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## Toshiba Exits PACid's Encryption Patent Suit

By Erin Coe

Law360, New York (January 08, 2010) -- Toshiba Corp. has resolved claims brought against it by The PACid Group LLC in a suit that has rounded up a series of technology companies for allegedly infringing PACid's data encryption patents.

Judge Leonard Davis of the U.S. District Court for the Eastern District of Texas on Thursday granted the parties' bid to dismiss all claims asserted in the suit with prejudice and all counterclaims as moot after PACid struck a settlement deal with Toshiba and its unit, Toshiba America Information Systems, in November.

The judge ordered the parties to cover their own attorneys' fees and costs.

Attorneys representing PACid and Toshiba did not respond to requests seeking comment.

Toshiba is the latest defendant to settle the lawsuit, which was filed in March and accuses several companies of infringing U.S. Patent Numbers 5,963,646 and 6,049,612.

The '646 patent is titled "Secure deterministic encryption, key generator system and method" and was issued in 1999. The '612 patent, titled "File encryption method and system," was issued in 2000.

Apple Inc., Broadcom Corp., Hewlett-Packard Co. and the other named defendants allegedly infringed the '646 patent by making, using, importing or selling products that employ methods for generating pseudorandom, symmetric encryption keys covered by its claims, PACid said.

The alleged infringement of the '612 patent stems from the manufacture, use, import or sale of products that employ methods of protecting information files from unauthorized access covered by one or more of that patent's claims, the suit said.

HP, Apple, Dell Inc. and Gateway Inc. already have opted for settlement, along with lower-profile outfits such as Lenovo Inc., Thomson Inc. and Realtek Semiconductor Corp., among others.

The settling defendants have not disclosed the terms of their agreements with PACid.

The suit continues against Broadcom, Intel Corp., Marvell Semiconductor Inc. and Atheros Communications Inc.

In July, PACid lodged a separate round of infringement claims against Cisco Systems Inc. and 30 other firms in the Eastern District of Texas, claiming they infringed the same two patents.

The patent holder also sued a slew of technology companies over the same two patents in December 2008. After a number of settlements were reached in that case with Nokia Corp., Canon Inc., 2Wire Inc. and others, the case was closed in December 2009.

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

Attorneys from Dorsey & Whitney LLP represented Toshiba and its unit in the matter.

Attorneys from Spangler Law PC, Russ August & Kabat and Brochstein Law Firm PLLC represent PACid.

The case is The PACid Group LLC v. Apple Inc. et al., case number 09-cv-00143, in the U.S. District Court for the Eastern District of Texas.

--Additional reporting by Liz McKenzie and Richard Vanderford

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