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## This Week's Stories

### States May Shackle AT&T, Comcast On Web Data After U.S. Retreat

July 06, 2017

Soon after President Donald Trump took office with a pledge to cut regulations, Republicans in Congress killed an Obama-era rule restricting how broadband companies may use customer data such as web browsing histories.

But the rule may be finding new life in the states.

Lawmakers in almost two dozen state capitols are considering ways to bolster consumer privacy protections rolled back with Trump's signature in April. The proposals being debated from New York to California would limit how AT&T Inc., Verizon Communications Inc. and Comcast Corp. use subscribers' data.

The privacy rule is just one example of states resisting policy changes wrought under the Trump administration. After Trump withdrew from the Paris climate accord, the governors of New York, California and Washington formed a coalition to fight global warming. California has also balked at Trump's review of fuel-efficiency standards for automobiles and said it would fight any move to weaken them. And 35 states are pressing for the right to enforce laws guaranteeing internet service speeds live up to advertisements.

"If the federal government lags, the states have to lead. And that's what we're doing," said Tim Kennedy, a Democratic New York state senator. Kennedy introduced a bill to prohibit internet service providers from selling customer web searches, social media histories and other personal information to third parties -- the crux of the nixed federal regulation.

#### 'Hurts The Little Guy'

In New York, Kennedy's bill in the Republican-dominated Senate didn't advance before the legislative session ended. He says he'll be back.

"We're going to continue to drive this agenda forward, so consumers know their privacy is at risk," Kennedy said in an interview. He blamed "a misguided decision, once again out of Washington, that helps the large multibillion-dollar corporations but hurts the little guy."

The federal rule, which passed the Federal Communications Commission in October, hadn't yet taken effect. It said internet providers such as AT&T, Verizon and Comcast would need consumers' permission before using or selling customer data for marketing or other purposes.

The restrictions covered broadband providers that are regulated by the FCC because they provide a telecommunications service. The rule didn't cover web-based companies that track consumers, such as Facebook Inc. and Alphabet Inc.'s Google, whose privacy practices are regulated by a different U.S. agency -- the Federal Trade Commission.

## Repeal Passes

Critics including the broadband providers said the differing treatment wasn't fair. The problem stems from the FCC's earlier decision to classify broadband as a telecommunications service it could regulate, said Representative Marsha Blackburn, the Tennessee Republican who sponsored the privacy-rule nullification Trump signed. By setting that classification, the FCC removed broadband providers from regulation by the FTC. The measure to repeal the privacy rule passed with only Republican votes.

"What it did was to preserve the status quo, and allow us back to the posture where we had been" with "one regulator and one set of rules for the entire ecosystem," said Blackburn, who leads the House subcommittee on communications.

Congress for years has failed to pass consumer privacy rules and "of course the states are looking at what they need to do," she said.

Broadband companies don't want to deal with a patchwork of different state laws.

"The internet doesn't stop at state lines, which is why it's preferable to have federal privacy rules that provide consistent protections for consumers," Amy Schatz, a spokeswoman for US Telecom, a Washington-based trade group with members including AT&T and Verizon, said in an email. Both companies opposed the FCC's rule, and each in statements welcomed its rejection by Congress.

## 21 States

Blackburn on May 18 introduced a bill to bring broadband providers and web companies under regulation by the same agency, the trade commission, and require consumer assent to use data. Democrats haven't signed on, and the measure's been criticized by advertisers and the Internet Association, a trade group with members including Google and Facebook, companies known for tracking users.

At least 21 states have filed measures responding to the federal repeal, according to a tally kept by the National Conference of State Legislatures, which conducts policy research for state governments.

In California, lawmakers have yet to consider a measure introduced by Assembly member Ed Chau, a Democrat, to require permission by subscribers before a broadband company uses personal information.

"We believe that we should treasure our personal information," Chau said in an interview. Constituents "generally are worried that their information is being used. They want to have a say in how their personal private information is used."

## 'Set The Pace'

"We want to set the pace," Chau said. "And we hope to be the leader when it comes to privacy protections."

A law passed in California would apply only to companies operating in the state, but it could have an indirect impact elsewhere, said Chris Conley, a policy attorney with the American Civil Liberties Union of Northern California.

