

Jury Finds Samsung Owes \$67.5M In 5G Patent Case

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Law360 (January 26, 2024, 9:28 PM EST) -- A Texas jury found Friday that Samsung infringed two wireless network patents by G+ Communications and declined to find that the patent owner failed its obligation to fairly license its patents, awarding G+ a total of \$67.5 million in damages.

The jury found two of the three patents-in-suit — U.S. Patent Nos. 8,761,776 and 10,736,130 — were infringed by Samsung. Samsung was able to convince the jury that the remaining patent-in-suit, U.S. Patent No. 10,594,443, covered technology that would have been well understood and routine by a person with ordinary skill in the art.

The patents-at-issue are essential to using the 5G network. The two patents found to be infringed by Samsung covered a cell reselection method and an uplink control signal transmission method, while the patent found to be routine covered a transmission method.

The jury awarded a total of \$45 million for infringement of the '776 patent and a total of \$22.5 million for the '130 patent. These amounts were running royalties for past sales.

For future sales, the jury awarded a royalty rate of \$1.50 per unit. The \$1 per unit runs through 2030, and the 50 cents runs through 2037.

The jury shot down Samsung's claims that G+ did not negotiate in good faith over the group of patents, as the patents are standard-essential and must be licensed on terms that are fair, reasonable and non-discriminatory, or FRAND.

The verdict came following a trial that began Jan. 22. G+ accused Samsung of infringing its network patents in March 2022, stating that the company's Galaxy line of mobile phones were using methods covered by the patents without authorization.

Samsung claimed it had been in talks with a third company, ZTE Corp., to license the company's entire portfolio of standard-essential patents, including the ones in the current suit, but by the time the deal went through in 2021, ZTE had transferred these patents to G+.

U.S. District Judge Rodney Gilstrap wasn't convinced by this argument, and earlier this month, **told Samsung** that it couldn't blame G+ for ZTE's conduct during licensing negotiations.

According to the judge, while Samsung was not expressly informed about the patent transfer during the licensing negotiations, he ultimately found that the company is "assumed to have known the full scope and content of that license."

However, Judge Gilstrap told Samsung that it could use the argument to fight G+'s allegations of willful infringement, leading to G+ withdrawing those allegations on the same day.

An attorney for G+, Jason Sheasby of Irell & Manella LLP, told Law360 on Friday night that he was pleased by the verdict.

"We are [grateful] for the jury's recognition that equal justice under the law applies to all innovations, no matter where they are created," Sheasby said.

Counsel for Samsung did not immediately respond to a request for comment Friday.

The patents-in-suit are U.S. Patent Nos. 8,761,776; 10,594,443; and 10,736,130.

G+ is represented by Jason Sheasby, Michael Harbour, Lisa S. Glasser, Benjamin Manzin-Monnin and Justin Linetski of Irell & Manella LLP, Samuel F. Baxter and Jennifer L. Truelove of McKool Smith and Scott W. Breedlove, Joshua J. Bennett, Bradley D. Liddle, Theresa M. Dawson and Michael Pomeroy of Carter Arnett PLLC.

Samsung is represented by Ruffin B. Cordell, Michael J. McKeon, Ralph A. Phillips, Linhong Zhang, Kenton W. Freeman Jr., April Sunyoung Park, Bryan J. Cannon, Julianne Campbell, Leonard Davis, Thomas H. Reger II, Rodeen Talebi, John Thornburgh, Thad C. Kodish and Aleksandr Gelberg of Fish & Richardson PC and Melissa Smith of Gillam & Smith LLP.

The case is G+ Communications LLC v. Samsung Electronics Co. LTD et al., case number 2:22-CV-00078, in the U.S. District Court for the Eastern District of Texas.

—Additional reporting by Dani Kass. Editing by Michael Watanabe.

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