

China smartphone maker Xiaomi buys Microsoft patents

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Upstart smartphone maker Xiaomi has bought nearly 1,500 patents from US technology giant Microsoft, the companies and reports said, as part of a "global partnership" that will help the Chinese firm expand outside

its home market.

The patents cover wireless communications, video, cloud and multi-media technologies, Bloomberg News quoted a Xiaomi spokeswoman as saying.

"This will help ease of operation in new markets," spokeswoman Kaylene Hong said.

Besides the patent transfers, Xiaomi will pre-install Microsoft Office and Skype on its Android smartphones and tablets, Microsoft said in a statement. Xiaomi sold more than 70 million handsets last year.

In May, Microsoft announced the sale of its phone business for \$350 million to a new Finnish company HMD Global and its Taiwanese partner, FIH Mobile of FoxConn Technology Group.

Microsoft bought the unprofitable handset unit of Finland's Nokia in 2014, but is now seeking to shut it down as it largely exits production.

"Microsoft is using its IP (intellectual property) arsenal as leverage to lure and lock-in vulnerable players such as Xiaomi," Neil Shah, research director at Counterpoint Research, told Bloomberg.

"So possibly it's a win-win for both parties as Xiaomi gets IP-protected and Microsoft grows its roster of partners."

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However, despite its efforts in India and Brazil, Xiaomi still depends

heavily on the domestic market, which accounted for 90 percent of its sales volume last year, IDC said.

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