

Google files patent claim against Microsoft, Nokia (Update)

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(AP) — Google lashed out at Microsoft and Nokia in a regulatory complaint, accusing them of illegally feeding mobile patents to a technology troll scavenging for billions of dollars in licensing fees that threaten to drive up the prices of cellphones and other wireless devices.

The claims were spelled out Thursday in a complaint filed with the European Commission, the chief regulator on that continent. Google Inc. also shared the complaint with the U.S. Justice Department and the Federal Trade Commission.

Microsoft Corp. brushed off Google's accusations as the "desperate tactic" of a company facing regulatory questions about its dominance of online search and digital advertising. Efforts to reach Nokia Corp. representatives at the company's headquarters in Finland late Thursday were unsuccessful.

Google's attack on Microsoft and Nokia escalates a legal brawl among technology giants trying to gain the upper hand in the rapidly growing market for mobile computing. Most of the fighting so far has been in the courtroom, where lawsuits and countersuits alleging patent infringements have been filed by Apple Inc., Samsung, Microsoft, Oracle Corp. Nokia, and HTC, among others.

Some of the missives have been aimed at Google and its business partners using its Android software for smartphones and other mobile devices. To protect itself, Google picked up 17,000 mobile patents in a

\$12.5 billion acquisition of Motorola Mobility Holdings that was completed last week.

Nokia joined forces with Microsoft last year when it agreed to adopt Windows as the operating system on its cellphones.

Google's complaint centers on 2,000 wireless patents that Nokia and Microsoft sold in September to MOSAID Technologies Inc., a company that specializes in collecting royalties on intellectual property. Companies that focus on extracting patent royalties instead of innovating are derisively known in the technology industry as "trolls."

MOSAID has made it clear it believes it is sitting on a potential gold mine.

After Nokia and Microsoft handed over the patents, MOSAID estimated the royalties from the intellectual property rights could bring it more \$1 billion in revenue over the next decade. Under terms of the sale, MOSAID keeps one-third of the revenue from the patent royalties with the remainder going to Nokia and Microsoft. That mean's MOSAID's revenue estimates imply the patents could generate licensing fees of \$3 billion during the next decade.

MOSAID declined to comment Thursday. The company, which is based in Ottawa, Ontario, already is suing iPhone and iPad maker Apple for alleged patent infringement in a Texas federal court.

The portfolio that Nokia and Microsoft transferred to MOSAID is valuable because about 1,200 of the patents are considered to be "essential" to the operation of most mobile devices running on 2G, 3G and 4G wireless networks.

Some of the patents cover parts of open-source software known as the

Linux Kernel, a form of freely available computer coding that Google used in building its Android operating system. Google alleges MOSAID is reneging on a commitment that Nokia made in a 2005 regulatory filing when the company pledged not to enforce patents against software relying on the Linux Kernel.

"Nokia and Microsoft are colluding to raise the costs of mobile devices for consumers, creating patent trolls that side-step promises both companies have made," Google said in a statement. "They should be held accountable, and we hope our complaint spurs others to look into these practices."

In its statement, Microsoft alluded to investigations in the U.S. and Europe into allegations that Google has been abusing its influential role in Internet search to thwart competition and increase advertising rates.

Google "is complaining about antitrust in the smartphone industry when it controls more than 95 percent of mobile search and advertising," Microsoft said. "This seems like a desperate tactic on their part."

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