



Qualcomm Acquires Patent Portfolio from HP

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Chipmaker Qualcomm Inc (QCOM) acquired a patent portfolio from Hewlett-Packard Co, including those of Palm Inc and its iPaq smartphone, in a move that will bulk up HP's offerings to handset makers and other licensees.

The portfolio comprises about 1,400 granted patents and pending patent applications from the United States and about 1,000 granted patents and pending patent applications from other countries, including China, England, Germany, Japan and South Korea.

The San Diego-based chipmaker did not say how much it paid for the patents.

The majority of Qualcomm's profits come from licensing patents for its ubiquitous CDMA cellphone technology and other technology related to mobile devices. Instead of licensing patents individually, handset vendors, carriers and other licensees pay royalties to Qualcomm in return for access to a broad portfolio of intellectual property.

The patents bought from HP, announced in a release on Thursday, cover technologies that include fundamental mobile operating system techniques.

They include those that HP acquired when it bought Palm Inc, an early player in mobile devices, in 2010 and Bitfone in 2006. HP tablets made using Palm's webOS operating system failed to catch on.

"There's nothing left at Palm that HP could get any use out of so it's better to sell the patents, which are always valuable to Qualcomm," said Ed Snyder, an analyst with Charter Equity Research. "They have to keep that bucket full."

The new patents will not lead to increased royalty rates for existing Qualcomm licensees, a Qualcomm spokeswoman said.

Last year, HP sold webOS, which it received as part of the \$1.2 billion Palm acquisition, to South Korea's LG Electronics Inc.

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