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Springhill Group Home : Facebook Buys 650 AOL Patents by Springhillhome

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Facebook is set to pay Microsoft USD 550 million for 650 patents recently auctioned by AOL in its effort to boost its IP for the looming litigation against Yahoo.

Under pressure from its stockholders to make changes to prevent further revenue fall, AOL was obliged to sell and license over 800 patents to Microsoft on April 9. It would retain over 300 applications and patents after the auction.

Aside from the 800 patents bought by Microsoft, AOL will also give them license to 300 patents it has retained for a tag of USD 1.056 billion. Thus, Microsoft ultimately acquired 925 AOL patent applications and patents, 650 of which will go to Facebook. The 2 firms has also agreed to license their patent holdings to each other.

It is not yet clear what technologies Facebook has acquired rights to or those that has remained with Microsoft. But considering that the legal battle with Yahoo concerns messaging, social networking, etc, it looks like Facebook would want to have ammunition of its own.

According to a statement from Springhill Group Home, the deal with Facebook has allowed Microsoft to at least recoup more than half of its costs while accomplishing its goals from the auction of AOL. However, it cannot be readily said that Microsoft has really profited from the agreement as patent valuing is a complicated process.

Microsoft has a relatively long history of close relationship with the social network giant. In 2007, it has invested USD 240 million in Facebook, giving it a 1.6% stake. Since then, the 2 firms have had collaborations like Microsoftâ€™s Bing search and search ad technologies being used on Facebook. Its video chat technology also comes from Microsoft as it has acquired Skype last year.

On the other hand, Microsoft also has a close business relationship with Yahoo as Bing powers their advertising and search engine. Yahoo has filed a lawsuit against Facebook for allegedly infringing 10 of its patents covering online ad technology. Facebook then countersued Yahoo for allegedly infringing 10 of its own patents.

â€œNothing about todayâ€™s action changes the fact that Facebook continues to infringe our patents. Companies who purchase patents are often working from a position of weakness and take these actions to strengthen their portfolio. We see todayâ€™s announcement as a validation of our case against Facebook,â€• said Yahoo in a statement to Springhill Group Home.

This acquisition is the second-largest purchase by Facebook, following the USD 1 billion takeover of Instagram. It has also bought 750 patents of IBM in March.

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Springhillhome - About Author:
Springhill Group Home is a housing finance company with the principal goal of achieving a social requirement of motivating home ownership by offering long-term finance to households. Springhill Group Home has turned the idea of housing finance in Springhill into a world-class business venture with outstanding reputation for dependability, honesty and outstanding services.
Springhill Group Home  has a wide network of contacts from different loan companies within United States and Asia catering to towns & cities spread across the country providing housing loans and property advisory services.
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