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Dallas Jury Slaps Facebook With \$500M Verdict in Oculus IP Case

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In a win for lawyers at Skadden, Arps, Slate, Meagher & Flom, a Dallas jury hit Facebook-owned Oculus with a \$500 million verdict after finding that the company directly infringed on virtual reality technology owned by ZeniMax Media.

ZeniMax, which owns the Texas-based software developer id Software, sued Oculus for copyright infringement in 2014 and added Facebook as a defendant after the social media giant purchased the company for \$2 billion.

The highlight of the dramatic three-week trial, the first of the year in Dallas federal court, was the testimony of Facebook CEO Mark Zuckerberg who shed his trademark hoodie to appear in the federal courtroom in a suit and tie.

Zuckerberg [testified](#) that he did not buy stolen technology when his company purchased Oculus. However, he also [noted](#) that Facebook attorneys had just one weekend to conduct due diligence before completing the deal.

ZeniMax alleged at trial that Facebook was aware of the copyright infringement allegations it had filed against Oculus and that it intended to leverage and exploit intellectual property that it knew was stolen—allegations Facebook denied.

In a statement released by Oculus, the company said it was disappointed in the verdict and will appeal the decision, noting the jury's decision that none of the Oculus defendants had misappropriated trade secrets claimed by ZeniMax.

"The heart of this case was about whether Oculus stole ZeniMax's trade secrets, and the jury found decisively in our favor. We're obviously disappointed by a few other aspects of today's verdict, but we are undeterred," the company said in its statement, adding, "We look forward to filing our appeal and eventually putting this litigation behind us."

Robert Altman, ZeniMax's chairman and CEO, thanked the jury. "Technology is the foundation of

our business and we consider the theft of our intellectual property to be a serious matter," Altman said in a prepared statement. "We appreciate the jury's finding against the defendants, and the award of half a billion dollars in damages for those serious violations."

The trial [pit two high powered legal teams](#). ZeniMax is represented by Skadden partner P. Anthony Sammi, while Facebook and Oculus are represented by Beth Wilkinson of Washington, D.C. litigation boutique Wilkinson Walsh + Eskovitz. Both lawyers declined to comment as they left the courtroom.

Both lead attorneys gave virtuoso performances during closing arguments last week, [according to a study of the transcript](#) by ALM sister publication [Litigation Daily](#).

In his closing argument, Sammi went after Zuckerberg, who testified on Jan. 17 that Oculus didn't use any of ZeniMax's code in its virtual reality headset, the Rift, which was released last year and costs about \$600.

"Mr. Zuckerberg flew down here for one day, and he sat in that chair under oath, and he looked at you, and he looked at me, and I asked him questions, and he said all of your clients' claims are worthless," Sammi said, according to the trial transcript.

Zuckerberg testified that he had never heard of ZeniMax before the company sued him, an assertion that Sammi seized on to undermine the 32-year-old CEO's credibility.

Wilkinson painted ZeniMax's side as bitter losers in her closing argument.

"They're really mad about it," she said. "They're jealous, they're angry, and they're embarrassed, because they had the opportunity to get in on this."

The jury awarded \$300 million in damages against Oculus and another \$200 million against Oculus executives Palmer Luckey and Brendan Iribe.

This story will be updated.

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