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Qualcomm to Pay Broadcom to Settle a Patent Dispute

By [MATT RICHTEL](#)

[Qualcomm](#) has agreed to pay \$891 million over four years to [Broadcom](#), a chief rival, to settle a contentious patent dispute over technology used in the microprocessors that power mobile phones.

Qualcomm has suffered a series of legal setbacks in the dispute. In June 2007, Broadcom prevailed in a jury trial in federal court in California after it claimed that Qualcomm had violated three patents that include methods for transmitting high-speed data over cellphones.

A week later, the United States International Trade Commission ruled that Qualcomm had violated a separate Broadcom patent that governed power management in cellphone chips. Broadcom asserted that Qualcomm was using the technology without paying licensing fees.

Under the settlement announced Sunday night, the two companies said they were dismissing all litigation, including the infringement claims in the United States District Court in Santa Ana, Calif., the [International Trade Commission](#), as well as Broadcom's complaints to the [European Commission](#) and the Korea Fair Trade Commission.

The companies also announced they had entered into a multiyear patent agreement but did not provide financial details of the arrangement.

Qualcomm said it agreed to pay the first \$200 million of the settlement in the quarter ending June 30.

Don Rosenberg, general counsel for Qualcomm, said he approached Broadcom's general counsel late last year and the two forged a relationship that led to heavy negotiations the last two weeks. Mr. Rosenberg said "both parties were clearly in the mood to put this behind us."

Ed Snyder, a telecommunications industry analyst with Charter Equity Research, said the agreement was good for both companies but said "clearly, Broadcom is coming out ahead."

Qualcomm said the agreement would not force it to change the model that it uses to license its own chip technology, which also had been in dispute.

The argument involved chips made for so-called smartphones, the feature-rich devices that operate on third-generation, or 3G, networks. These devices have become particularly important for the cellphone industry as it seeks to find growth opportunities when most consumers already own phones.

