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Xactware Challenges To Rival's Patents End With A Whimper

By **Matthew Bultman**

Law360, New York (August 29, 2017, 6:50 PM EDT) -- Xactware Solutions Inc. has failed to show a patent related to aerial rooftop measurement software is invalid, the Patent Trial and Appeal Board said Monday, in another disappointing decision for the New Jersey company in its effort to take down patents it's accused of infringing.

Xactware filed more than a dozen petitions targeting nine Eagle View Technologies Inc. patents after it was sued for infringement in 2015. With Monday's decision, the PTAB has ruled on each of the petitions. It upheld the validity or declined to review the challenged claims in eight of the nine patents.

"Petitioner has not shown by a preponderance of the evidence that [the challenged claims] are unpatentable," the board wrote.

Eagle View and a subsidiary, Pictometry International Corp., developed products that produce 3-D models from aerial images of roofs, which can be used to help insurance and construction companies estimate the cost of repairs.

Xactware, a subsidiary of Jersey City-based Verisk Analytics Inc., responded to their 2015 infringement lawsuit, which was filed in New Jersey federal court, with counterclaims seeking a judgment that it did not infringe and that the patents were invalid.

It also filed petitions with the PTAB challenging the validity of every patent claim that it was accused of infringing. In a series of decisions in August 2016, the PTAB agreed to review six of the nine patents, encompassing about half of the asserted claims.

The PTAB earlier this year rejected various follow-up challenges brought by Xactware.

The board's final decisions in the cases where review was instituted were rolled out over the past couple of weeks, capped by Monday's ruling. The board found most, but not all, the challenged claims in one patent were invalid. It upheld all the disputed claims in the other five.

The latest decision turned on the board's finding that one of the main pieces of evidence Xactware used to argue the claims were obvious — a user guide for Pictometry's software — was not publicly accessible. It therefore could not be prior art used against the patent.

This echoed the PTAB's findings in a previous case.

In the earlier decision, "we found Pictometry's limited dissemination to some government entities subject to licensing restrictions was not sufficient to show public dissemination or public accessibility," the board wrote Monday. "We adopt the same finding here."

The patent dispute comes after Verisk abandoned its planned $650 million acquisition of EagleView in 2014. The Federal Trade Commission had raised concerns it would give the companies a virtual monopoly in the U.S. market for rooftop aerial measurement products.

During a conference call when the deal was initially announced, Verisk's CEO Scott Stephenson heaped praise on EagleView, calling it an industry leader and saying its software "provide[s] detailed, accurate measurements without the danger and added time of an adjustor climbing onto a roof."

The board took note of these comments in at least one of its decisions, saying this was the sort of thing that helped bolster EagleView's argument that its technology was not obvious.

"We find patent owner's extensive evidence of industry praise weighs in favor of the non-obviousness of the claimed invention," the board wrote, while also citing news articles from outlets like CNN Money and the California Business Journal.

The infringement case in district court is ongoing and could go to trial as early as next year.

The patent at issue Monday is U.S. Patent Number 8,823,732.

Xactware is represented by Mark E. Nikolsky and Vadim E. Cherkasov of McCarter & English LLP.

EagleView is represented by Gianni Cutri, Jared Barcenas, Adam Alper, Michael De Vries, Justin Singh and Brandon Brown of Kirkland & Ellis LLP and by Marc Brockhaus, Jordan Sigale and Ann Robl of Dunlap Codding PC.

The case is Xactware Solutions Inc. v. Pictometry International Corp., case number IPR2016-00593, before the Patent Trial and Appeal Board.

--Editing by Alyssa Miller.
