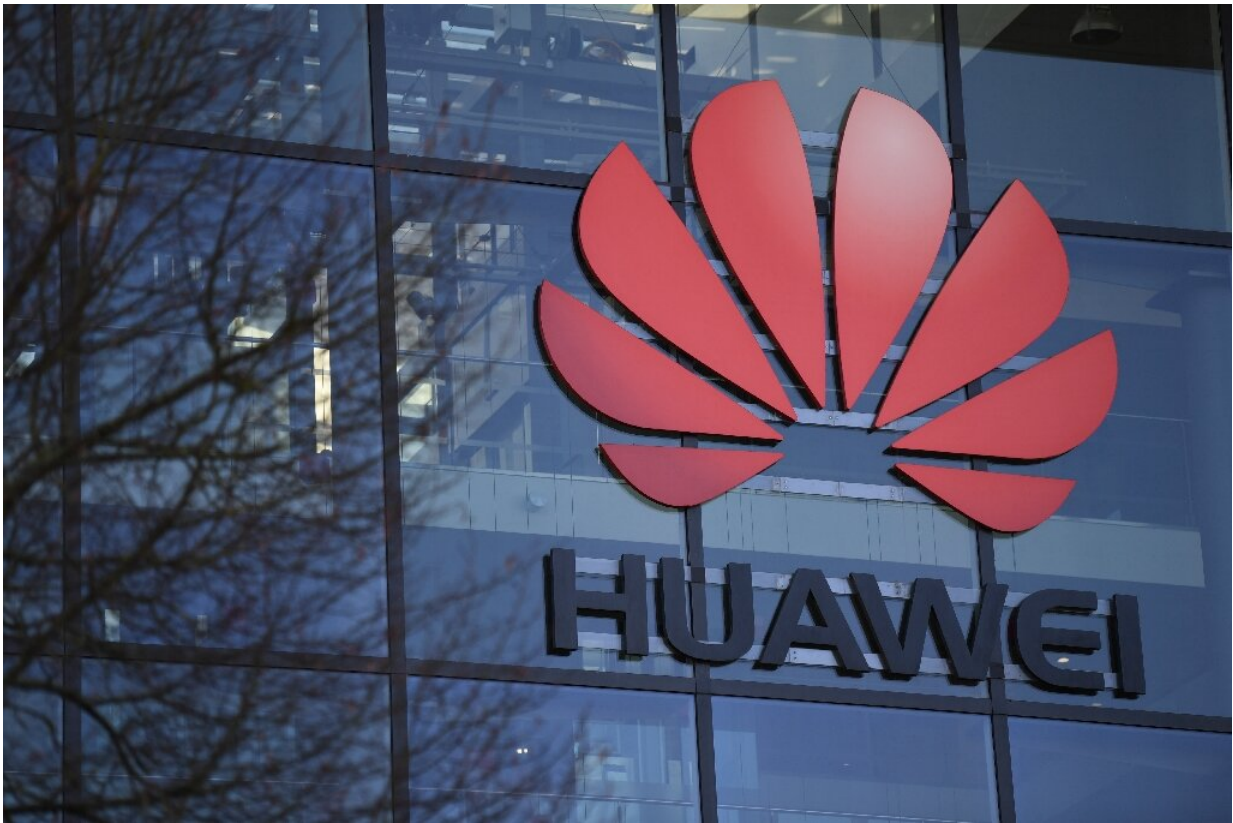


# Huawei loses legal challenge against US federal purchase ban

February 19 2020

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Washington has long considered Huawei a possible security danger

Washington has the right to block US federal agencies from buying products by Huawei on cybersecurity grounds, a judge has ruled, dismissing the Chinese telecom giant's legal challenge to a purchase ban.

Huawei filed the suit nearly a year ago, claiming that Congress had failed to provide evidence to support a law that stopped [government agencies](#) from buying its equipment, services, or working with third parties that are Huawei customers.

The dispute was one of several fronts in a bruising trade war between Beijing and Washington, which has accused the tech firm of stealing trade secrets from American companies and warned allies that its equipment could be used to spy on other countries.

Huawei has denied the claims and accused the US of trying to put the company out of business through an "unconstitutional" restriction on its access to the American market.

