

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

BLITZSAFE TEXAS, LLC,

Plaintiff,

v.

HONDA MOTOR CO., LTD., ET AL.,

Defendants.

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Case No. 2:15-CV-1274-JRG-RSP

(LEAD CASE)

JURY TRIAL DEMANDED

**COUNTERCLAIM DEFENDANT BLITZSAFE TEXAS, LLC’S
ANSWER TO COUNTERCLAIMS OF COUNTERCLAIM PLAINTIFFS
AMERICAN HONDA MOTOR CO., INC., HONDA OF AMERICA MFG., INC.,
HONDA MANUFACTURING OF ALABAMA, LLC,
AND HONDA MANUFACTURING OF INDIANA, LLC**

Plaintiff/Counterclaim Defendant Blitzsafe Texas, LLC (hereinafter “Blitzsafe” or “Counterclaim Defendant”), as and for its Answer to Counterclaims (the “Counterclaims”) of Defendants/Counterclaim Plaintiffs American Honda Motor Co., Inc., Honda of America Mfg., Inc., Honda Manufacturing of Alabama, LLC, and Honda Manufacturing of Indiana, LLC (hereinafter collectively referred to as “U.S. Honda Defendants” or “Counterclaim Plaintiffs”), states as follows:

ANSWER TO COUNTERCLAIMS

Blitzsafe denies all allegations contained in headings preceding individually numbered paragraphs of Counterclaim Plaintiffs’ Counterclaims. Blitzsafe denies all allegations to the

extent not expressly admitted. Blitzsafe hereby responds to the individually numbered paragraphs of Counterclaim Plaintiffs' Counterclaims as follows:

I. **THE PARTIES**

1. American Honda Motor Co., Inc. is a California corporation with a place of business at 1919 Torrance Boulevard, Torrance, California 90501.

RESPONSE TO ¶ 1

Blitzsafe admits the allegations contained in paragraph 1 of the Counterclaims.

2. Honda of America Mfg., Inc. is an Ohio corporation with a place of business at 24000 Honda Parkway, Marysville, Ohio 43040.

RESPONSE TO ¶ 2

Blitzsafe admits the allegations contained in paragraph 2 of the Counterclaims.

3. Honda Manufacturing of Alabama, LLC is an Alabama corporation with a place of business at 1800 Honda Drive, Lincoln, Alabama 35096.

RESPONSE TO ¶ 3

Blitzsafe admits the allegations contained in paragraph 3 of the Counterclaims.

4. Honda Manufacturing of Indiana, LLC is an Indiana corporation with a place of business at 2755 N. Michigan Avenue, Greenburg, Indiana 47240.

RESPONSE TO ¶ 4

Blitzsafe admits the allegations contained in paragraph 4 of the Counterclaims.

5. Based on Blitzsafe's assertion in its Complaint, upon information and belief, Blitzsafe, is a limited liability company organized and existing under the laws of the State of Texas, and maintains its principal place of business at 100 W. Houston Street, Marshall, Texas 75670.

RESPONSE TO ¶ 5

Blitzsafe admits the allegations contained in paragraph 5 of the Counterclaims.

II. JURISDICTION AND VENUE

6. Based on Blitzsafe's filing of this action the U.S. Honda Defendants affirmative defenses, an actual controversy has arisen and now exists between Blitzsafe and the U.S. Honda Defendants as to whether the U.S. Honda Defendants have infringed or are infringing one or more valid and enforceable claims of U.S. Patent No. 7,489,786 (the '786 Patent) and/or U.S. Patent No. 8,155,342 (the '342 Patent).

RESPONSE TO ¶ 6

Blitzsafe admits that an actual controversy exists between Blitzsafe and U.S. Honda Defendants as to whether U.S. Honda Defendants have infringed or are infringing one or more valid and enforceable claims of the '786 Patent and/or the '342 Patent and denies the remaining allegations contained in paragraph 6 of the Counterclaims.

7. The U.S. Honda Defendants' counterclaims arise under the patent laws of the United States as enacted under Title 35 of the United States Code and the provisions of the Federal Declaratory Judgment Act. The jurisdiction of this Court is proper under 28 U.S.C. §§ 1331, 1338, 2201 and 2202.

RESPONSE TO ¶ 7

Blitzsafe admits that U.S. Honda Defendants' counterclaims purport to arise under Title 35 of the United States Code and the provisions of the Federal Declaratory Judgment Act, and admits that jurisdiction of this Court is proper under 28 U.S.C. §§ 1331, 1338, 2201, and 2202.

8. The U.S. Honda Defendants deny that venue for Blitzsafe's patent infringement claims against the U.S. Honda Defendants is proper in this District. However, to the extent Blitzsafe's infringement claims against U.S. Honda Defendants are litigated in this District, venue for the U.S. Honda Defendants' counterclaims is proper in this District.

