

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

MONEC HOLDING AG,

Plaintiff,

v.

HEWLETT-PACKARD COMPANY,

Defendant.

Civil Action No. 2:08cv153 RAJ FBS

**DEFENDANT HEWLETT-PACKARD COMPANY’S ANSWER AND
COUNTERCLAIMS TO PLAINTIFF MONEC HOLDING AG’S COMPLAINT**

Defendant Hewlett-Packard Company (“HP”) answers the Complaint of Plaintiff Monec Holding AG (“Monec”) by specifically denying each and every allegation contained therein, except those that are specifically admitted, modified, or qualified in this Answer.

THE PARTIES

1. Upon information and belief, HP admits that Plaintiff Monec is a corporation organized and existing under the laws of Switzerland with a principal place of business in Berne, Switzerland. HP is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 1 of the Complaint.

2. HP admits that it is a Delaware corporation with its corporate headquarters in California. HP further admits that it does business in the United States and within this judicial district. HP denies the remaining allegations contained in Paragraph 2 of the Complaint.

JURISDICTION

3. Paragraph 3 of the Complaint states a legal conclusion to which no response is necessary.

4. Paragraph 4 of the Complaint states a legal conclusion to which no response is necessary,

except to deny that HP is or has committed any act of infringement, unfair trade practice, monopolization and tortious interference with prospective business advantage in this district or elsewhere. HP also denies that venue is proper in this Court given the provisions of the Virginia Antitrust Act, § 59.1-9.9.

NATURE OF THE COMPLAINT

5. HP admits that Monec purports to allege patent infringement, unfair trade practices, monopolization and tortious interference with prospective business advantage, but HP states that one or all of Monec's counts have failed to state a claim, and also denies that HP is or has committed any act of infringement, unfair trade practice, monopolization and tortious interference with prospective business advantage.

FACTS COMMON TO ALL COUNTS

6. HP admits that the face of U.S. Patent No. 6,335,678 ("the '678 patent") indicates that it is entitled "Electronic Device, Preferably an Electronic Book," and purportedly issued on January 1, 2002. HP further admits that the face of the '678 patent lists Theodor Heutschi as the inventor and Monec Holding AG as the assignee. HP further admits that a copy of the '678 Patent was attached as Exhibit 1 to the Complaint. HP is without knowledge or information sufficient to form a belief as to whether "MONEC is the owner by assignment of the '678 Patent and has the exclusive right to enforce the '678 Patent against [HP]" and as to the allegation that the '678 Patent "duly and legally issued to Theodor Heutschl [sic]."

7. HP is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 7 of the Complaint.

8. HP admits that it is a technology company with operations in the United States and that it offers consumers a wide range of products, including certain computers. HP denies the

remaining allegations contained in Paragraph 8 of the Complaint.

9. HP admits that it currently markets and sells the HP Compaq 2710p Notebook PC. HP denies that it infringes independent claim 1, or any other claim, of the '678 Patent. HP denies the remaining allegations contained in Paragraph 9 of the Complaint.

COUNT 1: Infringement of United States Patent No. 6,335,678

10. HP incorporates its responses to Paragraphs 1 through 9 as though fully set forth herein.

11. HP denies the allegations contained in Paragraph 11 of the Complaint.

12. HP denies the allegations contained in Paragraph 12 of the Complaint.

13. HP denies the allegations contained in Paragraph 13 of the Complaint.

14. HP denies the allegations contained in Paragraph 14 of the Complaint.

15. HP denies the allegations contained in Paragraph 15 of the Complaint.

16. HP denies the allegations contained in Paragraph 16 of the Complaint.

COUNT II: Unfair Trade Practices

17. HP incorporates its responses to Paragraphs 1 through 16 as though fully set forth herein.

18. HP denies the allegations contained in Paragraph 18 of the Complaint.

19. HP denies the allegations contained in Paragraph 19 of the Complaint.

20. HP denies the allegations contained in Paragraph 20 of the Complaint.

COUNT III: Tortious Interference with Prospective Business Advantage

21. HP incorporates its responses to Paragraphs 1 through 20 as though fully set forth herein.

22. HP denies the allegations contained in Paragraph 22 of the Complaint.

23. HP denies the allegations contained in Paragraph 23 of the Complaint.

PRAYER FOR RELIEF

HP denies that Monec is entitled to any relief in this action, and asks the Court to deny

any and all the relief requested by Monec in its Prayer for Relief.

