

October 27, 2007

## Sprint Nextel Settles Lawsuit Over Switching to New Carriers

By [KATIE HAFNER](#)

SAN FRANCISCO, Oct. 26 — In what could signal the start of more flexibility for cellphone customers switching carriers, [Sprint Nextel](#) has agreed to provide departing customers with the code necessary to unlock their phones' software so the handsets they own can be used on competitors' networks.

The agreement is part of the proposed settlement of a class-action lawsuit brought last year by a group of California consumers against the company, which is based in Reston, Va.

The settlement, which is awaiting final approval by a Superior Court judge in Alameda County, Calif., would allow the phones to operate on any technically compatible network using code division multiple access technology, or CDMA. Other carriers that use CDMA include [Alltel](#) and [Verizon](#).

The codes will not work on Nextel-branded phones made by [Motorola](#) that use another network protocol, called iDen. Nor will the codes enable customers to switch to [AT&T](#) or T-Mobile, as those carriers use network technology known as global system for mobile communication, or GSM.

The lawsuit accused the company of anticompetitive practices, and the plaintiffs claimed [Sprint](#)'s lock on the phones' software forced those who wanted to switch carriers to buy a new phone.

The proposed settlement, which was tentatively approved this month, affects customers who signed a contract with Sprint — after buying a phone from Sprint to use with Sprint service — from Aug. 28, 1999, to July 16, 2007. The settlement would also cover a similar lawsuit filed in Palm Beach County, Fla.

Edward Snyder, a telecommunications industry analyst with Charter Equity Research in San Francisco, said the proposed settlement was an indication that the control that wireless carriers in the United States had historically wielded over customers was beginning to erode.

“It’s a step in the direction of opening up the possibility of letting people own their own phone and use it with the carrier they want,” he said. “Over the next two or three years we’ll see the U.S. carriers go the way of the European market.”

Mr. Snyder said that in Europe, there is more of a “retail orientation” when it comes to mobile handsets. Usually buying the phone and buying the service are separate transactions.

Sprint said it would share the unlocking code with all current and former subscribers once they had completed the terms of their contracts, had their phones deactivated and paid their final bills.

The company will also add information about the unlocking codes as part of the terms and conditions of service given to new customers and will instruct its customer service representatives on connecting a non-

Sprint phone to the Sprint network.

“We’re not admitting guilt,” said Matthew Sullivan, a spokesman for Sprint Nextel. “We think what was agreed upon is reasonable based on the claims made by the plaintiffs.”

The unlocking of cellphones has been a prominent topic lately among users of the [Apple iPhone](#), which is tied to the AT&T network. Two separate lawsuits have been filed recently against AT&T and [Apple Inc.](#), saying the companies’ restrictions amount to unfair business practices.

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