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Research in Motion Limited is a Canadian company specializing in the design and manufacturing of wireless communication solutions. Research in Motion's best known product is the Blackberry handheld wireless communication device. Aside from the Blackberry, Research in Motion's other products include hardware and software components for the backend architecture of wireless communication devices. These components allow the seamless integration of corporate and institutional data sources with Research in Motion handheld communication devices.

The main source of revenue for Research in Motion is its Blackberry platform. This includes sales of the Blackberry hardware, accompanying software and services. Hardware sales revenue stem from the carriers of the Blackberry device. The service revenue for Research in Motion comes from monthly fees from the Blackberry subscriber base. Research in Motion also generates service revenues from software products installed on corporate servers. Lastly, Research in Motion also licenses its technology to other hardware manufacturers which enable third party devices to have Blackberry functionality.

Competitors to the Blackberry include handset offerings from Palm, Handspring and other cellular phone manufacturers with smartphone products. Competition for the Blackberry also includes the much hyped upcoming Apple iPhone. The Blackberry operating system also competes in the same arena as mobile operating systems from Microsoft with its Windows Mobile, Nokia with its Symbian operating system and the Apple mobile operating system to be included with the Apple iPhone.

A recurring problem for Research in Motion has been the many patent infringement lawsuits that it has dealt with. This has even led to the company being tagged as “Lawsuits in Motion” by the media. Previous companies that Research in Motion has faced in patent infringement cases have included Glenayre Electronics, Good Technology, Handspring, Visto and Xerox. In most of these cases, it was Research in Motion that brought the lawsuit either in efforts to protect its intellectual property assets or in Xerox’s case to have some Xerox patents that infringe upon the business of Research in Motion be invalidated.

The most recent case of patent infringement that Research in Motion got embroiled in involved a case filed by NTP, a patent house. NTP filed the patent infringement case in 2002 alleging that the Blackberry had infringed on a total of four claims on NTP’s “Campana” patents. These Campana patents allowed for the communication of emails between both wired and wireless devices - a feature that makes the Blackberry unique. Research in Motion fought the case for four years. In 2002, a Virginia court ruled that Research in Motion’s Blackberry pager, Blackberry Enterprise Server and Blackberry System products willfully infringed on the patents held by NTP. (Murphy) Research in Motion has fought back ever since through court appeals in a hope that the US Patent and Trademark office will invalidate the infringed patents held by NTP.

The four year battle with NTP had been a long drawn-out one for Research in Motion, especially as it is a company that had been overly protective of its own patent holdings. The battle with NTP could also be seen as a particularly frustrating one for Research in Motion as NTP was seen by nothing more than

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a “ patent troll”, a company that has no products of its own but one that simply sits on its patents and just sues companies whose products may happen to infringe on the sleeping patents.

Eventually, Research in Motion settled with NTP on March 2006. In a Research in Motion press release dated March 3, 2006, Research in Motion announced that they have reached a “ definitive settlement agreement” with NTP. Research in Motion paid a total of \$612. 5 million to NTP to settle all claims filed by NTP as well as to pay for the licensing of NTP products by Research in Motion. This amount included a \$450 million settlement earlier awarded by a court to NTP plus an additional \$162. 5 million. This was a significant amount for Research in Motion – as of November 2005, the company had approximately \$1. 8 billion worth of cash at hand. The settlement would amount to nearly a third of Research in Motion’s cash at hand. (“ Research in Motion Press Release”)

This settlement could be seen as a huge turnaround for a company that is used to being the plaintiff when it is in court for a patent infringement case. Jim Ballsille, CEO of Research in Motion was quoted as saying “” I took one for the team”. While the settlement might be seen as a concession on the side of Research in Motion, some investors greeted it with a sigh of relief. The settlement brought an end to a costly and overdrawn 4 year dispute that had threatened the suspension of Blackberry service many times. On the news of the settlement, shares jumped up 18% in after-hours trading. (Ewalt)

Aside from the legal ramifications, one reason that Research in Motion might have considered in settling with NTP was that it was the only one fighting the

patent battle. While Research in Motion was eagerly dueling in the courtroom with NTP, its competitors were just as eager in giving in to NTP, licensing NTP's patents without having to go to court. Visto, Nokia and Good Technology were three competitors that licensed NTP technology by the end of 2005. This was in light of a possible court injunction that would effectively shut down Blackberry service in the US. Good Technology sold an equity stake to NTP in March 2005. Nokia reached an agreement with NTP in the middle of 2004 and NTP even bought a stake in Visto. The NTP case brought Research in Motion into a state of limbo and while there, its competitors were seizing the opportunity to gain some converts from Blackberry. Consultancy firm Gartner even went as far as to advising its clients to put their Blackberry rollouts on hold while the case with NTP was going on. (Green) Clearly, the legal wrangling with NTP was already hurting Research in Motion too much making a settlement more and more appealing as the case dragged on.

While the NTP drama was certainly in the legal arena, one could not help but notice the ethical and regulatory questions the issue also raises. While NTP was aggressively attacking the infringement of Research in Motion, to the point of threatening to shut down the Blackberry service, NTP itself was not making the products outline in its own patent holdings. In a Business Week opinion piece written by David Kappos, he cited the case of NTP vs. Research in Motion as a sign for reform in the patent system.

One big issue is the question of what could be patented. The patent case of NTP and Research in Motion rested on the idea of sending email wirelessly to a handheld device. This was an idea that some may find too "obvious" to be

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patentable. Another sign of patent overprotection is the fact that business processes, which have no underlying technical mechanisms, are patentable under current laws. These unwarranted patents could be put to light if the US Patent and Trademark Office were open to expert inputs and opinions. While patent applications are open to the public, feedback mechanisms from the public are limited. (Kappos)

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