DEFENSES

Without admitting any allegations of the Complaint not otherwise admitted, HP asserts defenses as follows:

FIRST DEFENSE

The Complaint fails to state a claim against HP upon which relief can be granted.

SECOND DEFENSE

HP has not infringed and does not infringe, either literally or by virtue of the doctrine of equivalents, any valid and enforceable claim of the '678 Patent, nor has HP induced or contributorily infringed any claim of the '678 Patent

THIRD DEFENSE

One or more of the claims of the '678 patent are invalid for failure to comply with one or more of the provisions of 35 U.S.C. §§ 101, 102, 103 and/or 112, and the rules, regulations, and laws pertaining thereto. Without limiting the foregoing, one or more of the claims are anticipated or rendered obvious by the prior art, and/or are indefinite.

FOURTH DEFENSE

By reason of the proceedings in the United States Patent Office ("PTO") during the prosecution of the '678 Patent, and by reason of amendments, positions, concessions, statements and/or representations taken or made by or on behalf of the applicant, Monec is estopped from asserting the '678 patent against any products made, used, offered for sale or sold by HP.

FIFTH DEFENSE

Monec is estopped from asserting its claims.

SIXTH DEFENSE

Monec's claims are barred in whole or in part under the doctrine of laches from pursuing its infringement claims and/or recovering any damages or obtaining injunctive relief against HP.

SEVENTH DEFENSE

Monec is not entitled to equitable relief from this Court due to its unclean hands in attempting to enforce the '678 Patent in bad faith, knowing that the '678 Patent is invalid and/or unenforceable, and without a reasonable basis to believe that Defendants have infringed the '678 Patent.

EIGHTH DEFENSE

Monec's claims for damages are limited to those set forth in 35 U.S.C. §§ 286 and 287.

NINTH DEFENSE

Monec's Count II fails to state a claim under the Virginia Antitrust Act, and venue for such a claim is in any event improper under Virginia Code Ann. § 59.1-9.8.

TENTH DEFENSE

Monec's Count III fails to state a claim for tortious interference with prospective business advantage, and has failed to allege such a tort with specificity.

ELEVENTH DEFENSE

At all times, HP has acted and competed lawfully, without any improper motive or means, and in good faith, and has not engaged in any unfair, deceptive or otherwise unlawful conduct.

TWELFTH DEFENSE

Monec's claims under Virginia or other state law are preempted by Federal law.

THIRTEENTH DEFENSE

Monec's claims may be or are barred by the applicable statute of limitations.

FOURTEENTH DEFENSE

HP reserves the right to assert any other defenses that may be revealed during the course of discovery and its investigation of Monec's claims.

WHEREFORE, HP respectfully requests that this Court: (1) deny all relief requested by Monec and dismiss Monec's claims with prejudice; (2) declare that the '678 Patent is invalid and is not infringed by HP; (3) grant such other and further relief to HP in such form, including without limitation attorneys' fees and costs pursuant to 35 U.S.C. §285, as is proper and lawful.

COUNTERCLAIMS OF HEWLETT-PACKARD COMPANY

Defendant and Counterclaimant Hewlett-Packard Company ("HP") request declaratory judgment that the claims of the '678 patent are invalid and not infringed.

PARTIES

24. Upon information and belief, Monec Holding AG is a corporation organized and existing under the laws of Switzerland with a principal place of business in Berne, Switzerland.

25. HP is a Delaware corporation with its principal place of business in Palo Alto, California.

JURISDICTION AND VENUE

26. In the event that this Court finds that personal jurisdiction and venue in this District are proper to hear Monec's Complaint, then jurisdiction and venue in this District are proper to hear Counterclaimant HP's counterclaims.

27. This Court has subject matter jurisdiction over Counterclaimant's counterclaims under 28 U.S.C. §§ 1331, 1338, 1367, 2201 and 2202.

BACKGROUND

28. Monec has filed suit alleging that Counterclaimant HP infringes or has infringed the '678 patent. A true and accurate copy of the '678 Patent is attached as Exhibit A.

29. HP has denied that it infringes or has infringed any valid claim of the '678 patent and has asserted that the '678 patent is invalid.

30. Based on the foregoing, there is an actual, immediate, and justiciable controversy between Monec and Counterclaimant HP as to the validity, enforceability and infringement of the '678 patent.

