

Kodak, Samsung agree on licensing pact

January 11 2010, By BEN DOBBIN , AP Business Writer

(AP) -- Eastman Kodak Co. said Monday it will draw royalties from South Korea's Samsung Electronics Co. under a licensing pact that gives the companies access to each other's digital-imaging patents.

The agreement ends a 14-month-old patent-infringement dispute that came before the U.S. International Trade Commission, a federal overseer that can ban imports of devices made with contested technology.

Samsung had already agreed in December to pay the photography products maker an unspecified amount as the two sides worked to settle a dispute triggered by technology used in Samsung's camera phones. That payment will be credited toward Samsung's royalty obligation, the terms of which were not disclosed.

The companies said they will terminate lawsuits against each other in federal court in Rochester as well as [patent-infringement](#) proceedings before the trade commission. The deal is subject to approval by the commission, which is expected to issue a decision before the end of January.

Kodak has amassed more than 1,000 digital-imaging patents, and almost all of today's digital cameras rely on that technology. The photography pioneer spent \$3.4 billion from 2004 through 2007 converting the bulk of its business from high-margin film to electronic imaging.

"We are pleased to have reached a mutually beneficial arrangement that

advances the interests of Kodak and Samsung and which validates the strength of Kodak's intellectual property portfolio," said Laura Quatela, Kodak's chief intellectual property officer.

Calls to Samsung were not immediately returned.

Based in Seoul, Samsung is the world's biggest manufacturer of memory chips, [liquid crystal displays](#) and flat screen televisions and ranks second behind Finland's Nokia in mobile phones.

Kodak alleged in a November 2008 lawsuit that camera phones imported by both Samsung and LG Electronics violated various patents that Kodak obtained from 1993 to 2001. Samsung filed its own complaint with the trade commission in February, saying some Kodak digital cameras infringed on its technology.

After an administrative proceeding, a trade commission judge ruled Dec. 17 that Samsung had infringed two Kodak patents. Within a week, the companies announced they were negotiating an end to their dispute.

Kodak and South Korea's [LG Electronics](#) negotiated a cross-licensing agreement in December that will give both broad access to each other's patents. Kodak also sold LG its technology for super-thin OLED screens for an undisclosed price. Organic light-emitting diodes generate light on the screen's surface, don't have to be illuminated from behind and consume less power than their non-organic LED counterparts.

Kodak shares fell 14 cents, or 3 percent, to close at \$4.53 Monday.

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