

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: 2005-05-02 | Period of Report: 2005-04-29
SEC Accession No. 0001104659-05-019653

(HTML Version on secdatabase.com)

FILER

HEWLETT PACKARD CO

CIK: 47217 | IRS No.: 941081436 | State of Incorporation: DE | Fiscal Year End: 1031
Type: 8-K | Act: 34 | File No.: 001-04423 | Film No.: 05791130
SIC: 3570 Computer & office equipment

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549-1004

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

April 29, 2005

Date of Report (Date of Earliest Event Reported)

HEWLETT-PACKARD COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction
of incorporation)

1-4423

(Commission File Number)

94-1081436

(I.R.S. Employer
Identification No.)

3000 HANOVER STREET, PALO ALTO, CA

(Address of principal executive offices)

94304

(Zip code)

(650) 857-1501

(Registrant' s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.03 **Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement**

(a) As part of the settlement between the two companies, Hewlett-Packard Company (“HP”) will pay a net \$325 million balancing payment to EMC, which can be satisfied through the purchase of complementary EMC products, such as the VMware product line, over the next five years as follows:

HP will pre-pay \$65 million to EMC at the beginning of each of five consecutive periods commencing on September 1, 2005 (“Purchase Periods”). During each Purchase Period, HP may use the pre-payments as credit for product and services purchases from EMC for HP’s internal use or for resale. Unused credits will expire at the end of each Purchase Period.

If EMC purchases HP products or services during the Purchase Periods, HP will be required to make an equivalent amount of additional product or services purchases from EMC of up to an aggregate amount of \$108 million over five years, with caps for each Purchase Period as follows: \$10,830,000 for the first Purchase Period, \$21,660,000 for each of the second, third and fourth Purchase Periods and \$32,490,000 for the final Purchase Period. If HP does not make the required amount of additional purchases of EMC products and services attributable to such Purchase Period, HP will be required to pay the difference to EMC.

For purposes of computing the amount of HP products that EMC purchases, hardware products shall be deemed to have been purchased for 50% of the actual purchase price.

Item 8.01 **Other Events**

On May 2, 2005, HP issued a press release entitled “EMC and HP Agree to Settle All Outstanding Intellectual Property Litigation” relating to a settlement of disputes among HP and EMC Corporation. The press release, which is filed herewith as Exhibit 99.1, is incorporated herein by reference.

Item 9.01 **Financial Statements and Exhibits**

Exhibit

99.1 Text of press release issued by HP, dated May 2, 2005, entitled "EMC and HP Agree to Settle All Outstanding Intellectual Property Litigation" (filed herewith).

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HEWLETT-PACKARD COMPANY

DATE: May 2, 2005

By: /s/ CHARLES N. CHARNAS
Name: Charles N. Charnas
Title: Vice President, Deputy General Counsel
and Assistant Secretary

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EXHIBIT INDEX

Exhibit Number	Description
99.1	Text of press release issued by Hewlett-Packard Company, dated May 2, 2005, entitled "EMC and HP Agree to Settle All Outstanding Intellectual Property Litigation" (filed herewith).

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FOR IMMEDIATE RELEASE

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**EMC AND HP AGREE TO SETTLE ALL OUTSTANDING
 INTELLECTUAL PROPERTY LITIGATION**

HOPKINTON, Mass., and PALO ALTO, Calif. - Monday, May 2, 2005 - EMC Corporation (NYSE: EMC) and HP (NYSE: HPQ)(NASDAQ: HPQ) today announced that they have agreed to amicably dismiss all claims and counterclaims with no findings or admissions of liability in a settlement of a longstanding patent dispute involving patent infringement allegations between the two companies. HP and EMC have been in patent litigation against each other since 2001.

As part of this settlement agreement, HP will pay a net \$325 million balancing payment to EMC, which can be satisfied through the purchase for resale or internal use of complementary EMC products, such as the VMware product line, over the next five years. EMC and HP also have signed a five-year patent cross-license agreement.

Paul T. Dacier, EMC's Senior Vice President and General Counsel, said, "We are pleased with these agreements. This resolution allows EMC to protect our substantial intellectual property investments and patent portfolio while serving the best interests of our customers. Upon completion, we expect to have a business relationship that will provide the customers of both companies with additional choices and technology that can accelerate their adoption of information lifecycle management."

"HP is happy to conclude this matter in a way that recognizes the strength of both companies' intellectual property portfolios and provides positive benefits to customers desiring interoperable multi-vendor solutions," said Joe Beyers, Vice President of Intellectual Property Licensing, HP. "By expanding our relationship with EMC's various software divisions, HP will be able to deliver a more formalized approach to selling these solutions, and explore new ways to integrate and leverage our complementary offerings."

About HP

HP is a technology solutions provider to consumers, businesses and institutions globally. The company's offerings span IT infrastructure, global services, business and home computing, and imaging and printing. For the four fiscal quarters ended Jan. 31, 2005, HP revenue totaled \$81.8 billion. More information about HP (NYSE, NASDAQ: HPQ) is available at www.hp.com.

About EMC

EMC Corporation (NYSE: EMC) is the world leader in products, services and solutions for information storage and management that help organizations extract the maximum value from their information, at the lowest total cost, across every point in the information lifecycle. Information about EMC' s products and services can be found at www.EMC.com.

HP disclaimer

This news release contains forward-looking statements that involve risks, uncertainties and assumptions. If the risks or uncertainties materialize or the assumptions prove incorrect, the results of HP and its consolidated subsidiaries may differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including the expected results of the rights and releases granted under the patent cross-licensing agreement and of the settlement of litigation; the timing of the anticipated disposition of pending litigation; the expected financial impact of the settlement; statements of expectation or belief; and any statement of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the ultimate accounting treatment of the settlement, actions by courts and other risks that are described from time to time in HP' s Securities and Exchange Commission reports, including but not limited to HP' s Quarterly Report on Form 10-Q for the fiscal quarter ended Jan. 31, 2005, and other reports filed after HP' s Annual Report on Form 10-K for the fiscal year ended Oct. 31, 2004. HP assumes no obligation and does not intend to update these forward-looking statements.

EMC disclaimer

This release contains "forward-looking statements" as defined under the Federal Securities Laws. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risk factors, including but not limited to: (i) adverse changes in general economic or market conditions; (ii) delays or reductions in information technology spending; (iii) risks associated with acquisitions and investments, including the challenges and costs of integration, restructuring and achieving anticipated synergies; (iv) competitive factors, including but not limited to pricing pressures and new product introductions; (v) the relative and varying rates of product price and component cost declines and the volume and mixture of product and services revenues; (vi) component and product quality and availability; (vii) the transition to new products, the uncertainty of customer acceptance of new product offerings and rapid technological and market change; (viii) insufficient, excess or obsolete inventory; (ix) war or acts of terrorism; (x) the ability to attract and retain highly qualified employees; (xi) fluctuating currency exchange rates; and (xii) other one-time events and other important factors disclosed previously and from time to time in EMC' s filings with the U.S. Securities and Exchange Commission. EMC disclaims any obligation to update any such forward-looking statements after the date of this release.

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