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NORMAN KRASNER

11 UNITED STATES DISTRICT COURT
12 SOUTHERN DISTRICT OF CALIFORNIA
13

14 GABRIEL TECHNOLOGIES
15 CORPORATION and TRACE
16 TECHNOLOGIES, LLC,

17 Plaintiffs,

18 v.

19 QUALCOMM INCORPORATED,
20 SNAPTRACK, INC. and NORMAN
21 KRASNER,

22 Defendants.

Case No. 08-cv-1992-MMA(POR)

**DEFENDANT QUALCOMM
INCORPORATED, SNAPTRACK, INC., AND
NORMAN KRASNER'S ANSWER TO
FOURTH AMENDED COMPLAINT**

JURY TRIAL DEMANDED

Judge: Hon. Michael M. Anello

23 Defendants Qualcomm Incorporated ("Qualcomm"), SnapTrack, Inc. ("SnapTrack") and
24 Norman Krasner ("Krasner") (collectively referred to hereafter as "Defendants") answer the
25 Fourth Amended Complaint filed by Plaintiffs Gabriel Technologies Corporation ("Gabriel") and
26 Trace Technologies, LLC ("Trace") (collectively referred to hereafter as "Plaintiffs"). Each
27 allegation not expressly admitted is denied. The following numbered paragraphs of this Answer
28 correspond to the numbered paragraphs in the Fourth Amended Complaint, other than with

1 respect to the affirmative defenses set forth herein, and the Prayer for Relief.

2 **ANSWER**

3 **I. INTRODUCTION**

4 1. Defendants admit that Krasner has over 60 published domestic patents related to,
5 among other things, global positioning satellite systems. Defendants deny each and every
6 remaining allegation in paragraph 1 of the Fourth Amended Complaint.

7 2. Defendants admit that SnapTrack entered into a license agreement with Loc8.net.
8 Defendants are without sufficient knowledge or information to form a belief as to the truth of the
9 allegation that Loc8.net is a predecessor-in-interest to Gabriel. Defendants deny each and every
10 remaining allegation in paragraph 2 of the Fourth Amended Complaint.

11 3. Defendants admit that Qualcomm gave stock worth approximately \$1 billion at the
12 time to acquire SnapTrack. Defendants deny each and every remaining allegation in paragraph 3
13 of the Fourth Amended Complaint.

14 4. The allegations in paragraph 4 are not factual allegations; therefore, Defendants
15 are not required to admit or deny them. To the extent any of the allegations require a response,
16 Defendants deny them.

17 **II. PARTIES**

18 5. Defendants are without sufficient knowledge or information to form a belief as to
19 the truth of the allegations in paragraph 5 and, therefore, deny them.

20 6. Defendants are without sufficient knowledge or information to form a belief as to
21 the truth of the allegations in paragraph 6 and, therefore, deny them.

22 7. Defendants admit that Qualcomm is a Delaware corporation with its principal
23 place of business in San Diego, California. Defendants admit that, for purposes of Plaintiffs'
24 Fourth Amended Complaint in this action, Qualcomm was served through its counsel of record,
25 Cooley Godward Kronish LLP. Except as expressly admitted, Defendants deny each and every
26 remaining allegation in paragraph 7.

27 8. Defendants admit that SnapTrack is a California corporation with its principal
28 place of business in California. Defendants admit that SnapTrack has been a wholly owned

1 subsidiary of Qualcomm since 2000. Defendants admit that, for purposes of Plaintiffs' Fourth
2 Amended Complaint in this action, SnapTrack was served through its counsel of record, Cooley
3 Godward Kronish LLP. Except as expressly admitted, Defendants deny each and every
4 remaining allegation in paragraph 8.

5 **9.** Defendants admit that Krasner is a California resident. Defendants admit that, for
6 purposes of Plaintiffs' Fourth Amended Complaint in this action, Krasner was served through his
7 counsel of record, Cooley Godward Kronish LLP. Except as expressly admitted, Defendants
8 deny each and every remaining allegation in paragraph 9.

9 **III. JURISDICTION AND VENUE**

10 **10.** The allegations in paragraph 10 are legal and non-factual allegations; therefore,
11 Defendants are not required to admit or deny them. To the extent any of the allegations require a
12 response, Defendants deny them. Defendants also deny that there is any claim for equitable
13 patent infringement, so such a claim cannot confer jurisdiction in this court.

14 **11.** The allegations in paragraph 11 are legal and non-factual allegations; therefore,
15 Defendants are not required to admit or deny them. To the extent the allegations require a
16 response, Defendants deny them.

17 **IV. FACTS APPLICABLE TO ALL COUNTS**

18 **Gabriel, Trace, and Locate.**

19 **12.** Defendants deny the allegations in the first two sentences of paragraph 12.
20 Defendants are without sufficient knowledge or information to form a belief as to the truth of the
21 remaining allegations in paragraph 12 and, therefore, deny them.

22 **13.** Defendants are without sufficient knowledge or information to form a belief as to
23 the truth of the allegations in paragraph 13 and, therefore, deny them.

24 **14.** Defendants are without sufficient knowledge or information to form a belief as to
25 the truth of the allegations in paragraph 14 and, therefore, deny them.

26 **Krasner and SnapTrack.**

27 **15.** Defendants admit that SnapTrack had discussions with Richard Crowson
28

1 (“Crowson”) and William Clise (“Clise”) regarding a license agreement between Locate and
2 SnapTrack. Defendants are without sufficient knowledge or information to form a belief as to the
3 truth of the allegation that Crowson and Clise were the founders of Locate and, therefore, deny
4 such allegation. Except as expressly admitted, Defendants deny each and every remaining
5 allegation in paragraph 15 of the Fourth Amended Complaint.

