

# MetroPCS sues Virgin Mobile over right to alter phones

BY JEFF BOUNDS | STAFF WRITER

MetroPCS Communications Inc. is going to court with a rival provider of prepaid wireless phone service, Virgin Mobile USA LP, over a MetroPCS program that allows phones from Virgin and other carriers to be reconfigured to operate on the MetroPCS network.

The dispute centers on MetroFlash, which MetroPCS launched June 26 to allow consumers to get certain phones "reflashed," or altered to work on MetroPCS' network.

MetroFlash works on non-MetroPCS phones that use a technical standard called code division multiple access, or CDMA. MetroPCS declined to comment.



Jayne Wallace, vice president, corporate communications at Virgin, said in an e-mail that Virgin sells its phones to consumers below cost. "If we had to sell unsecured phones that could be used with any wireless service, we'd have to charge an amount to cover our cost and provide a profit, and that would limit access to wireless services for many people who would be unable to afford an advanced mobile phone with competitive service pricing."

**CHESTER**

In an Aug. 7 conference call, MetroPCS' chief operating officer, Tom Keyes, described MetroFlash as a "driver of contin-

**REFLASHING PHONES**

**NAME:** MetroPCS Communications Inc.  
**BUSINESS:** Prepaid wireless phone service  
**HEADQUARTERS:** 2250 Lakeside Blvd., Richardson 75082  
**OWNERSHIP:** Public (NYSE: PCS)  
**TOP EXECUTIVE:** Roger D. Linquist, chairman, president and CEO  
**EMPLOYEES:** 2,498  
**ANNUAL REVENUE:** \$2.23 billion (2007)  
**PHONE:** 214-265-2550  
**WEB:** www.metropcs.com

ued growth." According to MetroPCS' litigation, filed in

federal district court in Dallas, Virgin Mobile has challenged MetroPCS' right to continue the MetroFlash program, arguing that it constituted interference with Virgin's contractual relationships with its customers.

MetroPCS seeks a judge's declaration that MetroPCS hasn't done anything wrong.

"I was intrigued by the aggressive stance MetroPCS is taking on this," says Jim Chester, chairman of the intellectual property practice at Cowles & Thompson PC in Dallas. "They're drawing a line in the sand and saying, 'We think we're right, and we're ready to fight about it.'"

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