

Orion Kostival
CSCI 370
2/26/2013
Ethical Reflection

Apple wins lawsuit against Samsung

After more than a year of litigations, a jury concluded that Samsung was guilty of patent infringement and ordered the company to pay \$1.05 billion to Apple as a result (Associated Press). The lawsuit claims that Samsung used features in their smart phone design that were patented by Apple and were used illegally. The two most prevalent examples are the ability for a user to zoom in on text with a finger tap and a “bounce-back” feature as the user reaches the end of the screen (Associated Press). Apple claims that Samsung stole the ideas as they were struggling to produce their own innovations. Samsung on the other hand argues that they were simply giving consumers what they wanted in the form of a smart phone with large screens and intuitive features. During the trial, Apple’s main argument was that Samsung products look and feel almost identical to the iPad and iPhone Apple products on the market today (Associated Press). There have been similar lawsuits filed in various other countries by Apple and by Samsung over similar issues. In Seoul, it was determined that Samsung did not infringe on Apple’s patents and that Apple had illegally used Samsung’s wireless technology (Associated Press).

Even though the legal feud between Samsung and Apple seems frivolous, wasteful and perhaps even unwarranted on the surface, closer analysis based on the ethical framework of Kantianism suggests that Samsung acted unethically. According to Kant principles, the actions of an entity must not be judged based on what they should do rather than what they want to do. As stated in the article, Samsung was simply “giving consumers what they wanted”. From Samsung’s perspective, the company acted based on what they wanted to do, rather than acting based on what they should have done. Clearly Samsung’s goal was to appeal to a large audience of consumers in order to produce a desirable product that would result in sales. However, due to the fact that Apple already had a patent on the technologies that they desired, they should not have used them in their products. Apple clearly had the idea to use the technology first (or at least obtained the patent first) and as such was entitled to rewards associated with their innovations. On the flip side, if Samsung had patented the technology, there is a very good chance that they would have filed an equivalent lawsuit against Apple. In this case, it is contradictory for Samsung to expect Apple to behave a certain way if they do not hold themselves to the same standards. Ultimately Samsung acted unethically by violating the First Formulation of the Categorical Imperative.

Works Cited

Associated Press. *Apple wins lawsuit against Samsung, as jury awards \$1B for patent infringement*. 24 August 2012. 20 February 2013. <<http://www.nbcnews.com/id/33882559/#.USZ3QKXbO6M>>.

Orion Kostival
CSCI 370
2/26/2013
Ethical Reflection

Intel to pay AMD \$1.25 billion

As reported by The Associated Press in November of 2009, Intel was ordered to pay \$1.25 billion to settle an outstanding lawsuit with AMD. The details of the lawsuit expanded upon the perception that Intel continually engaged in activities aimed at capping AMD's market share at 20 percent. Specifically, AMD claims that Intel either threatened or provided financial incentives to PC makers in order to persuade them to avoid using AMD chips. Among the companies who were willing to provide information about their relationship with Intel, "Toshiba compared Intel's incentives to 'cocaine'" (Associated Press). Gateway was among the other companies who provided information about their working relationship with Intel and their executives stated "Intel's threats of retaliation for working with AMD beat the executives 'into guacamole'" (Associated Press). In response to the lawsuit, Intel suggested that they simply offered financial incentives in the form of rebates for large customers as a way for the producers to provide PCs at a lower cost to the consumers. Along with a payment of \$1.25 billion, Intel also agreed to "abide by a set of business practice provisions" which would include eliminating financial incentives for companies that limit the use of AMD chips. As of 2009 there were still outstanding lawsuits against Intel in Europe and Korea that contain similar accusations (Associated Press).

