

Blackberry Maker Loses Patent Suit Over Software

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A federal jury in San Francisco has found beleaguered Blackberry maker Research in Motion Ltd. liable for \$147.2 million in damages for infringing on patents held by Mformation Technologies Inc.

Amar Thakur, a lawyer for Mformation, said Saturday that the verdict late Friday followed a three-week trial and a week of deliberations by an eight-person jury.

Mformation, of Edison, New Jersey, sued Research in Motion in October 2008, alleging that Canada-based RIM infringed on its 1999 invention for remotely managing wireless devices. Mformation's software allows companies to remotely access employee cell phones to do software upgrades, change passwords or to wipe data from phones that have been stolen.

Officials at RIM, which has been struggling with plummeting sales, a declining stock and other problems, did not provide a comment Saturday.

Thakur said the jury ruled that Research in Motion should pay his client \$8 for each of the 18.4 million Blackberrys that were connected to the Blackberry Enterprise Server, from the day the lawsuit was filed until the time of the trial. That's a total of \$147.2 million.

He said the software at issue is the heart of the business of Mformation, a privately held company with several hundred employees.

"We believe it's been fundamental to the success of Research in Motion," Thakur told The Associated Press.

The patent at issue was filed in 2001 and issued in 2005, he said.

RIM, of Waterloo, Ontario, has previously denied it did anything wrong.

RIM has seen its business crumble as it increasingly loses market share. Today's consumers want smartphones that go far beyond handling e-mail and phone calls, with built-in cameras and other cool functions.

Particularly telling is the plunge in the Blackberry's U.S. market share. It has dropped from 41 percent in 2007, the year the first iPhone came out, to below 4 percent in the first three months of this year, according to research firm IDC.

Meanwhile, RIM will miss a chance to bounce back because of repeated delays on its BlackBerry 10 operating software, which is intended to help Blackberrys catch up

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to rivals such as the iPhone and smartphones running Google's Android software. Not only will devices with the new Blackberry software miss the crucial holiday shopping season, they'll have even more competition when they do go on sale, including a new iPhone expected from Apple this fall.

Last month, RIM reported weaker than expected results. For the quarter that ended on June 2, it lost \$518 million, or 99 cents a share. Even after excluding impairment charges, the loss was 37 cents per share. Analysts polled by FactSet were expecting a 3-cent per share loss. Revenue fell 43 percent to \$2.8 billion, and RIM said it will be cutting 5,000 jobs, or 30 percent of its workforce.

The company's stock, which traded for more than \$30 less than a year ago, has recently dropped below \$8, near a nine-year low. On Friday, the stock dropped another 2.4 percent to close at \$7.24.

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