

## Broadcom takes Qualcomm to court for patent infringement

May 19, 2005 3:41 PM

### Update 06/14/07:

#### Forecast projects limited impact for Qualcomm chip ban

Wireless semiconductor supplier **Broadcom Corp.** has commenced federal litigation against **Qualcomm Inc.**, alleging that the San Diego-based company infringes 10 Broadcom patents related to wired and wireless communications and multimedia processing technologies.

"Broadcom was an early pioneer in a broad range of wired and wireless communications and multimedia technologies and has enabled the convergence of digital video, digital audio, WiFi, Bluetooth, storage, voice over Internet protocol (VoIP), and adaptive coding technologies in many markets, including advanced, multi-function cellular products and services," said Scott McGregor, Broadcom's president and CEO. "We believe that Qualcomm's current and next generation cellular baseband and RF product lines infringe a number of our patents."

The proceedings instituted by Broadcom come at a time when the cellular phone industry is transitioning from providing voice-only services to offering customers an array of multimedia services including a wide variety of audio, video, data and communications capabilities. Among the multimedia features now being offered to consumers are TV, MP3 capabilities, personal video recording (PVR), VoIP and the push-to-talk feature, which enables users to use their cell phones like walkie-talkies. Consumer desire for such features is driving the next upgrade cycle in networks and cell phones. Broadcom is at the vanguard of this transition, with a strong intellectual property portfolio in such technologies as Bluetooth, WiFi, cellular baseband, multimedia processing, VoIP, storage and security, according to Broadcom.

"The communications industry is in the early stages of converging GSM and CDMA networks into a unified 3G network, which has the potential to enable more efficient voice and new high bandwidth data services that will drive a new generation of portable devices," McGregor continued. "Over more than a decade, Broadcom has assembled a portfolio of communications and related technologies unmatched in its breadth and depth, presenting us with compelling opportunities as we help drive the convergence of various technologies and features into next generation smart cell phones."

In two complaints filed yesterday in the United States District Court for the Central District of California, Broadcom is seeking unspecified monetary damages from Qualcomm as well as a permanent injunction barring the manufacture and sale of Qualcomm's core suite of baseband and RFICs, including its multimedia, enhanced and convergence platform chips and its QChat VoIP technology for cell phones, which Broadcom alleges infringe its patents.

Additionally, today Broadcom filed a complaint with the United States International Trade Commission (ITC) alleging that Qualcomm has engaged in unfair trade practices by importing integrated circuits and other products that infringe five Broadcom patents. Broadcom requested that the ITC institute an investigation into Qualcomm's infringing imports and ultimately issue an exclusion order to bar importation of those Qualcomm devices into the United States. Broadcom also seeks a cease and desist order to bar further sales of infringing Qualcomm products that have already been imported.

Broadcom expects that the ITC investigation will commence in late June and that the case will be tried early next year.

Broadcom's intellectual property portfolio today includes 955 issued U.S. patents and over 3200 additional U.S. patent applications.



## **Qualcomm Rejects Broadcom Patent Settlement Offer**

June 29, 2007 1:52 p.m. EST

Ed Sutherland - AHN News Writer

San Diego, CA (AHN) - Qualcomm has reportedly rejected an offer from rival Broadcom to settle a cell phone patent infringement dispute. Qualcomm, which makes chips for many of the world's mobile phones, said the offer could have cost up to \$2 billion.

The offer was described as "unreasonable," by Qualcomm, according to The Wall Street Journal. The International Trade Commission recently said it would ban imports of some cell phones containing Qualcomm chips which had been found to infringe Broadcom patents.

In a June 25 letter, Broadcom suggested Qualcomm pay \$6 for every third-generation handset sold by U.S. carriers which contains Broadcom's patented power-saving technology. While Broadcom said the fee amounted to a small portion of Qualcomm gross profits, the chipmaker said the proposal meant a 30 percent royalty.

Broadcom rejected a counter proposal from Qualcomm which included a \$100 million payment and a free license to employ Qualcomm cellular patents. However, Broadcom responded the offer would make cell phone makers still liable to pay royalties to Qualcomm.

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