IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

MOTIVATION INNOVATIONS, LLC, Plaintiff, v. DSW, INC.; VALUE CITY DEPARTMENT STORES, LLC; BED BATH & BEYOND, INC.; and HALLMARK MARKETING CORPORATION, Defendants.	C.A. No 08-334-SLR **JURY TRIAL DEMANDED**

PLAINTIFF'S RESPONSE TO
BED BATH & BEYOND, INC.'S COUNTERCLAIMS

Plaintiff Motivation Innovations, LLC ("Motivation Innovations") hereby responds to Bed Bath & Beyond, Inc.'s ("BB&B") counterclaims, served on July 31, 2008 (D.I. 17) as follows:

COUNTERCLAIMS

29. Counterclaim-plaintiff BB&B is a New York corporation with a place of business at 650 Liberty Avenue, Union, New Jersey.

Response:

Admitted.

30. According to plaintiff's First Amended Complaint, counterclaim-defendant Motivation is a Delaware corporation with a principal place of business at 54 Hazard Avenue, Suite 302, Enfield, Connecticut 06082.

Response:

Admitted.

Jurisdiction and Venue

31. This Court had jurisdiction over BB&B's federal patent counterclaims under 28 U.S.C. §§ 1331 and 1338 and the Declaratory Judgment Act, 28 U.S. C. § 2201.

Response:

Admitted.

32. This Court has jurisdiction over the counterclaim because the counterclaim-defendant Motivation has submitted to the jurisdiction of this Court by bringing the instant action.

Response:

Admitted.

Declaratory Judgment of Invalidity

33. BB&B incorporates and realleges the allegations of paragraphs 29-32 of its counterclaims as if set forth fully herein.

Response:

Motivation Innovations incorporates its responses to the allegations of paragraphs 29-32 of BB&B's counterclaims as if set forth fully herein.

34. This is a counterclaim pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202.

Response:

Admitted.

35. There is an actual justiciable controversy between the parties concerning the validity and enforceability of the '527 Patent which arises out of the Patent Act, 35 U.S.C. §1 *et. seq.*

Response:

Admitted.

36. The '527 Patent is invalid for failure to meet one or more of the requirements of the Patent Laws of the United States, 35 U.S.C. §§ 102, 103 and/or 112.

Response:

Denied.

37. BB&B is entitled to a declaration and order that the claims of the '527 Patent are invalid.

Response:

Denied.

PRAYER FOR RELIEF

Motivation Innovations denies that BB&B is entitled to any relief on its counterclaim.

YOUNG CONAWAY STARGATT & TAYLOR LLP

/s/ Karen L. Pascale

August 19, 2008

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CERTIFICATE OF SERVICE

I, Karen L. Pascale, Esquire, hereby certify that on August 19, 2008, I caused to be electronically filed a true and correct copy of the foregoing document with the Clerk of the Court using CM/ECF, which will send notification that such filing is available for viewing and downloading to the following counsel of record:

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I further certify that I caused a copy of the foregoing document to be served on the following attorneys of record in the manner indicated:

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