

Apple Patent In Samsung Fight May Be Invalid: Judge

By **Erin Coe**

Law360, San Diego (October 19, 2011, 7:03 PM ET) -- A California federal judge said she believed Apple Inc.'s design patent for the iPad — asserted in its case alleging Samsung Electronics Co. Ltd.'s smartphones and tablet computers infringe Apple's intellectual property — was invalid, according to a court transcript released Monday.

During an Oct. 13 hearing for Apple's preliminary injunction bid, U.S. District Judge Lucy Koh indicated the accused Samsung Galaxy 10.1 Tab "looks almost identical" to the Apple iPad and that she thought the tablets did infringe Apple's U.S. Patent Number D504,889, which covers the appearance of its iPad. However, she also said she thought a 1994 Knight-Ridder tablet prototype invalidated the patent, according to the transcript.

"I think Apple has a problem with the validity of the '889 [patent] based on Knight-Ridder," she said.

The judge did not make an official ruling at the hearing, pointing out that her statements were only "tentative thoughts," but she said she planned to issue an order "fairly promptly," the transcript said.

While design patent cases are typically decided on the issue of infringement rather than validity, it is rare for a court to invalidate a design patent, according to Christopher Carani, a McAndrews Held & Malloy Ltd. design patent lawyer who is not involved in the case.

"Judge Koh appears to be assigning a broad scope to the Apple design patents," he said. "While this is good for Apple's infringement case because Samsung's accused products would likely be held to fall within the scope of Apple's patents, it does not bode well for Apple's defense of the validity of its design patents."

Because the court seems to be assigning a broad scope to the patents and Samsung revealed relatively close prior art, Carani predicted the judge would likely find that Apple has not met its burden on validity at this stage of the case and deny its preliminary injunction bid.

He also noted Samsung's argument that the court should reject the preliminary injunction motion because a March 2010 email between former CEO Steve Jobs and then-Chief Operating Officer Tim Cook showing that Apple sat on its rights might have some traction with the judge.

"If you wait too long, it really cuts against the moving party's argument that the judge must act now due to the urgency of the situation," Carani said.

Apple filed its suit in April, alleging Samsung's products infringed utility and design patents, as well as trademarks and trade dress embodied in its iPhone and iPad product lines.

An amended complaint specifically asserted eight utility patents and seven design patents, but Apple in July selected two iPhone design patents, one iPad design patent and one utility patent covering both products for review on an expedited schedule. While a design patent protects the aesthetic appearance of a product, a utility patent covers the internal circuitry.

Samsung, however, claims Apple has copied many of its innovations and infringed 10 Samsung patents.

In August, Judge Koh granted Apple's request for an expedited trial. The trial is set to begin July 30, 2012.

Carani also criticized Apple and Samsung for hiring utility patent attorneys to litigate the highest-profile design patent case.

"This is equivalent to asking brain surgeons to conduct heart surgery," he said. "Both companies should realize by now that design patents are a unique form of intellectual property that should be handled by attorneys with specific expertise in this specialty area of the law."

After Judge Koh mentioned that she believed Apple's '889 patent was invalid, Apple's attorney made arguments in response, but missed a critical point, according to Carani.

"The diagonal shading lines in the '889 patent are a drafting convention used to specifically indicate that its glass screen covers the entire front face of the iPad," Carani said. "The 1994 Knight-Ridder tablet, in contrast, does not have this design feature, and thus the argument goes, it does not invalidate the '889 patent."

Attorneys representing Apple and Samsung were not immediately available for comment Wednesday.

On Tuesday, Judge Koh tossed Apple's counterclaims that Samsung had violated the Sherman Act and the California Unfair Competition Law by failing to disclose its intellectual property rights to a wireless industry standards-setting organization and making misleading statements about its intent to license the patents declared essential for various industry standards.

The judge held that Apple had failed to provide enough detailed facts to meet the heightened pleading standard for fraud, but gave the company 21 days to amend the counterclaims.

The California suit brought by Apple is just one front in a heated patent infringement battle that spans several countries, with the mobile technology titans fighting to capture the ever-growing smartphone market. The two companies also have patent infringement disputes pending before the U.S. International Trade Commission, as well as courts in South Korea, Japan and Germany.

Apple claims Samsung copied its patented designs after seeing the "phenomenal success" of the company's iPhone and iPad products, while Samsung counters that the development of its smartphones and tablets was a natural evolution, and not an attempt to improperly duplicate Apple's designs.

Apple is represented by Harold J. McElhinny, Michael A. Jacobs, Jennifer Lee Taylor, Alison M. Tucher, Richard Hung and Jason R. Bartlett of Morrison & Foerster LLP.

Samsung is represented by Charles K. Verhoeven, Edward J. DeFranco, Kevin P.B. Johnson, Michael T. Zeller and Victoria F. Maroulis of Quinn Emanuel Urquhart & Sullivan LLP.

The case is Apple Inc. v. Samsung Electronics Co. Ltd. et al., case number 5:11-cv-01846, in the U.S. District Court for the Northern District of California.

--Additional reporting by Carolina Bolado and Jacqueline Bell. Editing by Elizabeth Bowen.