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Samsung Plans Software Update to Cut Galaxy Note 7 Fire Risk

U.S. buyers unlikely to get software patch as phone maker works on replacement plan

By **YUN-HEE KIM** and **JOHN D. MCKINNON**

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Samsung Electronics Co. said it would push a software update that limits how much users can charge its Galaxy Note 7 smartphone as the electronics giant struggles to recall more than two million of the devices around the globe.

The software attempts to reduce the risk of the phones catching fire by limiting the maximum battery charge to 60%, Samsung said.

The software will be available from Sept. 20 in its home country of South Korea, the company said. However, Samsung is unlikely to employ the software patch in the U.S. in the near term, according to a person familiar with the situation.

“We are considering every possible measure to protect consumers’ safety and this update is part of our ongoing efforts to urge consumers to power down their device and participate in the replacement program,” Samsung said.

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In China, it will recall 1,858 Galaxy Note 7 units that were acquired as test devices ahead of the official start of sales.

Earlier this month, the electronics giant said it would recall the Note 7, citing faulty batteries that have led to some exploding while charging. Last week, the company and the U.S. Consumer Product Safety Commission recommended that users turn off the Note 7 and stop using them. But the company has yet to provide a timeline for when customers will get a replacement.

U.S. consumer-safety officials continued to sift through a range of issues related to the phone's problems on Wednesday. They hoped to move quickly to issue an official recall in cooperation with Samsung, but such announcements typically include a planned fix for the faulty product.

"CPSC is taking seriously its obligation to independently look into the safety of any replacement product that the company seeks to provide to consumers," a CPSC official said this week. "We are working as hard we can and as fast as we can."

Samsung said it continues to work with the U.S. agency and its carrier partners. "No action will be taken without the approval of the CPSC," the phone maker said.

U.S. carriers such as AT&T Inc. and Verizon Communications Inc. and retailers like Best Buy Inc. say customers can return the devices for a full refund or alternative device. The companies declined to say how many devices had been returned so far.

Some customers have complained about trouble exchanging the device. Juliet Capati, a Verizon customer in New Milford, N.J., said she has tried unsuccessfully to turn in her Galaxy Note 7.

Ms. Capati called Verizon customer service, took it to a Verizon retail store and visited a Samsung customer service center, and all three pointed her in another direction. The retailer wouldn't take it back because there was a crack in the screen, she said. A Verizon spokeswoman said the carrier's policy is to take back the phone, regardless of any damage.

Her difficulty reflects the logistical thicket consumers face returning phones in the complex distribution network that is the U.S. wireless market. Unlike Apple Inc., Samsung doesn't have a large network of retail stores where consumers can buy phones directly, so carriers are left facing the brunt of recall effort.

"Samsung is at risk of turning a minor drama into a major crisis," said Neil Mawston, an analyst at Strategy Analytics. "Samsung needs to get a decisive grip of the battery problem and fix it."

The delay in finalizing an official U.S. recall isn't unusual. For example, the CPSC in January said it was investigating hoverboards for similar battery problems. But the CPSC wasn't able to announce a recall with a number of manufacturers until July.

Since Samsung announced the recall on Sept. 2, more than \$10 billion has been wiped off the company's market value and the company has been forced to delay the launch of the new phones in India and other key markets.

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In China, the country's quality supervisory agency said it met with Samsung's local office Wednesday and the company laid out a plan to recall 1,858 Galaxy Note 7 units that were acquired in the country ahead

of the official start of sales through a phone trade-up program. Samsung said those were test devices.

The Chinese regulator said the internal barrier separating the two sides of the battery leaked and there was insufficient coverage by insulation tape, causing short circuits and overheating.

"In extreme situations, it can combust," it said.

—*Ryan Knutson contributed to this article.*

Write to Yun-Hee Kim at yun-hee.kim@wsj.com and John D. McKinnon at john.mckinnon@wsj.com

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