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TECHNOLOGY | Updated August 27, 2012, 4:20 p.m. ET Inside the Apple-Samsung Jury Room

By JESSICA E. VASCELLARO

SAN JOSE, Calif.-- Just minutes after the nine jurors in the <u>Apple</u> Inc. and <u>Samsung Electronics</u> Co. patent trial began deliberating last week, they were stuck. It was seven "yes" votes to two "no" votes on the first question they faced: whether Samsung violated an Apple patent related to the bounceback action a touch-screen makes.



Agence France-Presse/Getty Images Samsung's Galaxy S mobile phone (right) and Apple's



The inside story of how the Apple and Samsung patent verdict came down reveals a group divided on some issues in an otherwise smooth 22 hours of deliberations. Jessica Vascellaro reports on digits. Photo: AP.

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After the Verdict
Apple Wins Big in Samsung Patent Trial
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With the votes tallied on a white board, they decided to review the evidence, recounted juror Manuel Ilagan in an interview. They powered up a video of a computerized touchscreen tablet that had been developed by <u>Mitsubishi</u> that Samsung asserted proved Apple didn't come up with the idea first and that its patent should be invalidated.

They were huddled around a large oval table in a conference room at the federal courthouse here. On one side there was a large white WSJ.com Law Page | Lexis Advance™ | lexis.com® | Lexis® for Microsoft® Office |

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board. On the other, a refrigerator and coffee machine.

Mr. Ilagan, who is 59, said they watched the video "very, very carefully" but decided to move on when the two weren't swayed. "We didn't want to get bogged down," said Mr. Ilagan, who works in marketing for a company that makes circuit boards.

The bounceback patent, which the jurors eventually decided unanimously that Samsung infringed, was one of a handful of sticking

points in the otherwise smooth and surprisingly quick 22 hours of deliberations, according to Mr. Ilagan's account. The seven men and two women--including a cycling enthusiast, an engineer and a social worker--found that Samsung infringed all but one of Apple's asserted patents and exonerated Apple of any infringement of Samsung's.



After deliberating for 21 hours, 37 minutes, the jury in the Apple v. Samsung trial awarded Apple \$1.05 billion in damages after Samsung was found to have willfully infringed five of seven Apple patents. Mike Isaac reports on the News Hub. Photo: Reuters.

Count by Count: The Apple-Samsung Verdict

Apple claims patent violated	Utility Patents			Design Paten	
X Juy agreed X Juy deagreed Samsung Phones	163 Enterging documents by leaping the screen!	"381 Tource-back" feature when acrolling beyond the edge of a page	1915 Distinguishes Totalinguishes Totalin and multi- Totalin preforms	1087 Ornamental design of the Phone (while color)	
Captivate	*	×.	×.		
Continuum	x	×	× .		
Droid Charge	×.	¥.	× .		
Epic 40	¥.	¥.	× .		
Exhibit 40	×.	¥1	× .		
Fascinate	1	¥	×		
Galaxy Ace	×.	¥.	x		
Galaxy Prevail	¥.	×	× .		
Galaxy 5	¥.	¥	× .	¥.	
Calaxy 8.40	1	×.	¥.	¥.	
Gelaxy S II (AT&T)	×.	×	×	X	

They awarded Apple \$1.05 billion in damages, one of the highest awards in a patent case on record. Samsung has vowed to appeal.

From the opening moments, they devised a system to tackle the daunting

task before them. They remained focused, with jurors preventing

others from going off topic, Mr. Ilagan said. They discussed little else besides the case.

Their mission: filling in some 300 fields of a 20-page verdict to determine whether 38 Samsung devices violated seven Apple patents and whether Apple's iPhone, iPad and iPod Touch violated five of Samsung's.

Presiding juror Velvin Hogan, a video-compression expert the jurors called Vel, kept them on point going question by question while AT&T product manager Peter Catherwood took up the task of polling the group when they got to a new question, Mr. Ilagan said.

David Dunn, who worked in a cycling shop, organized the evidence, keeping tabs on the more than two dozen devices, he added.

Messrs. Dunn, Catherwood and Hogan did not return requests for comment or couldn't be reached. Reached at home, one juror Aarti Mathur, who used to work as a payroll administrator for IT startups, said "it was a wonderful experience" and "a crazy case." She declined to comment further.

