

Free research paper on apple inc legal issues

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a) Background

Apple is one of the leading companies in the electronics and technology industry, second only to Microsoft. The company was established in 1976 by Steven Jobs and Steven Wozniak, and incorporated in 1977. Although its first computers failed, it grew gradually following the success of its later products starting from 1980. The company faced stiff competition in 1980s, following the entry of other players such as IBM into the market. In 1990s, the company experienced considerable challenges, both in the market as well as in its management, which led to Steve Jobs leaving the company. However, following a return of Jobs in 1998, strategic changes were made in the company; and starting from 2001 onwards the company started generating profits, enhancing its growth globally. Some of the changes made included taking over other companies, focusing on new marketing strategies, and most importantly focusing on innovation and invention of new technology. Today, Apple is among the market leaders in the various segments of information technology industry, more especially in production of phones and computers. In fact, the Company was recently ranked second, after Exxon Mobil, in the category of most valuable traded company globally (O'Grady, 56-58). Currently, it is headed by Timothy Cook as the chief Executive officer after the demise of one of its founders, Steve Jobs. The company has been involved in a number of legal battles in recent times more so with the Korean tech company Samsung (Linzmayer, 78).

b) Apple Inc. legal issues

Apple Inc. has been involved in a legal tussle with the Korean tech company, Samsung, over claims of a breach of its contractual agreement on patents.

The Company claimed that Samsung has been involved in six of the seven patents the company owns. The company used litigation approach to get compensation for use of its patents by Samsung in the mobile industry without its consent. The legal issue between the two companies involved the design of tablet computers and smartphones. The issue begun in 2007, a few days before the launching the iPhone, when Apple filed a suit design patents concerning the basic shape of iPhone. In the same year, the company filed another case associated with the color design patent including a number of screen shots of different graphical user interfaces of iPhone. According to Apple, Android phones and tablets of Samsung, one of its components suppliers, violated its intellectual property; specifically, its trademarks, patents, style, and user interface. As evidence, Apple showed side-by-side image comparisons of i9000 Galaxy S and iPhone 3GS to proof the resemblances in icons for apps and packaging. In 2012, the court made a ruling in favor of Apple during which damages of \$1. 049 billion were awarded to Apple (Branscomb, 56-61). In addition to its legal issues with Samsung, Apple Inc. has made several claims that mobile phone and technology firms around the group in general and in the U. S in particular, have infringed on its interests. The company has also been involved in court battles with its consumers and defamation cases among others (Grama, 68).

c) Pathways of Legal Strategy, by Robert Bird

According to Robert Bird, with regard to pathways of Legal Strategy, there are five stages of legal strategy that a company can employ to avoid unauthorized use of its intellectual property by its rivals. The five stages involve; avoidance, compliance, prevention, advantage, and transformation.

Apple Inc. has employed some of the five legal strategies to solve its legal litigations in courts. One of the strategies the company has employed is compliance. This strategy has been applied when the company registered to be a member of the Business Software Alliance (BSA). This organizations helps it members to comply with the rules set concerning protection and use of intellectual property. In a move to prevent its loss of intellectual property Apple Inc. has applied a legal strategy that involves prevention by registering its copyrights interest, trademarks and patents. This move prevents any other company from using its intellectual property without a guideline of Apple Inc. (Branscomb, 56-61). Samsung mobile has been involved with litigation with Apple Company where Samsung had infringed six of the sex intellectual property owned by Apple Inc. The Litigation case was filed in the United States and Samsung was fined over a billion US dollars in 2012 for infringing the patent agreement. Apple Inc. has used its global operations as an advantage point over other technology companies and this has helped the company to continue with its operations around the world (Linzmayer, 78).

In a move to prevent litigation cases from its consumers, Apple Inc. has employed a legal strategy that seeks to settle its consumer actions out of court. This strategy has helped Apple Inc. to continue with its highly innovative business to conquer the world of technology and rake in billions in dollars from its business. Through its former Chief Executive officer the company managed to stay afloat even during the depression that affected many companies around the world. The company strategy to remain innovative has seen it continue registering its intellectual, property as its

serves as a business asset to the company. The company's victory over Samsung has been used to set prices for its new smart phones that are very profitable and this give the company an upper hand in technology over its rivals. Competition in the information and technology companies continue as each company pushes to outdo the other in terms of market share and prices (Grama, 68).

d) Transformation stage

Apple Inc. is in transformation stage, where it has put in place several outlines of its legal issues. The company has used the law to its own advantage where by it went ahead and registered its intellectual properties which include trademarks, copyrights interests and patents. This move has been successive as it safeguards its assets. This strategy was in view of its rivals infringing on its intellectual properties that include its technology ideas and designs. Litigation cases have been filed by the Apple legal team when a company infringes the intellectual property. Samsung Company in 2012 was sued for over two billion dollars for infringing the patent agreement and the jury found Samsung guilty and was fined one billion US dollars (O'Grady, 56-58).

Apple Inc. enjoys a favorable market share in the technology and information industry due to its personal touch products that have been designed with a customer at hand. This strategy has worked well for the company coupled with the way the company has applied the law to its advantage. When the law is followed it brings justice to the aggrieved person and that's what Apple has been able to apply. The law has been of great advantage to the company as demonstrated in the case Apple vs. Samsung in which Apple

was awarded damages amounting to over a billion dollars after Samsung infringed on its intellectual property (Grama, 68).

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