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Samsung Hit For \$23M In Fractus Antenna Patent Fight

By Roxanne Palmer

Law360, New York (May 24, 2011, 7:13 PM ET) -- A federal jury in Texas on Monday found that Samsung Electronics Co. infringed four Fractus SA patents for cell phone antenna technology, and ordered the electronics giant to pay \$23 million.

Barcelona, Spain-based Fractus had asked for a royalty of 1 cent per phone, but the jury awarded the company more than 35 cents per phone, and found that Samsung had willfully infringed Fractus' patents, according to Susman Godfrey LLP, which represents Fractus.

"We're extremely proud of the job we did for Fractus, and delighted that the jury vindicated their rights to their intellectual property in such a hard-fought case," lead Susman Godfrey attorney Max Tribble told Law360 on Tuesday.

The jury only deliberated for two hours, which is unusual, according to Tribble.

"I think it may have been the fastest plaintiff verdict in the Eastern District of Texas," Tribble said.

Evidence introduced at trial showed that Samsung had destroyed an expert report from the inventor of a piece of prior art Samsung was asserting, and it did not have the expert testify at trial even though he had agreed to, according to Tribble.

Fractus lodged its suit against Samsung and a number of other cellphone giants in May 2009, asserting nine patents, though only four of those patents ended up going to trial in the case against Samsung, Tribble said.

Fractus has negotiated up to nearly \$70 million in patent licenses with other companies formerly named in the suit, according to the firm.

Attorneys for Samsung did not immediately respond to requests for comment on Tuesday.

BlackBerry maker Research In Motion Ltd. settled with Fractus in April for an undisclosed sum, joining about a half dozen other defendants, including Sharp Corp. and Palm Inc., that had already settled.

Fractus has said many of the defendant device makers knew about its patents but chose to ignore them.

The patents-in-suit cover multilevel antennas, space-filling miniature antennas, a loaded antenna and a multiband monopole antenna for a mobile communications device, according to Fractus. The company claims the infringement has caused it irreparable harm, and that the defendants' activity will continue unless enjoined by the court.

The suit seeks a permanent injunction against future infringement, attorneys' fees and treble damages for willful infringement from some defendants.

In January 2010, the court rejected bids by Sharp and Sanyo Electric Co. Ltd. to have the case thrown out.

Founded in 1999, Fractus has concentrated on developing antennas small enough to fit inside a phone yet powerful enough to support multiband cell phones, and it has shipped millions of its antennas worldwide, according to the company. It holds more than 80 patents, including more than 30 in the U.S., it said.

Fractus is represented by Max Tribble, Victoria Cook, Genevieve J. Vose and Justin A. Nelson of Susman Godfrey LLP, Michael F. Heim of Heim Payne & Chorush LLP, T. John Ward Jr. of Ward & Smith Law Firm, and Elizabeth L. DeRieux, Daymon J. Rambin and Sidney C. Capshaw III of Capshaw DeRieux LLP.

Samsung is represented by Michael J. Barta, Neil P. Sirota, Chang S. Kim and Eric Faragi of Baker Botts LLP, and Michael E. Jones of Potter Minton PC.

The patents-in-suit are U.S. Patent Numbers 7,015,868; 7,123,208; 7,148,850; 7,202,822; 7,312,762; 7,394,432; 7,397,431; 7,411,556; and 7,528,782. Samsung was found to have infringed the '868, '208, '432 and '431 patents.

The case is Fractus SA v. Samsung Electronics Co. Ltd. et al., case number 6:09-cv-00203, in the U.S. District Court for the Eastern District of Texas.

--Additional reporting by Richard Vanderford. Editing by John Williams and Andrew Park.

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