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**Portfolio Media, Inc.** | 860 Broadway, 6th Floor | New York, NY 10003 | [www.law360.com](http://www.law360.com)  
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | [customerservice@portfoliomedia.com](mailto:customerservice@portfoliomedia.com)

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## IBM, Adobe Resolve Remote Software Patent Dispute

By **Elaine Meyer**

Law360, New York (June 04, 2010) -- Patent-holding company BetaNet LLC has resolved its claims against Adobe Systems Inc. and IBM Corp. in an infringement suit targeting more than a dozen technology companies over two patents for secure, remote operation of computer software.

BetaNet said Thursday it had entered into a licensing agreement with Adobe, according to a stipulation of dismissal filed in the U.S. District Court for the Eastern District of Texas.

A joint filing for dismissal the same day between BetaNet and IBM did not say whether the two companies had reached a licensing agreement as well.

Attorneys for the companies could not be reached for comment Friday.

The resolutions came about two weeks after the plaintiff dismissed Apple Inc., Microsoft Corp. and software security company McAfee Inc. from the suit. Tyler, Texas-based BetaNet has also dropped several other companies from the suit it filed in December.

The remaining defendants are Autodesk Inc., Rosetta Stone Ltd., SAP America Inc., Eastman Kodak Co. and Sony Creative Software Inc.

The suit accuses the defendants of infringing U.S. Patent Numbers 5,222,134 and 5,103,476, both titled "Secure system for activating personal computer software at remote locations," of which BetaNet is the owner by assignment.

The defendants have infringed the patents by selling software through a process that provides a program file, including a loader segment and a registration shell portion, to a remote computer, the complaint alleges.

License transaction information is entered in the registration shell portion, and that information is transmitted to a separate program provided in a registration computer, according to the suit.

The suit seeks a judgment that the defendants have infringed the patents, as well as injunctive relief.

BetaNet also is asking for enhanced damages because of the "knowing, deliberate and willful nature" of the defendants' prohibited conduct, and wanted a judge to find the lawsuit was an exceptional case and award attorneys' fees.

The plaintiff had targeted blockbuster computer programs such as Adobe's Acrobat and Photoshop, Apple's iTunes and Quicktime, and Microsoft's Office and Silverlight, among others.

In March, Oracle Corp. and Intuit Inc. were dropped from the case. Intuit infringed the patents with its QuickBooks, Online Payroll, TurboTax and Quicken programs, while California-based Oracle infringed the patents with its Fusion Middleware, Enterprise Manager, Warehouse Builder, Data Miner, SQL Developer and other programs, according to the suit.

In late April, Online Holdings LLC and Carbonite Inc. exited the case, as well. Other defendants that have been dismissed from the case are Rockwell Automation Inc., Corel Corp. and Arial Software LLC.

The patents-in-suit are U.S. Patent Numbers 5,222,134 and 5,103,476.

BetaNet is represented by Spangler Law PC.

IBM is represented by Jones Day. Adobe is represented by Fish & Richardson PC.

The case is BetaNet LLC v. Adobe Systems Inc. et al., case number 09-cv-00384, in the U.S. District Court for the Eastern District of Texas.

--Additional reporting by Pete Brush and Shannon Henson

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