

GTAT wants court to cancel Apple's sapphire contract

SAN FRANCISCO, USA: A supplier enlisted to make sapphire screens for Apple mobile devices has asked a bankruptcy court to free it from contracts that it branded "oppressive and burdensome."



GTAT has asked the US Bankruptcy Court to release it from what it calls burdensome contracts with Apple that it is unable to fulfil. Image: [SmallCap Network](#)

Sapphire touch screens are a very tough synthetic replacement for the glass currently used on many Apple mobile devices, and are already used in a limited way for particularly sensitive parts of devices.

The synthetic screens were also expected to be used in the Apple Watch and in some versions of the latest iPhones.

US-based GT Advanced Technologies (GTAT) believes that it has many claims against Apple arising out of its business relationship according to lawyers acting for the firm. The claims were made in submission filed in US Bankruptcy Court.

"The agreements imposed oppressive and burdensome terms and obligations on GTAT," the company alleges.

GTAT also asked the court to let it wind down synthetic sapphire manufacturing facilities in two states to end an ongoing cash-flow crisis that threatens to devour its liquidity. The company argued in court documents that contracts benefiting Apple shifted the company's business model from primarily supplying sapphire-making equipment to being a sapphire materials manufacturer.

GTAT has formally petitioned for bankruptcy protection, bringing into question where Apple would turn to for its supply of sapphire touch-screens.

GTAT told the court that careful evaluation had led it to conclude that to protect its assets it needs to wind down sapphire

facilities in Arizona and Massachusetts and eliminate supporting staff at its offices in New Hampshire.

According to the legal papers, ending sapphire manufacturing operations was expected to lead to the the loss of at least 890 jobs.

Apple did not respond to an AFP request for comment but has been quoted in various press reports as saying it was "surprised" by GTAT's decision to file for bankruptcy.

The GTAT group makes and supplies equipment and materials for the electronics, solar and LED industries.

Source: AFP via I-Net Bridge

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