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## ITC Affirms Invalidity Of Kodak's Camera Preview Patent

By Lana Birbrair

Law360, New York (July 20, 2012, 9:13 PM ET) -- The U.S. International Trade Commission on Friday upheld an administrative law judge's findings that one of Eastman Kodak Co.'s camera preview patents is invalid, handing a win to Apple Inc. and Research In Motion Ltd. in a feud over the iPhone 3G and certain BlackBerry devices.

The ITC agreed with Judge Thomas Pender's main conclusions that Apple and RIM had infringed one claim of U.S. Patent Number 6,292,218, as well as his finding that the patent was nevertheless invalid. The commission also upheld his ruling that neither Apple nor RIM violated a section of the Tariff Act concerning unfair import trade practices.

"We intend to appeal the ruling on validity to the U.S. Court of Appeals for the Federal Circuit," Kodak spokesman Christopher Veronda said. "The validity of the '218 patent has been upheld in previous litigation at the ITC, and was affirmed by the U.S. Patent and Trademark Office in the face of two separate challenges, so we are confident that its validity will ultimately be upheld."

Judge Pender issued his initial determination in May, finding no violation of 19 USC 1337(a)(1) and that the '218 patent was obvious in view of a Japanese patent application and U.S. Patent Number 5,493,335, although he did find that the iPhone 3G, though not the iPhone 3GS or the iPhone 4, infringed the patent. In January 2011, a separate judge had found that Kodak's patent, which covers technology for previewing images on a digital camera-enabled device, was invalid, and cleared the two respondents of infringement allegations.

All of the parties found something to object to in Judge Pender's ruling, with Apple and RIM petitioning for review of the infringement finding and Kodak hoping to overturn the finding of invalidity.

The ITC originally launched an investigation in February 2010 to determine whether Apple's and RIM's smartphones infringed Kodak's patent and whether they should be blocked from the U.S. market. Kodak has asserted only one claim, which deals with the sensors, processors and display for previewing images on an electronic still camera.

Representatives for Apple and RIM were not immediately available for comment Friday.

The patent-in-suit is U.S. Patent Number 6,292,218.

RIM is represented by Thomas Jarvis of Finnegan Henderson Farabow Garrett & Dunner LLP.

Apple is represented by Mark G. Davis of Weil Gotshal & Manges LLP.

Kodak is represented by Eric C. Rusnak of K&L Gates LLP.

The case is In the Matter of Certain Mobile Telephones and Wireless Communication Devices Featuring Digital Cameras and Components Thereof, case number 337-TA-703, in the U.S. International Trade Commission.

--Additional reporting by Stewart Bishop and Maria Chutchian. Editing by Cara Salvatore.

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July 21, 2012, 9:35 a.m. ET

# U.S. ITC Rules Kodak Patent Invalid in Case Against RIM

By Ben Dummett

TORONTO--The U.S. International Trade Commission has upheld an earlier decision ruling against Eastman Kodak Co. (EKDKQ) in its patent-infringement case against BlackBerry maker Research in Motion Ltd. (RIMM, RIM.T).

The decision represents a blow to Kodak as it comes as the Rochester, N.Y., imaging company prepares to auction its digital patents as part of its Chapter 11 bankruptcy-protection proceedings.

A Kodak representative couldn't be reached immediately for comment.

But the commission's decision is welcome news for RIM, which has seen its stock plummet over the last year amid market-share losses to Apple Inc. (AAPL) and other smartphone makers and its struggles to launch a new operating system. The decision also comes after RIM earlier this month was ordered by a U.S. District Court in San Francisco to pay \$147 million to technology company MFormation Technologies Inc. for patent infringement. That lawsuit, initially begun in 2008, deals with RIM's remote management of BlackBerrys on its network.

In 2010, Kodak, in a complaint filed with the ITC, alleged RIM's camera-enabled devices infringed on a Kodak digital-imaging patent. However, an ITC judge in January 2011 and then in May of this year declared the patent invalid. Kodak appealed to the full ITC commission to overturn those decisions and support the patent.