6 **16.** Defendants deny each and every allegation in paragraph 16 of the Fourth
7 Amended Complaint.

8 **17.** Defendants admit that SnapTrack and Locate negotiated terms of a license
9 agreement which included a license to certain intellectual property of SnapTrack. Except as
10 expressly admitted, Defendants deny each and every remaining allegation in paragraph 17 of the
11 Fourth Amended Complaint.

12 **18.** Defendants deny each and every allegation in paragraph 18 of the Fourth
13 Amended Complaint.

14 **19.** Defendants admit that SnapTrack developed assisted Global Positioning System
15 (“aGPS”) technology and related intellectual property. Except as expressly admitted, Defendants
16 deny each and every remaining allegation in paragraph 19 of the Fourth Amended Complaint.

17 **20.** Defendants deny each and every allegation in paragraph 20 of the Fourth
18 Amended Complaint.

19 **21.** Defendants deny the allegations in the first sentence of paragraph 21 of the Fourth
20 Amended Complaint. Defendants are without sufficient knowledge or information to form a
21 belief as to the truth of the remaining allegations in paragraph 21 of the Fourth Amended
22 Complaint and, therefore, deny them.

23 **SnapTrack and Locate Enter Into the License Agreement.**

24 **22.** Defendants admit that, in negotiating the terms of a license agreement,
25 representatives of SnapTrack discussed intellectual property rights with representatives of Locate.
26 Except as expressly admitted, Defendants deny each and every remaining allegation in paragraph
27 22 of the Fourth Amended Complaint.

28 **23.** Defendants admit that on August 20, 1999, SnapTrack and Locate entered into a

1 License Agreement (“1999 License Agreement”). Except as expressly admitted, Defendants deny
2 each and every remaining allegation in paragraph 23 of the Fourth Amended Complaint.

3 **24.** Defendants deny that paragraph 24 accurately or completely characterizes the
4 language and terms of the 1999 License Agreement and to the extent that paragraph 24 purports
5 to characterize the 1999 License Agreement, Defendants refer to the 1999 License Agreement
6 itself for its full and complete terms. Except as expressly admitted, Defendants deny each and
7 every remaining allegation in paragraph 24.

8 **25.** Defendants admit that, under the 1999 License Agreement, Locate agreed to pay
9 the fees set out in Exhibit F to the 1999 License Agreement in part for SnapTrack’s delivery of
10 software as provided in the 1999 License Agreement. Defendants deny that paragraph 25
11 accurately or completely characterizes the language and terms of the 1999 License Agreement
12 and to the extent that paragraph 25 purports to characterize the 1999 License Agreement,
13 Defendants refer to the 1999 License Agreement itself for its full and complete terms. Except as
14 expressly admitted, Defendants deny each and every remaining allegation in paragraph 25.

15 **26.** Defendants admit that the quoted language in paragraph 26 appears in Section 8 of
16 the 1999 License Agreement. Defendants deny that paragraph 26 accurately or completely
17 characterizes the language and terms of the 1999 License Agreement and to the extent that
18 paragraph 26 purports to characterize the 1999 License Agreement, Defendants refer to the 1999
19 License Agreement itself for its full and complete terms. Except as expressly admitted,
20 Defendants deny each and every remaining allegation in paragraph 26.

21 **27.** Defendants deny that paragraph 27 accurately or completely characterizes the
22 language and terms of the 1999 License Agreement and to the extent that paragraph 27 purports
23 to characterize the 1999 License Agreement, Defendants refer to the 1999 License Agreement
24 itself for its full and complete terms. Except as expressly admitted, Defendants deny each and
25 every remaining allegation in paragraph 27.

26 **28.** Defendants admit that the quoted language in paragraph 28 appears in Section 8 of
27 the 1999 License Agreement. Defendants deny that paragraph 28 accurately or completely
28 characterizes the language and terms of the 1999 License Agreement and to the extent that

1 paragraph 28 purports to characterize the 1999 License Agreement, Defendants refer to the 1999
2 License Agreement itself for its full and complete terms. Except as expressly admitted,
3 Defendants deny each and every remaining allegation in paragraph 28.

4 **29.** Defendants admit that the quoted language in paragraph 29 appears in Section
5 8(b)(i) of the 1999 License Agreement. Defendants deny that paragraph 29 accurately or
6 completely characterizes the language and terms of the 1999 License Agreement and to the extent
7 that paragraph 29 purports to characterize the 1999 License Agreement, Defendants refer to the
8 1999 License Agreement itself for its full and complete terms. Except as expressly admitted,
9 Defendants deny each and every remaining allegation in paragraph 29.

10 **30.** Defendants admit that the quoted language in paragraph 30 appears in Section 9(a)
11 of the 1999 License Agreement. Defendants deny that paragraph 30 accurately or completely
12 characterizes the language and terms of the 1999 License Agreement and to the extent that
13 paragraph 30 purports to characterize the 1999 License Agreement, Defendants refer to the 1999
14 License Agreement itself for its full and complete terms. Except as expressly admitted,
15 Defendants deny each and every remaining allegation in paragraph 30.

16 **31.** Defendants deny that paragraph 31 accurately or completely characterizes the
17 language and terms of the 1999 License Agreement and to the extent that paragraph 31 purports
18 to characterize the 1999 License Agreement, Defendants refer to the 1999 License Agreement
19 itself for its full and complete terms. Defendants are without sufficient knowledge or information
20 to form a belief as to the truth of the remaining allegations in paragraph 31 and, therefore, deny
21 them.

