



I POTENTIAL NEWSFEED

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IP NUCLEAR WAR

One of the biggest IP developments of the year - being likened by some as the 'nuclear war' of IP - is the recent spate of lawsuits brought on by the Rockstar consortium against Google, Samsung, LG Electronics, HTC, Huawei, Asustek, Pantech and ZTE Corp for patent infringements. In 2011 the consortium, which is jointly owned by Apple, Blackberry, Ericsson, Microsoft and Sony, had purchased via auction some 6,000 patents from Nortel. Under the name Rockstar Bidco, the group purchased the 6,000 patents for the whopping sum of USD 4.5 billion from Nortel when the Canadian telecommunications giant went bankrupt, outbidding Google's own bid of USD 4.4 billion. Industry experts expect that the fact that Google had made an unsuccessful bid for the Nortel patents will count against it as the case gets under way.

The barrage of patent lawsuits by Rockstar against Google, and essentially all of the major smartphone manufacturers that run on Google's Android operating system, are based upon several alleged infringements of the Nortel patents. Seven lawsuits are currently being brought against Google for willful and continuous infringement of the now Rockstar-owned patents, dealing mostly on associative search engines. These lawsuits challenge Google's core business model of covering technology that matches Internet search terms with paid advertising of its clients. Needless to say, this is a major threat to the entire business structure and operations of Google. The other lawsuits target the various Android manufacturers based upon specific patents and devices manufactured by the said companies. Critics have speculated that this is nothing more than an attempt to stem the rise of the Android operating system smartphones which competes fiercely with Apple and Microsoft's respective operating systems, as well as the range of handheld communications devices released by other members of the Rockstar consortium.

Rockstar consortium itself does not produce anything of its own with the patents they

hold. Legally defined as a 'patent assertion entity' (PAE), in intellectual property jargon the consortium is what is termed as a 'non-practicing entity'. Referred to by critics as 'patent trolls', these PAEs have gained so much notoriety that a bill has been introduced in the US Senate by Senators Patrick Leahy and Mike Lee to make it harder for PAEs to file frivolous lawsuits.

The lawsuits were filed in the US District Court, Eastern District of Texas; it is the favoured place for patent trolls to file lawsuits. This move has the general IP community questioning Rockstar's sincerity in the issue. The US District Court of Eastern District of Texas is notorious for being 'troll' friendly. Google will find that itself unable to file any counter-suits against Rockstar due to the fact that the consortium doesn't produce anything and has thus not violated any patent laws, even though it's composite members may.

Given that Google and others are more than capable of facing this Rockstar giant in court, one can only sit and wait to see how the future of Android-operated smartphones will be shaped by this. The decision of these lawsuits, whether for or against Google and the rest of the Android ecosystem, is likely to shape the future of the smartphone in years to come.

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