

Apple hits new record after big US court victory

August 27 2012



Apple shares soared to a new all-time high after the US tech giant's big win in a patent lawsuit against South Korea's Samsung, which saw its own stock tumble.

Apple shares soared to a new all-time high Monday after the US tech giant's big win in a patent lawsuit against South Korea's Samsung, which saw its own stock tumble.

Google shares slipped amid concerns that its Android operating system used on mobile devices made by Samsung and others would come under greater scrutiny.

In early trade, Apple jumped 1.8 percent to \$675.13, giving the maker of the iconic iPhone and iPad a record market value of \$633 billion (505 billion euros), reinforcing its place as the world's most valuable corporation.

Analysts said Friday's court verdict ordering Samsung to pay more than \$1 billion for patent infringement, which also opens the door to a ban on some Samsung devices, bodes well for Silicon Valley firm.

"We believe this verdict strengthens Apple's already strong competitive position in the smartphone and tablet markets ahead of upcoming key product launches such as the iPhone 5," said Michael Walkley at Canaccord Genuity.

Aaron Rakers at Stifel Nicolaus said the verdict "represents a strong validation of Apple's intellectual property related to mobile devices".

He said it "potentially triggers the right for the patent holder to demand profits the infringer has collected in the process of infringing those design patents, in addition to damages from lost profits and or brand dilution."

Samsung shares slumped 7.5 percent in Seoul, the biggest single-day percentage drop the electronics giant has seen in nearly four years.

Google shares dropped two percent to \$665.12.

Justin Post at Bank of America/Merrill Lynch said that investors "will be concerned about a disruption in the Android mobile market" stemming from the decision.

But he said he does not see "a near-term financial impact" for Google and maintained his buy rating on the company.

(c) 2012 AFP

Citation: Apple hits new record after big US court victory (2012, August 27) retrieved 25 April 2024 from <https://phys.org/news/2012-08-apple-stock-1b-samsung-verdict.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.