



July 2, 2014

ContentGuard Prevails In All Patent Trials Challenging The Validity Of Its Digital Rights Management Patents

All Claims Found to be Valid

PLANO, Texas, July 2, 2014 /PRNewswire/ -- ContentGuard Holdings, Inc. ("ContentGuard"), a subsidiary of Pendrell Corporation (NASDAQ: PCO), announced today that the Patent Trial and Appeal Board (PTAB) of the United States Patent and Trademark Office (USPTO) issued final written decisions on June 26, 2014 and July 1, 2014 finding valid all claims of the ContentGuard digital rights management (DRM) patents at issue. These decisions follow patent trials conducted before the PTAB in February 2014.

The inter partes review (IPR) proceedings at the USPTO, through which these trials were conducted, were initiated in February 2013 by one of a handful of handset manufacturers who have not yet licensed ContentGuard's DRM technologies. These unlicensed companies have put themselves at an unfair competitive advantage over the many companies who have licensed these technologies.

These decisions are extraordinary considering the track record of patentees in IPR proceedings. According to some estimates, based on data available from the USPTO, as of April 2014 only 5% of patent claims in IPR proceedings that had been instituted since the IPR process was adopted in the fall of 2012 have been upheld by the PTAB in the face of validity challenges.

"We were confident in the strength of ContentGuard's DRM patents and in the fundamental DRM patents that were the subject of this review given our rich history of innovation in rights protection technologies and our deep portfolio of more than 300 patents worldwide," commented James Baker, ContentGuard's vice president for licensing and strategic development. "These rulings confirm the relevance and importance of ContentGuard's innovations in the DRM space and validate our continuing development of leading edge ephemeral content management mobile apps and content protection solutions with the knowledge that our intellectual property rights are protected."

These innovations have their origin with a team of Xerox PARC inventors who are widely recognized as pioneers of DRM as we know it today.

Three of the four patents found valid at the PTAB trials, United States Patent Nos. 6,963,859; 7,269,576; and 7,523,072 are currently involved in patent infringement litigation ContentGuard brought against Apple (NASDAQ: AAPL), Amazon.com (NASDAQ: AMZN), Blackberry (NASDAQ: BBRY), Google (NASDAQ: GOOG), HTC, Huawei, Motorola Mobility and Samsung Electronics, following long standing efforts to avoid litigation through the grant of licenses. Another patent in the action, United States Patent No. 7,225,160, was also the subject of such a request for IPR, which concluded in August 2013 with valid claims confirmed. Additionally, a sixth patent in the IPR action concluded in November 2013 with valid claims confirmed.

ContentGuard is represented in these proceedings by Sterne Kessler and McKool Smith.

About ContentGuard

ContentGuard develops software and services for the emerging Internet privacy segment targeting both consumer and business solutions, and licenses its intellectual property to other companies who use its inventions in their products and services. ContentGuard's innovative mobile content protection app is now available for download for Android and iOS devices, and ContentGuard implements the innovations represented by each of the patents involved in the IPR proceedings in its products and services. Spun out of Xerox PARC, ContentGuard is a leading inventor, developer of content privacy and control technologies with more than 300 issued patents worldwide. ContentGuard currently has license agreements in place with leading technology companies including LG, Microsoft, Nokia, Panasonic, Sharp, Sony, Toshiba, Casio, Hitachi, Time Warner, and Xerox. ContentGuard is owned by Pendrell Corp (NASDAQ: PCO) and Time Warner, and is headquartered in Plano, Texas. For more information on ContentGuard products, visit www.ContentGuard.com.

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