

## Legal Pad

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### Apple's IP Bluster Won't Scare Palm



The Interwebs are abuzz over some vague patent chest-pounding from Apple that's being interpreted as a threat to sue Palm, which just launched its iPhone-wannabe called the Pre. But would Apple really sue Palm?

What happened is that Apple COO Tim Cook was being pestered by analysts on an earnings call about competition to the iPhone from products like the Palm Pre and he said: "I don't want to talk about any specific company. I'm just making a general statement that we think competition is good; it makes us all better. And we're ready to suit up and go against anyone. However, we will not stand for having our IP ripped off and we'll use whatever weapons we have at our disposal. I don't know that I can be more clear than that."

More clear than that, after the jump:

Apple has patents on so-called multitouch technology that allows you to use two fingers to do things like enlarge pictures. You can do the same on the Palm Pre. The speculation is that Apple would sue Palm for infringement on the multitouch function.

But would Apple really do it? We caught up with Joe Chernesky, president of IPotential, an IP broker and consulting firm, who explained why it probably won't happen. First off, Apple might have more to lose by suing Palm. It's likely that Palm would have some patents to hit back at Apple with – after all, it announced early last year that it had purchased 1,600 patents and patent applications for \$5 million "for strategic purposes in order to more effectively respond to intellectual property claims which may arise in the course of Palm's business." And Apple's a much bigger player than Palm, and the bigger player with more revenue has much more at stake when it comes to what is known as "mutually assured destruction" – that is two companies fighting it out with all their patents drawn.

"The risk is that the competitor has patents on your product and they would gladly pay you a 1 percent royalty on their revenue to get a 1 percent royalty on yours," Chernesky said.

Apple, Palm patent fight? Unlikely. Apple, Palm PR fight? Likely to continue.

— Zusha Elinson



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