"If we can get a strong model that is workable, then it's something that can be adopted elsewhere," Conley said in an interview. "We would still prefer that the federal government be the one driving this. But they're not."

“These state proposals are generally at odds with the realities of today’s internet” and are based on “zero evidence” of harm to consumers, said Brian Dietz, a spokesman for NCTA - The Internet & Television Association, a Washington-based trade group with members including largest U.S. cable provider Comcast and Charter Communications Inc. The measures “completely fail to respond to consumers’ desire for workable privacy standards that apply consistently to all parties collecting data online,” Dietz said in an email.

[bloomberg.com](http://bloomberg.com)

## Microsoft Confirms Layoff Reports, Reorganization Expected To Impact Thousands

July 06, 2017

After a week of reports, Microsoft has confirmed its restructuring plans. As we previously reported, the moves are expected to impact thousands at the company as it works to reorganize its sales team.

Subsequent numbers have put the headcount at anywhere between “up to 3,000” to closer to 5,000. CNBC, which reported the smaller figure, adds that around three-quarters of the cuts will occur outside the U.S.

For its part, Microsoft is refusing to cite specific numbers just yet, only confirming that it began the process of informing employees of job losses today. Otherwise, the note provided to TechCrunch is a fairly lukewarm confirmation of layoffs that will most likely number in the thousands as previously reported.

“Microsoft is implementing changes to better serve our customers and partners,” a Microsoft spokesperson wrote in a statement.

“Today, we are taking steps to notify some employees that their jobs are under consideration or that their positions will be eliminated. Like all companies, we evaluate our business on a regular basis. This can result in increased investment in some places and, from time-to-time, re-deployment in others.”

The layoffs were expected to begin today, as part of a reorganization that finds the remaining sales team redirecting focus to its cloud service Azure.

The new approach will primarily target enterprise and small and medium business clients, a move away from traditional focuses like government, oil and gas and pharma. The timing lines up with the end of the company’s fiscal year when it traditionally makes big changes to headcount.

A staff memo from EVP Judson Althoff last Monday confirmed the shift away from previous business focuses as the company works to “align the right resources for the right customer at the right time.”

The note didn’t shed any light on plans to reduce job loss, but Althoff has been openly critical of past sales approaches since taking charge of the business sales team late last year, noting a planned move toward a more customized approach to Azure sales.

[techcrunch.com](http://techcrunch.com)

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*“The layoffs were expected to begin today, as part of a reorganization that finds the remaining sales team redirecting focus to its cloud service Azure.”*

## Cox Expands Home Internet Data Caps, While CenturyLink Abandons Them

July 05, 2017

Meanwhile, Cox has plans to charge extra for unlimited data.

There's good news and bad news on data caps for home Internet users.

Cox, the third largest US cable company, last week started charging overage fees to customers in four more states. Internet provider CenturyLink, on the other hand, recently ended an experiment with data caps and is giving bill credits to customers in the state of Washington who were charged overage fees during the yearlong trial.

Cox, which operates in 18 states with about six million residential and business customers, last week brought overage fees to Arizona, Louisiana, Nevada, and Oklahoma. Cox was already enforcing data caps and overage fees in Arkansas, Connecticut, Florida, Georgia, Idaho, Iowa, Kansas, Nebraska, and Ohio. California, Rhode Island, and Virginia technically have monthly caps but no enforcement of overage fees, according to Cox's list of data caps by location. Massachusetts and North Carolina seem to be exempt from the Cox data caps altogether.

Similar to Comcast, Cox lets capped customers use 1TB of data a month and charges \$10 for each additional block of 50GB. Cox will introduce a pricier "unlimited" plan later this year, *Multichannel News* reported. If Cox continues to match Comcast's pricing, the unlimited data plan would cost an additional \$50 a month above what customers normally pay.

Paying that fee for unlimited data would simply let Cox customers return to the situation they had before overage charges were implemented: paying a flat rate for Internet access, regardless of how much they use. But the same service will cost more.

Cox customers who subscribe to its gigabit fiber service get to use 2TB before paying overage fees.

### Good News For CenturyLink Customers

Data caps have generally headed in the wrong direction for consumers in the US home Internet market, and customers seldom have much choice in the matter because of a lack of competition. But the good news is that CenturyLink has apparently decided that the extra revenue to be made from overage fees isn't worth the increase in angry customers.

