

## COMPETITION COMMISSION OF INDIA

22<sup>nd</sup> January, 2013

Combination Registration No. C-2013/01/104

### Order under Section 31 (1) of the Competition Act, 2002

1. On 4<sup>th</sup> January, 2013, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) given by Intel Corporation (hereinafter referred to as “**Intel**”) and Motorola Mobility LLC (hereinafter referred to as “**MM LLC**”) (hereinafter Intel and MM LLC are collectively referred to as “**parties to the combination**”). The said notice was given pursuant to execution of an Asset Purchase Agreement (hereinafter referred to as the “**APA**”) on 5<sup>th</sup> December, 2012 entered into between Intel and MM LLC.
2. The proposed combination relates to acquisition by Intel of certain assets of MM LLC including non-Indian intellectual property rights which include patents & patent applications; tangible assets of MM LLC located in the US; and rights to hire some US employees of MM LLC, which as stated in the notice relates to the development of technologies used in the components of wireless handheld devices known as cellular baseband processors.
3. The proposed combination falls under Section 5 (a) of the Act.
4. Intel is stated to be engaged in the design and manufacture of integrated circuits for computing and communications. Intel’s main product portfolio includes microprocessors, chipsets, motherboards and wireless components as well as a range of software products. It has been stated in the notice that Intel is a recent entrant into the production of components for wireless hand held devices including cellular baseband processors. Intel is stated to be present in India through its subsidiaries namely, Intel Technology India Private Limited (hereinafter referred to as “**Intel Tech India**”), Intel Mobile Communications India Private Limited (hereinafter referred to as “**Intel Mobile India**”), Silicon Hive Electronics Private Limited (hereinafter referred to as “**Silicon Hive**”), McAfee Software (India) Private Limited (hereinafter referred to as “**McAfee Software India**”), McAfee India Sales Private Limited (hereinafter referred to as “**McAfee Sales India**”) and Wind River Systems International Inc. (India Branch Office) (hereinafter referred to as “**Wind River Systems**”). Intel Tech India has three primary business segments in India, i.e. Intel

India Development Center (hereinafter referred to as “**IIDC**”), Consulting Services and Sales & Marketing Group. IIDC segment is stated to provide research & development and support services for Intel group companies worldwide. The Consulting Services segment provides network consulting and other support services. The Sales & Marketing Group segment provides marketing and promotional support for the sale of certain Intel products in India. Intel Mobile India develops and markets mobile device components such as cellular baseband processors, radio frequency transceivers and power management chips. Silicon Hive is stated to be engaged in the development of software, embedded parallel processor architectures, compilers and programming tools used in cell phones and other consumer electronic devices. McAfee Software India, along with its sales and marketing subsidiary McAfee Sales India, is a provider of security software products and services in India. Wind River Systems, a wholly-owned subsidiary of Intel in India, develops software for embedded devices.

5. MM LLC is engaged in mobile device business, which produces and sells mobile devices such as smartphones and tablets, and home technology business which includes providing network infrastructure equipment and solutions related to data, voice and video delivery. MM LLC is present in India through its subsidiaries, namely, Motorola Mobility India Private Limited (hereinafter referred to as “**MMI**”) and Motorola Mobility Chennai Private Limited (hereinafter referred to as “**MMC**”). MMI is stated to operate in businesses of software development services such as development of cellular baseband processors, cloud services and application/user interface technologies which it provides exclusively to other MM LLC subsidiaries; corporate support services and distribution & sale of smartphones, feature phones, tablets, cable network infrastructure etc. MMC is, *inter-alia*, engaged in the manufacturing/assembly of mobile smartphones, feature phones, tablets and related accessories.
6. As per the details provided in the notice, it is observed that the proposed combination is taking place outside India and has no direct impact on competition in the market for cellular baseband processors in India. It is also observed that the market for cellular baseband processors is competitive on account of presence of major players including Qualcomm, MediaTek, Texas Instruments and Broadcom. It is also observed that the assets of MM LLC which are being acquired by Intel do not presently generate any revenue in India. Therefore, the proposed combination is not likely to give rise to any adverse competition concern in India.
7. Considering the facts on record and the details provided in the notice and the assessment of the proposed combination, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India and, therefore, the Commission hereby approves the proposed combination under sub-section (1) of the Section 31 of the Act.

8. This approval is without prejudice to any other legal/statutory obligations as applicable.
9. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
10. The Secretary is directed to communicate to the parties to the combination accordingly.