

What does smartphone war mean for innovation?

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Steve Jobs didn't live to see the outcome of the bruising war that pitted his iPhone and iPad against mobile devices that use Google's Android software.

But he issued the call to arms.

"I am going to destroy <u>Android</u>, because it's a stolen product. I'm willing to go to thermonuclear war on this," Jobs told <u>Walter Isaacson</u>, author of a posthumously published biography of the Apple co-founder. "They are scared to death, because they know they are guilty."

Apple won a resounding victory Friday in a lawsuit against <u>Samsung</u> <u>Electronics Co.</u>, in which jurors found that the South Korean manufacturer had infringed on six of Apple's patents for <u>mobile devices</u>. The \$1 billion award is among the largest intellectual property awards on record.

It could well set the stage for other <u>legal challenges</u> of rival devicemakers.

The stakes are incredibly high. The global smartphone market, which <u>Credit Suisse</u> estimates could reach \$207.6 billion this year, has sparked lawsuits around the world as the various players jockey for position.

Already, smartphones powered by Android make up about 68 percent of worldwide shipments, according to research firm IDC, compared to



Apple's 17 percent.

Samsung is fueling the growing popularity of the <u>Google</u> system, according to IDC - the manufacturer shipped 44 percent of all Android smartphones in the most recent quarter worldwide.

"The smartphone patent wars are taking place in many courts in this country, and all over the world," said Rutgers University law professor Michael Carrier. "What is so important about this one, this is the first time that the court has found that one of these manufacturers has infringed patents of a company like Apple - so it really is pivotal, because Samsung is the leading manufacturer of smartphones in the U.S. today."

Some experts predict the Samsung ruling will send manufacturers back to the drawing board, as they try to design smartphone and tablets to avoid violating Apple's patents.

Samsung, which said it plans to appeal the verdict, said the court decision threatens to stifle creativity.

"Today's verdict should not be viewed as a win for Apple, but as a loss for the American consumer," the company said in a statement released soon after the verdict was delivered.

Other technologists - most notably at Apple - see it differently.

"We chose legal action very reluctantly and only after repeatedly asking Samsung to stop copying our work," Apple Chief Executive Tim Cook wrote in an email to employees. "We value originality and innovation and pour our lives into making the best products on earth. And we do this to delight our customers, not for competitors to flagrantly copy."



The next big shoe to drop in the case is scheduled for Sept. 20, when there is hearing to ban infringing Samsung phones from U.S. store shelves.

It is unclear how far-reaching the judge's ruling will be. Some legal experts predict changes are inevitable for Samsung should the ruling stand.

"In a nutshell, yes there will be some delay to market with respect to similar-looking smartphones that need to be redesigned," said Christopher Carani, a partner with the Chicago-based intellectual property law firm McAndrews, Held & Malloy.

Other observers think the impact on Samsung could be limited.

"For most of the technologies at issue, Samsung will be able to download a software upgrade and swap the infringing technology for something perfectly legitimate," said Douglas Lichtman, a law professor at the University of California-Los Angeles. One of the decisions in the case was that Samsung violated Apple's technology relating screen icons.

Addressing design similarities to Apple's products could be thornier, as manufacturers seek to refine the look of their devices.

Because of the long development cycle for products, it could take anywhere from 18 to 36 months for mobile devices with a dramatically different appearance or software features to reach the market, said Jefferson Wang of IBB Consulting.

One legal expert would rather see technology giants compete in the marketplace.

"The best thing for society and for consumers is if all technology



companies would take all the money they are spending on lawyers and experts ... and instead invested that money in research and design," said Santa Clara University <u>law professor</u> Brian Love.

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