New Keyboard BlackBerry In U.S. Could Take Months

Rob Gillies, Associated Press

TORONTO (AP) — A modern BlackBerry with a physical keyboard might not arrive in the U.S. until May or June, a month or two behind other parts of the world, the chief executive of the smartphone maker suggested in an interview.

Although Research in Motion Ltd. CEO Thorsten Heins said the exact release date will depend on each wireless provider, he said the physical keyboard version, the BlackBerry Q10, will likely come out eight to 10 weeks after a carrier releases a model with only a touch screen, the BlackBerry Z10. The Z10 is expected in the U.S. in mid-March, so eight to 10 weeks brings the U.S. date for the Q10 to mid-May to early June.

"We're trying to get it as close as we can," Heins said in an interview this week with The Associated Press.

Both models are part of RIM's attempt at a comeback after the pioneering brand lost its cachet not long after Apple's 2007 release of the iPhone, which reset expectations for what a smartphone should do.

RIM promised a new system called BlackBerry 10 to catch up, using technology it got through its 2010 purchase of QNX Software Systems. But it has taken more than two years to unveil new phones that are redesigned for the new multimedia, Internet browsing and apps experience that customers are now demanding.

RIM said last week that the Q10 should be available through some carriers around the world in April, but it wouldn't say at the time whether any were in the U.S.

In the interview, Heins said it was up to the carriers to do the necessary testing and to decide whether they could shorten the process. He said eight to 10 weeks after the Z10 launch was "a good range" of what to expect.

Such a delay would further complicate RIM's efforts to hang on to customers tempted by Apple's trend-setting iPhone and a range of devices running Google's Android operating system. Even as the BlackBerry has fallen behind rivals in recent years, many BlackBerry users have stayed loyal so far specifically because they prefer a physical keyboard over the touch screen found on the iPhone and most Android devices. But the temptations to switch grow with each additional delay, despite favorable reviews for the new system.

Heins told the AP that he's disappointed the touch-only BlackBerry won't be released in the United States until mid-March, but he said the U.S. and its phone carriers have a rigid testing system.

"We need to respect that. Am I a bit disappointed? Yeah, I would be lying saying no. But it is what it is, and we're working with all our carrier partners to speed it up as much as we can," Heins said in Monday's interview at the Ritz Carlton in Toronto, ahead of Tuesday's debut of the touch-only model in Canada, RIM's home.

RIM unveiled new BlackBerrys last week after excruciating delays allowed Apple Inc., Samsung Electronics Co. and others to build commanding leads in the industry. The stock fell 12 percent last Wednesday after the kickoff event. There's concern the phone isn't coming out sooner than the March date for the U.S. announced last week.

Black and white versions of the touch-screen Z10 were released in the U.K. last Thursday. Heins said early data suggest that a substantial number of U.K. users are moving from other systems to BlackBerry, even though RIM initially targeted longtime BlackBerry users.

"It's beyond expectations," Heins said in the interview. "White is sold out already. The black is hard to stock up again. It's very encouraging. I won't share the number because I need to verify it, but we are getting a substantial number of users moving from other platforms to BlackBerry."

In Canada, telecom provider Bell said advance orders for the Z10 exceeded that of any previous BlackBerry model. "We're seeing intense interest today," Bell spokesman Mark Langton said Tuesday. "Sales are quite robust."

RIM's stock increased nearly 7 percent to close Tuesday at $16.02 after gaining 15 percent Monday following initial reports of strong U.K. sales and an upgrade of the stock by an analyst.

Heins said the company would have to regain market share in the U.S. for BlackBerry to be successful. The U.S. has been one market in which RIM has been particularly hurting, even as the company is doing well in many places overseas. According to research firm IDC, shipments of BlackBerry phones plummeted from 46 percent of the U.S. market in 2008 to 2 percent in 2012. The iPhone and Android now dominate.

Heins, who one year ago replaced longtime executives who had presided over BlackBerry's fall, said he's confident BlackBerry can become a third choice behind the iPhone and Android.

"We need to win back market share to be relevant," Heins said. "We have to be aggressive in the U.S. market."

To send a message that the BlackBerry is back, RIM ran an ad during Sunday's Super Bowl game in the U.S. suggesting that there's so much the new phones could do, it'd be easier to list the outlandish things that they can't. The Canadian company is also in the process of changing its name to BlackBerry to emphasize that brand.

Some analysts have questioned RIM's decision to release a touch-only version first considering that its most loyal users love the physical keyboard for typing.

Heins said the full touch screen was more complicated, so the company needed to focus on releasing that first. He has also acknowledged that RIM failed to quickly adapt to the emerging "bring your own device" trend, in which employees bring their personal touch-screen iPhones or Android devices to work instead of relying on BlackBerrys issued by their employers

Heins said the company wants to participate in that trend by releasing a touch version first.

Heins also addressed possible interest other companies might have in RIM should BlackBerry 10 prove successful and whether the Canadian government might block a foreign takeover.

"The recognition for BlackBerry 10 and what we built is pretty high. We got good reviews," he said. "That moves you into the middle of the radar screen so I expect some activity around it but we'll look at it one by one. We'll assess it and we'll make decisions with the board on what make sense."

Heins recently chatted with top Canadian government officials, including the industry minister, at the World Economic Forum in Davos.

"These guys are reasonable, rational people. At the end of the day, it's about employment. It's about economic health. It's about Canada playing a major role," Heins said. "If the right logic and rational applies, I don't think they will just block it for their own sake. They could have done it with Nortel and the patents."

Several months ago, RIM's decline evoked memories of Nortel, a former Canadian tech giant, which declared bankruptcy in 2009 and was picked over for its patents. For RIM, the lengthy delays releasing the new BlackBerry system helped wipe out more than $70 billion in shareholder wealth and 5,000 jobs.

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