Patent Dispute May Halt BlackBerry Sales

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A patent dispute between Nokia [2] and RIM [3] could ban BlackBerry sales.

The dispute centers around a WLAN (wireless local area network) patent owned by Nokia which allows RIM devices to connect to Wi-Fi networks.

RIM licensed a number of standards-essential patents from Nokia in 2003, thinking the patent in question was included in the deal. Nokia, however, did not think the patent was included in the bargain and on Wednesday a Swedish court agreed, ordering RIM to cease manufacturing and selling any WLAN products until it reaches a royalty agreement with Nokia to do so.

Nokia released the following statement explaining the issue:

“Nokia and RIM agreed [on] a cross-license for standards essential cellular patents in 2003, which was amended in 2008. In 2011, RIM sought arbitration, arguing that the license extended beyond cellular essentials. In November, the arbitration tribunal ruled against RIM. It found that RIM was in breach of contract and is not entitled to manufacture or sell WLAN products without first agreeing royalties with Nokia. In order to enforce the Tribunal’s ruling, we have now filed actions in the U.S., UK and Canada with the aim of ending RIM’s breach of contract.”

Regarding the issue, a RIM representative told *Mashable*, “Research In Motion has worked hard to develop its leading-edge BlackBerry technology and has built an industry-leading intellectual property portfolio of its own. RIM will respond to Nokia’s petitions in due course.”

With a manufacturing ban in place, RIM will likely expedite an agreement with Nokia to continue to use the patents. The company could also create a workaround for products that do not use Nokia's WLAN patents, or choose to continue its court battle with the company.

Optimism for BlackBerry 10 — the newest version of RIM's mobile operating system — has sent the company's stock soaring [4] over the past 30 days. BlackBerry 10 is expected to be released Jan. 30 [4].

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