22 **32.** Defendants deny each and every allegation in paragraph 32 of the Fourth
23 Amended Complaint.

24 **SnapTrack Finds a Buyer: Qualcomm.**

25 **33.** Defendants admit that Qualcomm has been involved in prior intellectual property
26 disputes. The remaining allegations in paragraph 33 are not factual allegations; therefore,
27 Defendants are not required to admit or deny them. To the extent the allegations require a
28 response, Defendants deny them.

1 **34.** Defendants admit that Qualcomm was founded in 1985. Defendants admit that
2 Qualcomm developed and patented technology related to Code Division Multiple Access
3 (“CDMA”). Except as expressly admitted, Defendants deny each and every remaining allegation
4 in paragraph 34 of the Fourth Amended Complaint.

5 **35.** Defendants admit that Qualcomm earns revenues by licensing its many patents,
6 some of which relate to CDMA. Except as expressly admitted, Defendants deny each and every
7 remaining allegation in paragraph 35 of the Fourth Amended Complaint.

8 **36.** Defendants admit that Qualcomm earned \$343 million in license, royalty, and
9 development revenue in the 1999 Fiscal Year. Except as expressly admitted, Defendants deny
10 each and every remaining allegation in paragraph 36 of the Fourth Amended Complaint.

11 **37.** Defendants admit that Qualcomm was and is a leader in aGPS. Except as
12 expressly admitted, Defendants deny each and every remaining allegation in paragraph 37 of the
13 Fourth Amended Complaint.

14 **38.** Defendants admit that Qualcomm decided to acquire SnapTrack and conducted
15 due diligence. Except as expressly admitted, Defendants deny the allegations in paragraph 38 of
16 the Fourth Amended Complaint.

17 **39.** Defendants admit that Bruce Greenhaus was a Qualcomm vice president and was
18 an attorney admitted to practice before the U.S. Patent and Trademark Office. Defendants admit
19 that Greenhaus was involved in conducting due diligence for the SnapTrack acquisition. Except
20 as expressly admitted, Defendants deny each and every remaining allegation in paragraph 39 of
21 the Fourth Amended Complaint.

22 **40.** Defendants deny each and every allegation in paragraph 40 of the Fourth
23 Amended Complaint.

24 **41.** Defendants admit that Qualcomm issued a press release on January 26, 2000, and
25 that the quoted language appears in the press release. Defendants deny that paragraph 41
26 accurately or completely characterizes the language of the January 26, 2000 press release and to
27 the extent that paragraph 41 purports to characterize the January 26, 2000 press release,
28 Defendants refer to the press release for its full and complete terms.

1 **42.** Defendants admit that the press release Qualcomm issued on January 26, 2000
2 contained a quote from Dr. Irwin Mark Jacobs, then Chairman and CEO of Qualcomm, and that
3 the quoted language in paragraph 42 appears in the press release. Defendants deny that paragraph
4 42 accurately or completely characterizes the language of the January 26, 2000 press release and
5 to the extent that paragraph 42 purports to characterize the January 26, 2000 press release,
6 Defendants refer to the press release itself for its full and complete language. Except as expressly
7 admitted, Defendants deny each and every remaining allegation in paragraph 42 of the Fourth
8 Amended Complaint.

9 **43.** Defendants admit that the quoted language in paragraph 43 appears in the
10 January 26, 2000 press release. Defendants deny that paragraph 43 accurately or completely
11 characterizes the language of the January 26, 2000 press release and to the extent that paragraph
12 43 purports to characterize the January 26, 2000 press release, Defendants refer to the press
13 release itself for its full and complete language. Except as expressly admitted, Defendants deny
14 each and every remaining allegation in paragraph 43 of the Fourth Amended Complaint.

15 **44.** Defendants deny each and every allegation in paragraph 44 of the Fourth
16 Amended Complaint.

17 **45.** Defendants deny each and every allegation in paragraph 45 of the Fourth
18 Amended Complaint.

19 **46.** Defendants admit that Qualcomm issued a press release on March 2, 2000
20 announcing that it had completed the acquisition of SnapTrack, and that SnapTrack became a
21 wholly-owned subsidiary of Qualcomm. Defendants admit that the quoted language in paragraph
22 46 appears in the March 2, 2000 press release. Defendants deny that paragraph 46 accurately or
23 completely characterizes the language of the March 2, 2000 press release and to the extent that
24 paragraph 46 purports to characterize the March 2, 2000 press release, Defendants refer to the
25 press release itself for its full and complete language. Except as expressly admitted, Defendants
26 deny each and every remaining allegation in paragraph 46 of the Fourth Amended Complaint.

27 **47.** Defendants admit that Krasner received Qualcomm stock as part of Qualcomm's
28 acquisition of SnapTrack and that Krasner became a Qualcomm employee. Except as expressly

1 admitted, Defendants deny the remaining allegations in paragraph 47 of the Fourth Amended
2 Complaint.

3 **48.** Defendants deny each and every allegation in paragraph 48 of the Fourth
4 Amended Complaint.

5 **49.** Defendants deny each and every allegation in paragraph 49 of the Fourth
6 Amended Complaint.

7 **50.** Defendants deny each and every allegation in paragraph 50 of the Fourth
8 Amended Complaint.

9 **51.** Defendants admit that Qualcomm issued a press release on January 16, 2002
10 announcing a new gpsOne™ mobile-based product feature for position location related
11 applications and services. Except as expressly admitted, Defendants deny each and every
12 remaining allegation in paragraph 51 of the Fourth Amended Complaint.

