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## Settlement in Dispute Over Skype Will Allow Deal to Proceed

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We had recently written about how a dispute over the ownership of certain IP threatened to derail eBay's proposed sale of Skype. Reports last week have revealed that Skype and parent eBay Inc. have reached a definitive settlement agreement with Skype's founders that resolves litigation over the critical GI technology necessary to run Skype and removes the major obstacle that threatened the \$1.9 billion cash deal for Skype. Under the terms of the settlement, Zennstrom and Friis will join the investor group and in exchange for contributing Joltid's GI technology, they will receive a 14 percent stake in Skype, effectively regaining part ownership of their creation. The other investors will hold 56 percent of Skype with eBay to retain the remaining 30 percent. The deal is expected to close in the fourth quarter of 2009.

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