

Icahn pushes Motorola to turn patents into cash

July 21 2011, By PETER SVENSSON , AP Technology Writer

(AP) -- Shares of cellphone maker Motorola Mobility Holdings jumped to a four-month high Thursday after activist investor Carl Icahn disclosed that he's pushing the company to squeeze profits from its vast patent portfolio.

Icahn said there could be several ways to capitalize on patents belonging to the company. Icahn was the single largest shareholder of the company as of March 31, owning 11.4 percent.

Motorola said Thursday that it continues to review its options and that the turnaround of its cellphone sales is in part due to its 17,000 patents.

There's a scramble for patents by technology companies as they seek to shore up their litigation defenses. Nearly every maker of smartphones is suing another manufacturer over patents.

Three weeks ago, a consortium that included Apple Inc., [Research In Motion](#) Ltd., Microsoft Corp. and [Sony Corp.](#) pledged to pay \$4.5 billion for a collection of patents from Nortel Networks, a bankrupt Canadian maker of [telecommunications equipment](#). [Google](#) Inc., which provides Motorola with the software for its smartphones, was a counterbidder.

In a filing with the [Securities and Exchange Commission](#), Icahn said Motorola's [patent portfolio](#) is "substantially larger than Nortel Networks' and includes numerous patents concerning 4G technologies."

On Wednesday, photography company [Eastman Kodak](#) Co. said it's looking for ways to turn its collection of 1,100 patents on digital imaging into money, perhaps through a sale. It hired investment bank Lazard to shop it around. It has sued Apple and RIM, the maker of the BlackBerry phones, saying the cameras in their phones infringe on Kodak patents.

Though Motorola is now only small player in the global cellphone market, it was a pioneer of the technology and was the second-largest phone maker in the world just five years ago. That means it has far more phone patents than its size suggests.

Icahn has successfully prodded Motorola before. He pushed the original Motorola Inc. to split up, figuring that investors would find its parts more valuable than the whole. Motorola split into two companies in January. Motorola Mobility consists of the consumer-focused cellphone and cable set-top box operations. Motorola Solutions Inc. sells products like police radios and bar-code scanners to government and corporate customers.

Shares of Motorola Mobility Holdings have plunged since the split, but rose as high as \$27.70 Thursday, a level not seen since early March.

Shares of Motorola Mobility Holdings Inc., based in Libertyville, Ill., were up \$3.49, or 16 percent, at \$25.90 in late-day trading.

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