

EU opens anti-trust probe into Qualcomm

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Qualcomm President Derek Aberle speaks at the International CES, an annual consumer technology trade show, on January 5, 2015 in Las Vegas

The EU launched an anti-competition probe Thursday into US computer chip giant Qualcomm, the latest of a series of investigations into top American companies.

The European Commission said it was opening two Qualcomm

probes—into possible price rigging and abuse of its dominant market position in baseband chipsets used for communications in devices such as mobile phones and [tablet computers](#).

"We are launching these investigations because we want to be sure that high tech suppliers can compete on the merits of their products," EU Competition Commissioner Margrethe Vestager said in a statement.

"Many customers use electronic devices such as a mobile phone or a tablet and we want to ensure that they ultimately get value for money," she said.

"Effective [competition](#) is the best way to stimulate innovation."

The Commission, the EU's executive arm which polices competition policy, said Qualcomm is the world's largest supplier of baseband chipsets and may have used that position to influence the market.

"The Commission will investigate whether Qualcomm has granted payments, rebates or other financial incentives to its customers on condition that they purchase all or a significant part of their baseband chipsets requirements from Qualcomm, and whether any such behaviour might hinder the ability of rivals to compete," it said.

The Commission will also examine whether the company "has engaged in 'predatory pricing' by selling these chipsets at prices below costs, with the intention of hindering its competition from remaining in the market."



The European Commission says it wants to ensure customers using electronic devices, such as smartphones, ultimately get value for money

Qualcomm said it was disappointed by the announcement but believed it would be cleared.

"While we were disappointed to hear this, we have been cooperating and will continue to cooperate with the Commission and we continue to believe that any concerns are without merit," the California-based firm said in a statement.

Under EU competition rules, a company found at fault can be fined up to 10 percent of its annual sales, which amounted to \$26.5 billion for Qualcomm last year.

The formal launch of an investigation does not prejudge the outcome

and allows the company involved to make a formal response.

Vestager has attracted critical comment in the United States as she pursues a probe into Internet giant Google, and after recently launching investigations into MasterCard, Amazon and the key e-commerce market.

Qualcomm announced in February that it would pay a fine of nearly one billion dollars to end a long-running anti-trust probe in China, a key market.

In November last year, the US authorities launched an investigation into Qualcomm's licensing business.

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