

Tech Tussle: Apple & Qualcomm

By Christina Scully, J.D. Candidate 2021 | October 24, 2018

The relationship between Apple and Qualcomm dates back to 2011 when Qualcomm became Apple's main supplier for modem chips to use in its smartphones. Despite this history, the relationship between the companies has turned bitter.

Last year, [Apple alleged](#) that Qualcomm's patent royalty payments constituted an "illegal business model" which "amounts to a scheme of extortion." Shortly thereafter, Apple's suppliers stopped paying royalties to Qualcomm. According to analysts, this resulted in an estimated [\\$2.5 to \\$4.5 billion](#) of unpaid royalty fees. The fact that Qualcomm is the subject of an antitrust lawsuit pursued by the Federal Trade Commission perhaps adds additional weight to Apple's claims.

In turn, Qualcomm declared its own allegations against Apple. In a countersuit, [Qualcomm claimed](#) that Apple breached their master software agreement by providing Intel, its competitor, with "vast swaths" of its confidential information. Qualcomm filed several patent infringement suits against Apple and asked for an import ban on certain iPhone models, which it claimed contained technology resulting from this infringement. Judge Thomas Pender of the [International Trade Commission](#) found that Apple had infringed on one Qualcomm patent, but denied instating the import ban.

In response to being dragged into these claims, Intel's general counsel, Steve Rodgers, released a [press statement](#). Standing strongly behind Intel's integrity, he stated "As one of the world's largest patent holders, Intel respects intellectual property." Additionally, Rodgers emphasized that moving forward, Intel will instead "respond to Qualcomm's statements in court, not in public."

While the conflict between Qualcomm and Apple has persisted for more than a year, it seems that at least one of the companies is hopeful for a possible resolution. In a recent interview with Bloomberg, Qualcomm CEO Steve Mollenkopf alluded to the possibility of a [settlement](#) stating, "The environment is such that a deal could get done." In case the parties cannot come to an agreement, a trial is set to begin in April 2019.



However, a settlement might be a long way off. The legal battle between Apple and Qualcomm is arguably the largest and most influential dispute to occur within the tech industry, given the scope and scale of the controversy. In addition to the litigation within the U.S., the companies have filed suit against each other in countries such as the U.K. and China. In total, they are adversaries in approximately 100 legal disputes around the world.

Overall, the conflict between Apple and Qualcomm stands as a warning for the way in which business relationships and the protection of intellectual property can clash. The outcome of the controversy, whether through settlement or trial, will certainly shape the way product and tech leaders interact in the future.