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"Microsoft Licenses Patents for Palm"
By Nick Wingfield

In another sign of the ferment over intellectual property in the mobile market, Microsoft Corp. has licensed dozens of patents related to smartphones, most of which have originated from the creator of the software behind the pioneering Palm Treo devices.

The deal will allow Microsoft, Redmond, Wash., to avoid at least some of the litigation that has been targeted at big rivals in the smartphone market recently. Microsoft licensed the patents -- 74 of them in all -- for undisclosed terms from Acacia Research Corp. and Access Co. Ltd., a Japanese company that acquired PalmSource, the firm behind the Palm operating system, in 2005.

Some of the same patents are involved in a lawsuit Acacia filed in March in federal court in Tyler, Texas, against Apple Inc., Blackberry-maker Research In Motion Ltd., Samsung Electronics Co., Motorola Inc. and other smartphone makers. The suit, which didn't name Microsoft, alleged the defendants infringe on patents covering functions like email synchronization and providing phone capabilities from personal computer devices.

Microsoft is one of many companies taking a more aggressive stance lately in protecting patents related to functions that are common on smartphones, a fast-growing sector of the mobile market that has sparked intense competition between Apple, handsets based on Google Inc.'s Android, RIM and others. Last Friday, Microsoft sued Motorola for alleged patent infringement. On Wednesday, Motorola did the same against Apple.

For its part, Apple sued HTC Corp. earlier this year for alleged patent infringement by the Taiwanese company's Android smartphones. Oracle Corp. has directly sued Google for alleged patent infringement with its Android software. In 2006, RIM paid patent licensing firm NTP Inc. more than \$612 million to settle a lawsuit rather than face a court-ordered shut down of its service.

The licensing deal comes as Microsoft is seeking to stage a comeback in the smartphone market.

On Monday, it plans to unveil a new line of handsets from hardware partners based on a new operating system called the new Windows Phone 7.

The patents Microsoft licensed are "foundational" in the smartphone market, said Paul Ryan, CEO of Acacia, which specializes in licensing intellectual property on behalf of holders. Access has granted Acacia rights to license Access patents, many of which it gained when it paid \$324 million to acquire PalmSource. The Palm operating system has largely faded from the market, in part because Palm has switched its devices to a new system.