

In ITC Handset Battle, Nokia Keeps "Edge"

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Thursday, Dec 13, 2007 --- In a first-round victory for Nokia Corp., an International Trade Commission judge has issued an initial determination in favor of the Finnish cell phone maker in a long-running patent dispute between it and Qualcomm Inc.

Administrative Law Judge Paul J. Luckern ruled this week that GSM/GPRS/Edge handsets manufactured by Nokia did not infringe on three Qualcomm patents. He also found one patent in the case invalid.

"We are pleased with Judge Luckern's decision and believe it is consistent with and supported by the facts," said Rick Simonson, chief financial officer of Nokia.

"This decision confirms our belief that Qualcomm does not have relevant GSM patents. This is another failed attempt by Qualcomm to mislead both Nokia and the telecommunications industry."

Qualcomm said it intended to petition the trade commission for a review of the initial determination. Under ITC laws, a three-panel judge can overrule the administrative law judge's findings and issue its own.

"Qualcomm contends that Nokia imports cellular handsets into the United States that infringe these particular Qualcomm patents covering certain power control technologies and is seeking an exclusion order barring the importation of infringing Nokia handsets that use that technology," it said.

It also pointed out that the ruling didn't address Qualcomm's WCDMA patents.

The ITC's investigation against Nokia began in September, three months after Qualcomm filed a complaint accusing Nokia's cell phones of infringing six of its patents related to GSM technology, which has become the most widely used standard for mobile phones on an international scale. Qualcomm later dropped three patents from its original claim.

Nokia and Qualcomm, a San Diego-based chip manufacturer, have been locked in a bitter dispute over a cross-licensing deal for technology patents that expired in April 2007.

The three patents at issue come from the same patent family, and Qualcomm has claimed that they are critical to GSM standards.

Because of this declaration, Qualcomm entered a binding agreement to license the patents on fair, reasonable and nondiscriminatory terms. However, Qualcomm is now looking to secure an exclusionary order for these key patents from the ITC, according to Nokia.

In August, Nokia told the ITC that Qualcomm's Code Division Multiple Access and other advanced wireless devices had infringed on five Nokia patents, which cover methods that improve the performance and wireless communication devices, while enabling lower manufacturing costs, smaller product sizes and increased battery life.

However, on Oct. 19, Qualcomm revealed that Administrative Law Judge Paul Luckern had ruled that the ITC should wrap up the investigation because the companies are in the middle of arbitration over their 2001 technology license deal.

And in November, the ITC ended its investigation into Nokia's request, refusing to review the decision and putting the investigation to rest.

--Additional reporting by Amanda Ernst