

Fitbit fitness tracker looks to stock market as legal problem looms

Washington (dpa) - The popular fitness tracking device Fitbit could go public with its initial public offering on the New York Stock Exchange as early as June 18, according to an official schedule posted by the high tech NASDAQ exchange.

But even as Fitbit makes the move, it is being challenged by a rival firm on a patent issue and other problems.

According to the company's filing earlier this month, Fitbit plans to make available 22.4 million shares at 14 to 16 dollars per share on the New York Stock Exchange, which could bring in up to 358 million dollars.

The company said it expects current stockholders to sell nearly 7.5 million shares, in addition to what the company is selling.

Fitbit has proven to be profitable in the past year as it more than doubled revenues from 271.1 million dollars in 2013 to 745.5 million dollars in 2014, producing earnings of 131.8 million dollars last year.

One of Fitbit's competitors, Jawbone, has threatened the company with two lawsuits in the last two weeks.

The most recent lawsuit, filed Wednesday by Jawbone and its owner AliphCom, claims patent infringement by Fitbit's wearable technology line.

In the lawsuit filed in federal court in California, Jawbone indicated it would file a complaint with the International Trade Commission, a move that could complicate foreign trade in Fitbit products.

Fitbit responded in a statement, quoted by The Wall Street Journal, that it has independently developed more than 200 patents. The company dismissed the allegations and said it will "vigorously defend itself."

In the first lawsuit, Jawbone alleges that Fitbit poached five of its employees who allegedly divulged company information.

Fitbit and Jawbone are pioneers in the market for fitness bands, but both are under attack from outside companies such as the Chinese smartphone-maker Xiaomi and Apple's Apple Watch. According to market researcher IDC, Fitbit is the leader in the business of wearable device trackers, while Jawbone is ranked fifth.

When Fitbit first announced going public in early May, the fitness technology company cited society's increased emphasis on health and fitness as a large factor of their success. "A variety of factors, such as changing consumer lifestyles and demographics, combined with rising healthcare costs and employers' increased emphasis on productivity, are leading individuals and employers to increasingly focus on health and fitness," the May 7 prospectus said.

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