A year ago, CenturyLink started a data-cap trial in Yakima, Washington, imposing a 300GB-per-month cap and overage fees of \$10 for each additional 50GB. But instead of expanding the overage fees to more cities, CenturyLink ended the "usage-based billing program."

"Because this approach no longer aligns with our goal to simplify offers and pricing for our customers, we have decided to end this program, effective May 3, 2017," CenturyLink said in an announcement that was detailed in a Stop the Cap article this week.

Best of all, CenturyLink will give bill credits to Yakima customers who were unfortunate enough to pay the overage fees.

"If you incurred overage charges related to this program, those charges will be credited and appear on your June or July monthly billing statement," CenturyLink said. "No action is required on your part, and there are no impacts to your existing CenturyLink service."

This is obviously good news for customers throughout CenturyLink's footprint, since it appears the company won't be expanding overage fees to new locations. CenturyLink has nearly six million Internet subscribers.

CenturyLink customers aren't totally in the clear, though. CenturyLink still has an "Excessive Use Policy" that limits customers to 150GB or 250GB a month and "reserves the right to disconnect your service after the third month of excessive usage in a rolling 12-month period." Customers exceeding the limit aren't automatically disconnected, and the ISP says it "encourages" customers to decrease their usage or upgrade to a higher speed before taking any drastic action. Back in 2013, DSLReports wrote about a CenturyLink customer who was kicked off the network for using too much data. Cable providers like Cox have no trouble offering broadband speeds, but CenturyLink's Excessive Use Policy seems to be rooted at least partly in actual network limitations. CenturyLink offers fiber Internet with gigabit speeds in some areas and does not apply the Excessive Use Policy to gigabit customers. But much of its network is stuck on old DSL lines and sub-standard speeds. CenturyLink applies the lower 150GB data limit to customers on speed tiers of less than 1.5Mbps and says it takes "network health" and "congestion" into account when deciding whether to disconnect a customer who uses too much data.

[arstechnica.com](http://arstechnica.com)

## Products & Services

### The World Is On The Brink Of An Electric Car Revolution

July 06, 2017

The internal combustion engine had a good run. It has helped propel cars — and thus humanity — forward for more than 100 years.

But a sea change is afoot that is forecast to kick gas-powered vehicles to the curb, replacing them with cars that run on batteries. A flurry of news this week underscores just how rapidly that change could happen.

A quick recap: On Monday, Tesla announced that the Model 3, its mass-market electric car, would start rolling off production lines this week with the first handful delivered to customers later this month. Then on Wednesday, Volvo announced that every car it produces will have a battery in it by 2019, putting it at the forefront of major car manufacturers. Then came France's announcement on Thursday that it would ban the sale of gas-powered cars by 2040.

All this news dropped just in time for Bloomberg New Energy Finance's latest electric car report, which lays out why electric cars are the way of the future and when they're projected to take over the market. The authors said although electric vehicles are currently a tiny fraction of the car market, that market could reach an inflection point sometime between 2025-2030. After that, electric car sales are slated to increase rapidly.

Driven by the falling cost of batteries and the growing number of automakers producing a wider variety of electric cars, Bloomberg NEF expects that electric cars will account for 54 percent of all car sales globally by 2040. That's a huge uptick from its forecast last year of electric vehicles accounting for 35 percent of all sales.

The shift to electric vehicles will disrupt the fossil fuel industry. The 530 million total electric cars forecast to be on the road by 2040 will require 8 million fewer barrels of oil a day to run.

One of the big pitches for electric cars is their positive benefit for the climate because they reduce the use of oil. But they will require a lot more power from the electric grid. Energy use from electric

*"Driven by the falling cost of batteries and the growing number of automakers producing a wider variety of electric cars, Bloomberg NEF expects that electric cars will account for 54 percent of all car sales globally by 2040."*

vehicles is expected to rise 300 times above current demand, putting more strain on power generation.

How that energy is produced will go a long ways toward determining how climate-friendly electric cars actually are. A recent Climate Central analysis looked at all 50 states and found that the energy mix was clean enough in 37 of them to ensure electric cars are more climate friendly than their most fuel-efficient combustion engine counterparts.

That's a sharp uptick from a 2013 analysis, which found that there were just 13 states where electric cars were cleaner than gas-powered ones, and it's driven in large part by a precipitous drop in coal use.

