

Patent holder sues smart phone makers over patents

July 9 2010, By PETER SVENSSON , AP Technology Writer

(AP) -- The patent-holding company that won a settlement of more than \$600 million from the maker of the BlackBerry said Friday it has sued six other companies in the smart phone industry.

Patent company NTP Inc. is suing Apple Inc., Google Inc., Microsoft Corp., HTC Corp., Motorola Inc. and LG Electronics Inc., claiming infringement of the same patents that were at issue in its case against BlackBerry maker Research In Motion Ltd.

The lawsuit against RIM ended with a \$612.5 million settlement in 2006. However, changes in court practices have reduced NTP's power to win large settlements, and if NTP prevails, it's likely to receive much less from each defendant this time.

Microsoft and Apple said they had no comment. The other targets did not respond to requests for comment. The lawsuits were filed Thursday afternoon in U.S. District Court in Richmond, Va.

NTP was founded by Thomas Campana, an inventor, and Don Stout, a lawyer. Campana worked on wireless e-mail technology in the early 1990s, but never commercialized the technology. He died in 2004.

In the aftermath of the RIM settlement, NTP's patents have been re-examined by the U.S. Patent and Trademark Office, and many of their claims have been thrown out. But the office upheld three of the 10 patent claims that RIM was found to have infringed, said Stout, NTP's

president.

"Now we have to move forward," Stout said. "We hope we can resolve these cases without having to go to trial."

NTP now faces a different, and more difficult, legal environment than it did when it sued RIM, said Alexander Poltorak, chairman and CEO of General Patent Corp., which represents small companies and individual inventors against larger companies.

The main threat NTP wielded against RIM was that of a court-ordered halt of the sale of BlackBerrys and the operation of its e-mail service in the U.S. But a Supreme Court ruling in 2006, a few months after the RIM settlement, made such injunctions much harder to obtain for "non-practicing entities" such as NTP, which don't have commercial products.

That means the defendants have less reason to settle for large amounts, and NTP's real hope is that the court will decide that the defendants have to pay it damages and royalties on patent-infringing products, Poltorak said. It can do that for products made up to six years ago. Its patents expire in 2012, which means there won't be many future royalties to collect.

The lawsuit against Apple names its iPhone, iPad, server software and MobileMe information sync service. Taiwan-based HTC makes some of the most sought-after alternatives to the iPhone, such as the EVO 4G, sold by Sprint Nextel Corp., and the Google Nexus One, sold by Google. Apple and HTC have sued each other over patents on various smart phone functions.

Google and Microsoft don't make smart phones themselves, but NTP's suits cite the software they provide to phone manufacturers.

In 2006 and 2007, NTP sued the nation's four largest wireless carriers - AT&T Inc., Deutsche Telekom AG's T-Mobile USA, Sprint Nextel Corp. and Verizon Wireless - and phone maker Palm Inc. over the same patents. Those lawsuits are still pending.

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