

Now Microsoft sues Samsung in US

NEW YORK, USA: Microsoft is suing its long-time partner Samsung, accusing the South Korean company of breaching a contract over licensing of technology used in the smartphone market.



Microsoft's Deputy Counsel David Howard is confident Samsung will have to pay for using Microsoft's technology as per an agreement set up in 2011. Image: [Law360](#)

"After becoming the leading company in the worldwide smartphone market, Samsung decided late last year to stop complying with its agreement with Microsoft," the US company's Deputy Counsel David Howard said in an online post.

The complaint filed in federal court in New York alleges Samsung is balking at making payments for patented Microsoft technology used in smartphones and tablets.

"We will review the complaint in detail and determine appropriate measures," Samsung told AFP.

Microsoft contends the South Korean consumer electronics company is not adhering to a contract dating back to 2011, and said it filed the court action after months of painstaking negotiations.

"The legal pact involved Samsung paying to use Microsoft intellectual property," according to the post.

Samsung's success means Microsoft earns more

"Samsung's smartphone sales have quadrupled since the contract was signed as the company grew from shipping 82m Android-powered handsets in 2011 to shipping 314m three years later," Microsoft maintained.

Samsung is the biggest manufacturer of handsets powered by Google's free Android software.

"Samsung predicted it would be successful, but no one imagined their Android smartphone sales would increase this much," Howard said.

"After Microsoft made a deal last year to buy Nokia's smartphone business, Samsung stopped abiding by the cross-licensing contract," the US company says.

Microsoft said in the filing that Samsung used the Nokia business acquisition as grounds to step away from the licensing deal.

Microsoft bought Nokia's smartphone business in April with some adjustments from the announced price of \$7.52bn.

Nokia was the world leader in mobile phones before the introduction of Apple's iPhone in 2007 and the onslaught of Android phones, mainly from Samsung.

Microsoft using Android for X2

Microsoft in June opted for the Android operating system from arch-rival Google for its new Nokia smartphone, in a move aimed at regaining momentum in the competitive mobile sector.

Microsoft said the Nokia X2 was designed to introduce the 'next billion' people to the mobile Internet and cloud services.



Analyst Rob Enderle says he cannot understand why Samsung thought it might get away without paying for the use of Microsoft's intellectual property. Image: Enderle Group

The device is an updated version of a phone unveiled by Nokia before Microsoft bought the company.

Samsung has been a longtime Microsoft partner, making an array of computing devices powered by the Windows software.

"Microsoft values and respects its partnership with Samsung and expects it to continue," Howard said. "We are simply asking the court to settle our disagreement, and we are confident the contract will be enforced."

Microsoft said this was the first time it has sued Samsung and that its intent is to keep getting royalty money due to it under terms of the contract, along with interest charges for late payments.

"Unless one side or the other screwed up in writing the contract, I don't know what Samsung is thinking," said Silicon Valley Analyst Rob Enderle of Enderle Group.

"I am at a loss to understand why Samsung stopped paying the money. Microsoft's track record leaves little doubt it would enforce a legal contract," Enderle said.

Source: AFP via I-Net Bridge

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