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News

McKool Smith Wins \$10.6M Verdict in 4G LTE Patent Case

Huawei Technologies was found to have willfully infringed patents originally developed by Panasonic and Ericsson.

BY SCOTT GRAHAM

McKool Smith has won a \$10.6 million jury verdict in a trial over 4G LTE and video compression patents.

Partner Theodore Stevenson III led the trial team for Optis Wireless Technology LLC, Optis Cellular LLC and PanOptis Patent Management LLC. Known collectively as Pan Optis, the companies hold standard-essential patents originally assigned to Telefonaktiebolaget LM Ericsson and Panasonic Corp.

Pan Optis spent years in negotiations with Huawei Technologies Co. Ltd. over fair, reasonable and nondiscriminatory (FRAND) royalties. But talks broke down and Pan Optis sued last year in the Eastern District of Texas.



Theodore Stevenson, III

Following a five-day trial before U.S. District Judge Rodney Gilstrap, a jury found Monday that Huawei infringed all six asserted claims from five different patents, and did so willfully, opening the door to treble damages. The jury further turned away Huawei's validity attacks on all six claims.

"The jury was focused and worked very hard to understand the complex technology and the many patents that are involved in the case," Stevenson said in a written statement. "Our client is pleased with the verdict."

Huawei isn't finished with its validity challenges. Earlier this year, the company filed administrative challenges at the Patent Trial and Appeal Board on four of the six patent claims at issue in the trial. They include claim 1 of **U.S. Patent 7,769,238**, the video coding patent, which accounts for \$7.7 million of the \$10.6 million jury award. The PTAB is expected to decide next month whether to institute inter partes review on those patents.

Covington & Burling is representing Huawei at trial and before the PTAB. Senior counsel Robert Haslam led the trial team while former PTAB Administrative Patent Judge Peter Chen is lead counsel in the PTAB proceedings.



Judge James Rodney Gilstrap. Photo: Diego M. Radzinschil/ALM

McKool Smith's trial team also included partners Sam Baxter, Kevin Burgess, Lindsay Martin Leavitt and Jennifer Truelove and associates Christine Woodin, Kevin Hess and Marcus Rabinowitz. Gray Reed & McGraw also provided counsel to Pan Optis.

Brent Bumgardner of Nelson Bumgardner Allbritton is representing Optis Wireless at the PTAB.

Scott Graham focuses on intellectual property and the U.S. Court of Appeals for the Federal Circuit. He writes ALM's Skilled in the Art IP briefing. Contact him at sgraham@alm.com.