

Agency to investigate complaint against Qualcomm

by Paul M. Krawzak - CNS

WASHINGTON - A federal commission has agreed to look into a complaint by Broadcom Corp. alleging that Qualcomm Inc. violated a ban on importing wireless chips that infringe on a Broadcom patent.

The U.S. International Trade Commission is opening an investigation into the allegations, the latest development in an ongoing legal battle between the two companies, the agency said Thursday.

Broadcom charges that Qualcomm, a San Diego chip making giant, is continuing to market the chips on its Web site even though the ITC ordered the company to stop importing or selling the chips. Qualcomm has challenged the ban in the U.S. Court of Appeals for the Federal Circuit in Washington.

The chips have been widely used in wireless handsets to conserve power when the phones are out of range of a transmitting source.

Broadcom, based in Irvine, Calif., also accuses Qualcomm of testing the infringing chips in violation of the order.

Qualcomm denied the charges in papers filed with the ITC, an independent federal trade agency.

"Qualcomm has conducted its business in such a way as to ensure that it has carefully complied with the terms" of the order, the company said in a letter sent to the commission Dec. 5.

In papers filed with the commission, Qualcomm faulted Broadcom for failing to present any evidence that it has violated the ban.

Qualcomm said the chips it markets on its Web site have been modified, removing the technology that the commission determined to be an infringement of a Broadcom design.

Qualcomm also said it has developed a "workaround" for its chips, enabling it to manufacture chips that no longer contain the Broadcom features.

The commission barred Qualcomm from importing infringing chips last June, after determining it had copied the Broadcom design.

The commission also prohibited the import of new handsets containing the chips, a blow to cell phone manufacturers, but a federal appeals court judge temporarily suspended that order in September.

In its filing before the commission, Broadcom taunted Qualcomm, saying the company's refusal to "prove" that its redesigned chip does not infringe on Broadcom's patent indicates "the redesigned chip still infringes."

Qualcomm responded that it has no obligation "to report to Broadcom about new designs it has implemented."

Mark McKechnie, an analyst with American Technology Research in San Francisco, said the dispute appears to be of minor significance since Qualcomm imports few chips.

But for Broadcom, he said, "at least 'getting them' on the chip side would cause Qualcomm an inconvenience."

Broadcom has asked the commission to fine Qualcomm \$100,000 for each day it has imported infringing chips.

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