



Why WiLAN Shares Got Whacked

Description

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.

What: Shares of **WiLAN** (TSX: WIN) plummeted 22% today after a Texas jury found that consumer electronics giant **Apple** didn't infringe on the licensing firm's patents related to CDMA and HSPA technologies.

So what: Mr. Market took WiLAN's [patent settlements last month](#) with HTC and **Alcatel-Lucent** as a strong sign of good news to come, so the loss to Apple is naturally triggering a significant correction. While WiLAN made sure to note that the patent at issue is just one in its vast portfolio of 3,000, the unfavorable ruling triggers plenty of uncertainty over the company's ability to *protect* its property.

Now what: WiLAN reassured investors that the ruling will have a limited impact on business and expects strong full-year revenue of \$85 million-\$87 million. "The Company is disappointed with the decision in its Texas litigation case against Apple yesterday, but would like to take this opportunity to remind shareholders of the Company's strong financial position and results to date," [said](#) WiLAN in a statement. So while the business model is still very much on the speculative side, WiLAN's still very-solid financials and beaten down stock price might make for an interesting turnaround opportunity.

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Fool contributor Brian Pacampara does not own shares of any of the companies mentioned at this time. The Motley Fool has no positions in the stocks mentioned at this time.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:QTRH (Quarterhill Inc.)

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Author

bpacampara

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