RESPONSE TO ¶ 8

Blitzsafe admits that venue for the U.S. Honda Defendants' Counterclaims is proper in this District and denies the remaining allegations contained in paragraph 8 of the Counterclaims.

FIRST COUNTERCLAIM
**(Declaratory Judgment of Unenforceability Due to Inequitable Conduct by
Failing to Disclose Prior Art Patented Products)**

9. The U.S. Honda Defendants re-allege and incorporate by reference the allegations set forth in the preceding paragraphs of the counterclaims.

RESPONSE TO ¶ 9

Answering paragraph 9 of the Counterclaim, Blitzsafe repeats and realleges its responses to paragraphs 1 through 8 above as if fully set forth at length herein.

10. The '786 patent, and the '342 patent in its family, are unenforceable for inequitable conduct committed at least by Ira Marlowe during prosecution of at least the U.S. Patent Application No. 10/316,961 from which the '786 Patent issued.

RESPONSE TO ¶ 10

Blitzsafe denies the allegations contained in paragraph 10 of the Counterclaims.

11. The '786 Patent issued on February 10, 2009, from U.S. Patent Application No. 10/316,961, filed on December 11, 2002 ("the '961 Application"). The '342 Patent issued on April 10, 2012, from U.S. Patent Application No. 11/475,847, filed on June 27, 2006 ("the '847 Application"). The application that issued as the '342 patent was a continuation-in-part (CIP) application in the '786 patent family. A finding of inequitable conduct renders the entire patent family unenforceable.

RESPONSE TO ¶ 11

Blitzsafe admits that the '786 Patent issued on February 10, 2009 from the '961 Application, filed on December 11, 2002. Blitzsafe admits that the '342 Patent issued on April 10, 2012 from the '847 Application, filed on June 27, 2006, and that the '342 Patent is a continuation-in-part application in the '786 Patent family. Blitzsafe denies the remaining allegations contained in paragraph 11 of the Counterclaims.

12. Ira Marlowe is named as the sole inventor of the '961 Application and the '847 Application.

RESPONSE TO ¶ 12

Blitzsafe admits the allegations contained in paragraph 12 of the Counterclaims.

13. Ira Marlowe withheld material information from the U.S. Patent and Trademark Office (“PTO”) with an intent to deceive the PTO, and knowingly pursued claims that covered known prior art devices without revealing to the PTO Examiner that the particular structure and functions omitted by his disclosures were the same features he was pursuing in the Patent Office. But-for Mr. Marlowe’s omissions, at least one of the claims of the ‘786 [sic] would not have been allowed.

RESPONSE TO ¶ 13

Blitzsafe denies the allegations contained in paragraph 13 of the Counterclaims.

14. Each individual associated with filing and prosecuting of a patent application has a duty of candor and good faith in dealing with the Patent Office, which includes a duty to disclose to the Patent Office all information known to that individual to be material to patentability as defined in 37 C.F.R. §1.56. This duty applied to Ira Marlowe, as well as any other persons associated with the filing and prosecution of the ’961 and ’847 applications.

RESPONSE TO ¶ 14

Blitzsafe admits the allegations contained in paragraph 14 of the Counterclaims.

15. Mr. Marlowe violated his duty to disclose information to the PTO that but-for Mr. Marlowe’s withholding of this critical information, one or more claims of the ‘786 Patent would not have issued. As set forth below, Mr. Marlowe failed to disclose material information regarding his prior art devices which were sold more than one-year prior to the filing date of the ‘961 Application. More specifically, Marlowe failed to disclose that the prior art devices included the same structure and functionality recited in the patent claims he was seeking, making those claims ineligible for patent protection. As set forth below, Mr. Marlowe knew of that material nature of his withholding, yet deliberately withheld this information from the PTO. Mr. Marlowe’s omission resulted in the improper issuance of the ‘786 patent and the ‘342 patent, and but-for Mr. Marlowe’s withholding of this critical information, one or more claims of the ‘786 patent would not have issued.

RESPONSE TO ¶ 15

Blitzsafe denies the allegations contained in paragraph 15 of the Counterclaims.

16. Upon information and belief, Mr. Marlowe owns and controls Blitzsafe of America, Inc. (“Blitzsafe”). As early as 1998, Blitzsafe marketed audio device integration products designed to interface between Toyota OEM car stereos and aftermarket audio devices, such as Panasonic CD changers. Specifically, the Blitzsafe 1998 TOY/PAN V.2 interface, was made available for sale no later than September 1998. In addition, Blitzsafe interfaces TOY/PAN DMX V.1B (single audio device input) and TOY/PAN DMX V.2B (dual CD changer inputs) were made available for sale to users of Blitzsafe’s public website by February 2001 and no later than March 4, 2001. The ‘961 application was filed on December 11, 2002, thus, any sales of Toyota/Panasonic interfaces before December 11, 2001 constitute prior art to the ‘786 Patent.

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