31. United States Application 09/403,500 ("the '500 Application") was submitted to the United States Patent and Trademark Office ("PTO") by the Applicant on October 22, 1999. A true and accurate copy of the '500 Application is attached as Exhibit B.

32. When submitted on October 22, 1999, the '500 Application had 13 claims. (Ex. B.)

33. On October 25, 2000, the Examiner issued an Office Action rejecting Claims 1-13. A true and accurate copy of the Office Action Summary is attached as Exhibit C.

34. On February 26, 2001, the Applicant submitted an Amendment cancelling claims 1-13 and substituting claims 14-26, with claim 14 as the only independent claim. A true and accurate copy of the Amendment is attached as Exhibit D.

35. Independent Claim 14, submitted as part of the February 26, 2001 Amendment, read as follows:

An electronic device comprising:

a housing, a display, an input device, a microprocessor, a control arrangement device, a memory, a power source, at least one interface

operable to allow data exchange with at least one peripheral device, the data exchange being a receiving and storing of data received from the at least one peripheral device, wherein:

said display has dimensions such that one page of a book can be displayed at normal size;

said housing is flat and frame shaped and is provided with said display integrated therein; and

said input device is operable to control said electronic device and said input device is provided as a touch-screen in said display; and

a station operable to receive and send signals by way of a radio network, said station being provided in said housing, wherein:

said station is operable to exchange signals by way of Natel-C or Natel-D telephone radio network, GSM, GPRS, EDGE system, UMTS, Bluetooth and/or signals by way of any telephone cable radio network, local radio network, or satellite network, by which electronic data can be exchanged and visualized on said display; and

provided in said station is at least one interface for respectively one receiving module, such as a GSM chip or SIM chip and/or at least one receiving module for the telephone radio networks.

(Ex. D at 1-2.)

36. Claims 15-26 of the '500 Application were all written in dependent form, and as such incorporate each and every limitation of independent claim 14. (Ex. D at 2-3.)

37. "In order to aid the Examiner's better understanding of the present invention," the Applicant enclosed with the Amendment "brochures of the 'Voyager' electronic device which depicts the technical features and advantages of the present invention." (Ex. D at 5.)

38. Exhibit D at 29-31 contains a true and accurate representation of the Voyager electronic device.

39. On March 23, 2001, the Examiner issued an Office Action rejecting independent claim 14 and dependent claims 15-26. A true and accurate copy of the Office Action is attached as Exhibit E.

40. The Examiner cited United States Patent 5,983,073, which issued on November 9, 1999 to Richard J. Ditzik based on an application submitted to the PTO on April 4, 1997 (the “’073 Patent” or “Ditzik”), as the basis for the rejection. (Ex. E at 2.)

41. The priority date of the ‘073 Patent is no later than April 4, 1997. A true and accurate copy of the ‘073 Patent is attached as Exhibit F.

42. The ‘073 Patent is prior art to the ‘678 Patent under 35 U.S.C. 102(e). (Ex. E. at 2.)

43. In the March 23, 2001 Office Action, the Examiner stated that:

Claims 14-26 are rejected under 35 U.S.C. 102(e) as being anticipated by Ditzik.

With respect to claims 14-26, Ditzik discloses an electronic device comprising a housing, a display, an input device, a microprocessor, a control arrangement device, a memory, a power source, at least one interface, the display having dimensions such that one page of a book can be displayed at a normal size, the housing being flat with the display integrated therein, the input device having a touch screen, and a station operable to receive and send signals by way of a radio network (note Figures 1, 2 and 7).

(Ex. E at 2.)

44. In Ditzik, Figures 3(a) and 3(b) depict a notebook computer consisting of a separate display assembly and a cover assembly, connected by a hinge. The keyboard, hard drive, and CPU are included in the cover assembly. (Ex. F at 4.)

45. On August 8, 2001, the Examiner conducted an interview with the Applicant and identified the prior art discussed as “Ditzik [‘073 Patent].” A true and accurate copy of the Interview Summary is attached as Exhibit G.

