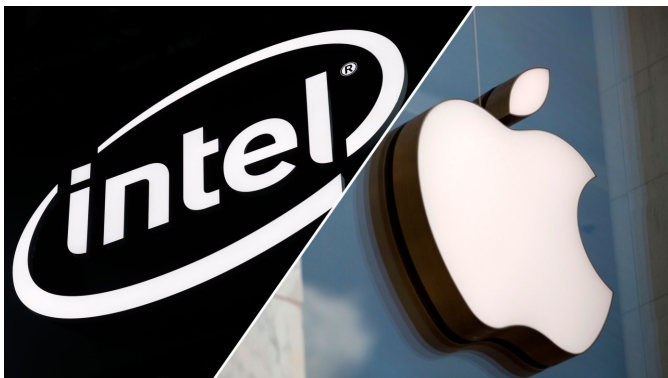


Apple Buys Intel Modem Business

Written by Alice Marshall
30 July 2019

Apple confirms [months of rumours](#) as it announces the acquisition of the "majority" of the Intel smartphone modem business in a \$1 billion deal covering intellectual property, equipment, leases and around 2200 employees.



The primary reason for such a purchase is, perhaps obviously, precious IP-- the Intel modem business includes no less than 17000 wireless technology patents covering anything from cellular standard protocols to modem architecture and modem operations. The patents acquired by Apple are solely focused on smartphones, with Intel retaining IP relating to applications such as PCs, Internet of Things devices and autonomous vehicles.

"This agreement enables us to focus on developing technology for the 5G network while retaining critical intellectual property and modem technology that our team has created," Intel CEO Bob Swan says. "We have long respected Apple and we're confident they provide the right environment for this talented team and these important assets moving forward. We're looking forward to putting our full effort into 5G where it most closely aligns with the needs of our global customer base, including network operators, telecommunications equipment manufacturers and cloud service providers."

The deal represents a win-win for both Apple and Intel. As mentioned earlier, Apple gets the experienced staff and patents required for an in-house 5G modem development team allowing the iPhone maker to stop being dependent on the likes of Qualcomm for a crucial smartphone component. Meanwhile Intel offloads a business with losses clocking at around \$1bn annually, at least according to the Wall Street Journal.

The transaction is set to close on Q4 2019, following regulatory approvals and other customary conditions.

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