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## Panasonic, PACid Settle Encryption Patent Dispute

By **Samuel Howard**

Law360, New York (June 23, 2009) -- Panasonic Corp. of North America has reached an agreement with the PACid Group LLC to dismiss allegations that Panasonic infringes two widely asserted patents related to encryption technology.

Judge Leonard Davis of the U.S. District Court for the Eastern District of Texas signed off on a settlement Monday, dismissing all claims and counterclaims between PACid and Panasonic and further thinning the herd of defendants PACid accused of patent infringement in December 2008.

Under the settlement, PACid dismissed with prejudice all claims that Panasonic infringes the encryption patents and Panasonic in turn dropped its counterclaims as each party covered its own costs in connection with the litigation, according to the order.

While Panasonic and a handful of other defendants, including Nokia Mobile Phones Inc. and Acer Inc., have exited the arena, PACid, which bills itself as an encryption technology research firm, continues to press claims against numerous electronics giants, such as Brother Industries Inc., Canon Inc. and NEC Corp.

In December 2008, PACid filed suit against some 30 companies alleging each made and sold products that infringed PACid's two patents by either "generating pseudo-random, symmetric encryption keys" or "protecting information files from unauthorized access."

The defendants infringe U.S. Patent Number 5,963,646, titled "Secure deterministic encryption, key generator system and method," and U.S. Patent Number 6,049,612, titled "File encryption method and system," according to the complaint.

The encryption keys are used to encrypt and decrypt data transmitted over wireless networks enabled by hardware or software made, used or sold by the defendants, which makes them liable for infringement of the patents, according to the plaintiff.

In March, Panasonic denied PACid's allegations and filed counterclaims for noninfringement and invalidity of the patents-in-suit.

Representatives for PACid and Panasonic could not be reached for comment Tuesday.

PACid has been energetically enforcing its patent rights in recent months, filing suit in March against another 19 defendants, including Apple Inc., Dell Inc., Gateway Inc. and Hewlett-Packard Co., alleging infringement

of the '646 and '612 patents.

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

PACid is represented by Spangler Law PC and Russ August & Kabat.

Panasonic is represented by Amster Rothstein & Ebenstein LLP.

The case is The PACID Group LLC v. 2Wire Inc. et al, case number 6:08-cv-00498, in the U.S. District Court for the Eastern District of Texas.

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