IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

CARTIER, a division of RICHEMONT NORTH AMERICA, INC. 645 Fifth Avenue, 5th Floor New York, New York 10022, Plaintiff, v. WING HON METAL MANUFACTORY LTD., Unit A-B, 10th Floor, Block No. 1, Wah Fung Industrial Centre, 33-39 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong, China, Defendant.	**Case No.** **1:06CV01747/RMC**

REPLY TO COUNTERCLAIM

For its Reply to the Answer and Counterclaim ("Counterclaim") of Defendant and Counterclaim Plaintiff Wing Hon Metal Manufactory Ltd. ("Wing Hon"), Plaintiff and Counterclaim Defendant Cartier ("Cartier"), a division of Richemont North America, Inc., upon knowledge as to itself and upon information and belief as to Wing Hon, by and through its undersigned attorneys, responds to each of the numbered paragraphs of the Counterclaim as follows:

Cartier admits that the Counterclaim purports to be a counterclaim for patent infringement arising under the patent laws of the United States, Title 35, United States Code.

JURISDICTION AND VENUE

1. Cartier admits that this Court has subject matter jurisdiction over the Counterclaim.

2. Cartier admits that venue in this Court is proper and that this Court has personal jurisdiction over Cartier.

THE PARTIES

3. Admitted.

4. Admitted.

COUNT FOR PATENT INFRINGEMENT

5. Cartier admits that U.S. Patent No. 6,964,153 (the "'153 patent") is entitled "Components for Timepiece and Method of Manufacturing Thereof" and bears an issue date of November 15, 2005, and that a copy of the '153 patent is attached as Exhibit A to the Amended Complaint. Cartier denies that the '153 patent was duly and legally issued. Cartier is without knowledge or information sufficient to form a belief as to truth of the remaining averments of paragraph 5 of the Counterclaim, and therefore denies them.

6. Denied.

7. Denied.

8. Denied.

AFFIRMATIVE DEFENSES

Further replying to Wing Hon's Counterclaim, and as affirmative defenses to the averments therein, Cartier asserts as follows:

FIRST AFFIRMATIVE DEFENSE

NONINFRINGEMENT

Cartier has not infringed and is not currently infringing pursuant to 35 U.S.C. § 271 any claim or claims of the '153 patent by its offer for sale, sale, use and/or importation into the United States of any watch bands or watches incorporating such watch bands including, without limitation, the product marketed by Cartier under the name "Pasha Seatimer."

SECOND AFFIRMATIVE DEFENSE

INVALIDITY

The '153 patent is invalid and void for failure to comply with one or more of the conditions and requirements of the patent laws, including without limitation 35 U.S.C. §§ 101, 102, 103 and/or 112, and/or the rules, regulations and laws pertaining thereto.

PRAYER FOR RELIEF

WHEREFORE, Cartier respectfully requests that the Court enter a judgment:

(a) Denying all relief sought by Wing Hon in its Counterclaim;

(b) Dismissing the Counterclaim in its entirety with prejudice;

(c) That Cartier has not infringed and is not infringing the '153 patent;

(d) That the '153 patent is invalid;

(e) Permanently enjoining Wing Hon and its affiliates, shareholders, officers, directors, agents, employees, attorneys and all persons or entities in active concert or participation with them, from asserting the '153 patent against Cartier and its affiliates, officers, directors, agents, employees and attorneys;

(f) Awarding Cartier its costs pursuant to Rule 54 of the Federal Rules of Civil Procedure; and

(g) Granting Cartier such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Cartier respectfully requests a trial by jury of all issues so triable.

Dated: March 15, 2007

CARTIER, a division of
RICHEMONT NORTH AMERICA, INC.

By: /s/ John R. Hutchins
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