In general, most people would probably argue that Intel acted unethically by engaging in controversial business practices which negatively impacted the success of a competing company, however depending on the ethical standards considered this may not be the case. Act utilitarianism is based on the idea of maximizing utility or general happiness. According to act utilitarianism, no matter what the action is, if the total benefits of a single action outweigh the total damages then the act is moral. Using act utilitarianism and utilitarian calculus, it is possible that from Intel's perspective the total benefits of their business practices outweighed any harm that they inflicting upon AMD and therefore their actions were ethical. Even though act utilitarianism is a valid method for evaluating the ethical results of this case, it is probably more appropriate to evaluate the case using a basis in rule utilitarianism. Under rule utilitarianism, it is more important to consider what the net effect on utility would be if everyone were to adopt the same set of practices in order to determine ethicality. In this case, if every firm decided to try and threaten or incentivize their market base, large companies might have some success and gain effective monopolies over a given market which would be good for the company, but the net effect on utility would be negative. Overall, using a basis in rule utilitarianism it is reasonable to draw the conclusion that Intel acted unethically with regards to this case.

Works Cited

Associated Press. *Intel to pay AMD \$1.25 billion to settle lawsuits*. 12 November 2009. 19 February 2013.
<<http://www.nbcnews.com/id/33882559/#.USZ3QKXbO6M>>.

Orion Kostival
CSCI 370
2/26/2013
Ethical Reflection

Google Will Pay \$22.5 Million to Settle FTC Charges

In August of 2012, Google was ordered to pay a \$22.5 million civil penalty in order to settle Federal Trade Commission charges which claim that Google did not abide by the privacy policies that they had outlined with the FTC (Federal Trade Commission). In the age of rapidly declining online privacy, the FTC is constantly trying to ensure that companies abide by their privacy agreements and in particular the privacy policies that they make to consumers. As a part of a previous settlement with the FTC, Google had agreed that it would not serve targeted ads or place tracking "cookies" on any Safari Internet browsers (Federal Trade Commission). By default the browser settings in Safari are set to disable all third-party tracking cookies and according to Google this was effectively the same thing as opting out of Google's tracking cookie. However, according to the FTC's investigation, Google exploited a vulnerability in the Safari browser that allowed temporary cookies to be placed in the browser. Once the temporary cookie was placed, this opened the door for all of Google's tracking cookies to be placed in the browser (Federal Trade Commission). This is the largest civil penalty ever for a FTC violation and according to the FTC Chairman Jon Leibowitz "No matter how big or small, all companies must abide by FTC orders against them and keep their privacy promises to consumers, or they will end up paying many times what it would have cost to comply in the first place."

Even though a significant number of people use the Internet every day, most of them probably do not understand exactly how the Internet works, or even how their browser works. Most people want to click the browser icon on their desktop, surf the web and all the while they are under the assumption that all of the parties involved are playing nicely. More so in computer science and information technology than any other industry, it is imperative that companies abide by their policies and procedures. In this case, even a tech savvy Safari user may not have noticed that Google had bypassed the browsers default settings and planted a tracking cookie in their browser. However, because of Google's agreement with the FTC, the user should have been able to safely assume that there was absolutely no way for a tracking cookie to be placed in their browser unless they explicitly allowed them. Without a doubt Google acted unethically in this situation and deserved to be fined. Kantianism states that a set of moral rules are ethical if they can be universalized. In this case, if every software company were to sign off on a set of privacy policies and then simply break their promises to their users, no one would be able to have faith in their online privacy and furthermore, most people would not even know they are in danger. This violates the First Formulation of the Categorical Imperative and is therefore unethical under and Kantianism system. All the user sees is the browser and the web page it is displaying and consequently nearly everything that affects the user's security is invisible to the user. This is what makes it so important that computer scientists act ethically and really consider whether their actions could be universalized without compromising the user's privacy or security.

Works Cited

Federal Trade Commission. *Google Will Pay \$22.5 Million to Settle FTC Charges it Misrepresented Privacy Assurances to Users of Apple's Safari Internet Browser*. 9 August 2012. 19 February 2013.
<<http://www.nbcnews.com/id/33882559/#.USZ3QKXbO6M>>.