While the U.S. is projected to be one of the biggest drivers of the electric vehicle revolution, China and the European Union will also be major players. By 2025, Bloomberg NEF's projections show that China will be the biggest buyer of electric vehicles in the world, a trend that continues through 2040.

That means how China's energy mix develops will be one of the most important factors to determining how climate friendly all the new electric vehicles on the road will be.

[livescience.com](http://livescience.com)

## Xfinity Mobile To Sell LG X Charge In Exclusive Deal

June 29, 2017

*"The LG X charge was designed to meet the demands of users who want maximum usage from their smartphones between charges, paired with the advanced flagship features they care about most, like a large HD screen."*

LG's newest handset will be available in the United States only through Comcast's Xfinity Mobile. For now, at least. LG this morning introduced the X charge, which sports a 5.5-inch display and features the company's largest smartphone battery. The phone is targeted at data-hungry users and will be available tomorrow through Comcast's MVNO, which runs on Verizon's network.

The handset manufacturer said the X charge will be "competitively priced" but didn't disclose the price tag of the new phone. Xfinity Mobile currently offers only one LG phone, the X power. Phone Scoop was among the first to report the announcement.

"Some users demand more out of their phones than others, or spend more time on the go," said Chang Ma, president of LG Electronics MobileComm USA, in a press release. "The LG X charge was designed to meet the demands of users who want maximum usage from their smartphones between charges, paired with the advanced flagship features they care about most, like a large HD screen. The combination of outstanding battery life, spacious display and exceptional camera capabilities make the X charge an excellent proposition for customers."

The X charge does appear to offer some impressive specs. In addition to the fast-charging battery that LG claims can "last an entire weekend" on a single charge, it includes a 13 MP primary camera, a 5 MP wide-angle front camera, a 1.5 GHz octa-core chipset and 2 GB of RAM and 16 GB of storage. The phone runs Android 7 Nougat. The terms of Comcast's exclusivity on the device weren't disclosed, and it's unclear whether LG intends to make the phone available to other service providers eventually.

Whether the exclusive deal will pay off for either company is just as unclear. Xfinity's target market is a tiny fraction of those of the major U.S. wireless subscribers, of course, and precious few uses are likely to switch to the MVNO based on a single, low-profile handset. But Xfinity is trying to elbow its way into a very crowded wireless market, and even a modest success could provide a substantial lift for the newcomer.

[fiercewireless.com](http://fiercewireless.com)

## Emerging Technology

### Next iPhone Might Use 3D Face-Scanning Tech Instead of TouchID

July 04, 2017

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*“Face-scanning tech would allow you to unlock an iPhone on the kitchen worktop just by peering down, or to unlock your iPhone on the beach with wet and sandy hands.”*

Face-scanning tech is faster, more secure, less prone to annoyingly not working when you really need to log into your iPhone right now dammit.

The next iPhone (the iPhone 7S, iPhone 8?), which is due to be released in September, might replace the TouchID fingerprint sensor with whole-face 3D scanning.

According to Bloomberg, which is usually quite reliable when it comes to Apple rumours, the face-scanning tech will allow iPhone users to log in, authenticate payments, and unlock secure apps. This will be powered by a new 3D sensor. Apple is also testing eye scanning tech, which would provide additional security and redundancy alongside the face scanner. The tech might be ready for the next iPhone, or it might not be, according to people familiar with the product.

The same people said the new 3D face-scanning chip is incredibly fast and accurate: it can scan and authenticate the user's face within "a few hundred milliseconds." It apparently doesn't require a close-up of your face, either, which is good news: holding an iPhone up to your face is hardly more ergonomic or convenient than a fingerprint scanner.

It would appear that the TouchID sensor, which was first introduced in 2013 on the iPhone 5S, is on its way out. Fingerprint scanning has never been the most secure way of unlocking a device or authenticating payments, and there are a number of scenarios where TouchID just isn't very convenient. Face-scanning tech would allow you to unlock an iPhone on the kitchen worktop just by peering down, or to unlock your iPhone on the beach with wet and sandy hands.

As for how Apple's 3D face-scanning tech works, we can make a few educated guesses. Unlocking a device with your face is nothing new: see Windows Hello, which has been around since 2015.

