

Verdict spares Microsoft \$358M in patent damages

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(AP) -- A federal appeals court said Friday that Microsoft Corp. does not have to pay Alcatel-Lucent \$358 million for patent infringement because of problems with how the damages were calculated.

The disputed patent covers a method of entering information into fields on a computer screen without using a keyboard. Alcatel-Lucent says Microsoft's Outlook calendar and other programs illegally used this technology.

A U.S. District Court jury determined that damages should roughly equal what [Microsoft](#) would have paid up front to license the technology from Alcatel-Lucent. But Friday, the U.S. Appeals Court for the Federal Circuit said the telecommunications company didn't prove its technology was valuable enough to have merited \$358 million in royalties.

The appeals court judges told a district court to reconsider the penalty.

Alcatel-Lucent spokeswoman Mary Ward said in an e-mail that the company was disappointed with the decision.

However, in the same ruling, the judges affirmed the underlying verdict against Microsoft, saying it was supported by substantial evidence.

Microsoft shares were down 5 cents at \$24.95 in afternoon trading Friday. Alcatel-Lucent was up 16 cents, 4.1 percent, at \$4.05.

This patent suit is the last of six stemming from claims that Lucent Technologies Inc. filed in 2003 against PC makers Gateway Inc. and Dell Inc. over technology developed by Bell Labs, Lucent's research arm. Microsoft later joined the list of defendants.

France's Alcatel bought Lucent in 2006.

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