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
HALLMARK MARKETING CORPORATION'S COUNTERCLAIMS

Plaintiff Motivation Innovations, LLC ("Motivation Innovations") hereby responds to Hallmark Marketing Corporation's ("Hallmark") counterclaims, served on July 31, 2008 (D.I. 20) as follows:

COUNTERCLAIMS

1. Hallmark is a Delaware corporation with its principal place of business in Kansas City, Missouri.

Response:

Admitted.

2. On information and belief, Motivation Innovations is a Delaware corporation with its principal place of business in Enfield, Connecticut.

Response:

Admitted.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over these counterclaims pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, and 28 U.S. C. § 1338.

Response:

Admitted.

4. This court has personal jurisdiction over Motivation Innovations because Motivation Innovations submitted itself to the jurisdiction of the Court by filing the related complaint.

Response:

Admitted.

5. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b).

Response:

Admitted.

COUNT I: DECLARATION OF NONINFRINGEMENT

6. Hallmark incorporates the allegations of paragraphs 1 through 5 of the counterclaims in their entirety.

Response:

Motivation Innovations incorporates its responses to paragraphs 1 through 5.

7. Hallmark has not and is not infringing, either literally or under the doctrine of equivalents, directly or indirectly, any valid and/or enforceable claim of U.S. Patent No. 5,612,527 ("the '527 Patent").

Response:

Denied.

8. Unless Motivation Innovations is enjoined, it will continue to assert that Hallmark is infringing valid and enforceable claims of the '527 Patent and will continue to interfere with Hallmark's business.

Response:

Denied.

9. Hallmark is entitled to a declaratory judgment that it has not and is not infringing any claim of the '527 Patent.

Response:

Denied.

COUNT II – DECLARATION OF INVALIDITY

10. Hallmark incorporates the allegations of paragraphs 1 through 9 of the counterclaims in their entirety.

Response:

Motivation Innovations incorporates its responses to paragraphs 1 through 9.

11. On information and belief, the claims of the '527 Patent are invalid for failure to meet one or more of the conditions of patentability specified in Title 35 of the United States Code including without limitation 35 U.S.C. §§ 101, 102, 103 and/or 112.

Response:

Denied.

12. Unless Motivation Innovations is enjoined, it will continue to assert that Hallmark is infringing valid and enforceable claims of the '527 Patent and will continue to interfere with Hallmark's business.

Response:

Denied.

13. Hallmark is entitled to a declaratory judgment that the claims of the '527 Patent are invalid.

Response:

Denied.

PRAYER FOR RELIEF

Motivation Innovations denies that Hallmark is entitled to any relief on its counterclaims.

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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