

Courts OK \$1.13B sale of Nortel assets to Ericsson

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(AP) -- U.S. and Canadian courts have approved Swedish wireless company LM Ericsson's \$1.13 billion bid to buy next-generation wireless technology and other assets from insolvent telecom equipment maker Nortel Networks Corp.

In his ruling Tuesday, U.S. [Bankruptcy](#) Judge Kevin Gross in Wilmington, Del., said he was satisfied that the assets were being sold at a fair price and that both Nortel and its creditors will benefit. The Ontario Superior Court of Justice in Toronto also approved the deal.

The rulings may not be the final word in the tumultuous saga that has seen the former Canadian technology darling fall from atop Canada's business world to be sold off in chunks out of creditor protection. The Canadian government still could block the sale.

Before the decisions were handed down, vocal opposition sprang from a number of groups that say the company is too valuable to fall into foreign hands. Critics of the sale include the Ontario government and BlackBerry maker Research In Motion, which failed in its own bid for the assets.

Nortel lawyers disputed claims the sale would siphon off critical Canadian technological know-how. They argued in the Toronto court that Nortel-held patents for next-generation wireless, or "long-term evolution," are being licensed - not sold - to Ericsson in the deal.

A sale of Nortel's patents, including the LTE patents, is coming, and interested parties will be able to bid on them under a separate court-approved process, lawyer Derrick Tay said outside court.

"People are fighting a fight that's not even in existence yet," Tay said.

About 600 patents are being sold to Ericsson, but Tay said they're not involved with LTE, a key technology in future wireless services involving video streaming and faster data delivery speeds for consumers.

Federal Industry Minister Tony Clement said he will wait for the outcome of the court hearings, adding that it was premature to say whether the government will intervene.

"We welcome foreign investment, we continue to do so. We continue to obtain foreign investment. That is a good thing for our economy, but we also expect foreign investors to abide by the laws of the land. That has been my message for months now."

Ericsson has said the deal to buy a majority of Nortel Networks' North American wireless business covers the older CDMA and newer LTE wireless businesses of Nortel's Carrier Networks unit. The acquisition would add 2,500 employees to Ericsson, of which about 400 are focused on LTE research and development.

Nortel had placed its wireless business up for auction behind closed doors in New York City, and international tech industry titans submitted their best offers for the prized division. Ericsson trumped a rival bid from Nokia Siemens.

Research In Motion informally offered \$1.1 billion, but was shut out of the process after it refused to agree to certain terms.

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