13 **52.** Defendants admit that by the end of 2005, the number of gpsOne-enabled handsets
14 in the world exceeded 150 million. Defendants admit that Qualcomm GPS technology is widely
15 deployed. Except as expressly admitted, Defendants deny each and every remaining allegation in
16 paragraph 52 of the Fourth Amended Complaint.

17 **Krasner, SnapTrack, and Qualcomm Misappropriate Gabriel's Trade Secrets and**
18 **Confidential Information.**

19 **53.** Defendants deny each and every allegation in paragraph 53 of the Fourth
20 Amended Complaint.

21 **54.** Defendants admit that Krasner filed patent applications on aGPS technology.
22 Defendants deny each and every remaining allegation in paragraph 54 of the Fourth Amended
23 Complaint.

24 **55.** Defendants deny each and every allegation in paragraph 55 of the Fourth
25 Amended Complaint.

26 **56.** Defendants deny each and every allegation in paragraph 56 of the Fourth
27 Amended Complaint.

28 **57.** Defendants deny each and every allegation in paragraph 57 of the Fourth

1 Amended Complaint.

2 **58.** Defendants deny each and every allegation in paragraph 58 of the Fourth
3 Amended Complaint.

4 **59.** Defendants deny each and every allegation in paragraph 59 of the Fourth
5 Amended Complaint.

6 **60.** Defendants deny each and every allegation in paragraph 60 of the Fourth
7 Amended Complaint.

8 **61.** Defendants deny each and every allegation in paragraph 61 of the Fourth
9 Amended Complaint.

10 **62.** Defendants deny each and every allegation in paragraph 62 of the Fourth
11 Amended Complaint.

12 **63.** Defendants admit that the patents and applications set forth in paragraph 63 claim
13 certain inventions. Except as expressly admitted, Defendants deny each and every allegation in
14 paragraph 63 of the Fourth Amended Complaint.

15 **64.** Defendants admit that the patent applications set forth in paragraph 64 claim
16 certain inventions. Except as expressly admitted, Defendants deny each and every allegation in
17 paragraph 64 of the Fourth Amended Complaint.

18 **65.** Defendants deny each and every allegation in paragraph 65 of the Fourth
19 Amended Complaint.

20 **66.** Defendants admit that Qualcomm licenses its patent portfolio to leading
21 companies in the wireless telecommunications industry. Except as expressly admitted,
22 Defendants deny each and every remaining allegation in paragraph 66 of the Fourth Amended
23 Complaint.

24 **67.** Defendants deny each and every allegation in paragraph 67 of the Fourth
25 Amended Complaint.

26 **68.** Defendants deny each and every allegation in paragraph 68 of the Fourth
27 Amended Complaint.

28 **The Specific Patents and Patent Applications.**

1 **69.** Defendants admit that they did not name Locate or its employees as inventors on
2 any of the Patents or Applications discussed in the Fourth Amended Complaint. Except as
3 expressly admitted, Defendants deny each and every allegation in paragraph 69 of the Fourth
4 Amended Complaint.

5 The '209 Patent and the '757 Patent

6 **70.** Defendants admit the allegations in paragraph 70 of the Fourth Amended
7 Complaint.

8 **71.** Defendants admit that SnapTrack and Locate discussed latency from time to time.
9 Except as expressly admitted, Defendants deny each and every allegation in paragraph 71 of the
10 Fourth Amended Complaint.

11 **72.** Defendants deny each and every allegation in paragraph 72 of the Fourth
12 Amended Complaint.

13 **73.** Defendants deny each and every allegation in paragraph 73 of the Fourth
14 Amended Complaint.

15 The '372 Patent

16 **74.** Defendants admit the allegations in paragraph 74 of the Fourth Amended
17 Complaint.

18 **75.** Defendants deny each and every allegation in paragraph 75 of the Fourth
19 Amended Complaint.

20 **76.** Defendants deny each and every allegation in paragraph 76 of the Fourth
21 Amended Complaint.

22 **77.** Defendants deny each and every allegation in paragraph 77 of the Fourth
23 Amended Complaint.

24 The '050 Patent

25 **78.** Defendants admit the allegations in paragraph 78 of the Fourth Amended
26 Complaint.

27 **79.** Defendants deny that paragraph 79 accurately or completely characterizes the '050
28 Patent and to the extent that paragraph 79 purports to characterize the '050 Patent, Defendants

1 refer to the '050 Patent itself for its full and complete language. On this basis, Defendants deny
2 the allegations in paragraph 79.

3 **80.** Defendants deny each and every allegation in paragraph 80 of the Fourth
4 Amended Complaint.

5 **81.** Defendants are without sufficient knowledge or information to form a belief as to
6 the truth of the allegations in paragraph 81 of the Fourth Amended Complaint and, therefore,
7 deny them.

8 The '980 Patent

9 **82.** Defendants admit that Qualcomm employees Douglas N. Rowitch and Christopher
10 Patrick are named as inventors of the '980 Patent. Defendants deny that paragraph 82 accurately
11 or completely characterizes claim 1 of the '980 Patent and to the extent that paragraph 82
12 purports to characterize claim 1 of the '980 Patent, Defendants refer to the '980 Patent itself for
13 its full and complete language. Except as expressly admitted, Defendants deny each and every
14 remaining allegation in paragraph 82 of the Fourth Amended Complaint.

15 **83.** Defendants are without sufficient knowledge or information to form a belief as to
16 the truth of the allegations in paragraph 83 of the Fourth Amended Complaint and, therefore,
17 deny them.

