

# **EU Launches Antitrust Probes Against Motorola**

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BRUSSELS (AP) — The European Union's competition watchdog on Tuesday opened two investigations into whether Motorola Mobility, which is being bought by Google, is unfairly restricting competitors from accessing essential patents.

The formal investigations were announced after Apple Inc. and Microsoft Corp. complained to the European Commission that Motorola Mobility was using injunctions against its rivals' key products — such as the iPhone, iPad or Xbox — as a way of gaining an edge in the market.

The Commission is now investigating whether the price Motorola Mobility is demanding for licensing its patents to Apple and Microsoft is excessive and whether its court cases against the two companies break EU competition rules.

Libertyville, Ill.-based Motorola Mobility holds patents that are essential for standards linked to 2G and 3G wireless technology — the focus of Apple's complaint — as well as compressing video for online use and WiFi connections, which are at the heart of Microsoft's complaint.

The Commission said it "will assess whether Motorola has abusively, and in contravention of commitments it gave to standard setting organizations, used certain of its standard essential patents to distort competition."

Under EU competition law, companies that hold patents that are essential for industry standards have to make these available to rivals at a fair price. Standards ensure that devices from different producers can interact seamlessly with widely used networks, technologies and each other.

The Commission already issued a warning against Motorola Mobility's aggressive patent enforcement when it approved Google Inc.'s takeover of the cell-phone maker in February. Google's \$12.5 billion bid for Motorola Mobility would be the largest acquisition in the Californian company's history once it gets full regulatory approval. The U.S. also cleared the deal, which was announced last summer, but it still needs approval from China.

Asked whether the probe was also targeting Google, Antoine Colombani, a spokesman for the Commission, said only that the investigation was focused on Motorola Mobility's present and past behavior, adding that the merger between the two companies has not yet been concluded.

If the probes confirm the Commission's suspicions, it could fine Motorola Mobility up to 10 percent of its annual revenue. It is unclear whether Google could ultimately be responsible for paying that penalty since that depends not only on the timing of any offenses but also on the legal details of the takeover agreement between the two

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companies.

Alternatively, Motorola Mobility or Google could also seek to settle the case with the Commission, for instance by promising a change in behavior.

"We haven't finalized our acquisition of Motorola Mobility, but will work with the European Commission to answer any questions they might have," Google spokesman Al Verney said. "We have long-standing concerns about patent abuses, including lawsuits and royalty demands targeting the Android ecosystem."

The EU has increased its scrutiny of suspected abuse of standard-essential patents especially among technology companies in recent months. It already launched a probe into the behavior of Samsung, which has also been involved in an international patent battle with Apple.

In addition to the Motorola Mobility probe, Google may soon find itself under the Commission's spotlight in several other cases.

The company is facing a wider investigation of whether it is abusing its dominant position in online search and advertising. The EU's Competition Commissioner Joaquin Almunia said last week that he would decide after Easter on how to continue with the case, raising expectations that the Commission will soon announce more specific concerns it has about Google's business practices.

The Commission has also warned that the company's new privacy policy may break EU rules on data protection. Google has until Thursday to respond to 11 pages of detailed questions about its new policy posed by France's data protection authority, which is leading the privacy probe on behalf of its European counterparts.

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