

## Verizon v. Cox Communications: A Win for the 'Little' Guy

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Cox Communications was cleared of patent infringement against Verizon Communications in a jury verdict handed down this week. Verizon filed suit in early January against Cox citing eight specific patent infringements related to delivering phone service over data communications networks. The parties agreed to dismiss two of the alleged infringements before reaching trial. Verizon was seeking over \$404 million in damages against Cox Communications for the alleged violations.

Verizon Communications is no stranger to the patent infringement court room, as they not only settled a case with Vonage last year, but also have a case pending with Charter Communications. In the Vonage case, a federal jury ruled some of Verizon patents were infringed. Vonage paid \$117.5 million to Verizon as a settlement for their patent violations.

One company can feel safe from threat of suit, as Verizon has signed a five year contract with Comcast Communications that will prevent either of the moguls from suing each other based on patent infringements. The agreement is not a license as companies retain the right to historical damages but none beyond the point of when the deal was signed. The deal also includes the purchase of Verizon services for Comcast employees.

Verizon clearly looked for more than monetary damages in its suit against Cox. Had the case been decided differently, Verizon would have had further bargaining power against smaller cable companies in future patent infringement cases. Additionally, the actions by Cox Communications which led to the suit would have been barred to other small companies as well.

Specifically, the jury found that Cox provided “clear and convincing evidence” to refute two of Verizon’s patent claims. Those were U.S. Patent No. 6,104,711, for an “Enhanced Internet domain name server to translate information from a public, packet-based network”; and U.S. Patent No. 6,282,574, “Method, server and telecommunications system for name translation on a conditional basis and/or to a telephone number.”

After the decision was handed down, Cox Corporation released a statement saying, “[w]e remain deeply committed to providing our customers high-quality phone service at a great value, and look forward to competing vigorously with Verizon in the marketplace, not the courtroom.” A Verizon Spokesperson said “Verizon is a major-league innovator in new technology for our customers, and we will continue to innovate and to protect our patented inventions.”

Sources:

Dan Frommer, *Verizon Loses Cox VoIP Patent Suit: Good News For Time Warner, Cablevision*, SILICON VALLEY INSIDER, Oct. 6, 2008, <http://www.alleyinsider.com/2008/10/verizon-loses-cox-voip-patent-suit>.

Todd Spangler, *Comcast, Verizon Agree To Cease-Fire On Patents*, MULTICHANNEL NEWS, Oct. 6, 2008, <http://www.multichannel.com/article/CA6602319.html>.