

Multimillion-dollar verdict against RIM overturned

August 9 2012, by ROB GILLIES

(AP) — A U.S. judge has overturned a multimillion-dollar patent-infringement verdict against BlackBerry maker Research In Motion.

The judge determined that Mformation Technologies Inc., which makes software for managing mobile devices, failed to show that RIM infringed on a key patent in question.

A federal jury in San Francisco had awarded Mformation \$147.2 million last month based on an infringement finding. The judge overseeing the case nullified the earlier decision Wednesday.

Mformation, of Edison, New Jersey, accused RIM in 2008 of infringing on its 1999 invention for remotely managing wireless devices. Mformation's software allows companies to remotely access employee cellphones to do software upgrades, change passwords or wipe data from phones that have been stolen.

Wednesday's decision was a small victory for RIM, a Canadian company that has been struggling with plummeting sales.

"We appreciate the Judge's careful consideration of this case. RIM did not infringe on Mformation's patent and we are pleased with this victory," Steve Zipperstein, RIM's chief legal officer, said in a statement Thursday.

The number of patent lawsuits in the technology sector has exploded in

recent years. Apple and Samsung, for instance, are currently engaged in a high profile court dispute over the similarities between their smartphones and tablets.

"The purpose of the patent system is to encourage innovation, but the system is still too often exploited in pursuit of other goals," said Zipperstein. "Many policy makers have already recognized the need to address this problem and we call on others to join them as this case clearly highlights the significant need for continuing policy reform to help reduce the amount of resources wasted on unwarranted patent litigation."

In 2006, RIM. agreed to pay NTP \$612.5 million to settle a four-year patent dispute. Though it never admitted wrongdoing, RIM acknowledged that customers had delayed placing new orders due to the threat of a court-ordered shutdown of BlackBerry service in the U.S.

Shares of RIM traded up 12 cents, or 1.5 percent, to \$7.74 in early afternoon trading.

Mformation chief executive Todd DeLaughter said in a statement that the company is "deeply disappointed" that the judge would overturn a jury verdict after a month of trial and a week of deliberation by the jury.

"We steadfastly believe that RIM's BlackBerry Enterprise Server software product infringes Mformation's '917 patent and that courts will ultimately rule in our favor. We are assessing all legal options available to us and will determine the next steps shortly," he said.

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