18 The '249 Patent

19 **84.** Defendants admit that the '249 Patent names Peter Gaal, a Qualcomm employee,
20 as inventor. Defendants deny that paragraph 84 accurately or completely characterizes the '249
21 Patent and to the extent paragraph 84 purports to characterize the '249 Patent, Defendants refer to
22 the '249 Patent itself for its complete language. Except as expressly admitted, Defendants deny
23 each and every remaining allegation in paragraph 84 of the Fourth Amended Complaint.

24 **85.** Defendants deny that paragraph 85 accurately characterizes the documents it refers
25 to, and to the extent that paragraph 82 purports to characterize the documents, Defendants refer to
26 the documents for their full and complete language. On this basis, Defendants deny the
27 allegations in paragraph 85 of the Fourth Amended Complaint.

28 **86.** Defendants deny each and every allegation in paragraph 86 of the Fourth

1 Amended Complaint.

2 The '402 Patent

3 **87.** Defendants admit the allegations in paragraph 87 of the Fourth Amended
4 Complaint.

5 **88.** Defendants are without sufficient knowledge or information to form a belief as to
6 the truth of the allegations in paragraph 88 of the Fourth Amended Complaint and, therefore,
7 deny them.

8 **89.** Defendants are without sufficient knowledge or information to form a belief as to
9 the truth of the allegations in paragraph 89 of the Fourth Amended Complaint and, therefore,
10 deny them.

11 **90.** Defendants are without sufficient knowledge or information to form a belief as to
12 the truth of the allegations in paragraph 90 of the Fourth Amended Complaint and, therefore,
13 deny them.

14 **91.** Defendants are without sufficient knowledge or information to form a belief as to
15 the truth of the allegations in paragraph 91 of the Fourth Amended Complaint and, therefore,
16 deny them.

17 **92.** Defendants deny each and every allegation in paragraph 92 of the Fourth
18 Amended Complaint.

19 The '786 Patent and the '436 Application

20 **93.** Defendants admit that that '786 Patent and '436 Application name Krasner as the
21 inventor. Defendants admit that the '786 Patent and '436 Application are both entitled "Method
22 and Apparatus for Communicating Emergency Information Using Wireless Devices." Except as
23 expressly admitted, Defendants deny each and every remaining allegation in paragraph 93 of the
24 Fourth Amended Complaint.

25 **94.** Defendants are without sufficient knowledge or information to form a belief as to
26 the truth of the allegations in paragraph 94 of the Fourth Amended Complaint and, therefore,
27 deny them.

28 **95.** Defendants are without sufficient knowledge or information to form a belief as to

1 the truth of the allegations in paragraph 95 of the Fourth Amended Complaint and, therefore,
2 deny them.

3 The '876 Patent

4 **96.** Defendants admit that, on its face, the '876 Patent claims to be related to U.S.
5 Provisional application No. 60/406,261 that was filed on August 26, 2002. Defendants deny that
6 paragraph 96 accurately reflects or completely characterizes the '876 Patent and to the extent that
7 paragraph 96 purports to characterize the '876 Patent, Defendants refer to the '876 Patent itself
8 for its full and complete language. Defendants admit that Qualcomm employees Anjali Jha and
9 Francesco Grilli are named as inventors on the '876 patent. Except as expressly admitted,
10 Defendants deny each and every remaining allegation in paragraph 96 of the Fourth Amended
11 Complaint.

12 **97.** Defendants are without sufficient knowledge or information to form a belief as to
13 the truth of the allegations in paragraph 97 of the Fourth Amended Complaint and, therefore,
14 deny them.

15 The '277 Patent and the '856 Application

16 **98.** Defendants admit that, on its face, the '277 Patent claims to be related to U.S.
17 Provisional application No. 60/542,496 that was filed on February 5, 2004. Defendants deny that
18 paragraph 98 accurately or completely characterizes the '277 Patent and to the extent that
19 paragraph 98 purports to characterize the '277 Patent, Defendants refer to the '277 Patent for its
20 full and complete language. Defendants admit that Qualcomm employee Kirk Burroughs is
21 named as the inventor of the '277 Patent. Except as expressly admitted, Defendants deny each
22 and every remaining allegation in paragraph 98 of the Fourth Amended Complaint.

23 **99.** Defendants are without sufficient knowledge or information to form a belief as to
24 the truth of the allegations in paragraph 99 of the Fourth Amended Complaint and, therefore,
25 deny them.

26 The '799 Application

27 **100.** Defendants admit that, on its face, the '799 Application claims to be related to
28 U.S. Provisional application No. 60/419,680 that was filed on October 17, 2002. Defendants

1 deny that paragraph 100 accurately or completely characterizes the '799 application and to the
2 extent that paragraph 100 purports to characterize the '799 Application, Defendants refer to the
3 '799 application itself for its full and complete language. Defendants admit that Leonid
4 Sheynblat is named as the inventor on the '799 Application. Except as expressly admitted,
5 Defendants deny each and every remaining allegation in paragraph 100 of the Fourth Amended
6 Complaint.

7 **101.** Defendants are without sufficient knowledge or information to form a belief as to
8 the truth of the allegations in paragraph 101 of the Fourth Amended Complaint and, therefore,
9 deny them.

10 The '062 Application

11 **102.** Defendants admit that, on its face, the '062 Application claims to be related to
12 U.S. Provisional application No. 60/452,358 that was filed on March 5, 2003. Defendants deny
13 that paragraph 102 accurately or completely characterizes the '062 Application and to the extent
14 that paragraph 102 purports to characterize the '062 Application, Defendants refer to the '062
15 Application for its full and complete language. Defendants admit that the inventors named on the
16 '062 Application are Jun Wang, Leonid Sheynblat, Parag Agahse, Randall Gellens and Raymond
17 Hsu. Except as expressly admitted, Defendants deny each and every remaining allegation in
18 paragraph 102 of the Fourth Amended Complaint.

