



BY MAURY WRIGHT, EDITORIAL DIRECTOR

Qualcomm-IP quagmire launches supply-chain section

This issue of *EDN* marks the debut of a supply-chain section (pg 91) that will initially appear in every other issue and, we hope, eventually in every issue. In the new section, we will cover breaking news in the pricing, inventory, and product-availability areas. We'll include regular updates on green and environmental issues that continue to change the way engineers and vendors design and manufacture products worldwide.

Finally, we'll cover the distribution front, supply-chain-oriented events, and pertinent market statistics. The first instance of this section leads with a story on the recent legal IP (intellectual-property) battles between Qualcomm and Broadcom and the impending North American banishment of mobile handsets that use certain Qualcomm ICs.

The supply chain is nothing new to *EDN*. We've sporadically covered such stories in our Pulse section and in feature articles. Beginning with the re-launch of *EDN.com* last April, we introduced an online channel dedicated to supply-chain issues in the business center on the Web site. Suzanne Def-free is our resident supply-chain expert as well as the managing editor of our news center. She has been driving content on our online supply-chain channel, and she will edit the print section, as well.

Please take a look at the new section and let me know what you think. I believe the information is critical to design engineers. The ability to meet market windows means that designers must use efficient and quality design techniques and make supplier and component choices that will

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not impact the move to volume production.

I find the Qualcomm story especially interesting because I live in the San Diego area, where Qualcomm is based and where we get daily news of the legal skirmish. Qualcomm has long been among the most hawkish of companies when it comes to profiting from IP, and now the predator has become the prey. I think that Qualcomm will soon realize that it had better pay up. Others, such as Nokia, are ready to pile on with their own claims that Qualcomm has illegally used their IP. The threat of escalating royalties that Qualcomm might owe, combined with the lack of revenue from North American phone shipments, should nudge the company toward compromise. The ramifications go beyond Qualcomm. The handsets in question also carry other vendors' components. Moreover, these skir-

mishes could significantly affect consumers.

I recently bought a nifty Samsung Sync handset for the AT&T/Cingular network. The GSM (global-system-for-mobile-communications) network hasn't in the past been Qualcomm's market. Lately, however, the company has begun to compete vigorously with market leader Texas Instruments and other vendors in the GSM market. My Sync carries a small sticker on the back that notes that the phone uses Qualcomm HSDPA (high-speed-downlink-packet-access) technology—the 3G technology favored by the GSM universe. My understanding is that the recent legal ruling would ban such phones.

I think that the Qualcomm-versus-Broadcom battle indicates a growing problem that might quash innovation. Companies in the semiconductor industry have simply forgotten how to work together. Once-prevalent cross-licensing is now rare. Without more cooperation and cross-licensing, standards battles will continue to escalate, just as in the IEEE 802.11n wireless-LAN effort. In effect, a lack of cooperation will slow the promulgation of every compelling new technology.

Companies—especially public companies—need to make money and deliver value to shareholders. Somehow, they did just that during the era of broad cross-licensing and cooperation that started around 1960 and continued for most of the rest of the last century. Perhaps we need the industry to step back before moving forward. Consumers can't drive the industry by buying compelling new products when the courts are holding up introduction of those products.**EDN**

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