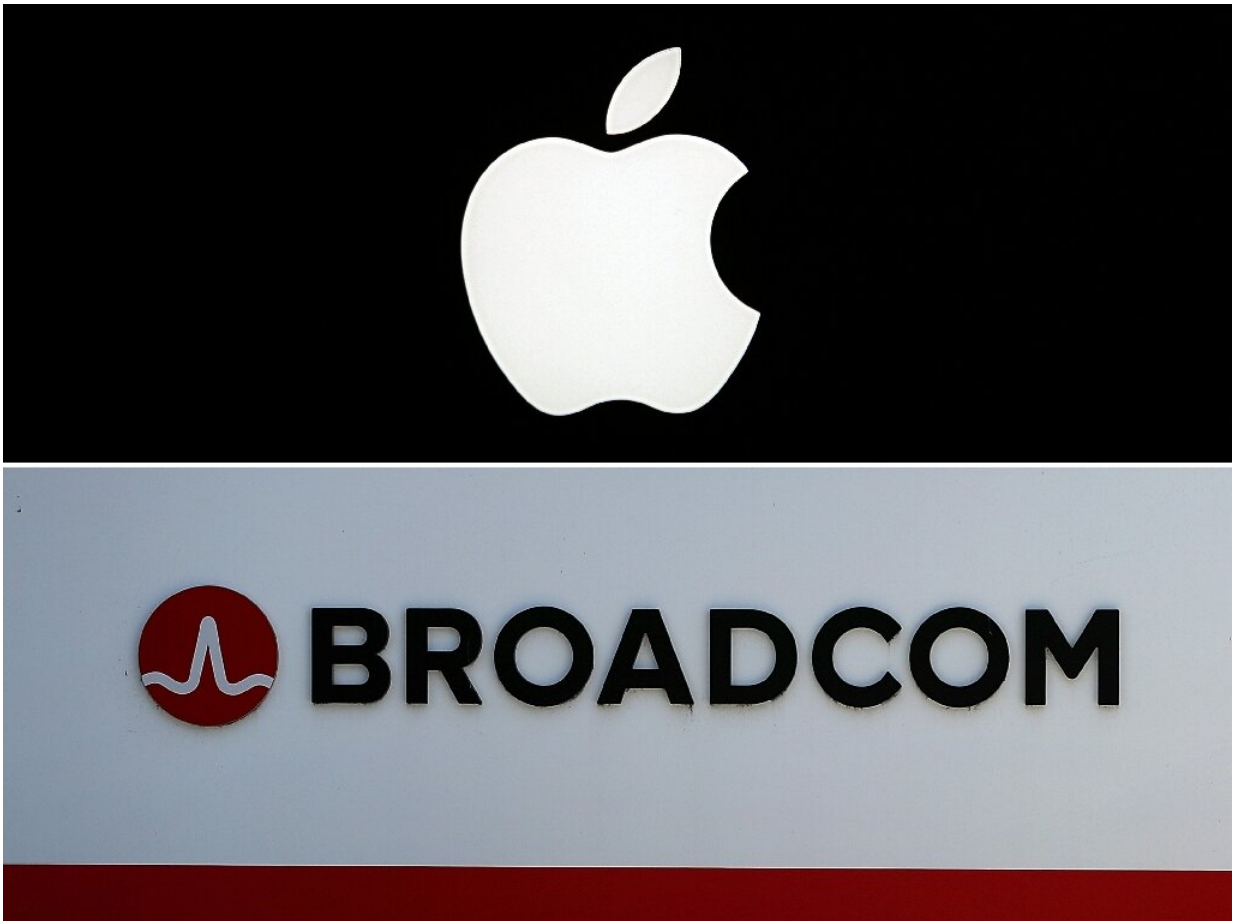


Apple, Broadcom ordered to pay \$1.1bn for patent infringement

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Both Apple and Broadcom indicated they planned to appeal the verdict finding they infringed on a California university's patent

A Los Angeles jury on Wednesday ordered Apple and Broadcom to pay \$1.1 billion to a California university for infringing wifi technology patents in what is thought to be one of the largest patent verdicts ever.

Apple was ordered to pay \$837 million and Broadcom must pay \$270 million to the California Institute of Technology.

Caltech had sued both tech giants in 2016, alleging that Apple products including iPhones, iPads and Apple Watches used Broadcom components that infringed on its patents related to wireless data transmissions.

While Broadcom made the chips at issue in the trial, jurors may have hit Apple with a bigger tab by because it makes billions of dollars selling iPhones and other devices that incorporate the technology.

"Think of the patented technology as a piece of property that was stolen and sold to someone else," said analyst Rob Enderle of Enderle Group.

"It doesn't matter if they had a go-between steal it for them, they were not allowed to benefit from a theft even if they were downstream."

Tangled past

The analyst, who did not attend the trial, wondered whether an Apple relationship with Broadcom strengthened years ago during legal brawling with US chip giant Qualcomm played into the jury's decision.

Some industry insiders believe Apple supported Broadcom's failed bid to buy Qualcomm in a hostile takeover campaign.

Broadcom in 2018 abandoned efforts to take over US smartphone chipmaker Qualcomm after its bid was blocked by President Donald

Trump over national security concerns.

Qualcomm had rejected the unsolicited offer from Broadcom, which makes an array of chips for wireless communications, set-top boxes and electronic displays.

Broadcom last year moved its headquarters from Singapore to California.

Meanwhile, Apple and Qualcomm agreed in early 2019 to "dismiss all litigation" against each other worldwide in what had been a sprawling battle over royalty payments.

Repercussions?

Both Apple and Broadcom planned to appeal the verdict.

"While we thank the members of the jury for their service, we disagree with the factual and legal bases for the verdict and intend to appeal," Broadcom said in response to an AFP inquiry.

In court documents, Apple and Broadcom had said Caltech's claims "are based solely on the incorporation of allegedly infringing Broadcom chips in Apple's iPhone, Mac, and other devices."

"Broadcom manufactures the accused chips, while Apple is merely an indirect downstream party whose products incorporate the accused chips," court filings argued.

Broadcom was the main target of the lawsuit but Apple was also named as it is one of Broadcom's biggest customers.

Caltech welcomed the ruling.

"As a nonprofit institution of higher education, Caltech is committed to protecting its intellectual property in furtherance of its mission to expand human knowledge and benefit society through research integrated with education," the institute said.

Analyst Enderle expected repercussions from the ruling to go beyond Apple to other Broadcom customers who used the chips at issue.

"Caltech will go down the list of Broadcom customers and look for out-of-court settlements with anyone who used the compromised technology," Enderle said.

The analyst wondered whether the jury award signaled a new onslaught of patent battles in the tech industry.

"Typically, we go through waves of patent wars," Enderle said.

"I think it's a case where, after a period of time, people age out or forget that there are significant penalties for this stuff."

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