

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

SIMPLEAIR HOLDINGS, INC.,
a California corporation,

Plaintiff,

vs.

m-QUBE, INC., a Delaware corporation;
AMAZON.COM, INC., a Delaware
corporation; CBS BROADCASTING INC., a
New York corporation; eBAY INC., a
Delaware corporation; MYSPACE, INC., a
Delaware corporation; YAHOO! INC., a
Delaware corporation.

Defendants.

Civil Action No. 2:06-CV-449 (CE)

Jury Demanded

PLAINTIFF AND COUNTERDEFENDANT SIMPLEAIR

HOLDINGS, INC.'S REPLY TO AMENDED COUNTERCLAIMS OF YAHOO! INC.

Plaintiff and Counterdefendant SimpleAir Holdings, Inc. ("SimpleAir") hereby answers the amended counterclaims of Defendant and Counterclaimant Yahoo! Inc. ("Yahoo!"). All of the allegations of Yahoo!'s Counterclaims not specifically admitted are specifically denied.

Answer to Amended Counterclaims

The Parties

1. SimpleAir admits the allegations of paragraph 1 of Yahoo!'s Amended Counterclaims.
2. SimpleAir admits the allegations of paragraph 2 of Yahoo!'s Amended Counterclaims.

Jurisdiction and Venue

3. SimpleAir admits that this Court has subject matter jurisdiction over Yahoo!'s Amended Counterclaims and that venue for the Amended Counterclaims is proper in this District. Simple Air admits that it resides in California and that Yahoo! has a place of business in California. SimpleAir admits that it was a party to a prior litigation concerning the patents-in-suit in California that was quickly settled and dismissed (before the Defendant filed a response to the complaint). SimpleAir denies the remaining allegations of paragraph 3 of Yahoo!'s Amended Counterclaims.

4. SimpleAir admits the allegations of paragraph 4 of Yahoo!'s Amended Counterclaims.

Factual Background

5. SimpleAir admits that it has filed suit against Yahoo! alleging that Yahoo! has and continues to infringe the '614 patent.

6. SimpleAir denies the allegations of paragraph 6 of Yahoo!'s Amended Counterclaims.

7. Simple Air admits that an actual case or controversy exists between SimpleAir and Yahoo! regarding the validity and Yahoo!'s infringement of the '614 patent. SimpleAir denies the remaining allegations of paragraph 7 of Yahoo!'s Amended Counterclaims.

Count One

Declaratory Judgment of Non-Infringement of U.S. Patent No. 6,735,614

8. Paragraph 8 of Yahoo!'s Amended Counterclaims restates and incorporates by reference the allegations of paragraphs 1-7 of the Counterclaims. In response, SimpleAir incorporates by reference its response to the allegations of paragraphs 1-7 of Yahoo!'s Amended Counterclaims.

9. SimpleAir admits the allegations of paragraph 9 of Yahoo!'s Amended Counterclaims.

10. SimpleAir denies the allegations of paragraph 10 of Yahoo!'s Amended Counterclaims.

11. SimpleAir denies the allegations of paragraph 11 of Yahoo!'s Amended Counterclaims.

12. SimpleAir denies the allegations of paragraph 12 of Yahoo!'s Amended Counterclaims.

Count Two

Declaratory Judgment of Invalidity of U.S. Patent No. 6,735,614

13. Paragraph 13 of Yahoo!'s Amended Counterclaims restates and incorporates by reference the allegations of paragraphs 1-12 of the Counterclaims. In response, SimpleAir incorporates by reference its response to the allegations of paragraphs 1-12 of Yahoo!'s Amended Counterclaims.

14. SimpleAir admits the allegations of paragraph 14 of Yahoo!'s Amended Counterclaims.

15. SimpleAir denies the allegations of paragraph 15 of Yahoo!'s Amended Counterclaims.

16. SimpleAir denies the allegations of paragraph 16 of Yahoo!'s Amended Counterclaims.

17. SimpleAir denies the allegations of paragraph 17 of Yahoo!'s Amended Counterclaims.

Count Three

Declaratory Judgment of Unenforceability of U.S. Patent No. 6,735,614

18. Paragraph 18 of Yahoo!'s Amended Counterclaims restates and incorporates by reference the allegations of paragraphs 1-17 of the Counterclaims. In response, SimpleAir incorporates by reference its response to the allegations of paragraphs 1-17 of Yahoo!'s Amended Counterclaims.

19. SimpleAir denies the allegations of paragraph 19 of Yahoo!'s Amended Counterclaims.

20. SimpleAir denies the allegations of paragraph 20 of Yahoo!'s Amended Counterclaims.

21. SimpleAir is without sufficient information to form an opinion as to the allegations regarding agreements made by Ex Machina, Inc., the nature and time frame of the agreements, or the parties to any such agreements and therefore denies those allegations. SimpleAir objects to the allegations concerning its principles as irrelevant and improper, particularly in light of the protective order in this case. SimpleAir denies all other allegations of paragraph 21 of Yahoo!'s Amended Counterclaims.

22. SimpleAir objects to the allegations concerning its principles as irrelevant and improper, particularly in light of the protective order in this case. SimpleAir denies all other allegations of paragraph 22 of Yahoo!'s Amended Counterclaims.

23. SimpleAir admits that AirMedia participated in a conference in January 1996 regarding certain of its planned products. SimpleAir objects to the allegations concerning its principles as irrelevant and improper, particularly in light of the protective order in this case. SimpleAir denies all other allegations of paragraph 23 of Yahoo!'s Amended Counterclaims.

24. SimpleAir admits that a double patenting objection was made during the prosecution of the '614 patent. SimpleAir objects to the allegations concerning its principles as irrelevant and improper, particularly in light of the protective order in this case. SimpleAir denies all other allegations of paragraph 24 of Yahoo!'s Amended Counterclaims.

25. SimpleAir admits that Yahoo! has accurately quoted certain language from MPEP § 2001.06(b) as it is currently written. SimpleAir denies all other allegations of paragraph 25 of Yahoo!'s Amended Counterclaims.

26. SimpleAir denies the allegations of paragraph 26 of Yahoo!'s Amended Counterclaims.

27. SimpleAir denies the allegations of paragraph 27 of Yahoo!'s Amended Counterclaims.

28. SimpleAir admits the allegations of paragraph 28 of Yahoo!'s Amended Counterclaims.

29. SimpleAir denies the allegations of paragraph 29 of Yahoo!'s Amended Counterclaims.

30. SimpleAir denies the allegations of paragraph 30 of Yahoo!'s Amended Counterclaims.

Count Four

Unclean Hands

31. Paragraph 31 of Yahoo!'s Amended Counterclaims restates and incorporates by reference the allegations of paragraphs "1-34" of the Counterclaims. In response, SimpleAir assumes that Yahoo! intended to reference paragraphs "1-30" and hereby incorporates by reference its response to the allegations of paragraphs 1-30 of Yahoo!'s Amended Counterclaims.

32. SimpleAir denies the allegations of paragraph 32 of Yahoo!'s Amended Counterclaims.

Prayer for Relief

SimpleAir denies that Yahoo! is entitled to the relief it seeks or any relief for the allegations made in its Answer or Amended Counterclaims.

Demand for Jury Trial

Plaintiff and Counterdefendant SimpleAir demands trial by jury of all issues.

Dated: June 23, 2008

Respectfully submitted,

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ATTORNEYS FOR PLAINTIFF,
SIMPLEAIR HOLDINGS, INC.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 23, 2008 a copy of the foregoing document is being served on all counsel of record via the Court's CM/ECF system per Local Rule CV-5(a)(3).

/s/ Jeff Eichmann