

# Appeals court overturns \$533 mn verdict against Apple

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The decision comes two years after a federal court in Texas ordered Apple to pay the award to the firm Smartflash LLC, which sued claiming the technology giant infringed on patents for flash memory technology used in the iTunes music store

A US appellate court Wednesday overturned a \$533 million patent verdict against Apple, saying the award was based on "routine computer activities" which cannot be patented.

The decision comes two years after a [federal court](#) in Texas ordered Apple to pay the award to the little-known firm Smartflash LLC, which sued claiming the [technology](#) giant infringed on patents for [flash memory technology](#) used in the iTunes music store.

Chief Judge Sharon Prost at the US Court of Appeals Federal Circuit in Washington, which handles [patent](#) cases, said in the opinion that Smartflash did not create any new technology that was eligible for a patent.

The claims by Smartflash "are all directed to the abstract idea of conditioning and controlling access to data based on payment, and fail to recite any inventive concepts sufficient to transform the abstract idea into a patent-eligible invention," the judge said in the 14-page order.

"The Supreme Court and this court... have previously held that such routine computer activities are insufficient for conferring patent eligibility."

Neither company offered any immediate comment on the decision.

In 2015, Apple announced it would appeal the award, stating that "Smartflash makes no products, has no employees, creates no jobs, has no US presence, and is exploiting our patent system to seek royalties for technology Apple invented."

Smartflash claimed in the 2013 lawsuit filed in Texas federal [court](#) that it held patents to "data storage and access systems" used by Apple's iTunes store.

The technology is used to manage access to digital content and payment information.

The case is one of many patent suits from licensing firms that make no products but hold rights to certain technologies. Critics call these firms "patent trolls."

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