

# Samsung's prestige takes another hit over lawsuit

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A class-action lawsuit shows the dent the Note 7 fiasco has made on Samsung, which used to be treated like corporate royalty in South Korea

A South Korean law firm said Tuesday that it expected thousands more people to join a class action lawsuit seeking compensation from Samsung over its combusting Galaxy Note 7 smartphones.

Seoul-based Harvest Law filed the initial suit on Monday on behalf of

527 Note 7 buyers—demanding 500,000 won (US\$440) per plaintiff for time and effort lost during a chaotic recall process that turned into a PR nightmare for the world's largest smartphone maker.

Although the sums involved—even when accumulated—are tiny for a giant like Samsung, the lawsuit illustrates the dent the Note 7 fiasco has made in the prestige of a company used to be being treated as corporate royalty in South Korea.

Its new-found vulnerability was further underlined this week by the decision of a South Korean investment advisory firm to recommended shareholders vote against the nomination to the Samsung board of vice chairman J.Y. Lee—the family-run conglomerate's heir apparent.

Following multiple reports of phones catching fire, Samsung announced a global recall of 2.5 million Note 7s last month.

After the replacement devices it offered also started burning up, the company decided to scrap the model entirely.

Harvest Law attorney Peter Koh said growing consumer anger had driven the legal action.

"Up until now, we had about 100 people signing up a day—and more than 300 users joined yesterday alone," Koh said, adding that he expected to add around 3,000 plaintiffs to the lawsuit in a second filing.

A similar [class-action lawsuit](#) has been filed by users in the United States.

Koh said Note 7 buyers were "clearly" affected by the month-long recall chaos, forced to make multiple store visits and rent or buy other devices after international airlines banned the smartphone from their flights.

Samsung offered Note 7 owners a full refund or an exchange for a different Samsung phone as well as a 30,000 won (US\$26) gift card.

On Monday, it said anyone choosing the exchange option would also receive a 50 percent discount on the new Note 8 or S8 phones expected to be launched next year.

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