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Net2Phone, ADIR sue Cisco over VoIP Technology

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[Net2Phone](#) and its subsidiary [ADIR Technologies](#) have filed a lawsuit against [Cisco](#) seeking compensatory and punitive damages for breach of contract, the charging companies said Tuesday in a statement.

Net2Phone, a provider of services for voice phone calls over the Internet, and ADIR, which makes voice-over-IP software, claim network-hardware giant Cisco breached a contract with Net2Phone, stole trade secrets, engaged in fraud and unfair competition and breached fiduciary duties.

ADIR was set up by Net2Phone and Cisco two years ago to make ADIR's software compatible with Cisco's hardware and to ultimately develop a "highly marketable" product for voice communications over the Internet. But Cisco "seriously misinterpreted" the relationship, failed to support the project and produced its own competing product, according to Net2Phone and ADIR in their suit.

Net2Phone could seek as much as \$700 million in total damages, The Wall Street Journal reported, based on comments from a person familiar with the lawsuit. In contrast, Net2Phone's market capitalization was about \$316 million on Tuesday.

Nobody at Cisco was immediately available for comment. A Cisco spokesman told The Wall Street Journal and other media outlets, however, that the lawsuit "appears to be an effort to justify a business failure by filing a lawsuit."

The suit was filed with the U.S. District Court for the district of New Jersey.

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