

US court overturns Qualcomm defeat in antitrust case

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Qualcomm won a reversal of last year's antitrust ruling that it unfairly stifled competition in the smartphone chip market

An appeals court on Tuesday overturned a judge's ruling that Qualcomm "strangled competition," undoing a major victory scored last year by US antitrust enforcers.

Shares in the California-based mobile chip giant jumped more than four percent on word that an appellate court was not convinced that Qualcomm's tactics in the market unfairly stifled competition, hurting consumers and device makers.

The appeals ruling "validates our business model and patent licensing program and underscores the tremendous contributions that Qualcomm has made to the industry," Qualcomm general counsel Don Rosenberg said in response to an AFP inquiry.

US District Judge Lucy Koh in May of last year ordered Qualcomm to change its pricing and sales practices, after finding it "engaged in anticompetitive conduct" toward customers like device makers Huawei of China, South Korea's Samsung and Japan's Sony.

Qualcomm's licensing practices "strangled competition" in the chip market "and harmed rivals," Koh concluded in a ruling in the lawsuit brought by the US Federal Trade Commission.

The judge issued an injunction requiring California-based Qualcomm to comply with her order, and to submit to monitoring by the FTC for seven years.

Koh said in the ruling that Qualcomm's actions suggested it could use the same tactics to suppress competition for fifth-generation or 5G chips.

At the time, analysts said the ruling could hurt US efforts to get a lead in the 5G market.

The initial ruling could have opened the door for rivals and partners to seek damages from Qualcomm, which has been dominant producer of certain kinds of smartphone processors.

Apple had been among the firms complaining about Qualcomm's practices but later settled with the chipmaker.

Analyst Patrick Moorhead of Moor Insights & Strategy said the initial case "was weak as it lacked evidence of monopolist behavior like damages, lack of [competition](#), or rising prices."

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