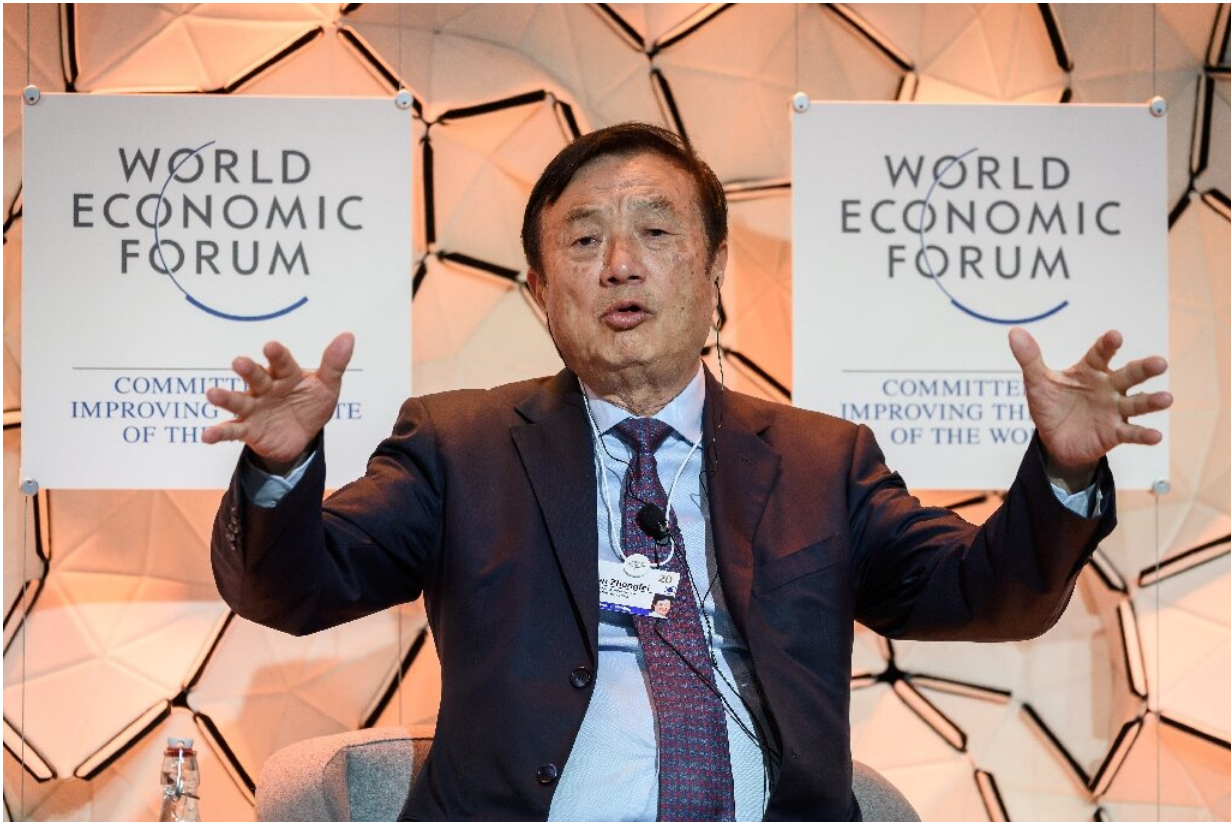
But Tuesday's court ruling in the United States found there was no constitutionally guaranteed right to a contract with the federal government.

The ban was also justified in the context of a congressional investigation "into a potential threat against the nation's cybersecurity," wrote US District Judge Amos Mazzant.

Huawei said in a statement that it was disappointed with the ruling and would "continue to consider further legal options."

## **Security fears**

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It has warned that the company's systems could be manipulated by Beijing to conduct espionage and disrupt critical communications in foreign countries, and is urging countries to shun the firm.

Concerns have intensified with Huawei's rise to become a world leader in telecom networking equipment and one of the top smartphone manufacturers alongside Samsung and Apple.

But the firm is expected to play a major part in the rollout of ultra-fast 5G networks that will allow wide adoption of next-generation technologies such as [artificial intelligence](#).

Huawei equipment has been 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 rival.

The US has banned Huawei from its own 5G rollout, but the European Union and United Kingdom have both left the door open for a limited role in building network infrastructure—prompting rebukes from Washington.

Pentagon chief Mark Esper warned Saturday that Huawei's involvement in Europe could jeopardise the NATO military alliance.

The warning came days after the US ambassador to Germany said President Donald Trump had threatened to end intelligence-sharing deals with countries that dealt with the firm.

Last week the US also slapped the company with criminal charges for an alleged "decades-long" effort to steal [trade secrets](#) from American companies.

Huawei's chief financial officer Meng Wanzhou was arrested in Canada in 2018 on a US warrant in a related probe into her company's alleged violation of US sanctions.

She is under house arrest awaiting a ruling on whether she will be extradited to face charges south of the border.

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Citation: Huawei loses legal challenge against US federal purchase ban (2020, February 19)  
retrieved 10 April 2024 from <https://techxplore.com/news/2020-02-huawei-legal-federal.html>

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