The notable bit is that the iPhone will apparently squeeze a 3D scanner into a mobile phone, rather than using dumb 2D image analysis like the recent Galaxy S8. This would presumably prevent the iPhone from being unlocked with just a printed photo of the user's face—though maybe a high-resolution 3D-printed model of the user's face would work...

Intel's RealSense tech, which provides 3D scanning in a fairly small package, consists of three components: a conventional camera, an infrared camera, and an infrared laser projector. It's fairly safe to assume that the iPhone's 3D face scanner would use a similar setup, if there's enough space around the bezel of the new iPhone (which will apparently undergo a major design overhaul). Intel attempted to put RealSense in a smartphone form factor in 2016, but it didn't really go anywhere.

A forward-facing 3D scanner would also allow for other interesting things, such as gesture recognition (waving your hands over an iPhone while it lays on the table), or smarter face-changing filters in Snapchat and Instagram.

[arstechnica.com](http://arstechnica.com)



## Facebook Is A Small Step Closer To Its Goal Of Beaming The Internet To The World's Remotest Places

June 29, 2017

Facebook said on Thursday it had completed a second test of an unmanned aircraft designed to someday beam internet access to remote parts of the planet, and unlike in the first test, the drone did not crash.

Facebook plans to develop a fleet of drones powered by sunlight that will fly for months at a time, communicating with each other through lasers and extending internet connectivity to the ground below.

The company called the first test, in June 2016, a success after it flew above the Arizona desert for 1 hour and 36 minutes, three times longer than planned. It later said the drone had also crashed moments before landing and had suffered a damaged wing.

The second test occurred on May 22, Martin Luis Gomez, Facebook's director of aeronautical platforms, said in a blog post. The aircraft flew for an hour and 46 minutes before landing near Yuma, Arizona, with only "a few minor, easily-repairable dings," he said.

Facebook engineers had added "spoilers" to the aircraft's wings to increase drag and reduce lift during the landing approach, Gomez said.

[time.com](http://time.com)

## Mergers and Acquisitions

### Nokia, Xiaomi Sign Multifaceted Licensing Deal

July 05, 2017

Nokia and Xiaomi inked a cross-licensing pact that will also see the companies collaborate on a variety of initiatives.

Xiaomi will acquire patent assets from Nokia under terms of the multiyear deal, which also includes a cross-license to each company's cellular standard essential patents. Nokia will provide network infrastructure equipment designed to meet high-capacity, low-power requirements by web providers and datacenter operators, and the companies will work together on optical transport solutions for datacenter interconnect, IP routing and a data center fabric offering.

Nokia and Xiaomi also said they'll explore other areas of potential collaboration including the IoT, augmented and virtual reality, and artificial intelligence.

"Xiaomi is one of the world's leading smartphone manufacturers and we are delighted to have reached an agreement with them," Nokia CEO Rajeev Suri said in a press release. "In addition to welcoming such a prominent global technology company to our family of patent licensees, we look forward to working together on a wide range of strategic projects."

While the agreement is clearly wide-ranging, whether it could provide a lift to both companies' struggling handset businesses is unclear. Nokia was a dominant smartphone vendor before being toppled by Apple and Android-powered handsets, of course, and it hopes to stage a comeback in the U.S. with the release later this month of the Nokia 6. Xiaomi, meanwhile, has struggled with the rise of several fellow Chinese smartphone vendors and has yet to make a dent in the U.S., although it may be inching closer to elbowing its way into the American market.

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*"In addition to welcoming such a prominent global technology company to our family of patent licensees, we look forward to working together on a wide range of strategic projects."*



“As a company seeking to deliver more exciting technological innovations to the world, we are excited at the opportunity to work more closely with Nokia in the future,” Xiaomi CEO Lei Jun said in the announcement. “Xiaomi is committed to building sustainable, long-term partnerships with global technology leaders. Our collaboration with Nokia will enable us to tap on its leadership in building large, high-performance networks and formidable strength in software and services, as we seek to create even more remarkable products and services that deliver the best user experience to our Mi fans worldwide.”

[fiercewireless.com](http://fiercewireless.com)

## Comcast, Charter ‘In The Wireless Catbird Seat’: Moody’s

June 30, 2017

*“The cable operators have joined forces as they expand into wireless and are reportedly in exclusive talks with Sprint about potential partnership arrangements.”*

Comcast and Charter are well positioned to join the wireless fray in advance of 5G, Moody’s said. And they help Sprint regain its financial footing.

