

Name of the Director who has cleared the briefing: [REDACTED]
BASIS request ID: 1777 Name of main contact person: [REDACTED] Telephone number: [REDACTED] Directorate/Unit: C/3

MINI BRIEFING NOTE (Commission Internal)

Scene setter/Context of the meeting/ Objective of the meeting:

- The relationship between Apple and Qualcomm concerns mostly (i) LTE chipset developments, which was concerned by a 997-million fine by COM¹, (ii) prospective 5G chipset developments, which can potentially raise a market dominant position², and (iii) their opposed views (so far) on the common charger and the related Memorandum of Understanding (MoU), for which COM has been criticised in the past and recently for not being proactive enough to avoid fragmentation and, as a result, in favour of Apple³.
- Apple and/or Qualcomm have also approached other Commissioners recently.
- On the Common Charger, Qualcomm has met DG GROW repeatedly, always stressing the drawbacks of DigitalEurope's MoU.

KEY messages

[REDACTED]

[REDACTED]

- On the Common Charger: we have committed a study that will address the cost-benefit analysis of all possible policy options. It is unfortunate that the MoU failed short of the expectations of COM in terms of policy objectives.

Questions to Qualcomm

[REDACTED]

In the past, you indicated a number of drawbacks of DigitalEurope's MoU. Do you think that your recent agreement with Apple may be instrumental for progress on common charger?

¹ http://europa.eu/rapid/press-release_IP-18-421_en.htm

² <https://www.reuters.com/article/us-apple-qualcomm-explainer/explainer-how-5g-drove-moves-by-apple-qualcomm-and-intel-idUSKCN1RT2OE>

³ <https://euobserver.com/news/144538>

Defensives / Q&A

Question: can you announce whether a possible delegated act on common charger will be adopted under this or the next Commission?

Answer: we are analysing the preliminary outcomes of the study; the final report is expected in October. Depending on the outcome of the study, we will take a decision on whether and when a delegated act should be adopted.

Question: any other question on the common charger (including new technologies and possible products in scope of a legislative initiative).

Answer: we have committed a study that will address the cost-benefit analysis of all possible policy options, also taking into account new technologies and possible products to which the initiative can be extended.

Background information

- On the abuses related to LTE chipsets and on the development of 5G chipsets:

In the development of 4G, Qualcomm paid billions of dollars to Apple not to buy chipsets from rivals. This was fined by COM in January 2018. Once their agreement ended, Apple and Qualcomm engaged in long lawsuits, in multiple countries, reciprocally claiming IP infringements or royalties.

As of last month, they announced a settlement⁴ and, on the same day, Intel announced that it was getting out of the 5G modem business as relates to phones.

- On the Common Charger:

Since 2009, industry has been asked to adopt a common charger for mobile phones and portable devices.

After the expiry of the first MoU and an unsatisfactory proposal from the industry in March 2018, the Commission decided to start to assess costs and benefits of different options aimed at implementing the common charger solution.

The tendering procedures are being finalised and the study has started in January 2019, with a final report expected in Q4 of 2019.

Next step may be the adoption of a delegated act under Article 3(3)(a) of RED. Alternatively and depending on the study's outcomes, the use of the ordinary procedure for a new legislation to be adopted in accordance with Article 114 TFEU (internal market) may be considered.

⁴ <https://www.cnbc.com/2019/04/16/apple-qualcomm-settle-royalty-dispute-sources-say.html>

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