

Vonage requests stay, appeals \$58 million Verizon lawsuit

by Bend_Weekly_News_Sources

HOLMDEL, N.J. - The U.S. District Court in Alexandria, Va. today issued an order enjoining Vonage from using certain VoIP technology named in its patent litigation with Verizon. The order is not immediately effective, however, and Vonage is confident its customers will see no change in their phone service.

The court announced its intent to hear stay argument in two weeks' time. At that time, the court intends to render a decision regarding the stay, as well as making the injunction effective. If the court denies the stay, Vonage will seek a stay through appeal from the Federal Court of Appeals. Vonage is confident it will be able to obtain a stay through appeal.

"We are confident Vonage customers will not experience service interruptions or other changes as a result of this litigation," said Mike Snyder, Vonage's chief executive officer.

The company has drafted its notice of appeal of the March 8 jury verdict and will file that notice at the appropriate juncture in the court proceedings.

"Our fight is far from over," Snyder said. "We remain confident that Vonage has not infringed on any of Verizon's patents - a position we will continue vigorously contending in federal appeals court - and that Vonage will ultimately prevail in this case."

Snyder continued, "Despite this obvious attempt by Verizon to cripple Vonage, the litigation will not stop Vonage from continuing to provide quality VoIP service to our millions of customers."

"Our appeal centers on erroneous patent claim construction, and we remain confident that Vonage has not infringed on any of Verizon's patents - a position we will continue to vigorously assert in federal appeals court," said Sharon O'Leary, Vonage's executive vice president, chief legal officer and secretary. "Vonage relied on open-standard, off-the-shelf technology when developing its service. In fact, evidence introduced in court failed to prove that Vonage relied on Verizon's VoIP technology, and instead showed that in 2003 Verizon began exploring ways to copy Vonage's technology," she added.

The company is focused on growing its business by investing in the rollout of new technology and features, and continuing to grow its customer base. Vonage's accomplishments continue to validate its business model and strategy. The company has achieved 19 consecutive quarters of double-digit revenue growth, doubled revenues to \$607 million in 2006 alone, and added nearly 1 million net subscriber lines last year.

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