The two cable companies already have MVNO deals in place with Verizon, and Comcast earlier this year launched Xfinity Mobile to offer wireless services to customers in its existing footprint. The cable operators have joined forces as they expand into wireless and are reportedly in exclusive talks with Sprint about potential partnership arrangements.

And they have the broad customer base, the fixed-line infrastructure and the deep pockets to have an impact in a competitive market where four major players have long dominated, according to Neil Begley, a senior vice president at Moody’s.

“The names in the (M&A) circle include active wireless players and spectrum holders such as AT&T Inc., Verizon Communications Inc., T-Mobile, Sprint and Dish Network Corporation,” Begley wrote in a note to investors. “But they also include Comcast and Charter, which are both well positioned to expand and capitalize in wireless, if not just to share in the future opportunities from the Internet of Things (IoT), but also to bundle the all-important wireless in consumers’ eyes with their broadband and pay-TV bundles to improve retention and grow revenue and cash flows. They are uniquely positioned in the catbird-seat given their broadband scale, which we believe will be essential to support the 5th generation of wireless; and because they continue to grow, they have strong cash flows and big balance sheets.”

And while a deal with Sprint is far from a certainty—Comcast and Charter don’t necessarily need another wireless partner—that scenario could help Sprint achieve financial stability even as it upgrades a network that continues to lag behind its bigger rivals. The nation’s fourth-largest carrier owes billions of dollars that must be repaid over the next few years, and it posted a net loss of \$283 million in the first quarter of 2017.

“In our view, the discussions are unlikely to lead to a material or transformative transaction,” Begley wrote. “Sprint is still in turnaround mode and has high debt and leverage levels and negative free cash flow. Sprint has underinvested in its network and we believe it needs to dramatically ramp capital spending to remain competitive. In our opinion, neither of these make Sprint a likely acquisition target for Comcast and Charter in our view. An acquisition of Sprint is not necessary for an agreement that benefits all sides. Sprint would benefit from a reduction in investment if it can access the cable companies’ infrastructure.”

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## Industry Reports

### Samsung Electronics Tips Record Second-Quarter Profit As Memory Prices Surge

July 07, 2017

*“Samsung shares are trading at a near-record high of 2.4 million won as of Thursday, as investors look forward to record earnings in 2017 driven by growing demand for chips capable of powering ever more complex servers and smartphones.”*

Samsung Electronics Co Ltd on Friday said its second-quarter operating profit likely rose 72 percent from a year earlier to a new record, beating analyst estimates, as strong memory chip prices helped widen margins.

The Apple Inc smartphone rival and global memory chip leader said second-quarter operating profit was likely 14 trillion won (\$12.11 billion), compared with the 13.1 trillion won average of 19 analyst estimates in a Thomson Reuters poll.

Revenue likely rose 18 percent from a year earlier to 60 trillion won, versus analysts' forecast of 59 trillion won.

Samsung shares are trading at a near-record high of 2.4 million won as of Thursday, as investors look forward to record earnings in 2017 driven by growing demand for chips capable of powering ever more complex servers and smartphones.

On Tuesday, the company said it would invest \$18.6 billion to extend its lead in memory chips and next-generation displays.

Samsung did not elaborate on its April-June performance and will disclose detailed results at the end of July. Even so, analysts have tipped its chip division to propel the firm to record overall profit.

The memory chips industry is widely Tech giant Samsung Electronics Co Ltd on Friday estimated a record quarterly operating profit for April-June, propelled by a memory chip boom that analysts say will continue to pad margins for the rest of 2017.

The Apple Inc smartphone rival and global memory chip leader said second-quarter operating profit was likely 14 trillion won (\$12.11 billion), compared with the 13.1 trillion won average of 19 analyst estimates in a Thomson Reuters poll.

Revenue likely rose 18 percent from a year earlier to 60 trillion won, also a quarterly record, versus analysts' forecast of 59 trillion won. The South Korean firm did not elaborate and will release detailed earnings in late July.

The robust estimates reinforce expectations for best-ever earnings for Samsung this year, fuelled by a so-called memory chip supercycle. Analysts predict shortages for both DRAM and NAND chips to persist for the rest of this year due to limited supply growth and demand for more computing power on smartphones and servers, padding margins for memory makers.

