

Canada won't review \$4.5B sale of Nortel patents

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(AP) -- The \$4.5 billion sale of Nortel's patent portfolio to a consortium including Research In Motion Ltd. cleared another hurdle Tuesday as the Canadian government said the deal does not need to be reviewed under the Investment Canada Act.

Industry Minister Christian Paradis said that based on the accounting value of the portfolio, the sale would not be reviewed because it does not meet the \$328 million threshold requirement.

Paradis had asked officials earlier this month to see if the sale should be scrutinized under the Investment Canada Act, which legislates that foreign investments with a book value of more than \$328 million must be of "net benefit" to the country.

"Based on the information provided by the investor and Nortel's 2010 audited financial statements, the acquisition of the Nortel patents is not subject to review for net benefit under the act," said Paradis.

In addition to RIM, the Rockstar Bidco LP consortium includes Apple, EMC, Ericsson, Microsoft, and Sony.

The group beat out [Google](#) and others for the more than 6,000 patents, which include technology that is expected to be the backbone of wireless networks for the next decade.

Waterloo, Ontario-based RIM's share amounted to 17 percent of the

total purchase price; however how the ownership structure of the patents within the consortium has not been disclosed.

[Telecom equipment maker Nortel Networks Corp.](#), which is based in Toronto, filed for [bankruptcy protection](#) in 2009 and has been selling off its operations bit by bit since then.

The patent sale, which was approved last week by courts in the U.S. and Canada overseeing the process, was the last major technology asset Nortel had left to sell as it wound up its operations.

Nortel has held several auctions for its various divisions and assets that have required a review under the Investment Canada Act.

In 2009, then-industry minister Tony Clement signed off on Nortel's sale of its Metro Ethernet Networks division to U.S.-based Ciena Corp. for \$769 million. The government also approved the sale of Nortel's enterprise solutions business to Avaya Inc. for \$900 million.

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