19 **103.** Defendants are without sufficient knowledge or information to form a belief as to
20 the truth of the allegations in paragraph 103 of the Fourth Amended Complaint and, therefore,
21 deny them.

22 The '409 Application

23 **104.** Defendants admit that Anjali Jha and Krasner are named as inventors on the '409
24 Application. Defendants deny that paragraph 104 accurately or completely characterizes the '409
25 Application and to the extent that paragraph 104 purports to characterize the '409 Application,
26 Defendants refer to the '409 Application for its full and complete language. On this basis and
27 except as expressly admitted, Defendants deny the allegations in Paragraph 104 of the Fourth
28 Amended Complaint.

1 **105.** Defendants deny that paragraph 105 accurately or completely characterizes the
2 claims in the '409 Application and to the extent that paragraph 105 purports to characterize the
3 language of the '409 Application, Defendants refer to the '409 Application itself for its full and
4 complete language. Defendants deny each and every remaining allegation in paragraph 105 of
5 the Fourth Amended Complaint.

6 The '986 Application

7 **106.** Defendants admit that the '986 Application lists Krasner and Sheynblat as
8 inventors. Defendants deny that paragraph 106 accurately or completely characterize the '986
9 Application and to the extent that paragraph 106 purports to characterize the '986 Application,
10 Defendants refer to the '986 Application itself for its full and complete language. On this basis
11 and except as expressly admitted, Defendants deny the allegations in paragraph 106.

12 **107.** Defendants are without sufficient knowledge or information to form a belief as to
13 the truth of the allegations in paragraph 107 of the Fourth Amended Complaint and, therefore,
14 deny them.

15 **108.** The allegations in paragraph 108 call for legal conclusions not factual allegations;
16 therefore, Defendants are not required to admit or deny them. To the extent the allegations in
17 paragraph 108 require a response, Defendants deny them.

18 **Qualcomm Continues Its Wrongdoing.**

19 **109.** Defendants admit that Qualcomm Ventures conducted due diligence regarding a
20 potential investment in Locate, and that Qualcomm Ventures did not invest in or acquire Locate.
21 Defendants deny each and every remaining allegation in paragraph 109 of the Fourth Amended
22 Complaint.

23 **110.** Defendants admit that, in 2004, SnapTrack and Qualcomm entered into
24 discussions with Locate and/or Trace regarding amending the 1999 License Agreement and that
25 SnapTrack and Qualcomm presented Trace and/or Locate with a proposed Amended and Restated
26 License Agreement. Defendants are without sufficient knowledge or information to form a belief
27 as to the truth of the remaining allegations in paragraph 110 of the Fourth Amended Complaint
28 and, therefore, deny them.

1 **111.** Defendants deny each and every allegation in paragraph 111 of the Fourth
2 Amended Complaint.

3 **112.** Defendants are without sufficient knowledge or information to form a belief as to
4 the truth of the remaining allegations in paragraph 112 of the Fourth Amended Complaint and,
5 therefore, deny them.

6 **113.** Defendants are without sufficient knowledge or information to form a belief as to
7 the truth of the remaining allegations in paragraph 113 of the Fourth Amended Complaint and,
8 therefore, deny them.

9 **114.** Defendants deny each and every allegation in paragraph 114 of the Fourth
10 Amended Complaint.

11 **115.** Defendants admit that, at the time Qualcomm was negotiating an Amended and
12 Restated License Agreement with Locate and/or Trace, Qualcomm requested that Locate pay
13 approximately \$342,000 in late fees owed under the 1999 License Agreement. Defendants admit
14 that Qualcomm agreed to forgo the late fees when Locate and/or Trace entered into this 2006
15 Amended and Restated License Agreement. Except as expressly admitted, Defendants deny each
16 and every remaining allegation in paragraph 115 of the Fourth Amended Complaint.

17 **116.** Defendants admit that Phillip Fries was Senior Legal Counsel at Qualcomm.
18 Defendants admit that, at the time Qualcomm was negotiating that Amended and Restated
19 License Agreement with Locate and/or Trace, Qualcomm requested that Locate pay
20 approximately \$342,000 in late fees owed under the 1999 License Agreement. Defendants admit
21 that Qualcomm agreed to forgo the late fees when Locate and/or Trace entered into the 2006
22 Amended and Restated License Agreement. Except as expressly admitted, Defendants deny each
23 and every remaining allegation in paragraph 116 of the Fourth Amended Complaint.

24 **117.** Defendants admit that Greenhaus met with Gabriel's counsel and Chief
25 Technology Officer in August 2005. Defendants deny each and every remaining allegation in
26 paragraph 117 of the Fourth Amended Complaint.

27 **118.** Defendants deny each and every allegation in paragraph 118 of the Fourth
28 Amended Complaint.

1 **119.** Defendants are without sufficient knowledge or information to form a belief as to
2 the truth of the allegations in paragraph 119 of the Fourth Amended Complaint and, therefore,
3 deny them.

4 **120.** Defendants deny each and every allegation in paragraph 120 of the Fourth
5 Amended Complaint.

6 **121.** Defendants deny each and every allegation in paragraph 121 of the Fourth
7 Amended Complaint.

