot;

21 B. A judgment declaring that the claims of the '507 and '682 patents asserted
22 against Office Depot have not been infringed by Office Depot;

23 C. A judgment declaring that the claims of the '507 and '682 patents asserted
24 against Office Depot are invalid;

1 D. A judgment that this is an exceptional case pursuant to 35 U.S.C. § 285, and an
2 award to Office Depot of its costs and reasonable attorneys' fees, together with interest,
3 including prejudgment interest, thereon; and

4 E. Such other and further relief as may be deemed just and appropriate.
5

6 DATED this 14th day of January, 2011.

7 KLARQUIST SPARKMAN, LLP
8

9 By: /s/ Klaus H. Hamm

10 J. Christopher Carraway, WSBA NO. 37944

11 Kristin L. Cleveland (*pro hac vice*)

12 Klaus H. Hamm (*pro hac vice*)

13 Derrick W. Toddy (*pro hac vice*)

14 John D. Vandenberg, WSBA NO. 38445

15 121 S.W. Salmon Street, Suite 1600

16 Portland, Oregon 97204

17 Telephone: (503) 595-5300

18 Facsimile: (503) 595-5301

19 E-mail: chris.carraway@klarquist.com

20 john.vandenberg@klarquist.com

21 kristin.cleveland@klarquist.com

22 klaus.hamm@klarquist.com

23 derrick.toddy@klarquist.com
24
25
26
27

*Attorneys for Defendants eBay Inc., Netflix, Inc.,
Office Depot, Inc., and Staples, Inc.*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CERTIFICATE OF SERVICE

I hereby certify that on January 14, 2011, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel who are deemed to have consented to electronic service.

By: /s/ Klaus H. Hamm
Klaus H. Hamm (*pro hac vice*)
KLARQUIST SPARKMAN, LLP
121 S.W. Salmon Street, Suite 1600
Portland, Oregon 97204
Telephone: (503) 595-5300
Facsimile: (503) 595-5301
E-mail: klaus.hamm@klarquist.com