But in a release late Friday, RIM, based in Waterloo, Ont., said the full commission "confirmed that the Kodak...patent is invalid."

RIM "respects the valid intellectual property rights of other companies, but will vigorously defend itself against improper claims," Barbara Parvis, RIM's vice president of litigation, said in a release.

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# Kodak Loses Case Against Apple, RIM on Imaging Patent

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JULY 20, 2012

Eastman Kodak Co. (EKDKQ) ([EKDKQ](#)) lost its patent case against Apple Inc. (AAPL) ([AAPL](#)) and Research In Motion Ltd. (RIM) over digital image-preview technology, a U.S. trade agency said today in a decision that could hurt the company's efforts to get a high price selling its patents.

Kodak said it will appeal.

The U.S. International Trade Commission upheld a judge's findings that neither Apple nor RIM violated Kodak's rights in the patent. The commission said it agreed with the judge that the patent claim was invalid. Its reasons for the decision will be released once both sides have a chance to redact confidential information.

Kodak has been seeking a victory to force Apple and RIM to pay licensing fees and bolster the value of the patent portfolios Kodak intends to sell. Kodak said in a court filing that Apple alone owes more than \$1 billion in royalties. The dispute has dragged on for about 30 months, almost twice as long as a typical ITC case.

The patent's validity "has been upheld in previous litigation at the ITC, and was affirmed by the U.S. Patent and Trade Office in the face of two separate challenges, so we are confident that its validity will ultimately be upheld," Chris Veronda, a spokesman for Kodak, said in a statement.

Kristin Huguet, a spokeswoman for Apple, said the company had no comment.

The patent in the case is in one of two portfolios that Kodak is selling, which may be its most valuable assets. One group includes patents for digital-capture technology and the other covers imaging systems and services.

## Appeals Court

Kodak can challenge the decision at a federal appeals court that specializes in U.S. patent law.

Kodak said last month that 20 parties had signed agreements to view confidential information ahead of potential bids for its two patent portfolios. The company plans to announce winning auction bidders Aug. 13.

Kodak said it has generated more than \$3 billion by licensing the digital-imaging patents to users including Samsung Electronics Co., LG Electronics Inc., Google Inc.'s Motorola Mobility unit and Nokia Oyj.

Kodak, which sought Chapter 11 bankruptcy protection in January, filed the ITC case in January 2010. The dispute has dragged on longer than the typical agency case because the original judge retired shortly after the commission told him to reconsider aspects of his findings, and proceedings were delayed until a new judge was hired.

## **Research Agreement**

Apple, based in Cupertino, California, has claimed it is the true owner of the image-preview and other Kodak patents because of a research agreement between the companies in the 1990s. That contention was rejected in the ITC case, and is pending in a separate lawsuit.

Kodak Chief Executive Officer Antonio Perez in March 2011 said a victory at the ITC could force a settlement that would generate \$1 billion in new revenue for the Rochester, New York- based company. Since then, Kodak said in a bankruptcy filing, potential damages have continued to rise.

Apple and Waterloo, Ontario-based RIM both deny infringing the patent and challenged its validity. ITC Judge Thomas Pender in May said the patent was invalid because it was an obvious variation of earlier work by others related to image processing.

The judge said that, were the patent valid, Apple's iPhone 3G and RIM's BlackBerry phones would infringe it, while the iPhone 3Gs and iPhone 4 would not. The commission said it agreed with that finding.

## **Saving Energy**

The patented feature, which Kodak claims is used in all modern cameras, saves energy by previewing low-resolution versions of a moving image while recording still images at a high resolution. Pender said it would have been obvious in light of earlier inventions related to image processing.

Kodak has another case against Apple at the ITC involving different patents. That case, which also

targets mobile phones made by HTC Corp., is scheduled for trial in February.

Today's case is: In the Matter of Certain Mobile Telephones and Wireless Communication Devices Featuring Digital Cameras, and Components Thereof, 337-703, U.S. International Trade Commission (Washington).

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