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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CASE NO: SACV 05-467 JVS(RNBx)

BROADCOM CORPORATION,
Plaintiff,

PERMANENT INJUNCTION

v.

QUALCOMM INCORPORATED,
Defendant.

AND RELATED CROSS-ACTION

I. The '686 Patent.

IT IS HEREBY ORDERED that the defendant Qualcomm Incorporated (“Qualcomm”), any of its subsidiaries, and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any or all of them who receive actual notice of this Permanent Injunction (all of said individuals and entities being referred to herein as “Qualcomm Parties”) are hereby permanently enjoined from infringing or inducing

1 the infringement claim 3 of U.S. Patent No. 6,847,686 (“‘686 Patent”), until the
2 expiration of the patent, by:

3
4 (a) making, using, importing, selling, and/or offering to sell in the United
5 States the MSM6275, MSM6280, MSM6550, MSM6800, MSM7200, MSM7500,
6 and MSM7600 baseband chips, or any device not more than colorably different
7 therefrom (collectively, the "'686 Infringing Products"), or any device that includes
8 any '686 Infringing Product (including, without limitation, cellular telephone
9 handsets, Form Factor Accurate ("FFA") devices, and Subscriber Unit Reference
10 ("SURF") devices); and/or

11
12 (b) assisting others in making, using, importing, selling, and/or offering to
13 sell in the United States any '686 Infringing Product and/or any device that
14 includes any '686 Infringing Product, by engaging in activities including, without
15 limitation, the following: (i) advertising, marketing, or otherwise promoting '686
16 Infringing Products and/or any device that includes any '686 Infringing Product;
17 (ii) entering or fulfilling product orders, or setting, determining, or approving terms
18 of sale, for '686 Infringing Products and/or any device that includes any '686
19 Infringing Product; (iii) providing customer service or other technical support
20 relating to '686 Infringing Products and/or any device that includes any '686
21 Infringing Product; (iv) negotiating or entering into licensing, representative,
22 reseller, or distributor agreements relating to '686 Infringing Products and/or any
23 device that includes any '686 Infringing Product; (v) developing, designing, or
24 manufacturing products substantially similar to '686 Infringing Products and/or any
25 device that includes any '686 Infringing Product; (vi) writing, modifying, or
26 updating software for '686 Infringing Products and/or any device that includes any

1 '686 Infringing Product; (vii) designing or modifying circuits for use in '686
2 Infringing Products and/or any device that includes any '686 Infringing Product;
3 (viii) writing, modifying, or updating hardware description language code for use
4 in the design or creation of '686 Infringing Products and/or any device that
5 includes any '686 Infringing Product; (ix) taping out '686 Infringing Products;
6 and/or (x) preparing documentation regarding the operation, use, or intended use of
7 any '686 Infringing Products and/or any device that includes any '686 Infringing
8 Product;

9
10 PROVIDED, HOWEVER, that with respect to '686 Infringing Products (i)
11 capable of operating on a CDMA2000 1xEV-DO network, (ii) which were on sale
12 in or imported into the United States on or before May 29, 2007, and (iii) with
13 regard only to existing or prior customers of '686 Infringing Products as of May
14 29, 2007 (which status shall be determined separately with respect to each '686
15 Infringing Product), the injunction against activities listed in paragraphs (a) and (b)
16 above shall be stayed until January 31, 2009, so long as:

17
18 (a) Qualcomm pays to Broadcom an ongoing royalty, consisting of 6% of
19 all revenues received by Qualcomm for sales occurring after May 29, 2007
20 of '686 Infringing Products that are sold in or imported into the United
21 States; and

22
23 (b) Qualcomm provides Broadcom with periodic reports from which
24 Broadcom can assess the proper royalties owed, detailing at least the volume
25 of, and revenue derived by Qualcomm from, any post-May 29, 2007 sales of
26 '686 Infringing Products.

1 II. The '317 Patent.

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3 IT IS FURTHER ORDERED that the Qualcomm Parties are hereby
4 permanently enjoined from infringing, inducing the infringement of, claims 1, 6, 9,
5 and/or 12 of U.S. Patent No. 6,657,317 (“‘317 Patent”), until the expiration of the
6 patent, by:

7
8 (a) making, using, importing, selling, and/or offering to sell in the United
9 States any radio unit (including, without limitation, cellular telephone handsets,
10 FFA devices, and SURF devices) that contains an MSM6550 chipset and is
11 capable of operating on CDMA2000 1x and 1xEV-DO networks, or any device not
12 more than colorably different therefrom (collectively, the "'317 Infringing
13 Products"); and/or

