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Utility patents play own part in battle between Apple and Samsung

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Elizabeth A. Koehn joined Global IP in 2010 as an associate in the Chicago office. While at Global IP, Koehn has worked on several patent portfolio transactions, including the sale of Nortel Networks' patent portfolio for $4.5 billion and the sale of a wireless communications patent portfolio for $75 million to Intel Corp.

Most readers are already aware of Apple's recent victory in the Northern District of California, namely the jury verdict in excess of $1 billion against Samsung. This verdict is the result of a suit filed by Apple on April 15, 2011. In its complaint, Apple alleged that various Samsung smartphones and tablets sold in the U.S. violated Apple's trademarks, trade dress and 15 of its utility and design patents. Samsung counterclaimed by asserting 12 of its own patents against a variety of popular, high revenue-generating Apple devices.

Much of the commentary related to this verdict focused on select design patents at issue in the litigation. It may be that the design aspect is more easily understood by a broad audience or is simply more interesting, but it is worth noting the additional issues that contributed to Apple's win, so that an audience can appreciate that there was much more to the $1 billion-plus verdict aside from the rounded corners on the accused devices.

By way of background, this litigation is just one of many in the complex web of suits involving Apple, Samsung and other Android handset manufacturers. Similar lawsuits were filed in South Korea, Japan, Germany, the United Kingdom, France, Spain, the Netherlands, Australia and Italy. These actions have led to a series of preliminary injunctions against Samsung's tablet products in various countries. In addition, both Samsung and Apple have filed investigations with the U.S. International Trade Commission parallel to the Northern District of California action. Samsung initiated the ITC proceedings by filing its complaint in June 2011. The administrative law judge in the ITC action issued an order this September, but a final determination by the commission is yet to come.

The recent jury verdict, however, is an important milestone in the series of litigation because it was decided by a U.S. District Court and has granted such enormous monetary relief to Apple. The jury was ultimately asked to consider a subset of the originally asserted claims and counterclaims, including Apple's patent infringement claims based on seven patents (as well as trade dress dilution claims) and Samsung's counterclaim for patent infringement based on six of its asserted utility patents.

The jury overwhelmingly found in favor of Apple, determining that Samsung infringed six of its seven asserted patents (including findings of willful infringement) and also concluding that Samsung diluted certain Apple trade dress. The jury also determined that Apple did not infringe any of the asserted Samsung patents.

Media coverage on this verdict has centered on the design patents (and similar trade dress dilution claims) at issue in the case, such as the "rounded edges" patented design element of the iPhone. While the design patents in this action accounted for four of the seven Apple patents-in-suit presented to the jury, the other three Apple utility patents should not be ignored. In fact, the jury found Samsung liable for a cumulative 58 of 69 counts of infringement of the patent claims comprised in the three utility patents, where each count is equal to one patent claim asserted against one accused device.

In comparison, the jury found that Samsung infringed 28 of the 36 design patent claims. A rough and, admittedly, misleading calculation shows that 67 percent of the counts of infringement are attributable to Apple's utility patents, while only 33 percent can be credited to the design patents.

This computation is arguably deceptive because the ratio of infringed utility patent claims to infringed design patent claims does not necessarily correspond to the value ascribed to those claims of infringement. Because the damages in the jury verdict form were reported as a collective total for all claims of infringement and/or dilution per the accused Samsung device, outside analysis cannot determine what percentage of the damages awarded to Apple were attributed to utility patent infringement, design patent infringement or trade dress dilution.

Regardless of the percentage of damages resulting from utility patent infringement claims, Apple's utility patents comprise some of the most popular and useful functional features of the iPhone and Samsung's infringing devices.

U.S. Patent No. 7,864,163, asserted in this litigation, covers the capability to tap the touch screen display of a portable electronic device when viewing an electronic document, where the tapping function enlarges and centers the touch screen on that selected area of the document.

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Another popular feature of the iPhone, embodied in asserted Apple-owned U.S. Patent No. 7,844,915, is the touch screen capability that distinguishes between one-fingertip scrolling movements on a screen and two-fingertip zooming gestures on a screen.

Finally, Apple's third asserted utility patent, U.S. No. 7,469,381, covers the scrolling function commonly known as the "bounce-back" effect that occurs when a user scrolls beyond the end of a document or list, indicating that the user has reached the end.

For the many iPhone and other smartphone users who benefit from these easy-to-use functions, such capabilities are owed to the utility patents in this suit.

And although we can't be certain as to how much of Apple's mega-damages award is a result of the infringed utility patents, it should not be lost on us that some portion of the roughly $1.05 billion awarded to Apple is attributed to its very innovative functional developments and not just the look and feel of the device.

In the aftermath of the verdict, the court granted a preliminary injunction against Samsung and the sale of its Galaxy Tab 10.1, which was later lifted on remand.

Samsung has filed posttrial motions for relief, including a motion asking the judge to overrule the jury's verdict and will likely appeal to the Federal Circuit in Washington, D.C., should those motions prove unsuccessful.

Apple continues to seek injunctive relief in the hope of barring the sale of infringing Samsung products in the U.S. Apple also seeks enhanced damages due to the jury's finding of willful infringement by Samsung.

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