

	Year Ended December 31,		
	2019	2018	2017
Numerator:			
Net income	\$ 32,839	\$ 4,916	\$ 38,508
Denominator:			
Weighted-average shares used to compute net income per share - basic	40,883	40,259	38,920
Dilutive effect of stock options, unvested restricted stock and restricted stock units, and employee stock purchase plan	1,671	1,738	2,770
Weighted-average shares used to compute net income per share - diluted	42,554	41,997	41,690
Net income per share			
Basic	\$ 0.80	\$ 0.12	\$ 0.99
Diluted	\$ 0.77	\$ 0.12	\$ 0.92

The following common stock equivalents (in thousands) were excluded from the computation of diluted net income per share for the periods presented because including them would have been antidilutive:

	Year Ended December 31,		
	2019	2018	2017
Options to purchase common stock	37	91	87
Unvested restricted stock units	86	336	425
Employee stock purchase plan	—	1	—

As discussed further in Note 11, the Company has granted PRSUs to executives that include a market condition and a service condition. Estimates of the number of shares contingently issuable based on average market prices through December 31, 2019 for these awards have been included in the antidilutive table above.

13. COMMITMENTS AND CONTINGENCIES

Warranties

The Company's standard warranty obligation to its customers provides for repair or replacement of a defective product at the Company's discretion for a period of time following purchase, generally between 12 and 24 months. Factors that affect the warranty obligation include product failure rates, material usage and service delivery costs incurred in correcting product failures. In addition, from time to time, specific warranty accruals may be made if unforeseen technical problems arise. The estimated cost associated with fulfilling the Company's warranty obligation to customers is recorded in cost of revenue.

Changes in the Company's warranty liability, which is included as a component of accrued liabilities on the consolidated balance sheets, are set forth in the table below (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Warranty reserve, beginning of period	\$ 8,220	\$ 8,306	\$ 2,158
Provisions made to warranty reserve during the period	13,708	11,775	16,597
Charges against warranty reserve during the period	(11,574)	(11,861)	(10,449)
Warranty reserve, end of period	\$ 10,354	\$ 8,220	\$ 8,306

Legal Contingencies

On January 21, 2016, ViaSat, Inc. filed a lawsuit in California state court, 37-2016-00002323-CU-BC-NC, later removed to the U.S. District Court for the Southern District of California, against the Company alleging, among other things, breach of contract, breach of the implied covenant of good faith and fair dealing and misappropriation of trade secrets. On February 19, 2016, the Company responded to ViaSat's lawsuit and alleged counterclaims against ViaSat including, among other things, patent misappropriation, breach of contract, breach of the implied covenant of good faith and fair dealing, misappropriation of trade secrets and unfair competition. In its response filed March 16, 2016, ViaSat denied the Company's counterclaims. On