14
15 (b) assisting others in making, using, importing, selling, and/or offering to
16 sell in the United States any '317 Infringing Product, by engaging in activities
17 including, without limitation, the following: (i) selling, offering for sale, or
18 providing to third parties any device that is to be included in or used with any '317
19 Infringing Product; (ii) developing, designing, or manufacturing any '317
20 Infringing Product or any device that is to be included in or used with any '317
21 Infringing Product; (iii) advertising, marketing, or otherwise promoting any '317
22 Infringing Product or any device that is to be included in or used with any '317
23 Infringing Product; (iv) entering or fulfilling product orders, or setting,
24 determining, or approving terms of sale, for any device that is to be included in or
25 used with any '317 Infringing Product; (v) providing customer service or other
26 technical support relating to any '317 Infringing Product or any device that is to be

1 included in or used with any '317 Infringing Product; (vi) negotiating or entering
2 into licensing, representative, reseller, or distributor agreements relating to any
3 '317 Infringing Product or any device that is to be included in or used with any '317
4 Infringing Product; (vii) writing, modifying, or updating software for any '317
5 Infringing Product or any device that is to be included in or used with any '317
6 Infringing Product; (viii) designing or modifying circuits for use in any '317
7 Infringing Product or any device that is to be included in or used with any '317
8 Infringing Product; (ix) writing, modifying, or updating hardware description
9 language code for use in the design or creation of any '317 Infringing Product or
10 any device that is to be included in or used with any '317 Infringing Product; (x)
11 taping out any device that is to be included in or used with any '317 Infringing
12 Product; and/or (xi) preparing documentation regarding the operation, use, or
13 intended use of any '317 Infringing Product or any device that is to be included in
14 or used with any '317 Infringing Product;

15
16 PROVIDED, HOWEVER, that with respect to '317 Infringing Products (i)
17 which were on sale in or imported into the United States on or before May 29,
18 2007, and (ii) with regard only to existing or prior customers of '317 Infringing
19 Products as of May 29, 2007 (which status shall be determined separately with
20 respect to each '317 Infringing Product), the injunction against activities listed in
21 paragraphs (a) and (b) above shall be stayed until January 31, 2009, so long as:

22
23 (a) Qualcomm pays to Broadcom an ongoing royalty, consisting of 4.5%
24 of all revenues received by Qualcomm for sales occurring after May 29,
25 2007 of '317 Infringing Products that are sold in or imported into the United
26 States; and

1 (b) Qualcomm provides Broadcom with periodic reports from which
2 Broadcom can assess the proper royalties owed, detailing at least the volume
3 of, and revenue derived by Qualcomm from, any post-May 29, 2007 sales of
4 '686 Infringing Products.

5
6 III. The '010 Patent.

7
8 IT IS FURTHER ORDERED that the Qualcomm Parties are hereby
9 permanently enjoined from infringing, or inducing the infringement of, claims 1, 2,
10 3, and/or 7 of U.S. Patent No. 6,389,010 ("010 Patent"), until the expiration of the
11 patent, by:

12
13 (a) making, using, importing, selling, and/or offering to sell in the United
14 States QChat software and/or any telephone or telephone system (including,
15 without limitation, cellular telephone handsets, FFA devices, and SURF devices)
16 containing QChat software and an MSM5100, MSM5105, MSM6100, MSM6500,
17 or MSM6800 baseband chip, or any device not more than colorably different
18 therefrom (collectively, the "'010 Infringing Products"); and/or

19
20 (b) assisting others in making, using, importing, selling, and/or offering to
21 sell in the United States any '010 Infringing Product, by engaging in activities
22 including, without limitation, the following: (i) selling, offering for sale, or
23 providing QChat software and/or hardware to third parties; (ii) advertising,
24 marketing, or otherwise promoting QChat software and/or hardware; (iii) entering
25 or fulfilling product orders, or setting, determining, or approving terms of sale, for
26 QChat software and/or hardware; (iv) providing customer service and/or other

1 technical support relating to QChat software and/or hardware; (v) negotiating or
2 entering into licensing, representative, reseller, or distributor agreements relating to
3 QChat software and/or hardware; (vi) developing, designing, modifying, testing,
4 demonstrating, or manufacturing QChat software and/or hardware or products
5 substantially similar to QChat software and/or hardware; and/or (vii) making
6 QChat software available for download.

7
8 PROVIDED, HOWEVER, that with respect to '010 Infringing Products (i)
9 which were on sale in or imported into the United States on or before May 29,
10 2007, and (ii) with regard only to existing or prior customers of '010 Infringing
11 Products as of May 29, 2007 (which status shall be determined separately with
12 respect to each '010 Infringing Product), the injunction against activities listed in
13 paragraphs (a) and (b) above shall be stayed until January 31, 2009, so long as:

14
15 (a) Qualcomm pays to Broadcom an ongoing royalty, to be determined in
16 accordance with subparagraph (c), consisting of a percentage of all revenues
17 received by Qualcomm for sales occurring after May 29, 2007 of '010
18 Infringing Products that are sold in, or imported into, or licenses in the
19 United States; and

20
21 (b) Qualcomm provides Broadcom with periodic reports from which
22 Broadcom can assess the proper royalties owed, detailing at least the volume
23 of, and revenue derived by Qualcomm from, any post-May 29, 2007 sales of
24 '010 Infringing Products.

