Apple and Samsung Agree To No More Nastiness, What Does It Mean

They say there's a thin line between love and hate. In the world of business however, the lines are clear and they are bold – you can't miss them. This is especially true in the tech sector where companies fight every day trying to put each other out of business.

There has been no better example of this than with tech giants Apple **[1]** and **Samsung** and their on-going legal dispute over copyrights. Samsung proclaims "flattery" while Apple screams "theft." Who's right? I suppose it depends on who the judge is.

Four months ago, Apple was awarded $1 billion worth in damages after a federal jury found sufficient evidence to determine that Samsung willfully infringed upon several Apple patents. Apple immediately sought to ban sales of several Samsung products in the U.S. Samsung argued that it deserved a new trial – citing (among other things) juror misconduct. Suddenly, the company has done an about-face. What changed?

In a move that comes completely unexpected, the South Korean giant has decided to drop its suit against Apple in Five European countries – Germany [2], France [3], the U.K., Italy [4] and the Netherlands [5]. Samsung's surprised decision comes only one day after the company earned a small victory after Apple's sale ban request of Samsung's products was denied by a U.S. judge

Samsung officials released the following statement:

"Samsung remains committed to licensing our technologies on fair, reasonable and nondiscriminatory terms, and we strongly believe it is better when companies compete fairly in the marketplace, rather than in court," the company said. "In this spirit, Samsung has decided to withdraw our injunction requests against Apple on the basis of our standard-essential patents pending in European courts, in the interest of protecting consumer choice."

That sounds great, but companies don't typically make such PR moves without expecting something in return. Does it mean that Apple and Samsung will settle the rest of their disputes out of court? Is Samsung no longer a threat to cut off Apple's supply of parts? How will this impact **Google's** relationship with Apple?

If it is true that there will be no more nastiness between the two companies, there is a chance that this peace treaty might still present come casualties. Unfortunately, it might adversely impact **Microsoft** and **Research in Motion** since both stood to

benefit from any prolonged rift with the Android OS. Phone manufactures were looking for non-Android platforms as a way to avoid potential obstacles. RIM's BB10 and Microsoft's Windows Phone 8 were ideal alternatives. But perhaps not anymore.

If Apple agrees to drop its sales ban on 26 Samsung phones, that means there are more devices with which the weaker players such as RIM and Microsoft must compete. Also it remains to be seen how this will affect the $1 billion in damages that Apple was awarded during the summer. Will the two companies negotiate the amount lower or was this already a consideration in Samsung's sudden "change of heart." Investors will find out soon enough.

Early indicators suggest that the market loves this news. Shares of Apple are up over 1% to $625.19 in premarket activity. [6]

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December 18, 2012

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