

EBay working on alternative software for Skype

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(AP) -- EBay Inc. is developing software it might use to continue running the online telecommunications service Skype if it cannot resolve a legal dispute with a separate company run by the service's founders.

In a filing this week with the [Securities and Exchange Commission](#), eBay said it has started developing an alternative to the technology it currently licenses from Joltid.

The company noted its efforts might not be successful, however, and could lead to a "loss of functionality or customers even if successful." Regardless, building such [software](#) will be costly, eBay said.

"If Skype was to lose the right to use the Joltid software as the result of

the litigation, and if alternative software was not available, Skype would be severely and adversely affected and the continued operation of Skype's business as currently conducted would likely not be possible," eBay wrote in the filing.

eBay declined further comment.

Skype has been engaged in litigation with Stockholm, Sweden-based Joltid Ltd. over licensing technology used to power the Internet-based phone service. Skype and Joltid were both created by Janus Friis and Niklas Zennstrom, though the pair sold Skype to eBay for \$2.6 billion in 2005.

Skype asked the English High Court of Justice in London in March to find that Joltid's efforts to end their license deal were invalid and that Skype was not in breach of their [licensing agreement](#). In a counterclaim, Joltid alleged Skype broke their licensing agreement. A trial is currently set for next June.

eBay, meanwhile, said Friday it won't change plans announced in April to spin off Skype into a separate company through an [initial public offering](#) in the first half of 2010.

Despite posting strong growth - eBay said last week that Skype's revenue rose 25 percent to \$170 million in the second quarter - eBay's history with Skype has been rocky. [eBay](#) ended up taking a \$900 million write-down on [Skype](#) in 2007, basically acknowledging it had significantly overvalued it.

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