25
26 (c) Broadcom and Qualcomm shall submit a proposed amendment to this
27

1 Permanent Injunction setting forth an agreed royalty or set of royalties no
2 later than February 29, 2008. If the parties cannot agree, they shall submit
3 by the same date simultaneous opening briefs on the proper royalty rate, and
4 ten days thereafter shall submit simultaneous reply briefs.

5
6 IV. Territorial Limitation.
7

8 With respect of activities enjoined in Sections I through III, this Permanent
9 Injunction shall not extend to activities engaged in inside or outside the United
10 States which have no effect on the manufacture, use, importation, sale and/offering
11 of '686 Infringing Products, '317 Infringing Products, or '010 Infringing Products
12 in the United States.
13

14 V. Permissible "Design Around" Efforts.
15

16 Nothing is this Permanent Injunction shall prohibit the Qualcomm Parties
17 from engaging in the design, development, or testing of any product or service
18 which does not infringe the '686 Patent, the '317 Patent, and/or the '010 Patent.
19 Nothing is this Permanent Injunction shall prohibit the Qualcomm Parties from
20 engaging in modification of any '686 Infringing Product, '317 Infringing Product,
21 or '010 Infringing Product so as to eliminate infringement, nor from engaging in
22 design, development, or testing for said purpose. Nothing is this Permanent
23 Injunction shall prohibit the Qualcomm Parties from importing into the United
24 States any '686 Infringing Product, '317 Infringing Product, or '010 Infringing
25 Product solely for the purpose of engaging in design, development, or testing so as
26 to eliminate infringement and/or effecting modification to eliminate infringement.
27
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1 VI. Verizon Adjustment.

2
3 As set forth in its Memorandum of Decision filed today, the Court
4 believes that this Permanent Injunction should explicitly take into account the
5 effect of the Verizon-Broadcom Agreement (PTX 2002) (“Verizon Agreement”)
6 on the calculation of sunset royalties and on the scope of activities which
7 Qualcomm may lawfully undertake in assisting Verizon under the Verizon
8 Agreement. Accordingly, by February 29, 2008, the parties shall either file a
9 proposed stipulated amendment to this Permanent Injunction dealing with any
10 necessary modification to the Permanent Injunction in light of the Verizon
11 Agreement, or present simultaneous opening briefs on the issue and simultaneous
12 reply briefs ten days thereafter. If the parties believe that another mechanism
13 would be preferable for resolving this issue in the absence of agreement, they are
14 free to propose such an alternative by way of a joint report.

15
16 VII. Accounting for Royalties.

17
18 IT IS FURTHER ORDERED that, within 15 days from the date of this
19 signed Permanent Injunction, Qualcomm shall provide a copy of this Permanent
20 Injunction to its officers, directors, agents, servants, representatives, attorneys,
21 employees, subsidiaries and affiliates, and those persons in active concert or
22 participation with them, including any and all manufacturers, distributors, retailers,
23 service providers, licensees, and other persons who have been, or are reasonably
24 expected to be, involved in the making, using, selling, offering for sale or
25 importing of any '686 Infringing Product, any device containing any '686
26 Infringing Product, any '317 Infringing Product, any QChat software or hardware,

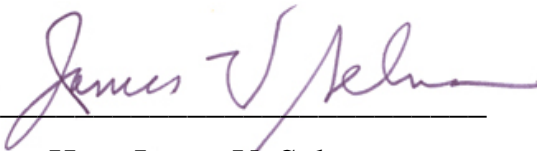
1 and/or any '010 Infringing Product.
2

3 All royalties shall begin accruing on the date of signing of this Permanent
4 Injunction. All payments and periodic reports due pursuant to this Permanent
5 Injunction shall begin on March 31, 2008 and shall thereafter be made on the last
6 business day of each calendar quarter. Payments not made within 14 days of the
7 date due shall accrue interest at the rate of 10%, compounded monthly.
8

9 VIII. Continuing Jurisdiction.
10

11 The Court specifically retains jurisdiction to enforce, modify, extend, or
12 terminate this Permanent Injunction as the equities may require upon a proper
13 showing, and to adopt procedures for resolution of any dispute whether a product
14 not specifically covered by this Permanent Injunction “colorably infringes” any of
15 the infringed claims under the patents in suit enumerated above.
16

17 Dated: December 31, 2007

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19 _____
20 Hon. James V. Selna
21 United States District Court Judge
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