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PATENTS

Two recent rulings by the Board of Patent Appeals and Interferences call into question the patents that prompted the multimillion dollar settlement against Blackberry maker Research in Motion.

NTP v. RIM: The Ghost of Christmas Past

By SCOTT A. McKEOWN

The calendar may have shown March of 2006, but for the small patent holding company known as NTP Inc., it was Christmas morning. NTP's infringement suit against Research in Motion Ltd., the maker of the ubiquitous Blackberry®, was national news, eventually leading to a \$612.5 million dollar settlement *NTP Inc. v. Research in Motion Ltd.*, No. 3:01cv767 (E.D. Va., settled 3/3/06) (71 PTCJ 489, 3/10/06).

Shortly thereafter, NTP moved to continue its momentum, asserting its patent portfolio against wireless e-mail players such as Palm and AT&T. *NTP Inc. v. Palm Inc.*, No. 3:06-cv-00836-JRS (E.D. Va. filed Nov. 6, 2006), and *NTP Inc. v. AT&T Mobility L.L.C.*, No. 3:07-cv-550 (JRS) (E.D. Va. filed Sept. 7, 2007). However, re-examination filings stemming from the earlier dispute with RIM are now coming back to haunt the once high-flying patent holder.

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Reexaminations of the NTP portfolio were instituted at the Patent and Trademark office as far back as Dec. 26, 2002 to analyze the validity of these patents in view of new prior art (65 PTCJ 301, 1/31/03). The director of the PTO initiated a reexamination of four of the five patents at issue in the *NTP v. RIM* dispute. The reexaminations continued at the PTO in parallel with the then ongoing litigation, together with additional reexaminations requested on behalf of RIM (71 PTCJ 156, 12/9/05; 71 PTCJ 427, 2/24/06; 71 PTCJ 459, 3/3/06).

Throughout the infringement suit against RIM, the existence of the active reexaminations was brought to the court's attention. In response, NTP made the now infamous allegations against RIM, alleging that RIM effectively tampered with the reexaminations and was receiving inside information (72 PTCJ 52, 5/19/06). NTP went to great lengths to disparage the reexamination proceedings and depict them as biased, filing Freedom of Information Act requests to uncover the alleged improprieties at the PTO.

Yet, the Virginia court largely ignored the reexaminations, forcing RIM to accept an impending injunction, or settle the case. RIM wisely settled on March 3, 2006.

Since the settlement and subsequent lawsuit filings, the reexaminations have slowly made their way through the reexamination and appeal process at the PTO. The patents asserted against RIM were finally rejected and appealed to the Board of Patent Appeals and Interferences in 2006 (71 PTCJ 427, 2/24/06; 71 PTCJ 459, 3/3/06). As the reexaminations entered the appeal stage, the new infringement cases against Palm and AT&T were stayed pending the outcomes of the reexaminations.

Earlier this month, it appeared that NTP's fortunes may have finally taken a turn for the worse. The first appeal decisions of the BPAI were issued on Nov. 10, 13 months after NTP's oral hearing, delayed by rounds of supplemental briefings. Reexamination Control Nos. 90/006,493 and 90/006,495.

The decisions were handed down as to two of the five NTP patents asserted against RIM (5,819,172 and 6,317,592). In voluminous decisions spanning some 300 pages, the BPAI was quite scathing in its rejection of several NTP positions, noting with regard to certain declaration evidence:

NTP sends us on a "scavenger hunt." NTP does not directly identify and explain the evidence which would show the conception and/or reduction to practice of the particular claim element. Indeed, NTP does not even separately address conception and re-

duction to practice" (90/006,493 Appeal Decision of Nov. 10, 2009 at page 243).


The BPAI, while reversing some rejections, was able to affirm the rejection of the claims in both NTP patents on appeal.


The remaining patents (6,067,451; 5,625,670; and 5,436,960) involved in the *NTP v. RIM* lawsuit are also on appeal, with decisions very likely forthcoming in the near term.

Critics of patent reexamination will undoubtedly point to the lengthy pendency of the NTP reexaminations as evidence of an overall lack of effectiveness. Yet, these cases were instituted, in part, prior to the creation of the PTO's Central Reexamination Unit in 2005.

Likewise, with congressional inquiries, alleged secret meetings, and all of the other intrigue surrounding the *NTP v. RIM* dispute, it would be disingenuous to identify these cases as anything but atypical.

Surely, NTP will continue the fight. Next steps are likely requests for rehearing at the BPAI, and pursuit of its positions to the Federal Circuit. However, the ghost of Christmas past appears to have ruined this holiday season for NTP, and perhaps many to come.

 Full text of Appeal Decision 90/006,493 is at <http://pub.bna.com/ptcj/90006493BPAINov10.pdf>

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