

# Motorola, Huawei call truce, clearing path for Nokia Siemens deal

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Motorola Solutions Inc. has been trying to close the sale of its networks business to Nokia Siemens Networks for the past nine months. On Wednesday, the deal moved closer to completion - but at a price.

Schaumburg, Ill.-based [Motorola](#) and Chinese telecommunications firm Huawei Technologies Co. said they have agreed to settle all pending litigation between the companies. The Chinese company sued Motorola in January, saying the transaction with Nokia Siemens would lead to the transfer of Huawei trade secrets to a major rival. Under commercial agreements between Huawei and Motorola dating back a decade, the Chinese company had developed network technology to resell under the Motorola brand.

Huawei will dismiss its lawsuit with prejudice against Motorola and Nokia Siemens, which also had been named in the lawsuit. To dismiss with prejudice means Huawei cannot refile the same claims against Motorola. Motorola will pay an undisclosed fee to transfer its old commercial agreements with Huawei to Nokia Siemens.

Motorola and Nokia Siemens also reached a separate agreement to lower the cash purchase price for the networks unit to \$975 million, from \$1.2 billion. Settling the legal disputes with Huawei was one of three conditions outlined for closing the deal, an event that Motorola and Nokia Siemens are now targeting for April 29.

"We regret that these disputes have occurred between our two

companies," Motorola Solutions Chief Executive Greg Brown said in a statement, referring to Huawei. He added: "After reviewing the facts, we decided to resolve these matters and return to our traditional relationship of confidence and trust."

In February, a [federal judge](#) in Chicago barred Motorola from transferring confidential Huawei information to Nokia Siemens until the two sparring companies could resolve the issue in arbitration in Switzerland. That injunction was vacated Tuesday night, Motorola Solutions spokesman Nicholas Sweers said.

Motorola will dismiss with prejudice a lawsuit against Huawei, which it had sued in July for the alleged theft of trade secrets. Motorola had added Huawei as a defendant in a case initially filed against several former Motorola workers and Lemko Corp., a Schaumburg technology company formed by those employees. The case against the remaining defendants is pending in federal court in Chicago.

The other two requirements for closing the deal with Nokia Siemens are receiving approval from the Chinese antitrust authority and clearing any other governmental or legal restraints. Sweers said Motorola is hopeful that Chinese regulators will approve the deal this month.

Nokia Siemens can pull out of the deal if the conditions aren't met by April 26, according to a Wednesday regulatory filing by Motorola. If the company does not exercise its termination rights, the transaction will close May 27.

About 7,000 Motorola employees are expected to transfer to Nokia Siemens, down from the originally announced number of 7,500. Sweers attributed the lower figure to "natural attrition" during the past nine months.

Bill Plummer, vice president of external relations at Huawei, said the settlement of the Motorola lawsuit is "a pretty clear vindication of the company, our brand, our legal claims and our business practices."

Huawei has been working to boost its image in the U.S. In February, after scrapping its acquisition of a California technology company's assets amid pressure from the U.S. government, Huawei Deputy Chairman Ken Hu released an open letter clarifying the company's financial ties with the Chinese government and the background of its founder and CEO.

"Huawei's participation in this (legal) process is a demonstration of a 21st century, multinational communication technology leader availing itself of the appropriate processes to protect its brand and its intellectual property, and emerging with a positive result," Plummer said.

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