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| 1  | PILLSBURY, MADISON & SUTRO   | ORIGINAL   |
| 2  | ROBERT P. TAYLOR<br>WILLIAM E. MUSSMAN III                         |  |
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| 4  | San Francisco, CA 94120<br>Telephone: (415) 983-1000               | WILLIAM L. WHITTAKER  WILLIAM L. WHITTAKER  CLERK, U.S. DISTRICT OF CALIFORNIA  CLERK DISTRICT OF CALIFORNIA |
|    |  | CLERK, U.S. DISTRICT COURT<br>NORTHERN DISTRICT OF CALIFORNIA  |
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| 8  | Attorneys for Plaintiffs   |  |
| 9  | The Magnavox Company and   |  |
| 10 | Sanders Associates, Inc.   |  |
| 11 |  |  |
| 12 | United States District Cou   | rt for the   |
| 13 | Northern District of Cal   | ifornia  |
| 14 |  |  |
| 15 | )  |  |
| 16 | THE MAGNAVOX COMPANY, a Corpora- ) tion, and SANDERS ASSOCIATES, ) | No. C 82 5270 TEH  |
| 17 | INC., a Corporation, )   | MEMORANDUM IN SUPPORT OF RECONSIDERATION OF PLAIN-   |
| 18 | Plaintiffs,  | TIFFS' MOTION TO DISMISS SECOND COUNTERCLAIM   |
|    | vs.  |  |
| 19 | ACTIVISION, INC., a Corporation,                                   | No Hearing Requested   |
| 20 | Defendant. )   | , A  |
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| 23 | On February 7, 1983, this Court entered an Order                   |  |
| 24 | denying the motion of plaintiffs to dismiss defendant's            |  |
| 25 | second counterclaim. That counterclaim purported to raise          |  |
| 26 | issues with respect to a patent (the Baer patent) which was        |  |
| 27 | not sued upon by plaintiffs. In permitting the counterclaim        |  |
| 28 | to stand, the Court expressly noted                                | that:  |
|    |  |  |

1 served its counterclaim upon plaintiffs" (Surreply 2 Memo., p. 4-5).\* This representation means that if the counterclaim 3 4 is dismissed, defendant cannot be liable for infringement of the Baer patent for any device now on the market. It gives 5 6 the defendant the equivalent of a stipulation of invalidity, save only that it preserves for the future the option of 7 8 asserting the Baer patent in the event that some device, not presently foreseeable, is placed on the market by defendant. 9 Accordingly, plaintiffs have effectively removed by this 10 stipulation any vestige of "real or reasonable apprehension" 11 of liability from defendant with respect to any device that 12 could possibly be the subject matter of this proceeding. 13 Plaintiffs respectfully request that the Court reconsider 14 15 16 17 18 19 20 21 22 23 24 This same stipulation is repeated almost verbatim and 25 under oath in Plaintiffs' Response to Defendants' First Set 26 of Interrogatories filed February 15, 1983. See response to 27

Interrogatory No. 28.

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| 1  | its Order of February 7, 1983 and grant the motion to    |
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| 2  | dismiss.   |
| 3  | Dated: February 15, 1983.                                |
| 4  | PILLSBURY, MADISON & SUTRO ROBERT P. TAYLOR              |
| 5  | WILLIAM E. MUSSMAN III                                   |
| 6  | (10.16)  |
| 7  | By Robert P. Paylor                                      |
| 8  | Attorneys for Plaintiffs                                 |
| 9  | The Magnavox Company and Sanders Associates, Inc.        |
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