8 **122.** Defendants deny that paragraph 122 accurately or completely characterizes the
9 language and terms of the 2006 License Agreement and to the extent that paragraph 122 purports
10 to characterize the language and terms of the 2006 License Agreement, Defendants refer to the
11 2006 License Agreement itself. On this basis, Defendants deny each and every allegation in
12 paragraph 122 of the Fourth Amended Complaint.

13 **123.** Defendants admit that SnapTrack and Trace entered into an Amended and
14 Restated License Agreement on January 16, 2006 (“2006 License Agreement”). Defendants deny
15 each and every remaining allegation in paragraph 123 of the Fourth Amended Complaint.

16 **124.** Defendants admit that the quoted language in paragraph 124 appears in
17 Section 8(a) of the 2006 License Agreement. Defendants deny that paragraph 124 accurately or
18 completely characterizes the language and terms of the 2006 License Agreement and to the extent
19 that paragraph 124 purports to characterize the language and terms of the 2006 License
20 Agreement, Defendants refer to the 2006 License Agreement itself. Defendants deny each and
21 every remaining allegation in paragraph 124 of the Fourth Amended Complaint.

22 **125.** Defendants are without sufficient knowledge or information to form a belief as to
23 the truth of the allegations in the first sentence of paragraph 125 of the Fourth Amended
24 Complaint and, therefore, deny them. Defendants admit that SnapTrack is an assignee on at least
25 55 patents, that Qualcomm has filed at least 6,500 patent applications, and that Qualcomm is the
26 assignee of at least 2,345 U.S. patents. Except as expressly admitted, Defendants deny the
27 allegations of paragraph 125 of the Fourth Amended Complaint.

28 **126.** Defendants are without sufficient knowledge or information to form a belief as to

1 the truth of the allegations in paragraph 126 of the Fourth Amended Complaint and, therefore,
2 deny them.

3 **127.** Defendants deny each and every allegation in paragraph 127 of the Fourth
4 Amended Complaint.

5 **128.** Defendants admit that Gabriel made a presentation to Qualcomm in June 2007.
6 Defendants deny each and every remaining allegation in paragraph 128 of the Fourth Amended
7 Complaint.

8 **129.** Defendants are without sufficient knowledge or information to form a belief as to
9 the truth of the allegations in the second sentence of paragraph 129 of the Fourth Amended
10 Complaint and, therefore, deny them. Defendants deny each and every remaining allegation in
11 paragraph 129 of the Fourth Amended Complaint.

12 **130.** The allegations in paragraph 130 are legal and not factual allegations; therefore,
13 Defendants are not required to admit or deny them. To the extent paragraph 130 contains factual
14 allegations, Defendants deny each and every one of them.

15 **V. CAUSES OF ACTION**

16 **COUNT TWO: Breach of the Amended and Restated License Agreement**

17 **131.** Defendants incorporate by reference and reallege their responses to each and every
18 allegation set forth above, as though fully set forth herein.

19 **132.** Defendants admit the allegations in paragraph 132 of the Fourth Amended
20 Complaint.

21 **133.** Defendants deny each and every allegation in paragraph 133 of the Fourth
22 Amended Complaint.

23 **134.** Defendants deny each and every allegation in paragraph 134 of the Fourth
24 Amended Complaint.

25 **135.** Defendants deny each and every allegation in paragraph 135 of the Fourth
26 Amended Complaint.

27 **136.** Defendants deny each and every allegation in paragraph 136 of the Fourth
28 Amended Complaint.

1 **COUNT FIVE: Correction of Inventorship (Pursuant to 35 U.S.C. § 256)**

2 137. Defendants incorporate by reference and reallege their responses to each and every
3 allegation set forth above, as though fully set forth herein.

4 138. Defendants admit that Krasner and representatives of SnapTrack and Qualcomm
5 applied for and were issued U.S. Patents in compliance with the United States Patent Act.

6 139. Defendants deny each and every allegation in paragraph 139 of the Fourth
7 Amended Complaint.

8 140. Defendants deny each and every allegation in paragraph 140 of the Fourth
9 Amended Complaint.

10 141. Defendants deny each and every allegation in paragraph 141 of the Fourth
11 Amended Complaint.

12 **COUNT SIX: Declaratory Judgment Of Ownership Interest In The Patents (Pursuant to**
13 **28 U.S.C. § 2201)**

14 142. Defendants incorporate by reference and reallege their responses to each and every
15 allegation set forth above, as though fully set forth herein.

16 143. The allegations in paragraph 143 are not factual allegations, therefore Defendants
17 are not required to admit or deny them.

18 144. The allegations in paragraph 144 are legal and not factual allegations, therefore
19 Defendants are not required to admit or deny them. To the extent paragraph 144 contains factual
20 allegations, Defendants deny each and every one of them.

21 145. The allegations in paragraph 145 are legal and not factual allegations, therefore
22 Defendants are not required to admit or deny them. To the extent paragraph 145 contains factual
23 allegations, Defendants deny each and every one of them.

24 146. The allegations in paragraph 146 are legal and not factual allegations, therefore
25 Defendants are not required to admit or deny them. To the extent paragraph 146 contains factual
26 allegations, Defendants deny each and every one of them.

27 147. Defendants deny each and every allegation in the first sentence of paragraph 147
28 in the Fourth Amended Complaint. The allegations in the second sentence of paragraph 147 are

1 legal and not factual allegations, therefore Defendants are not required to admit or deny them, but
2 to the extent the allegations require a response, Defendants deny them.

3 **148.** Defendants deny each and every allegation in paragraph 148 of the Fourth
4 Amended Complaint.

