

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

VELOCITY PATENT LLC,

Plaintiff,

v.

MERCEDES-BENZ USA, LLC;
MERCEDES-BENZ U.S.
INTERNATIONAL, INC.

Defendants.

Civil Action No. 1:13-cv-08413

Judge John W. Darrah
Magistrate Judge Michael T. Mason

**DEFENDANT MERCEDES-BENZ USA, LLC'S
ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIM
TO PLAINTIFF'S COMPLAINT FOR PATENT INFRINGEMENT**

Defendant Mercedes-Benz USA, LLC (“MBUSA”), by and through its undersigned counsel, hereby submits its Answer, Affirmative Defenses, and Counterclaim (“Answer”) in response to the Complaint (“Complaint”) of Velocity Patent LLC (“Velocity” or “Plaintiff”). Except to the extent expressly admitted herein, MBUSA denies each and every allegation in the Complaint. The numbered paragraphs in the Answer correspond to the numbered paragraphs of the Complaint.

NATURE OF THE ACTION

1. MBUSA admits this action purports to state a civil action for patent infringement under the patent laws of the United States, 35 U.S.C. § 1 *et seq.*

PARTIES

2. MBUSA lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 2 of the Complaint, and, therefore, denies those allegations.

3. MBUSA admits that it is a Delaware limited liability company with its principal place of business located at 1 Mercedes Drive, Montvale, New Jersey 07645.

4. MBUSA admits that Mercedes-Benz U.S. International, Inc. is an Alabama corporation with its principal place of business located at 1 Mercedes Drive, Vance, Alabama 35490.

5. MBUSA admits that it markets and distributes Mercedes-Benz automobiles in the United States.

JURISDICTION AND VENUE

6. MBUSA admits that this purports to be an action for which subject matter jurisdiction would be governed by 28 U.S.C. §§ 1331 and 1338(a).

7. MBUSA admits that it is subject to personal jurisdiction in the Northern District of Illinois for this action. MBUSA denies the allegation that it has committed, or continues to commit, acts of patent infringement.

8. MBUSA admits that venue for this action is proper in the Northern District of Illinois with respect to MBUSA. MBUSA does not admit that the Northern District of Illinois is the most appropriate or convenient forum for this action. MBUSA denies the allegation that it has committed, or continues to commit, acts of patent infringement.

THE PATENT-IN-SUIT

9. MBUSA admits that a copy of U.S. Patent No. 5,954,781 (“the ‘781 patent”) is attached to the Complaint as Exhibit A. MBUSA admits that this copy is entitled “METHOD AND APPARATUS FOR OPTIMIZING VEHICLE OPERATION” and indicates that it is issued on September 21, 1999. MBUSA denies that the ‘781 patent was duly and legally issued.

10. MBUSA lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 10 of the Complaint, and, therefore, denies those allegations.

COUNT I – INFRINGEMENT OF THE ‘781 PATENT

11. MBUSA incorporates by reference, as if fully set forth herein, its responses to paragraphs 1-10 of the Complaint.

12. MBUSA admits that it sells automobiles with Collision Prevention Assist.

13. MBUSA admits that it sells automobiles with a display that provides information regarding fuel.

14. MBUSA admits that it sells automobiles with automatic transmissions.

15. MBUSA denies the allegations contained in paragraph 15 of the Complaint.

16. MBUSA denies the allegations contained in paragraph 16 of the Complaint.

PRAYER FOR RELIEF

Velocity is not entitled to any relief in this action, as prayed for or otherwise.

AFFIRMATIVE DEFENSES

MBUSA incorporates herein by reference the admissions, allegations, and denials contained in its Answer above as if fully set forth herein. Without assuming any burden that it would not otherwise bear and without reducing Velocity’s burden on any of the claims in the Complaint, MBUSA states the following affirmative defenses to the claims in the Complaint. MBUSA reserves the right to amend its affirmative defenses and to add additional affirmative defenses, including, but not limited to, any defenses revealed during discovery.

FIRST AFFIRMATIVE DEFENSE

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

SECOND AFFIRMATIVE DEFENSE

2. MBUSA has not infringed and is not infringing the '781 patent, either literally or under the doctrine of equivalents.

THIRD AFFIRMATIVE DEFENSE

3. The '781 patent and all of its claims are invalid and/or unenforceable for failing to satisfy one or more requirements of the patent laws of the United States, 35 U.S.C. §§ 1 *et seq.*, including, but not limited to, 35 U.S.C. §§ 101, 102, 103, and/or 112, and including, for example, based on U.S. Patent No. 4,631,515; U.S. Patent No. 4,901,701; and/or U.S. Patent No. 5,708,584.

FOURTH AFFIRMATIVE DEFENSE

4. Based on claim amendments and representations made during prosecution of the patent applications that ultimately issued as the '781 patent, Plaintiff's claims against MBUSA are barred, in whole or in part, by the doctrine of prosecution history estoppel.

FIFTH AFFIRMATIVE DEFENSE

5. Velocity's claims against MBUSA are barred, in whole or in part, by one or more of the doctrines of waiver, estoppel, laches and/or equitable acquiescence. Upon information and belief, Velocity and the prior owners of the '781 patent unreasonably delayed filing an action after Velocity and the prior owners of the '781 patent knew, or should have known, of the allegedly infringing acts identified in the Complaint. Allowing Velocity to maintain this action after such unreasonable delay would cause material prejudice to MBUSA.

SIXTH AFFIRMATIVE DEFENSE

6. Velocity is barred, under 35 U.S.C. § 286, from recovering damages for any alleged infringement of the '781 patent that occurred more than six years prior to the filing of the

Complaint in this action.

SEVENTH AFFIRMATIVE DEFENSE

7. To the extent that Velocity and/or any of its licensees under the '781 patent had or has an obligation to mark and failed to do so, Velocity's claims are barred, in whole or in part, under 35 U.S.C. § 287.

EIGHTH AFFIRMATIVE DEFENSE

8. Velocity's claims are barred, in whole or in part, to the extent that any allegedly infringing products or components thereof are supplied, directly or indirectly, to MBUSA by any entity or entities having an express or implied license to the '781 patent, and/or Velocity's claims are barred, in whole or in part, under the doctrine of patent exhaustion.

COUNTERCLAIM

MBUSA incorporates herein by reference the admissions, allegations, denials, and Affirmative Defenses contained in its Answer above as if fully set forth herein. For its counterclaims, MBUSA alleges, upon personal knowledge as to its own actions and upon information and belief as to the actions of Plaintiff, as follows:

NATURE OF THE ACTION

1. This is a civil action arising under the patent laws of the United States, 35 U.S.C. §§ 1 *et seq.*, for a declaratory judgment pursuant to 28 U.S.C. §§ 2201 and 2202 that U.S. Patent No. 5,954,781 ("the '781 patent") has not been infringed and is not being infringed by MBUSA.

PARTIES

2. MBUSA is a Delaware limited liability company with its principal place of business in Montvale, New Jersey.

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