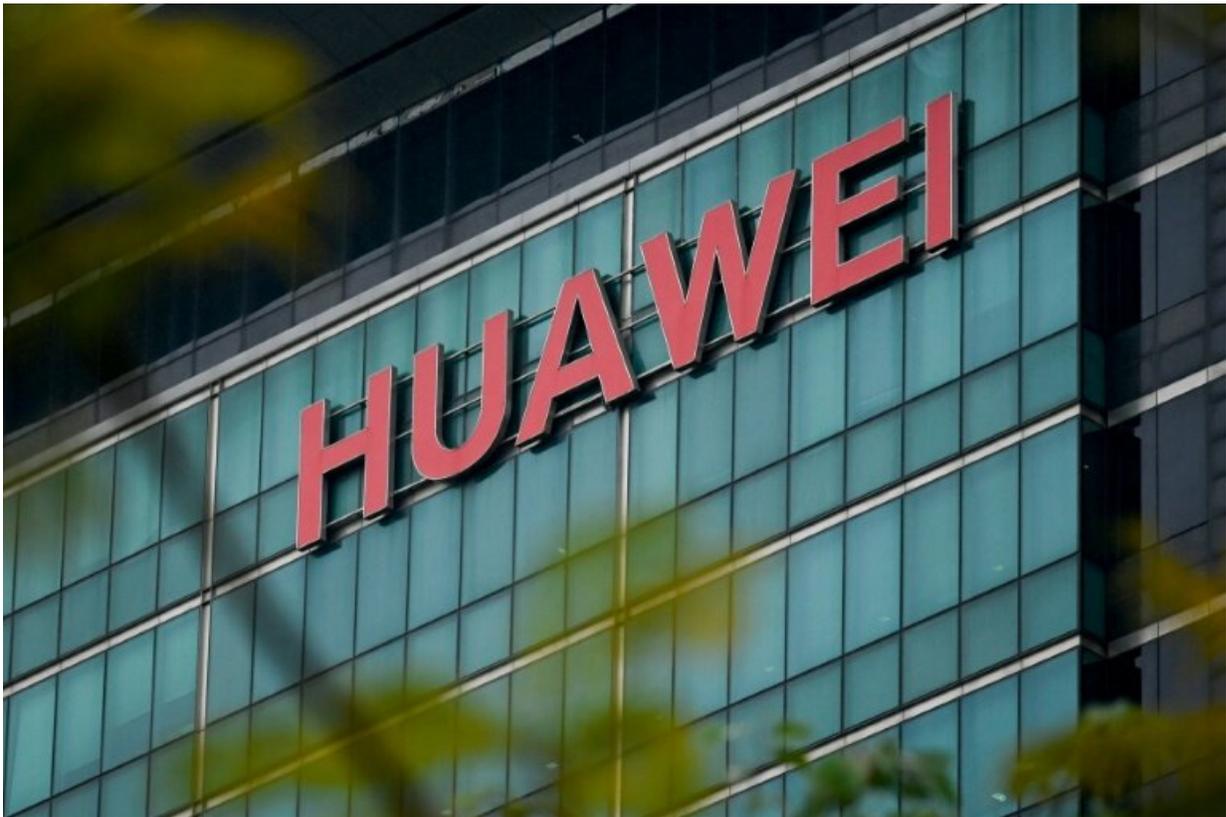


China's Huawei sues US over federal ban on its products

March 7 2019, by Dan Martin



The United States says Huawei equipment could be manipulated by China's Communist government to spy on other countries

Tech giant Huawei on Thursday opened a legal front in its counter-offensive against US warnings that it could aid Chinese intelligence

services, filing suit to overturn a US law that bars federal agencies from buying its products.

Huawei said the case was filed in a US District Court in Plano, Texas, challenging what it called an "unconstitutional" 2019 defence bill that prevents government agencies from buying its equipment, services, or working with third parties that are Huawei customers.

