

For this week's discussion, patents and its system are reviewed. The major difference between a copyright and a patent is that a copyright protects a work of creative expression, while a patent protects an invention or idea. Unlike a copyright, where the creator has an inherent right to own his or her creation, a patent is a more involved process, like submitting the idea to the Patent Office by filling out the necessary applications, and it typically has an upfront capital cost.

This discussion focuses on the recent and ongoing litigation of *Apple vs. Samsung* in regards to patent violations. Apple's complaint was that Samsung violated seven of its patents for its smartphones and tablets and requested damages of \$2.5 billion and Samsung countersued for \$422 million. The jury's decision ruled that Samsung did indeed violate six of Apple's patents and was ordered to pay \$1.05 billion to Apple, while Samsung's claims of Apple's patent infringement did not hold up at all and no damages were awarded. The jury found that Samsung willfully copied patented ideas like dragging documents, screen rotation when the device is rotating, pinch zooming, screen bounce back when scrolling too far, scrolling with one finger, and zooming by tapping. Two design patents were also infringed, including a phone that is rectangular with rounded edges and the grid array of icons displayed on screen. The one claim of patent infringement that did not hold up was regarding the physical design of the iPad.

Samsung countersued Apple for patent infringement, claiming that Apple willingly copied patents involving email sending, multitasking, and 3G standards, but the jury did not find Apple at fault. Though Apple attempted to convince the court that some of Samsung's patents were invalid, it did not invalidate of Samsung's patents. It is important to note that while Apple succeeded in its patent lawsuit against Samsung in the United States, it has lost its case overseas in countries like the United Kingdom, Japan, and South Korea.

In recent updates, a U.S. federal judge slashed the amount of damages awarded to \$599 million. While it did not change the decision that Samsung violated Apple's patents, the judge declared that the amount of damages was not correctly calculated by the jury and a new trial will determine the possibility of regaining the partial or full amount of \$450 million. Regardless of the damages ruling in this new trial, Samsung is expected to appeal.

WJS / The patent system seems to be readily available to patent almost any idea that one could present, but because there is a typically high upfront cost for obtaining a patent, it shuts off the less resourceful but equally creative people and companies that wish to patent an idea or invention. The standards for what ideas can receive a patent are vague as well, as some very abstract ideas can be patented to allow the owners to make a lot of profit through licensing without much inventive work. Patents are also a commodity in today's market that can be bought and sold. Some companies' primary profits are from licensing revenue from patents that they hold. Along with other questionable business practices, these companies tend to be labeled as "patent trolls". In relation to *Apple vs. Samsung*, a rectangular phone with round corners is a simple design that does not take much effort to design and for Apple to license such a shape helps protect their iPhone brand, but may drive up costs for phone manufacturers wishing to deploy a similar design. If the patent system becomes bloated and if we are not able to freely or cheaply exchange, use, and modify ideas, then it is a detriment to us all. !

Well done!
100%

Apple-Samsung Lawsuit: What You Need To Know About The Verdict

The Huffington Post | By Bianca Bosker and Dino Grandoni

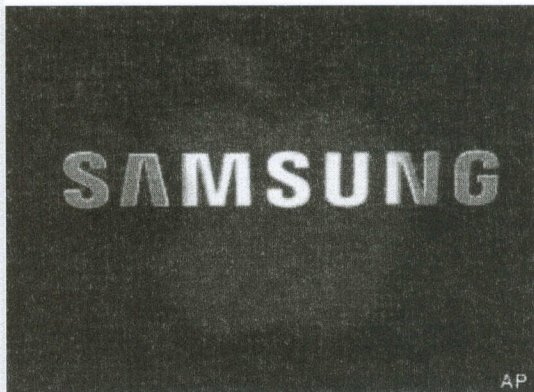
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The verdict in the high-stakes patent infringement lawsuit between Apple and Samsung is in. The jury's decision? Samsung did infringe D'087 patent -- and a host of others.

Huh?

Here's the jargon- and legalese-free guide to what you need to know about the billion-dollar case that's just gone (almost

entirely) in Apple's favor.

