

Judge to hear US\$1.3 billion suit against Cisco

ITworld.com 4/15/02

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A federal judge in Florida will let telecommunications service provider Vox2Vox Communications Inc. sue Cisco Systems Inc. for US\$1.3 billion for allegedly defrauding Vox2Vox by discontinuing a Cisco product without warning.

Judge James King of the U.S. District Court for the Southern District of Florida, in Miami, last week denied a motion by Cisco to dismiss the Vox2Vox lawsuit. As a result, the suit will go to trial unless the companies can reach a settlement, according to a statement by the Miami law firm Ferrell Schultz Carter Zumpano & Fertel PA, which is representing Vox2Vox.

Vox2Vox, described in the statement as a provider of hosted telecommunications and VOIP (voice over IP) services, accuses Cisco of fraudulently causing it to make large investments in preparation to launch a service that used Cisco's uOne unified messaging technology and other Cisco messaging services. Cisco gave assurances it would continue to support uOne, the law firm said, and the Vox2Vox service using it was to have been launched in May 2001. However, on May 1 Cisco told Vox2Vox in a letter that it would exit the uOne product business, according to the statement.

The service provider alleges fraud, fraudulent inducement, negligent misrepresentation and a violation of the Florida Deceptive and Unfair Trade Practices Act, saying Cisco's actions caused it to waste valuable time and resources.

Cisco, in San Jose, California, dismissed the service provider's accusations. "The suit is without merit and the amount preposterous, and we are comfortable with the facts," said Cisco spokesman Steve Langdon.

Stephen Lawson is a correspondent for the IDG News Service.