The outcome was a sweeping victory for Apple in the most high-profile patent case Silicon Valley has seen in decades. At stake were key innovations in the smartphone industry and the broader issue of how closely competitors can follow each other's designs.

Streaming

The outcome is already sending ripples through the industry-sparking a debate over whether handset costs could rise as patent damages are passed to consumers or fewer competing devices are WSJ.com Law Page | Lexis Advance™ | lexis.com® | Lexis® for Microsoft® Office

Apple v. Samsung: Patents



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introduced. Experts have also questioned whether such a strong endorsement of Apple's patents will force competitors to radically change their designs and features.

The inside story of how the landmark verdict came down reveals a group divided on some issues. They include the complicated topic of "trade dress" and one Samsung patent related to the photo gallery, said Mr. Ilagan. He said that his wireless industry experience allowed him to explain terms like "base station" to his fellow jurors, many of whom work in the technology industry as well.

But overall most jurors were very receptive to Apple, swayed by the arguments and evidence such as emails between Samsung executives expressing admiration for Apple's designs, he said.

"The Apple lawyers were better at presenting their case," said Mr. Ilagan. "I had an open mind but most of the time was on the Apple side."

Mr. Ilagan said he was particularly persuaded by the changing appearance of Samsung devices before and after the iPhone came out in 2007, a point Apple's lawyers underscored over and over again with

slides. "It was obvious there was some copying going on," he said.

In contrast, he said some of the key arguments from Samsung--which argued that Apple's pre and post-2007 product comparisons were misleading--fell short.

In particular, Mr. Ilagan said the jurors easily rejected Samsung's argument that Apple infringed two patents related to data transmissions. Samsung argued that it deserved up to \$399 million in royalties for the patents, which are part of wireless standards.

But Mr. Ilagan said that the jurors unanimously agreed with Apple's defense. Apple argued that since Intel Corp. made the chips for Apple and Samsung had given Intel a license for them, Apple couldn't be found to infringe them.

The existing license made him believe "what is the big deal?" he said. "That was an easy decision for us."

Since the start of the trial nearly a month ago, the question of whether a jury could tackle such a complicated case, which began when Apple sued Samsung in April 2011, has loomed large.

Some have questioned whether a jury based miles away from Apple's Cupertino, Calif. headquarters could put any favorable bias towards the technology giant aside. Mr. Ilagan said despite both companies being well known, the jurors talked only about the facts, not the companies.

The case, one of several in Apple's global campaign to defend the designs of the iPhone and iPad worldwide, has ignited a debate other whether the proliferation number of patent cases should be decided by regular men and woman not legal experts.

Judge Lucy Koh, who presided over the case in the U.S. District Court, spent hours reading aloud more than 100 pages of jury instructions designed to explain to the jurors how to apply the law. Mr. Ilagan said the jurors stuck to the instructions assiduously.

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"Judge Koh ran a tight ship," said Mr. Ilagan. They treated her repeated warnings not to talk to anyone about the case as their "mantra," he said. "We wanted to do what we were supposed to do. We wanted to get it right."

They stayed focused on the facts, sometimes getting creative to resolve disputes among them.

To settle a debate over whether Samsung infringed an Apple patent related to the iPhone's array of icons, Mr. Dunn held up the iPhone and a Samsung phone in the dark to determine whether they appeared similar when the colorful rounded buttons were all you could see. The nine eventually agreed they did.

"In the end, even if the individual graphics inside those buttons were different, the overall look was the same," he said.

Mr. Ilagan said one of the biggest issues to stump the jury was trade dress, a term that refers to the overall appearance of a device. Apple claimed Samsung had diluted its "registered" iPhone and iPad trade dress, which had been registered with the U.S. Patent and Trademark Office and the "unregistered" trade dresses which hadn't been.

He said he originally thought Samsung had diluted both the registered and unregistered because its devices looked very similar. But he became convinced that the matter of the unregistered trade dress should be addressed by the patent office not the jury. He joined the others in siding with Samsung on that point.

"If [Apple] wanted it protected, why did they come to us," Mr. Ilagan said. "They are the experts right?"

-John Letzing contributed to this article

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