46. In the Interview Summary, the Examiner wrote that the Applicant “Agreed to amend claims in order to place the case in condition for allowance over the cited prior art.” (Ex. G)

47. Following the interview with the Examiner, on August 23, 2001, the Applicant submitted an Amendment and Remarks explaining the new amendments that he agreed to:

During this interview, the Examiner suggested amendments to the claim language in order to more clearly distinguish the claimed invention over the applied art. Particularly, the Examiner suggested amending claim 14 so as to recite “said housing is a unitary flat and frame shape[d]” so as to more clearly distinguish the present invention, as claimed, from the Ditzik reference.

A true and accurate copy of the Amendment and Remarks is attached as Exhibit H.

48. The amended claim 14 read as follows:

An electronic device comprising:

a housing, a display, an input device, a microprocessor, a control arrangement device, a memory, a power source, at least one interface operable to allow data exchange with at least one peripheral device, the data exchange being a receiving and storing of data received from the at least one peripheral device, wherein:

said display has dimensions such that one page of a book can be displayed at a normal size;

said housing is a unitary flat and frame [shaped] shape and is provided with said display integrated therein; and

said input device is operable to control said electronic device and said input device is provided as a touch-screen in said display; and

a station operable to receive and send signals by way of a radio network, said station being provided in said housing, wherein provided in said station is at least one receiving module operable to receive a GSM chip or an SIM chip, and at least one receiving module for the radio network, wherein:

said station is operable to exchange signals by way of at least one of a Natel-C telephone radio network, Natel-D telephone radio network, GSM, GPRS, EDGE system, UMTS, Bluetooth, [and/or signals by way of any] telephone cable radio network, local radio network, [or] and satellite network, by which electronic data can be exchanged and visualized on said display[; and].

(Ex. H at 5.)

49. On August 27, 2001, based on the agreed upon amendment, the Examiner issued a Notice of Allowability. A true and accurate copy of the Notice of Allowability is attached as Exhibit I.

50. Following the Notice of Allowability, Claims 14-26 were renumbered and now appear in the issued '678 Patent as claims 1-13.

51. The Voyager electronic device depicts a "housing" that "is a unitary flat and frame shape" as claimed by the present invention. (Ex. D at 31.)

COUNT I

Declaratory Judgment Of Invalidity

52. Counterclaimant repeats and re-alleges Paragraphs 1-51 as though fully set forth herein.

53. Counterclaimant HP is entitled to a declaration that the '678 patent is invalid for the reasons alleged in these counterclaims and in Counterclaimant's defenses.

COUNT II

Declaratory Judgment Of Non-infringement

54. Counterclaimant HP repeats and re-alleges Paragraphs 1-53 as though fully set forth herein.

55. Monec has asserted that HP has infringed one or more claims of the '678 patent, including claim 1.

56. Claims 2-13 of the '678 patent depend on claim 1 of the '678 Patent and thus incorporate each and every limitation of claim 1.

57. Claim 1 requires, *inter alia*, a housing, that “said housing is a unitary flat and frame shape,” that said housing “is provided with [a] display integrated therein,” that “station operable to receive and send signals by way of a radio network” is “provided in said housing,” and that “provided in said station is at least one receiving module operable to receive a GSM or an SIM chip.”

58. Monec has specifically accused HP’s Compaq 2710p Notebook PC of infringement. (Complaint, ¶¶ 9, 11.)

59. Monec has not specifically identified or accused any other HP product and/or service in its Complaint as infringing the ‘678 patent.

60. Exhibit J contains a true and accurate description of HP’s Compaq 2710p Notebook PC.

61. HP’s Compaq 2710p Notebook PC is a notebook computer consisting of two separate major components (a “top” and a “bottom”) connected by a hinge. The display is in the top component. The keyboard, hard drive, and CPU are included in the bottom component. The component containing the display does not contain a station with a receiving module operable to receive a GSM chip or a SIM chip. (Ex. J.)

62. HP’s Compaq 2710p Notebook PC does not have a “housing” that “is a unitary flat and frame shape” containing both a display and a station with a receiving module operable to receive a GSM chip or a SIM chip.

63. HP’s notebook computers also do not infringe for various other reasons, including without limitation the lack of a receiving module operable to receive a GSM chip or a SIM chip.

64. Counterclaimant HP is entitled to a declaration that it does not infringe any claim of the ‘678 patent for the reasons alleged in these counterclaims and in Counterclaimant’s defenses.

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CERTIFICATE OF SERVICE

I hereby certify that on June 2, 2008, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system, which will send a notification of such filing (NEF) to the following:

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