

Ex-Qualcomm CEO Paul Jacobs joins board of UK-based Arm as the two companies battle in court

December 2 2022, by Mike Freeman



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Arm, a semiconductor technology licensing firm, said Wednesday that former Qualcomm Chief Executive Paul Jacobs has joined its board of directors—an unexpected move given that Arm and Qualcomm are embroiled in an increasingly contentious legal battle linked to high-

performance processors.

Jacobs served as Qualcomm's chief executive from 2005 to 2014, and then as executive chairman until 2018. He left the board in March 2018 after exploring steps to take Qualcomm private following a failed hostile takeover attempt from rival Broadcom.

In an interview, Jacobs said he knows Arm well from being a customer for years, both at Qualcomm and his current wireless technology company, XCOM Labs. He sees demand for Arm's chip architecture expanding beyond smartphones and into other industries, such as cars and data centers. As a member of Arm's board, he can provide significant public company experience as the United Kingdom-based firm prepares for an initial public stock offering.

Jacobs also has a relationship with Masayoshi Son, the head of Japanese conglomerate SoftBank, which owns Arm.

"We have worked together for many years," said Jacobs. "He asked me if I would be interested. I thought it would be interesting."

Jacobs declined to comment on the litigation between the two companies. "I would just say I have a very good relationship with the people at Qualcomm, too. So, let's leave it at that."

Asked if he owned Qualcomm stock, Jacobs said he was not a large shareholder. A Qualcomm spokesperson declined to comment.

In August, Arm filed a lawsuit against Qualcomm in Delaware federal court. It accused the San Diego company of violating chip architecture intellectual property licenses linked to a new line of high-performance processors for laptops, digital cars, smartphones and other computing devices stemming from Qualcomm's \$1.4 billion acquisition of Nuvia.

Arm is seeking the destruction of any chip designs related to the disputed licenses from the Nuvia acquisition, as well as injunctions and monetary damages. Qualcomm is counting on those customized processor designs to deliver faster, power-efficient central processing units—or CPUs—for hardcore computing functions.

Qualcomm has its own Arm licenses. It disputes that it must destroy acquired Nuvia technology and filed a lawsuit of its own claiming Arm is trying to strong-arm Qualcomm into paying higher licensing fees so it looks better to investors ahead of going public.

The company also contends Arm is seeking payback for Qualcomm's opposition to the proposed sale of Arm to graphics chip maker Nvidia, which fell through amid regulatory scrutiny.

Stacy Rasgon, an analyst at Bernstein Research, said the dispute between the two long-time partners is puzzling because Qualcomm is driving the expansion of Arm's footprint into new markets such as connected cars and laptops.

"If Arm goes public, they need to tell a story that is not smartphone-based," he said. "They need to tell a story where they have all these other end markets. And Qualcomm is one of the largest advocates for using Arm in other high-value applications. "

In addition to Jacobs, Arm named Rosemary Schooler, former corporate vice president and general manager of data center and artificial intelligence sales for Intel, to its [board of directors](#).

"The unique insights and depth of experience that Paul and Rosemary bring will help us expand and diversify our board while providing enormous value to Arm at such a pivotal moment in our journey," said Arm Chief Executive Rene Haas in a statement.

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Citation: Ex-Qualcomm CEO Paul Jacobs joins board of UK-based Arm as the two companies battle in court (2022, December 2) retrieved 29 March 2023 from <https://techxplore.com/news/2022-12-ex-qualcomm-ceo-paul-jacobs-board.html>

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