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Wins Antitrust Case Over Competition for iPod

A jury ruled in favor of Apple Inc. on Tuesday in a class-action lawsuit that accused the technology giant of violating antitrust laws by suppressing competition for its iPod music players.

After deliberating for only about three hours, an eight-person jury in U.S. District Court in Oakland, Calif., found that Apple's iTunes 7.0 was a genuine product improvement, and therefore didn't violate antitrust laws. The decision was unanimous.

Apple applauded the jury's verdict. "Every time we've updated those products--and every Apple product over the years--we've done it to make the user experience even better," the **company** said in a statement.

The plaintiffs had said Apple made changes to its iTunes music service so it was incompatible with other companies' devices, driving up the price of iPods. The plaintiffs, representing potentially eight **million** harmed consumers, were seeking \$350 **million** in damages, which could have been tripled under antitrust laws.

For now, the verdict closes a 10-year legal battle over the iPod.

Apple's lawyers said it was a rare case where a jury was allowed to make the key decision of whether a product was a genuine improvement from earlier versions. Usually, a judge makes that decision.

Patrick Coughlin, an attorney for the plaintiffs, said they were happy that the case went to the jury, but that it was a "very tough case." He said the plaintiffs plan to appeal the jury's decision.

"Very few of these cases make it this far," said Michael Carrier, a law professor at Rutgers University in New Jersey, because defendants such as Apple only need to show "a little bit of a product improvement and then it gets thrown out."

The 10-day trial took jurors back in time. The key events at issue took place in 2006 and 2007, as music downloads and iTunes grew in popularity. More recently, iTunes downloads have fallen, as users switch to streaming music services.

The trial also included a never-before-seen video of Apple co-founder Steve Jobs from a deposition in April 2011, about six months before he died. Mr. Jobs argued that Apple was scared of iTunes hackers and that it needed to add security features to appease record labels concerned about piracy.

Initially, the plaintiffs had argued that Apple's iTunes 7.0 and 7.4 updates in 2006 and 2007, respectively, were anticompetitive. During the trial, Judge Rogers narrowed the plaintiffs' case to only the iTunes 7.0 update.

Plaintiffs said security changes made by Apple in the iTunes 7.0 update weren't improvements, but maneuvers to block other music from playing on iPods. Plaintiffs said those changes made all other improvements irrelevant.

In closing arguments on Monday, Mr. Coughlin compared the update to a new Snickers bar that was bigger and had more chocolate, but included a preservative that was toxic.

Apple's lawyers said it made no sense for the **company** to harm its own product. Apple said the security fixes that disabled rivals' software were necessary to patch a potential vulnerability. In the iTunes 7.0 update, Apple also added the ability to play movies on iTunes and scan through album art with Cover Flow.

Mr. Carrier said the plaintiffs' case suffered after their two class representatives were dropped because neither had bought a relevant iPod during the period covered by the suit. The plaintiffs scrambled, finding an amateur ice dancer from the Boston area to become the face of their case

Daisuke Wakabayashi NEW YORK--BlackBerry **Company** Launches Phone With Keyboard and Trackpad

NEW YORK-- BlackBerry Ltd. unveiled a new device on Wednesday meant to appeal to the smartphone maker's traditional customers with signature BlackBerry phone features like a physical keyboard and trackpad.

Dubbed the Classic, the new phone is part of the Canadian **company**'s plan to reignite sales and return to profitability by focusing on business customers after its previous attempt to appeal to consumer customers fell flat. The plan also focuses on increased sales of management-device software and security services to enterprise customers.

The Classic has a traditional qwerty keyboard, a row of navigation keys to manipulate the device's operating system and a trackpad to scroll through lists--features that made the **company**'s Bold device popular with lawyers, bankers and other professionals.

BlackBerry said the Classic upgrades the Bold with a screen that is 60% larger, a browser that is three times faster and access to Amazon.com Inc.'s Appstore.

After last year's failed attempt to expand into the consumer-smartphone market, BlackBerry aims to return to cash flow break-even status by the end of February and to be profitable in fiscal 2016, as its software and services business start to gain traction. It will release its latest results, for the fiscal third quarter, on Friday.

"We listened closely to our customers' feedback to ensure we are delivering the technologies to power them through their day--and that feedback led directly to the development of BlackBerry Classic," BlackBerry Chief Executive John Chen said in a statement. "It's the secure device that feels familiar in their hands, with the added performance and agility they need to be competitive in today's busy world."

In the U.S. the Classic will cost \$449 unlocked. That is \$50 more expensive than a BlackBerry Bold 9900 but less than Apple Inc.'s latest iPhone 6 and iPhone 6 Plus phones, which started at \$649 and \$749, respectively.

Ben Dummett Leighton Holdings Construction **Firm** Sells Half Of Services Arm to Apollo

SYDNEY--Australia's biggest construction **company**, Leighton Holdings Ltd., has agreed to sell half of its services arm to private-**equity firm** Apollo Global Management for 700 **million** Australian dollars (US\$570 **million**) in cash.

Leighton said Wednesday it will form a 50-50 joint venture partnership with Apollo comprising the combined **operations** of its Thiess Services and Leighton Contractors Services units, which build and manage communications, **energy** and infrastructure projects across Australia.

Apollo's **purchase** will help it further expand its focus on construction and engineering services firms, branching out beyond its traditional focus on real estate and debt. In May, Apollo invested US\$500 **million** in CSV Midstream Solutions Corp., a Canadian engineering and construction **firm** servicing **oil** and gas projects.

Leighton, controlled by Germany's Hochtief AG, which is run by Spain's Actividades de Construcción y Servicios SA, has been selling off assets this year as it looks to shore up its balance sheet following years of financial losses and steep write-downs.

The **company** had previously been a large beneficiary of Australia's **mining**-fueled economic boom, which saw a raft of spending by firms and government on new mines, infrastructure and property. Though Leighton has a market capitalization of A\$7.1 **billion**, its shares have lost about two-thirds of their value since 2007, when shares briefly topped A\$60.

The deal gives the services business an enterprise value of A\$1.075 **billion** and will reduce Leighton's gearing by about 10 percentage points, the **company** said in a statement to the Australian Securities Exchange.

The **sale** of Leighton's services business comes just days after it offloaded its John Holland building division to **China** Communications Construction Co. for about A\$1.15 **billion**. The **company** is also looking to sell its property division, and has been chasing money it is owed for construction work, particularly in a Dubai-based joint venture Habtoor Leighton Group, which has suffered significant write-downs.

Leighton Chief Executive Marcelino Fernandez Verdes announced the asset sales in June, saying he wanted to streamline the business and restructure its sprawling group of companies to avoid overlaps and bring similar **operations** together. The strategic review came soon after owner Hochtief upped its **stake** in the business to 70%, and then swiftly moved to oust the **company's** chairman and chief executive in an attempt to stem losses.

The deal with Apollo is subject to regulatory approvals including from the Foreign Investment Review Board and the New Zealand Overseas Investment Office.

Rebecca Thurlow and Daniel Stacey

Access Investor Kit for Leighton Holdings Ltd.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=AU000000LEI5](http://www.companyspotlight.com/partner?cp_code=P479&isin=AU000000LEI5)

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