

Google completes takeover of Motorola Mobility

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Google said Tuesday it finalized its \$12.5 billion deal to buy Motorola Mobility, a key manufacturer of smartphones and other devices. Chief executive Larry Page, pictured on May 21, said in a Google blog post that the deal had been completed

Google closed Tuesday its \$12.5 billion deal for Motorola Mobility, a key manufacturer of smartphones and other devices that puts the Internet giant in head-to-head competition with Apple.

"The acquisition will enable Google to supercharge the Android ecosystem and will enhance competition in mobile computing," the California-based Internet giant said in a statement.

Chief executive Larry Page said Google was acquiring "a great American tech company, with a track record of over 80 years of

innovation."

The completion of the deal dubbed "Googorola" follows approval by Chinese, US and European regulators, amid concerns on restrictions for Android, a Google-created free operating system for mobile devices.

Conditions from China's Ministry of Commerce included Google keeping its Android software for smartphones and tablet computers free and open for at least five years.

Regulators in the US and elsewhere have stressed that they will be watching to make sure that the Mountain View, California-based company does not use Motorola Mobility to obtain an unfair advantage in the market.

Google acquires 17,000 patents with the purchase of Motorola Mobility and has been strengthening its patent portfolio in the fight for dominance in the booming smartphone and tablet market.

The Android system snagged 51 percent of the US mobile phone operating system market in the three months ending in March, according to comScore, while Apple's operating system had 30.7 percent.

But in the global tablet market, Apple's iPad outmuscled its Android-powered rivals in early 2012, according to research firm IDC.

Some analysts have said Google may be content with the patent portfolio, and sell the handset and other hardware operations.

But Page's comments suggest Google will move headfirst into devices.

"The phones in our pockets have become supercomputers that are changing the way we live," he said.

"It's a great time to be in the mobile business, and I'm confident that the team at Motorola will be creating the next generation of mobile devices that will improve lives for years to come."

Charles Golvin of Forrester Research said he expects little change in the smartphone market because Google and Motorola already have Android phones.

"I expect more impact in tablets... that fully exploit the latest innovations in hardware and software," he said.

Greg Sterling of the website Marketing Land said the deal "could result in some exciting new products," including "interesting, new Internet-access devices that aren't phones," such as the previously announced "Google Glasses."

Google said it will run Motorola Mobility as a separate business unit that will be a licensee of Android, the Google operating system for mobile devices.

"Android will remain open," the company said.

Heading the unit will be "long-time Googler" Dennis Woodside, who will take over from Sanjay Jha, who led the company through this acquisition.

Woodside, who has overseen integration planning for the acquisition, previously served as president of the Americas region for Google.

"Motorola literally invented the entire mobile industry with the first-ever commercial cell phone in 1983," Woodside said.

"Thirty years later, mobile devices are at the center of the computing

revolution. Our aim is simple: to focus Motorola Mobility's remarkable talent on fewer, bigger bets, and create wonderful devices that are used by people around the world."

Motorola Mobility was created in 2011 when US-based Motorola Inc. split the company into a mobile devices unit on the one hand and a government and public safety division known as Motorola Solutions on the other.

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