Apple sued Samsung for a Dr. Evil-esque \$2.5 billion in damages. Was that wishful thinking? Is Apple getting any of that money?

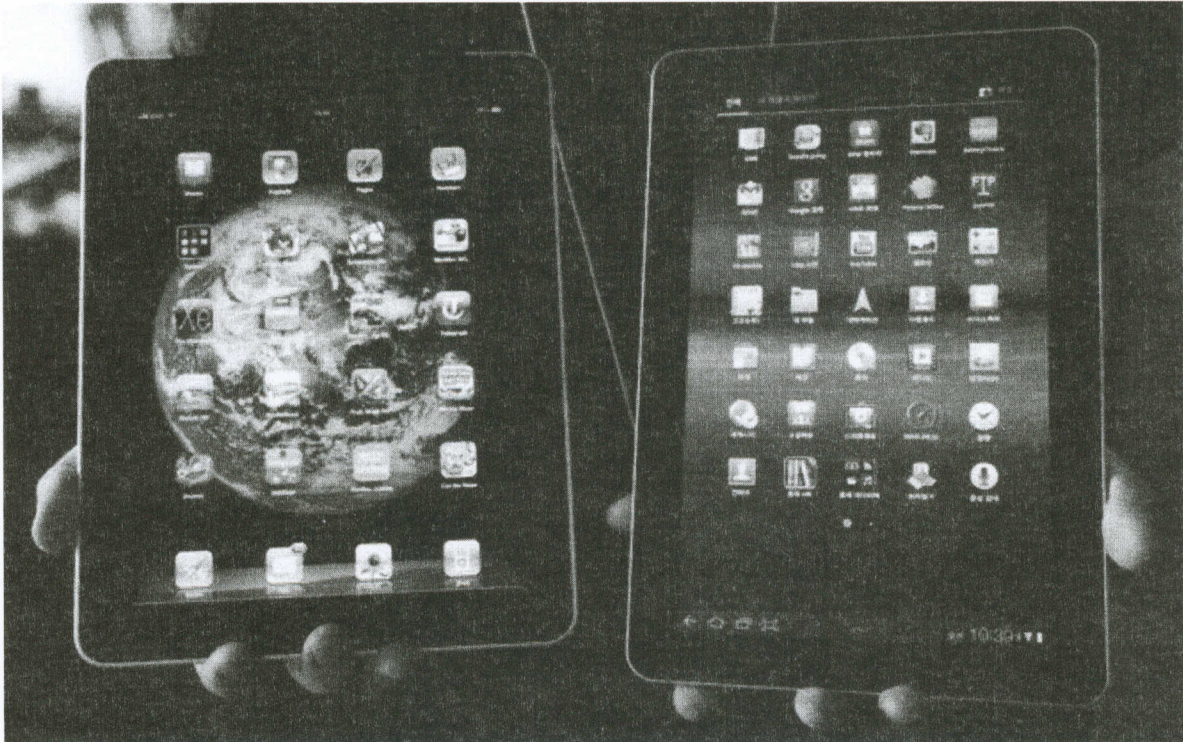
Yes. The jury has ruled that Samsung willfully infringed a number of Apple patents (more on that in a minute) in creating a number of devices (more coming up on that, too) and has been ordered to pay Apple \$1.05 billion in damages. Apple, which Samsung countersued for \$422 million, will not have to pay anything to Samsung.

As BuzzFeed's FWD notes, that 10-figure payout may be handsome, but it's likely to

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Judge Cuts Sum Owed to Apple Over Patents

By NICK WINGFIELD



Jo Yong-Hak/Reuters

Apple's iPad, left, and Samsung's Galaxy tablet.

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8:45 p.m. | Updated

A federal judge on Friday weakened the blow from Apple's legal victory in a patent case against Samsung, lopping more than 40 percent off the damages a jury awarded Apple last year.

The ruling did not shift the case — one of the most closely watched in the high-tech industry — in Samsung's favor. While Apple has lost other skirmishes against Samsung in courts around the world, the jury award in this case has been the biggest victory for either side so far.