

Claim against Qualcomm infringement allegations delayed

by Paul M. Krawzak

WASHINGTON - A federal judge on Tuesday temporarily halted a hearing on patent infringement allegations brought against Qualcomm Inc., and several other companies, after a decision by patent regulators cast doubt on the claims.

The delay in the action before the U.S. International Trade Commission appears to be favorable for Qualcomm, since it at least temporarily puts off any possible finding against Qualcomm that could result from the dispute.

Qualcomm, the San Diego-based chipmaker giant, is among six companies that have been accused of infringing on semiconductor chip packaging technology patented by Tessera Technologies Inc., of San Jose, Calif.

Administrative Law Judge Theodore Essex on Tuesday issued a stay, halting the proceedings before the commission, until a review of the patents is completed by the U.S. Patent and Trademark Office.

The patent office last week issued preliminary determinations that the Tessera patent claims before the ITC lack merit. The patent office is continuing to examine those claims in a process that could take several more months or more than a year.

Essex said in his decision that the patent's office "rejecting all of the claims at issue in this investigation weighs particularly heavy."

Tessera's stock plunged at news of the delay in the hearing. The stock closed at \$24.19, down \$12.52 or 34.11 percent from the previous close of \$36.71. The stock rose to \$24.60 in after hours trading.

Nick Rodelli, an analyst for New York based RiskMetrics Group, said the delay in the hearing threatens Tessera's ability to press its patent claims before the patents expire.

"It's a significant setback and I think that's pretty clear from the market reaction today," he said.

Brian Marcucci, vice president of business development and licensing at Tessera, said the company stands

behind its claims and intends to appeal Essex's decision to delay the hearing.

"We don't feel a stay is appropriate," he said.

Qualcomm was not immediately available to comment on the decision.

Several analysts said they view the dispute with Tesser as significantly less important for Qualcomm than the San Diego company's patent battles with Nokia and Broadcom Corp.

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