

Lawsuit accuses BlackBerry of raising false hopes

OTTAWA, CANADA: BlackBerry shareholders on Tuesday, 15 October, launched a class-action lawsuit against the company, alleging its optimistic sales forecasts for its new smartphones cost them hundreds of millions of dollars, lawyers announced.



BlackBerry Z10. Image: BlackBerry

The lawsuit on behalf of Canadian shareholders who purchased BlackBerry stock between September and September this year, alleges that senior management knowingly or negligently misrepresented that its BlackBerry 10 line of smartphones were being well-received by consumers and that the company was in a strong financial position.

The class action is the second launched against BlackBerry in the past week.

"For almost a full year, BlackBerry management made market statements based on prophecy rather than fact," class-action lawyer Tony Merchant said in a statement.

"Thousands of Canadians who invested in BlackBerry in the past year have lost hundreds of millions of dollars."

BlackBerry unveiled its new platform in January as it sought to regain lost momentum, but its most recent numbers suggest this has been a spectacular failure.

Last month, the company announced it was laying off 4,500 staff -- or one third of its global workforce -- after losing US\$965m in its last quarter as sales plummeted.

BlackBerry still has some 70m subscribers worldwide, but most of these are using older handsets, with the newer devices on the BlackBerry 10 platform failing to gain traction.

Source: AFP via I-Net Bridge

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