Nokia Wins Patent Suit Against Rival Apple

Jari Tanner, Associated Press

HELSINKI, Finland (AP) — Nokia Corp. on Tuesday notched a valuable win against rival Apple Inc., with the U.S. company agreeing to pay the Finnish handset maker a one-time sum to settle long-standing patent disputes as well as royalties for current licenses.

Espoo-based Nokia said that the deal "will result in settlement of all patent litigation between the companies, including the withdrawal by Nokia and Apple of their respective complaints to the US International Trade Commission."

The companies have been locked in a long-running legal battle over patent claims, with each side accusing the other of infringing on patents that cover features such as swiping gestures on touch screens and the built-in "app store" for downloading updated programs.

Market watchers say Tuesday's settlement is crucial for Nokia which has been trying to restrict unlawful use of its innovation base as it struggles amid stiff competition in the smart phone sector, including from Apple's iPhone, RIM's Blackberry and Asian manufacturers.

The financial details of Tuesday's deal were not disclosed but Nokia said the settlement will have a positive impact on its second quarter result.

"We are very pleased to have Apple join the growing number of Nokia licensees," said Nokia CEO Stephen Elop. "This settlement demonstrates Nokia's industry leading patent portfolio and enables us to focus on further licensing opportunities in the mobile communications market."

Nokia filed its first patent claim against the U.S. company in 2009 after which Apple countered by launching its own infringement claims.

Among other things, it claimed Apple's touch-screen iPhone used technology that was patented by the Finnish company 10 years before the 2007 launch of the Apple device. For years, Nokia has demanded Apple to pay royalties on the iPhones sold.

In countersuits, Apple has accused Nokia of copying the iPhone in order to recapture its lost share of the high-end phone market.

Last month, Nokia warned that its second-quarter sales and margins are expected to be much lower than anticipated because of the competition on devices in both the high- and low-end markets.

Nokia shares were up 2 percent at euro4.38 ($6.17) in afternoon trading in Helsinki.

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