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Nintendo Strikes Deal In PACid Encryption Patent Suit

By **Ben James**

Law360, New York (May 10, 2011) -- PACid Group LLC reached a settlement with Nintendo Co. Ltd. on Friday, allowing the entertainment giant to exit a case PACid brought in Texas over two aggressively asserted network encryption patents.

U.S. District Judge Leonard Davis dismissed all the claims and counterclaims between PACid and Nintendo without prejudice in a May 6 order.

That May 6 order followed a May 3 joint motion to dismiss in which PACid and Nintendo said they had "reached an agreement regarding all of PACid's claims for relief against Nintendo and Nintendo's counterclaims for relief against PACid asserted in this case."

Also on Friday, Judge Davis dismissed Eastman Kodak Co. without prejudice from PACid's litigation over the same two patents. PACid filed an unopposed motion to dismiss the claims against Eastman Kodak on March 28.

The cases against Nintendo and Eastman Kodak — as well as two other cases brought by PACid — were consolidated in March.

The complaint against Kodak, filed in July, targeted 87 defendants, including Best Buy Co. Inc., 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 is still in play, according to the docket.

The complaint that took aim at Nintendo was filed in March 2010, and named 32 defendants, including Fujitsu Ltd., Motorola Inc., Research In Motion Ltd., Samsung Electronics Co. Ltd. and Sony Corp.

Fujitsu was dismissed in February, Motorola was dropped in December 2010, Samsung was terminated in September 2010, and RIM and Sony settled and exited in August 2010.

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."

Lawyers for PACid did not immediately respond to queries about the case on Tuesday.

An attorney for Nintendo could not be immediately reached for comment, while an attorney for Eastman Kodak declined to comment on Tuesday.

PACid is represented in this litigation by Ni Law Firm PLLC's Hao Ni, Spangler Law PC's Andrew Wesley Spangler, and Andrew Weiss, Marc Fenster, Alexander Giza and Adam Hoffman of Russ August & Kabat.

Nintendo is represented by Eric Hugh Findlay and Roger Brian Craft of Findlay Craft LLP, and Robert Faris and Michael Shea of Nixon & Vanderhuy PC.

Eastman Kodak is represented by Brian Range and James Yoon of Wilson Sonsini Goodrich & Rosati

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The case that named Eastman Kodak is PACid Group LLC v. Best Buy Co. Inc. et al., case number 10-cv-00370, in the U.S. District Court for the Eastern District of Texas.

The case that named Nintendo is PACid Group LLC v. Asustek Computer Inc. et al., case number 6:10-cv-00108, in the same court.

The lead case is PACid Group LLC v. Cisco Systems Inc. et al., case number 6:09-cv-00324, in the same court.

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