

# Kodak sues Apple, RIM over digital camera patents

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In this Nov. 21, 2008 file photo, customer William Castellano photographs himself with the new BlackBerry Storm smart phone he purchased at Best Buy in Mountain View, Calif. Eastman Kodak Co. on Thursday, Jan. 14, 2010 said it is suing Apple Inc. and BlackBerry maker Research in Motion Ltd. over technology related to digital cameras in their iPhone and BlackBerry smart phones. (AP Photo/Paul Sakuma, File)

(AP) -- Eastman Kodak Co. said Thursday it is suing Apple Inc. and BlackBerry maker Research in Motion Ltd. over technology related to digital cameras in their iPhone and BlackBerry smart phones.

Kodak, a maker of digital cameras and other photography products, filed a complaint with the U.S. International Trade Commission, alleging the

iPhone, Apple's hottest gadget, and Research in Motion's camera-enabled BlackBerry devices infringe on a Kodak patent covering technology for previewing photos.

Kodak is asking the federal agency that oversees trade disputes to bar Apple and RIM from shipping the phones. The agency has the power to order Customs to stop imports of products and parts made with contested technology.

Kodak also filed separate lawsuits against Apple in U.S. District Court in Rochester, claiming an infringement of patents related to digital cameras and certain computer processes. It is asking for unspecified monetary damages and a court order to end the disputed practices.

Sales of iPhones and BlackBerrys aren't immediately threatened. Patent cases can take months or years to resolve, and agreements over licensing and royalty payments often emerge. But the trade commission is viewed as a fast-track mediator that typically resolves such intellectual-property disputes in 12 to 15 months.

RIM and Apple officials declined to comment.

"We've had discussions for years with both companies in an attempt to resolve this issue amicably, and we have not been able to reach a satisfactory agreement," said Laura Quatela, Kodak's chief intellectual property officer. "Our primary interest is not to disrupt the availability of any product but to obtain fair compensation for the use of our technology."

Although Kodak's transition to digital photography was hindered by a reluctance to phase out film - it created the world's first digital camera in 1975 but only began selling mass-market digital cameras in 2001 - the Rochester-based photography pioneer didn't lag behind in research.

Kodak has amassed more than 1,000 digital-imaging patents, and almost all of today's digital cameras rely on that technology. On average, it expects to generate \$250 million to \$350 million annually through 2011 in royalties and other fees for its intellectual property.

Kodak has licensed digital-imaging technology to about 30 companies, including mobile-device makers such as LG Electronics Inc., Motorola Inc. and Nokia Corp., all of which pay royalties to Kodak.

On Monday, Kodak said it will draw unspecified royalties from South Korea's Samsung Electronics Co. under a licensing pact that gives the companies access to each other's digital-imaging patents. A trade commission judge ruled Dec. 17 that technology in Samsung's camera phones infringed two Kodak patents.

Given Kodak's track record in negotiating licenses, "it would appear they have a slam-dunk case potentially for infringement, or at least they feel they have," said Peter Strand, a patent attorney in Washington and vice chairman of DRI, the nation's largest association of civil defense attorneys.

However, given that Apple and RIM have negotiated with Kodak "for some period of time but have not folded their tents, it may well be that they feel like they have a valid non-infringement position," Strand said.

The ITC complaint centers on a method for extracting a still image while previewing it in the camera's LCD screen. The patent, granted to Kodak in 2001, was part of the Samsung case and was found to be valid and enforceable.

The lawsuits filed in U.S. District Court cover that and four other patents related to imaging and general computer-processing techniques.

Kodak shares rose 14 cents, or 2.8 percent, to close Thursday at \$5.07. They have traded in a 52-week range of \$2.01 to \$7.44.

Shares in Apple, which is based in Cupertino, Calif., fell \$1.22, or 0.6 percent, to \$209.43, while shares in the Canadian-based RIM gained \$1.01, or 1.5 percent, to \$66.55.

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