The move may send a global signal that Huawei is willing to use all means, including national courts, to prevent exclusion from a race to the 5G market—the future of high-speed telecommunications.

"The US Congress has repeatedly failed to produce any evidence to support its restrictions on Huawei products. We are compelled to take this legal action as a proper and last resort," Huawei's rotating chairman Guo Ping said.

Guo added the company was seeking unspecified damages.

"The US government is sparing no effort to smear the company," he said at a news conference at Huawei's corporate headquarters in the southern Chinese city of Shenzhen.

Guo also said the US government "has hacked our servers and stolen our emails and source code", without providing details.

Washington has long considered Huawei a potential threat due to the background of founder Ren Zhengfei, a former Chinese army engineer.



Huawei's lawsuit may send a global signal that it is willing to use all means to prevent attempts to exclude it from the 5G market

The concerns have escalated as Huawei has risen to become the world leader in telecom networking equipment and one of the top smartphone manufacturers alongside Samsung and Apple.

A law recently enacted by Beijing that obliges Chinese companies to aid the government on national security has added to the concerns.

No 'backdoors'

Huawei's lawsuit targets an "unconstitutional exercise of executive

and/or judicial power" that deprived it of a "fair hearing" to rebut allegations against it.

It also says the National Defense Authorization Act violates a bill of attainder clause by "singling out Huawei for punishment".

Chinese foreign ministry spokesman Lu Kang said in Beijing that it was "entirely legitimate and understandable for enterprises to safeguard their legitimate rights and interests through legal means".

He said Beijing had issued an official protest against the defence bill's "negative content concerning China".

Washington has warned that Huawei systems could be manipulated by Beijing to spy on other countries and disrupt critical communications, and is urging nations to shun the company in 5G networks.



Huawei's Meng Wanzhou faces potential extradition from Canada to the United States over charges of Iran sanctions violations

Huawei is expected to play a key role in the coming rollout of ultra-fast 5G networks that will allow wide adoption of next-generation technologies like artificial intelligence.

The firm has responded to the pressure with an aggressive PR campaign in recent months, with Ren, its reclusive founder, denying the claims in several foreign media interviews.

This week the company gave news organisations a tour of its production lines and R&D facilities in southern Guangdong province.

The clash is heightened by ongoing US-China trade talks and the December arrest of Huawei's Chief Financial Officer Meng Wanzhou, Ren's daughter.

A Canadian court on Wednesday set a May 8 date for the start of Meng's hearing into a US extradition request over charges that she and Huawei circumvented US sanctions against Iran. Two Huawei affiliates also have been charged with stealing trade secrets from telecom group T-Mobile.

Two Canadians were subsequently detained in China in suspected retaliation over Meng's arrest.

Huawei officials said it had never received any request from Beijing to install security "backdoors" in its equipment or to gather intelligence.

Chief legal officer Song Liuping acknowledged that Chinese laws may require Huawei to heed government requests for assistance but said it would only do so in matters such as terrorism or criminal activity.



Huawei has denied that it is 'owned or influenced' by the Chinese government

Competition fears?

Huawei officials have denied that the privately held company was "owned or influenced" by China's government.

Some China-watchers, however, say it is highly unlikely Huawei could have become so globally dominant in such a strategic sector without the support of Beijing, which has clearly stated its goal of becoming the world's high-tech leader.

Much of the US concern is rooted in fears that China, through Huawei,

may export the high-tech security state that is accelerating under President Xi Jinping.

It was unclear how much impact the lawsuit would have, however, as President Donald Trump could merely issue an executive order to block Huawei in the United States.

Guo suggested the effort to contain Huawei was related more to commercial competition than security issues.

Huawei equipment is seen as considerably more advanced than 5G competitors such as Sweden's Ericsson or Finland's Nokia, while no US company is considered a serious Huawei rival.

"Is (the United States) afraid that other countries may catch up to and overtake its use of advanced 5G technologies?" Guo asked.

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