Another profit driver has also emerged in the form of organic light-emitting diode (OLED) displays. Samsung has a stranglehold on the market for the bendy, next-generation screens which are widely expected to be used for Apple's latest iPhones, due out by October.

"In July DRAM prices will go up again, while from mid-August on, OLED panels go out for Apple," HMC Investment analyst Greg Roh said. He expects Samsung's third-quarter operating profit to exceed 15 trillion won.

Samsung shares were down 0.3 percent in early Friday trade, compared with a 0.2 percent fall for the broader market, as the strong earnings outlook was already priced in. The stock is up more than 30 percent this year and hovering near all-time highs.

While analysts say the memory chip industry will ride a super-cycle for several years on the back of consolidation and new demand from services such as cloud computing and artificial intelligence, its growth rate may slow from the massive jump expected this year.

Samsung said on Tuesday it would invest \$18.6 billion to extend its lead in memory chips and next-generation displays, a move likely to ease shareholder fears that major decisions were on the backburner while Vice Chairman Jay Y. Lee fights bribery charges in court.

On the mobile front, sales prospects for the Galaxy Note 8 will be closely watched in the third quarter, after its predecessor was pulled from the market last year due to fire-prone batteries.

Samsung is preparing to unveil the handset in August, a source told Reuters, underscoring the firm's desire to continue the Note brand.

[reuters.com](http://reuters.com)

## Qualcomm Accuses Apple Of Infringing Six Patents In iPhone, iPad

July, 06 2017

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*"In a request that would broaden its legal battle with Apple, San Diego-based Qualcomm said it will ask the U.S. ITC to ban imports of the infringing Apple devices."*

Chipmaker Qualcomm Inc will ask the U.S. International Trade Commission to bar Apple Inc from selling some iPhones and iPads in the United States that use chips made by competitor Intel Corp on the grounds that the devices infringe on six Qualcomm patents.

In a request that would broaden its legal battle with Apple, San Diego-based Qualcomm said it will ask the U.S. ITC to ban imports of the infringing Apple devices. A related lawsuit was filed in federal court in California on Thursday to request monetary damages.

Qualcomm, which also supplies chips to Apple, said the six patents help devices perform well without draining the battery.

Apple referred reporters to its earlier comments on the dispute with Qualcomm, which accuse Qualcomm of unfairly imposing what Apple calls a "tax" on Apple devices using Qualcomm chips.

In its complaint to the ITC, Qualcomm asked the body to ban "iPhones that use cellular baseband processors other than those supplied by Qualcomm's affiliates." Qualcomm did not name Intel, but Intel began supplying chips for some iPhones starting with the iPhone 7.

Qualcomm has not alleged that Intel chips violate its patents but claims that the way Apple implements them in the iPhone does. Intel declined comment.

Stacy Rasgon, an analyst with Bernstein, said ITC cases typically take 16 months to conclude and the case was unlikely to affect Apple's 10th anniversary iPhone launch expected this fall. "I doubt this puts a lot of immediate pressure on Apple," Rasgon said.

There has been long-running tension between Qualcomm and Apple over Qualcomm's practice of taking a cut of the total price of the phone in exchange for "modem" chips that help phones use wireless networks data plans.

The ITC is a popular venue for patent disputes because it handles cases relatively quickly and can more easily bar an infringing product from the U.S. market than federal courts.

Animosity between the two companies burst into the open in January, when the U.S. Federal Trade Commission filed a lawsuit against Qualcomm and accused it of using "anticompetitive" tactics to maintain its monopoly on a key semiconductor used in mobile phones.

The FTC, which enforces antitrust law along with the Justice Department, said that Qualcomm used its dominant position as a supplier of certain chips to impose "onerous" supply and licensing terms on cellphone manufacturers and to weaken competitors.

Days later, Apple sued Qualcomm for \$1 billion, accusing it of overcharging for chips and withholding promised rebates because of Apple's discussions with South Korea's antitrust regulators in their probe of Qualcomm.

Separately from this dispute, Qualcomm is a major supplier to both Apple and Samsung Electronics Co Ltd for modem chips that connect phones to wireless networks.

[reuters.com](http://reuters.com)



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