

Clock Ticks on Microsoft Rebate

Californians are urged to file claims for \$1.1 billion court settlement.

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Californians who want to cash in on a Microsoft court settlement have limited time left to file their claims, although the deadline is a moving target.

The original deadline for California consumers and businesses to file paperwork for their share of a \$1.1 billion settlement was March 15. But a delayed court hearing has already pushed that deadline to April 29, and future hearings could delay it even further.

The delay gives consumers and businesses much-needed time to file their claims, says Howard Yellen, founder of the Settlement Recovery Center, a San Francisco-based company designed to help businesses file claims. Yellen, a lawyer and entrepreneur, founded the SRC after receiving a notice of the settlement in the mail.

"I got this piece of mail, basically it looked like a computer generated piece of junk mail," he says. "What occurred to me was A, there was a lot of money involved in this. For individuals, there was a decent amount, but for businesses, a huge amount. And B, I realized that people would not be able to figure this out. People would not act on this."

So Yellen founded the SRC to help businesses file their claims, which can be a time-consuming, complicated process, requiring documentation of old software licenses. The SRC charges a contingency fee of 25 to 30 percent, which means they only get paid once the business they're working for gets paid. SRC's clients recover more money than they otherwise would

without SRC, Yellen says. What's more, the organization promotes awareness of the settlement deal, Yellen says.

"The vast majority of the money is unclaimed right now. At least 75 percent of it is unclaimed," Yellen says.

The San Francisco firm of Townsend & Townsend & Crew, which filed the complaint against Microsoft and negotiated the settlement, says it cannot comment on the number of claims pending.

Microsoft Cuts a Deal

According to the settlement terms, one-third of any unclaimed money stays in Microsoft's pocket; the other two-thirds will be distributed to needy schools in California. The deal was reached last year in a class action suit filed on behalf of California residents. Microsoft was accused of overcharging for its products, and the case was settled in January 2003 with no admission of liability.

Similar agreements were reached or are pending in 13 other states. Similar class action lawsuits against Microsoft are in progress in six more states. The California case is the largest by far.

The court gave the settlement preliminary approval in July 2003. Consumers and businesses who purchased Microsoft software between February 15, 1995 and December 15, 2001 for use in California are eligible to get vouchers to purchase computer hardware and software. The vouchers, which vary in amount depending on the Microsoft products purchased, can be used toward a variety of technology products--not only Microsoft goods.

To receive their vouchers,

consumers can fill out a claim form that can be downloaded from the Microsoft California Class Action Settlement Web site. According to Microsoft, this is the "official Web site of the California settlement," run by a consulting organization. The Townsend law firm site also links to this site for claims forms.

Eligible Products

Consumers who purchased a PC with Microsoft software pre-installed or purchased retail versions of Microsoft's applications are also eligible. Qualifying products include Windows, Windows for Workgroups, Windows NT Workstation, MS-DOS, Microsoft Office, Excel, Word, and the Works Suite.

Consumers can file a claim for each copy of an eligible product purchased, and will be issued a voucher worth \$16 for each copy of Windows purchased, \$29 for each copy of Office, and \$5 for each copy of Word or Works Suite.

Consumers can claim up to five eligible products without any proof of purchase. The total value of these vouchers cannot exceed \$100; if it is any higher or more products are being claimed, proof of purchase is required. Businesses that purchased Microsoft products through volume licenses are subject to a more thorough claims process, and must provide proof of their purchases.

The vouchers can be applied to the purchase of computer hardware (including Apple computers), software, and peripherals, including monitors, mice, keyboards, printers, and modems. They cannot be used for digital audio players or digital cam-

eras. The vouchers can also be applied to purchases made since July 18, 2003. To redeem vouchers for purchases already made, buyers must submit a proof of purchase and be reimbursed by Microsoft.

Legal Proceedings

Just when consumers will receive these vouchers remains uncertain. The settlement is still pending final approval from the California court.

A hearing is set for March 29, when the judge will decide whether to approve, reject, or take the ruling under advisement, which could delay the process even longer. Claims will continue to be accepted if the judge takes the case under advisement.

When and if the judge grants final approval, consumers and businesses will have 30 additional days to file their claims, say attorneys for both sides. The March 29 hearing was originally scheduled to take place on February 16; that was why the original deadline was set for March 15 and has now been extended to April 29.

The judge is expected ultimately to approve the deal. Then, vouchers and rebate checks will be mailed to consumers and businesses, pending any appeals. If the court rejects the deal, the class action lawsuit settlement would be erased, and the lawsuit itself would move forward.