

EU drops Qualcomm antitrust probe

November 24 2009, By AOIFE WHITE , AP Business Writer

(AP) -- European Union antitrust regulators on Tuesday dropped a monopoly abuse probe into wireless chip maker Qualcomm Inc. after mobile phone companies withdrew complaints about high royalty fees.

Broadcom Corp., [NEC Corp.](#), Nokia Corp., LM Ericsson, [Panasonic](#) Mobile Communications and Texas Instruments Inc. backed off complaints they made in October 2005 that [Qualcomm](#) broke agreements among patent holders to keep costs at reasonable levels for key WCDMA patents used in third-generation phones.

Qualcomm's general counsel Don Rosenberg said the company was "extremely pleased" that the four-year EU investigation was over without any charges filed.

Ericsson said it would no longer back the EU investigation but would pursue discussions with other [antitrust regulators](#) around the world.

It said phone companies had filed "substantial economic evidence that Qualcomm's conduct has caused mobile phone users to pay billions of euros in unnecessary costs."

The EU's executive said it was still concerned about how technology was priced after it was adopted as an industry standard but could not commit the time or resources to "complex" assessments.

"Any antitrust enforcer has to be careful about overturning commercial agreements," it said in a statement. "The commission does not consider it

appropriate to invest further resources in this case."

In July, South Korea's fair trade regulator fined Qualcomm a record \$208 million for abusing its dominant position as a supplier of CDMA [mobile phone](#) chips to charge higher royalties to companies that used rival chipsets and giving rebates to customers who bought from Qualcomm.

Qualcomm developed CDMA, or code division multiple access, a rival standard to the dominant cellular standard GSM, or global system for mobile. The company controls most of the key patents.

CDMA is used in the United States and South Korea. Every handset in South Korea has a CDMA chip and manufacturers of handsets have to pay royalty fees to Qualcomm.

Japan's fair trade commission also ordered Qualcomm to end monopoly abuse linked to contracts that it said gave Qualcomm unfair advantages over Japanese chip maker competitors.

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