5 **149.** The allegations in paragraph 149 are not factual allegations, therefore Defendants
6 are not required to admit or deny them, but to the extent the allegations require a response,
7 Defendants deny them.

8 **COUNT EIGHT: Misappropriation (Pursuant to California Uniform Trade Secrets Act)**

9 **150.** Defendants incorporate by reference and reallege their responses to each and
10 every allegation set forth above, as though fully set forth herein.

11 **151.** Defendants deny each and every allegation in paragraph 151 of the Fourth
12 Amended Complaint.

13 **152.** Defendants deny each and every allegation in paragraph 152 of the Fourth
14 Amended Complaint.

15 **153.** Defendants are without sufficient knowledge or information to form a belief as to
16 the truth of the allegations in paragraph 153 of the Fourth Amended Complaint and, therefore,
17 deny them.

18 **154.** Defendants deny each and every allegation in paragraph 154 of the Fourth
19 Amended Complaint.

20 **155.** Defendants deny each and every allegation in paragraph 155 of the Fourth
21 Amended Complaint.

22 **156.** Defendants deny each and every allegation in paragraph 156 of the Fourth
23 Amended Complaint.

24 **157.** The allegations in paragraph 157 are legal not factual allegations, therefore
25 Defendants are not required to admit or deny them. To the extent the allegations in paragraph
26 163 require a response, Defendants deny them.

27 **VI. JURY REQUEST**

28 **158.** The allegations in paragraph 158 are not factual allegations, therefore Defendants

1 are not required to admit or deny them.

2 **VII. REQUEST FOR RELIEF**

3 **159.** The allegations in paragraph 159 are not factual allegations, therefore Defendants
4 are not required to admit or deny them.

5 **AFFIRMATIVE DEFENSES**

6 **First Affirmative Defense**

7 (Failure to State a Claim)

8 **160.** Each of Plaintiffs' purported claims fail to state a claim upon which relief may be
9 granted.

10 **Second Affirmative Defense**

11 (Breach of Contract)

12 **161.** Plaintiffs' claims should be denied because Plaintiffs have breached the express
13 terms of the 2006 License Agreement. Plaintiffs' breach has relieved Defendants of their
14 continuing obligations under the 2006 License Agreement and precludes an award of damages to
15 Plaintiffs.

16 **Third Affirmative Defense**

17 (Breach of Implied Covenant of Good Faith and Fair Dealing)

18 **162.** Plaintiffs' claims should be denied because Plaintiffs breached the implied
19 covenant of good faith and fair dealing that runs with every written contract, and this breach
20 relieved Defendants of their continuing obligations under the 2006 License Agreement and
21 precludes an award of damages to Plaintiffs.

22 **Fourth Affirmative Defense**

23 (License)

24 **163.** Plaintiffs' claims are barred because Defendants have an irrevocable, perpetual,
25 non-exclusive, royalty-free, fully paid-up, worldwide right and license to Plaintiffs' intellectual
26 property under the 2006 License Agreement.

27 **Fifth Affirmative Defense**

28 (Prevention of Performance)

1 such damages.

2 **Twelfth Affirmative Defense**

3 (Unclean Hands)

4 **171.** The doctrine of unclean hands bars Plaintiffs from seeking any relief.

5 **Thirteenth Affirmative Defense**

6 (Good Faith)

7 **172.** Plaintiffs are barred, in whole or in part, from seeking any relief because any
8 representations which may have been made by Defendants were based on information supplied to
9 Defendants by other sources, which information Defendants believed to be true, and/or were
10 otherwise made in good faith and with genuine belief that they had a reasonable factual and
11 historical basis.

12 **Fourteenth Affirmative Defense**

13 (Truth)

14 **173.** Plaintiffs are barred, in whole or in part, from seeking any relief because any
15 representations which may have been made by Defendants were true.

16 **Fifteenth Affirmative Defense**

17 (Statute of Limitations)

18 **174.** Plaintiffs are barred, in whole or in part, from seeking any relief by the operation
19 of the applicable statutes of limitations.

20 **Sixteenth Affirmative Defense**

21 (Limitation of Liability)

22 **175.** Plaintiffs cannot recover damages in excess of the applicable limitation of liability
23 contained in the 2006 License Agreement.

24 **Seventeenth Affirmative Defense**

25 (Frivolous Action)

26 **176.** Plaintiffs are barred, in whole or in part, from seeking any relief because the
27 Fourth Amended Complaint is frivolous and was filed in bad faith.

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Eighteenth Affirmative Defense

(Additional Affirmative Defenses)

177. Defendants hereby reserve their right to amend this Answer and/or allege additional affirmative defenses in the event that any such additional affirmative defenses become available to Defendants.

PRAYER FOR RELIEF

WHEREFORE Defendants Qualcomm and SnapTrack pray for the following relief:

- 1. That Plaintiffs take nothing by way of their complaint;
- 2. For reasonable attorneys’ fees and costs incurred in the case, according to proof in accordance with 35 U.S.C. § 285 and Cal. Civ. Code § 3426.4;
- 3. For interest on the above amounts in the maximum amount allowed by law; and
- 4. For such other and further relief as the Court may deem just and proper.

Dated: January 21, 2010

COOLEY GODWARD KRONISH LLP

/s/ John S. Kyle

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JOHN S. KYLE (jkyle@cooley.com)
Attorneys for Defendants

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document has been served on January 21, 2010 to all counsel of record who are deemed to have consented to electronic service via the Court’s CM/ECF system per Civil Local Rule 5.4. Any other counsel of record will be served by electronic mail, facsimile and/or overnight delivery.

/s/ John S. Kyle

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