

Court backs Uniloc in case against Microsoft

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(AP) -- A federal appeals court reinstated a 2009 jury verdict Tuesday that Microsoft Corp. infringed on patents held by software maker Uniloc Inc., reversing a judge's decision to the contrary, but it also granted Microsoft a new trial on damages.

The U.S. Court of Appeals for the Federal Circuit said the jury's April 2009 verdict on patent infringement was supported by "substantial" evidence, so it reversed a federal judge's decision in September of that year that overturned the jury's verdict.

Irvine, Calif.-based Uniloc makes software that prevents people from illegally installing software on multiple computers. In a lawsuit filed in 2003, Uniloc argued that Microsoft's "product activation" system used in Windows XP, Office XP and Office 2003 programs infringed on several parts of a related patent, and that the [software maker](#) had copied Uniloc's technology rather than develop similar work on its own.

The jury in 2009 had found this to be the case, and awarded Uniloc \$388 million in damages. On Tuesday, the appeals court agreed on the [patent infringement](#) but called the jury's damages award "fundamentally tainted," and granted a new trial on the damages.

In a statement, Microsoft Vice President and Deputy General Counsel David Howard called the ruling an "an important and helpful opinion with respect to the law of damages, and it may signal the end of unreasonable and outsized damages awards based on faulty methodology."

"We look forward to the new trial," he added.

Paul Hayes, trial counsel for Uniloc in the case, said he is "ecstatic" over the outcome and expects a new trial within a year, with the same or greater amount of damages awarded.

Shares of Redmond, Wash.-based [Microsoft](#) rose 8 cents to \$28.06 in afternoon trading.

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