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PACid Looks To Put A Fork In Encryption Patent Suits

By **Jonathan Randles**

Law360, Los Angeles (December 22, 2011, 6:00 PM ET) -- The PACid Group LLC asked a Texas federal judge on Tuesday to dismiss three consolidated lawsuits it had lodged against Best Buy, Eastman Kodak Co. and a slew of other companies over two network encryption patents.

PACid told U.S. District Judge Leonard Davis in its motion that it had resolved its disputes with the bevy of defendants that allegedly infringed its patents, which the company has been aggressively enforcing for years. All the defendants in each case had been previously dismissed from the the litigation, PACid said.

The cases were consolidated in March. The complaints targeted approximately 90 defendants, including Yamaha Corp. of America and Brocade Communications Systems Inc.

Yamaha was dismissed from the case in April. Brocade struck a deal with PACid and exited the suit in February. Best Buy was one of the last remaining defendants still included in the litigation, but the retailer made a deal with PACid and exited the case with several other defendants in August. Another company that was swept up in the litigation storm, Intermec Inc., left the case earlier this month, according to the docket.

The patents-in-suit are U.S. Patent Numbers 5,963,646, titled "Secure deterministic encryption, key generator system and method," and 6,049,612, titled "File encryption method and system."

PACid has filed a string of lawsuits in Texas federal court to enforce the '646 and '612 patents, having also targeted Nintendo Co. Ltd., Lexmark International Inc. and dozens of others for making or selling Wi-Fi adapters, Blu-Ray disc players and other electronics that all allegedly infringe on the patented technology.

The products allegedly contain instructions to generate the encryption keys that are used to protect wireless data transmissions.

In recent months, Judge Davis has attempted to prevent cost-of-litigation settlements in patent infringement lawsuits, setting forth a series of orders saying he would consider sanctions whenever it appeared that the cost of litigation was the driving force in a case, as opposed to the patent-in-suit.

All three of the complaints PACid requested to dismiss earlier this week were originally filed in either 2009 or 2010. An attorney representing PACid was not immediately available for comment.

The patents-in-suit are U.S. Patent Numbers 5,963,646 and 6,049,612.

PACid is represented by Ni Law Firm PLLC, Spangler Law PC and Russ August & Kabat.

The cases are The PACid Group LLC v. Best Buy Co. Inc. et al., case number 6:10-cv-00370; PACid Group LLC v. Asustek Computer Inc. et al., case number 6:10-cv-00108; and PACid Group LLC v. Alcatel-Lucent USA Inc., case number 6:09-cv-00495, all in the U.S. District Court for the Eastern District of Texas.

--Additional reporting by Ryan Davis and Ben James. Editing by Cara Salvatore.
