

ITC Rules Against Apple In Kodak Patent Claims

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ROCHESTER, New York (AP) — Shares of Eastman Kodak Co. shot higher Friday after a judge at the U.S. International Trade Commission rejected Apple Inc.'s digital-camera patent claims against the photography pioneer.

Kodak's technology does not infringe on Apple's patent rights, and one of the two patents in dispute is invalid, Robert Rogers Jr., a judge at the federal agency that oversees trade disputes, said in a preliminary ruling late Thursday.

His decision is subject to review by the agency's six commissioners.

Kodak's stock rose 15 cents, or 5.3 percent, to \$3 in midday trading but had traded as high as \$3.09 earlier in the day.

Kodak is still attempting to negotiate a royalty-paying deal worth up to \$1 billion in a separate claim against Apple and Research in Motion, the smartphone giants, over a 2001 imaging patent. The commission, based in Washington, D.C., agreed in March to rule on that claim by June 23.

"We're pleased by this ruling and we are looking forward to the full ITC commission's decision in our case against Apple and RIM" in June, Kodak said in a statement.

Apple spokeswoman Kristin Huguette said the iPhone maker, based in Cupertino, California, does not comment on pending litigation.

Kodak, the 131-year-old camera company based in Rochester, New York, has amassed more than 1,000 digital-imaging patents, and almost all of today's digital cameras rely on that technology. Mining its rich array of inventions has become an indispensable tool in its long and painful digital turnaround.

After failed negotiations, Kodak filed a complaint with the commission in January 2010 against Apple and the BlackBerry maker RIM. It also filed two lawsuits against Apple in federal court in Rochester, but it has not specified the damages it is seeking.

Three months later, Apple claimed that some Kodak camera and video camera lines violate two of its patents. One invention relates to a camera's ability to process several images at the same time; the other enables a camera to simultaneously handle adjustments in color, sharpness and other processes.

The judge's reasoning won't be made public until both Kodak and Apple review his ruling and determine if it includes information that the companies feel is confidential.

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Patent cases can take years to resolve, and agreements over licensing and royalty payments often emerge. But the trade commission, which can order Customs to block imports of products made with contested technology, is seen as a fast-track mediator that typically resolves disputes in 12 to 15 months.

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