

# Apple and Qualcomm legal settlement might pave way for first 5G iPhone

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Apple and Qualcomm have settled their longstanding royalty and patent disputes, helping potentially pave the way for the first 5G-capable iPhone as soon as this year, though 2020 still seems more likely.

In a vague press release, Apple and Qualcomm announced that they agreed to drop all litigation aimed at each other, including with Apple's contract manufacturers. Apple also will make an undisclosed payment to Qualcomm, and the companies reached a six-year license agreement, effective as of April 1, 2019, including a two-year option to extend, and a multiyear chipset supply agreement.

The settlement came as the two companies were facing off again in a San Diego courtroom.

"While a stock 5G Qualcomm modem might be able to get into a 2019 iPhone, it is more likely that Apple adds their own custom features to a Qualcomm 5G modem for a 2020 iPhone," says Creative Strategies tech analyst Tim Bjarin, a longtime Apple watcher.

"For consumers this is important," Bjarin added. "Apple can stay competitive and give their customers a 5G experience no later than 2020. It also means that Qualcomm and Apple can be more aggressive in helping drive 5G innovation in the new decade."

In a recent interview with USA Today prior to Tuesday's settlement, Qualcomm president Cristiano Amon hinted that peace might come, particularly given Qualcomm's work with 5G.

"If companies want to be a leader in mobile, especially the companies that got to the number one position in flagships," Amon said, referencing Apple, "they have to work with the leaders."

"So if we become a leader in 5G, and consumers need 5G, eventually I think that companies that want to be in the leadership position will work with us."

Samsung and LG have already announced that they are using

Qualcomm's chips in their respective, upcoming Galaxy S10 5G and V50 ThinQ 5G phones. OnePlus will similarly follow suit, previously stating that it will have a Qualcomm [chip](#) in its first 5G phone.

The epic legal fight began back in January 2017, Apple sued Qualcomm for \$1 billion, accusing the supplier of overcharging for its wireless chips and engaging in monopolistic tactics. Qualcomm later claimed that Apple infringed on its patents.

The settlement could be bad news for Intel, whose chips are in the latest iPhones. But there have been reports that Intel's own 5G chips could be delayed, which in turn might hold back the introduction of a 5G iPhone.

Qualcomm's stock leaped up more than 23 percent on the news. Intel shares rose, less than 1 percent while Apple's shares remained flat.

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