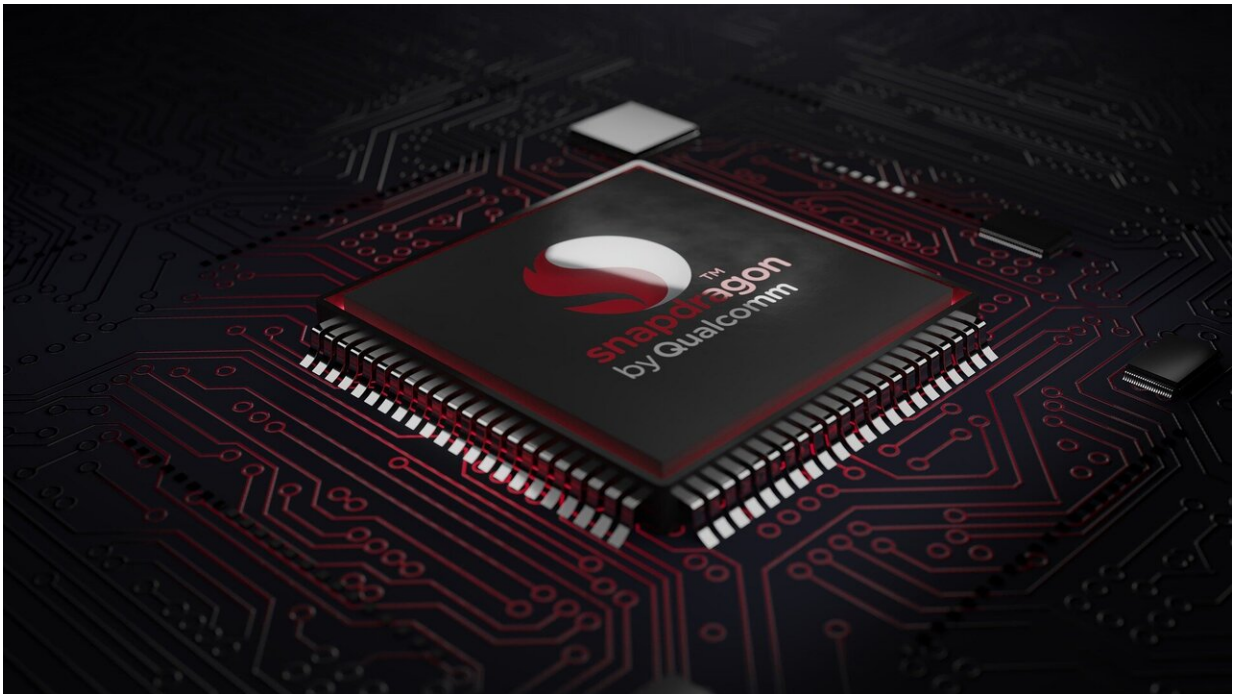


Qualcomm sued by longtime partner Arm over high-performance chip technology

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Arm Limited, a heavyweight technology partner of Qualcomm for years, has accused the San Diego company of violating chip architecture intellectual property licenses linked to a new line of high-performance processors for laptops, digital cars, smartphones and even data center servers.

In a [lawsuit](#) filed Wednesday in a Delaware [federal court](#), Arm is seeking the destruction of any chip technology related to the disputed licenses, as well as injunctions and monetary damages.

The legal blowup comes as Qualcomm prepares to provide samples of these faster, energy-efficient chips to customers later this year. It's an effort to catch up with Apple's touted laptop and smartphone CPUs—or Central Processing Units. CPUs handle the hardcore computing functions on smartphones, laptops and other devices.

Improved CPUs also are a cornerstone of Qualcomm's diversification strategy. The company aims to push high-performance computing into digital cockpits and Advance Driver Assistance Systems in cars, next-generation laptops and personal computers, realistic virtual reality headsets and edge network infrastructure.

In 2021, Qualcomm paid \$1.4 billion for Nuvia to jumpstart its CPU efforts. Founded by former Apple and Google chip designers, Nuvia primarily worked on developing energy-efficient semiconductors for data centers.

It's unclear whether this [legal action](#) will delay Qualcomm's efforts to roll out these processors in the coming months.

In a statement, Arm said it made many "good faith" efforts to resolve the dispute before going to court.

"Qualcomm has breached the terms of the Arm license agreement by continuing development under the terminated licenses," said Phil Hughes, vice president of external communications. "Arm was left with no choice other than to bring this claim against Qualcomm and Nuvia to protect our [intellectual property](#), our business and to ensure customers are able to access valid Arm-based products."

Qualcomm contends it has wide-ranging licenses with Arm already that shield it from the lawsuit claims.

"Arm's lawsuit marks an unfortunate departure from its longstanding, successful relationship with Qualcomm," said general counsel Ann Chaplin in a statement. "Arm has no right, contractual or otherwise, to attempt to interfere with Qualcomm's or Nuvia's innovations. Arm's complaint ignores the fact that Qualcomm has broad, well-established [license](#) rights covering its custom-designed CPUs, and we are confident those rights will be affirmed."

The lawsuit is complicated. Arm isn't a chip maker. The United Kingdom-based company developed the architecture that other semiconductor designers use to map out their own chips. The company licenses its intellectual property for fees and royalties based on the number of Arm-centric chips its licensees sell.

According to the lawsuit, Nuvia received licenses in 2019 that allowed it to take pieces of Arm's architecture and customize them to make its own core designs. The agreement prohibited the transfer of these licenses without Arm's permission.

In March 2021, Qualcomm announced that it was buying Nuvia. But it didn't inform Arm or seek permission to transfer the licenses, according to the lawsuit.

Arm says it informed Qualcomm shortly after the announcement that Nuvia could not assign its licenses as part of the deal without Arm signing off. Arm claims it worked for more than a year to negotiate an agreement. But in March 2022, it terminated Nuvia's licenses.

Qualcomm contends it has Arm licenses that enable it to do custom core work—though the lawsuit contends Qualcomm hadn't been doing that

since 2018. Instead, it relied on Arm pre-made core designs.

"Qualcomm's Arm licenses do not cover products based on or incorporating Arm-based technologies developed by third parties under different Arm licenses, such as the now-terminated Nuvia licenses," according to the lawsuit.

Arm is asking the court to enforce contract provisions and destroy any technology developed under Nuvia's terminated licenses. It is also claims trademark violations related to the use of Arm's name with Nuvia-developed technology, and it seeks a permanent injunction and triple monetary damages for those alleged violations, among other things.

Arm announced the lawsuit just as markets closed on Wednesday. Qualcomm's shares ended trading down 1 percent at \$132.27 on the Nasdaq exchange.

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