

# Huawei warns US patent curbs would hurt global tech

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Huawei's Chief Legal Officer Song Liuping speaks at a press conference at the company's headquarters in Shenzhen in southern China's Guangdong province, Thursday, June 27, 2019. Chinese tech giant Huawei has warned a U.S. proposal to block the company from pursuing damages in the country's patent courts would be a "catastrophe for global innovation." (AP Photo/Dake Kang)

Chinese tech giant Huawei warned Thursday a U.S. senator's proposal to block the company from pursuing damages in patent courts would be a "catastrophe for global innovation."

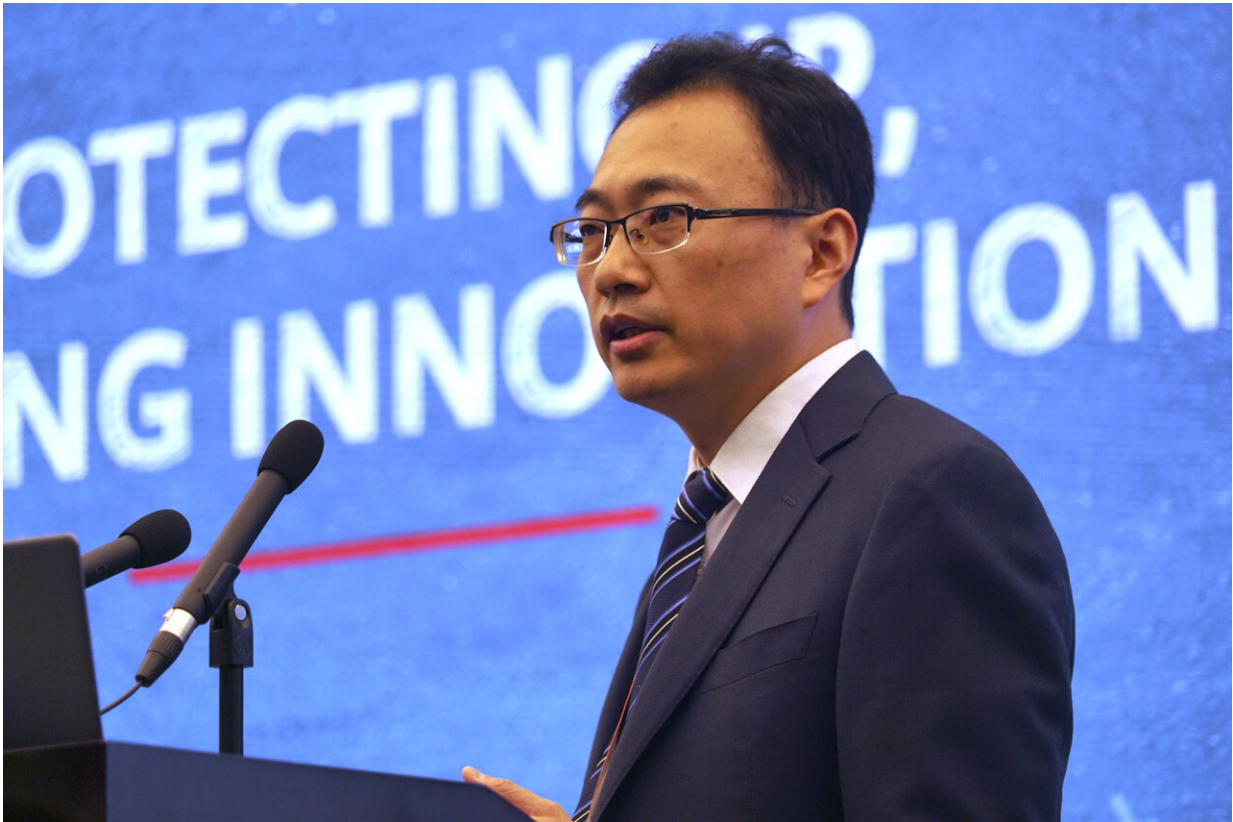
The proposal comes amid mounting U.S. action against Huawei, the biggest maker of switching gear for phone carriers. The company has been devastated by the Trump administration's decision to impose restrictions on its access to American chips for smartphones and other components and technology.

Disrupting Huawei's access to U.S. patent courts would threaten the intellectual property system that supports technology development, said Song Liping, the company's chief legal officer.

The proposal by Sen. Marco Rubio, a Republican from Florida, followed reports Huawei Technologies Ltd. is asking for \$1 billion from American phone carrier Verizon for use of the Chinese company's patents.

"If such a legislative proposal were to be passed, it would be a catastrophe for global innovation. It would have terrible consequences," Song said at a news conference. He said it would "break the foundation of IP protection."

American officials accuse Huawei of facilitating Chinese spying, a charge the company denies, and see it as a growing competitive threat to U.S. technology industries.



Huawei's Head of Intellectual Property Jason Ding speaks at a press conference at the company's headquarters in Shenzhen in southern China's Guangdong province, Thursday, June 27, 2019. Chinese tech giant Huawei has warned a U.S. proposal to block the company from pursuing damages in the country's patent courts would be a "catastrophe for global innovation." (AP Photo/Dake Kang)

Huawei's founder, Ren Zhengfei, said this month it has cut its project sales by \$30 billion over the next two years due to curbs on access to American chips and other components. He said smartphone sales outside China will fall 40%.

Huawei's U.S. sales of network gear evaporated after a congressional panel labeled the company a security threat in 2012 and told phone carriers to avoid it. But the Chinese company has a patent portfolio it



licenses to manufacturers and carriers.

Song gave no confirmation of how much Huawei wants from Verizon or the basis of its claims.

"We aren't taking an aggressive approach to intellectual property rights," Song said. "We aim to protect our IP in order to safeguard our global business and we have no intention of weaponizing IP. We are against charging exorbitant royalties, and we think that the fees should be within reasonable realms."

Huawei, founded in 1986, has China's biggest corporate research and development budget at \$15 billion in 2018. The company is a leader in developing next-generation telecoms technology.



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On Wednesday, a U.S. federal court jury in Texas ruled Huawei stole trade secrets from a Silicon Valley company but awarded no damages, saying the Chinese company didn't benefit.

The jury rejected Huawei's claims that Cnex Labs Inc. co-founder Yiren Huang stole its technology while he worked at a Huawei subsidiary.

Huawei's head of intellectual property, Jason Ding, said the company was studying the verdict and deciding what to do next.

Asked about a report by Bloomberg News that some Huawei researchers had published papers with Chinese military personnel over the past decade, Song said the company wasn't aware of its employees publishing research as private individuals.

"We don't customize products or do research for the military," said Song. "We are not aware of employees publishing papers. We don't have projects of that kind."

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