

Epic patent trial over iPhone technology wraps up (Update)

August 20 2012, by PAUL ELIAS

After three weeks of listening to technology experts, patent professionals and company executives debate the complicated legal claims of Apple Corp. and Samsung Electronics Co., a jury of nine men and women are set to decide one of the biggest technology disputes in history.

Apple is demanding Samsung pay it \$2.5 billion and pull its most popular smartphones and computer tablets from the U.S. market after accusing the South Korean company of "ripping off" its iPhone and iPad technology. Samsung, in turn, is demanding Apple pay it \$399 million for allegedly using Samsung's technology without proper payments in making the iconic iPhone and iPad.

Apple's damage demands, if awarded, would represent the largest patent verdict in the U.S. An appeals court last year overturned the largest award to date, a \$1.8 billion judgment against pharmaceutical company Abbott Laboratories.

Apple and Samsung are the top-selling smartphone makers and combined account for more than half of global smartphone sales.

Barring a last-minute settlement, jurors are scheduled to hear the dueling companies' lawyers deliver closing arguments Tuesday in the San Jose federal courtroom of Judge Lucy Koh and they could begin deliberating late that afternoon, or more likely, Wednesday morning.

From the beginning, legal experts and Wall Street analysts have viewed



Samsung as the underdog. To begin with, Apple's headquarters is a mere 10 miles from the courthouse and the jurors were picked from the heart of Silicon Valley where the company's late founder Steve Jobs is a revered technological pioneer.

And while the legal and technological issues may be complex, patent expert Alexander I. Poltorak says the case will likely boil down to whether jurors believe Samsung's products at issue look and feel almost identical to Apple's iPhone and iPad.

"Most jurors will probably say they look alike," said Poltorak, who is chief executive of General Patent Corp. The judge appears to agree.

The judge in June called Samsung's Galaxy 10.1 tablet computer "virtually indistinguishable" from Apple's iPad and banned its sale in the United States until the resolution of the case.

"There was some evidence that Samsung altered its design to make its product look more like Apple's," the judge found two months before the trial started.

To overcome that hurdle, Samsung's battalion of lawyers has been arguing that many of Apple's claims of innovation are either obvious ideas or were actually stolen ideas from Sony Corp. and others. Experts called that line of argument a high-risk strategy because of Apple's reputation as an innovator.

"Saying apple is a copyist is going be a hard sell," said Ellen Brickman, a New York-based jury and trial consultant. "Apple changed the world when it came to computers. Apple changed the world when it came to phones. The fact that the iPhone and iPad are so popular shows people believe the products must be innovative. When you think of tech, you just don't think of Samsung."



Finally, Brickman and others argue that a foreign-rival accused of stealing from a popular U.S. company like Apple during the tough economic climate faces an uphill battle with a "hometown" jury.

General Patent's Poltorak said a verdict in Apple's favor would cost Samsung "a lot of money," but wouldn't dramatically disrupt the smartphone markets. He predicted that Samsung engineers would quickly redesign the company's smartphone and computer tablets to compete with Apple if the Cupertino-based company won its lawsuit.

Apple lawyers argue there is almost no difference between Samsung's products and Apple's and presented Samsung's internal documents they say show it copied Apple's designs. Samsung lawyers countered that several other companies and inventors had previously developed much of the Apple technology at issue.

The U.S. trial is just the latest skirmish between the two over product designs. The two companies have been fighting in courts in Australia, the United Kingdom and Germany.

The case is one of some 50 lawsuits among myriad telecommunications companies jockeying for position in the burgeoning \$219 billion market for smartphones and computer tablets.

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