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Apple, Dell, HP Tagged In Encryption Patent Suit

By **Ben James**

Law360, New York (March 30, 2009) -- The PACid Group LLC filed a lawsuit Monday against 19 defendants, including Apple Inc., Dell Inc., Gateway Inc. and Hewlett-Packard Co., alleging infringement of two patents related to encryption technology.

The PACid Group, which bills itself as an encryption technology research firm that specializes in "dynamic key management," filed its suit in the U.S. District Court for the Eastern District of Texas.

At issue in Monday's complaint are 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 issued in 1999.

The '612 patent, titled "File encryption method and system," issued in 2000.

Apple, Dell, Gateway and others are infringing the '646 patent by making, using, importing or selling products that employ methods for generating pseudo-random, symmetric encryption keys covered by its claims, PACid says.

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 '646 patent, according to the plaintiff.

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, PACid claims.

PACid claims it has suffered monetary damages because of the alleged infringement, and will be "greatly and irreparably harmed" if the court doesn't step in.

The complaint asks the court to enter judgment in PACid's favor saying that the defendants have willfully infringed the '646 and/or 612 patents, issue a permanent injunction barring the alleged infringement from continuing and award unspecified damages.

Other defendants in the suit include Intel Corp., Broadcom Corp., Toshiba Corp. and Marvell Semiconductor Inc.

Just last week, Amazon.com Inc., Visa Inc., American Express Co. and several other companies that conduct

online business were hit with a lawsuit accusing them of infringing a patent related to an encrypted data transmission method.

TQP Development LLP filed that suit on March 26 in the U.S. District Court for the Eastern District of Texas, claiming six defendants and their subsidiaries have infringed and continue to infringe a patent titled "Encrypted data transmission system employing means for randomly altering the encryption keys."

That suit also names Barclays PLC, Prudential Financial Inc. and MasterCard Inc. and related subsidiaries as defendants.

PACid is represented in the suit it filed Monday by Spangler Law PC, Russ August & Kabat and The Edmonds Law Firm.

The case is PACid Group LLC v. Apple Inc. et al., case number 09-143, in the U.S. District Court for the Eastern District of Texas.

--Additional reporting by Julie Zeveloff

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