EU Fines Qualcomm for Position Abuse

Written by Alice Marshall
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Qualcomm is the latest company to face the ire of the European Union-- following the €2.42 billion fine slapped at Google, the European Commission orders the chipmaker to pay €997 million for "abusing its market dominance."
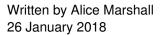

"Qualcomm illegally shut out rivals from the market for LTE baseband chipsets for over five years, thereby cementing its market dominance." European commissioner in charge of competition policy Margrethe Vestager says. "Qualcomm paid billions of US Dollars to a key customer, Apple, so that it would not buy from rivals. These payments were not just reductions in price-- they were made on the condition that Apple would exclusively use Qualcomm's baseband chipsets in all its iPhones and iPads."

Technically monopolies are not against EU policy, but according to the EC Qualcomm got to dominate the market through means deemed abusive. How so? In 2011 Qualcomm started making "significant payments" to ensure the exclusive use of its LTE baseband chips in iPhones and iPads. If Apple started using chipsets supplied by a rival (such as Intel) the payments would not only stop, but the agreement dictated the iPhone maker would have to return "a large part" of payments received.

Apple appears to have been happy with the agreement, since in 2013 it was extended to the end of 2016. That said, Apple did consider switching LTE chip provider, but the Qualcomm deal was a "material factor" against doing so. Making things arguably worse is the fact Apple products account for over 30% of LTE chips in use in the world.

The €997m fine represents 4.9% of Qualcomm 2017 turnover, and is described as a deterrent to market players considering such anti-competitive practices in the future. In turn Qualcomm

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disagrees with the EC's decision, and plans to appeal against it in the EU General Court.

Go [Antitrust: Commission Fines Qualcomm €997m for Abuse of Dominant Market Position](#)

Go [Qualcomm to Appeal EC Commission Decision Regarding Modem Chip Agreement](#)