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T-Mobile Settles Wireless Patent Suit After Trial Called Off

By Matthew Bultman

Law360, New York (May 14, 2015, 5:42 PM ET) -- T-Mobile USA Inc. has agreed to settle a patent infringement suit brought by a Texas company over its wireless network, according to a Wednesday filing in Texas federal court, a month after the judge paused the case to let the two sides hammer out a deal.

In a joint filing, the Bellevue, Washington-based wireless carrier and Mobile Telecommunications Technologies LLC asked the court to dismiss the case, saying they had reached a confidential settlement resolving all claims and counterclaims.

The lawsuit, which centered on three MTEL patents related to a two-way communication system, was initially set to go to trial Monday but was put on hold last month when the two sides said they were working to finalize a deal.

T-Mobile declined to comment Wednesday, while a representative for MTEL was not immediately available.

The suit dates back to October 2013, when MTEL claimed T-Mobile's nationwide wireless network -—including its 4G LTE and Wi-Fi wireless networks — performed methods that were described in patents MTEL's parent company had acquired in 2008.

The patent holder, which said it owned a portfolio of former SkyTel Communications technology, claimed to have offered T-Mobile an opportunity to license the patents, but said the wireless carrier refused.

Two of the patents — U.S. Patent Numbers 5,590,403 and 5,915,210 — describe a twoway system for "communication between a system network and a mobile unit." The third, U.S. Patent Number 5,659,891, describes a method for achieving a higher transmission capacity for two-way digital communication.

In an amended complaint last May, MTEL said T-Mobile directly infringed its patents and also encouraged its customers and end-users to infringe by providing them with wireless devices that were compatible with its network.

T-Mobile denied the allegations and argued various claims in each patent were invalid, either as anticipated or obvious in light of prior art.

In early April, about a month before jury selection was set to begin in a Marshall, Texas, courtroom, U.S. Magistrate Judge Roy S. Payne agreed to put matters on hold after the two sides said they had reached an agreement in principle.

The expected resolution of the suit comes a little more than two years after MTEL sued a Samsung Electronics Co. Ltd. subsidiary in the same Texas court, accusing it of flouting a mobile messaging services patent by offering services such as its popular ChatON application. The lawsuit also targeted Samsung applications providing email services such as Hotmail and Microsoft Exchange.

Following a four-day trial, a jury on Dec. 18 reached a unanimous verdict that Samsung did not infringe claims in either of the two asserted patents. But the jury did find Samsung could not prove the asserted claims were invalid.

MTEL in January **asked** the judge overseeing the case to grant it judgment as a matter of law on the issue of whether the Samsung unit infringed one patent. In the alternative, it asked to be granted a new trial on the issue.

The matter is still pending, court records indicate.

MTEL is represented in the instant case by Daniel R. Scardino, Craig S. Jepsen, Henning Schmidt, Anthony D. Seach and Dustin L. Taylor of Reed & Scardino LLP; and Deron Dacus of The Dacus Firm PC.

T-Mobile is represented by Steven J. Pollinger, Pierre Hubert, Laurie L. Fitzgerald, Lindsay M. Leavitt, Kevin P. Hess, Eric C. Green, Sam Baxter and Ramzi R. Khazen of McKool Smith PC.

The case is Mobile Telecommunications Technologies LLC v. T-Mobile USA Inc., et al, case number 2:13-cv-00886, in the U.S. District Court for the Eastern District of Texas.

-- Additional reporting by Vin Gurrieri. Editing by Chris Yates.

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