

Cease and Desist Order against QUALCOMM Incorporated
(Tentative Translation)

September 30, 2009

The Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) has investigated QUALCOMM Incorporated (QUALCOMM) in accordance with the provisions of the Antimonopoly Act (AMA) and found it to be in violation of Article 19 of the AMA (falling within Paragraph 13 [Trading on Restrictive Terms] of the Designation of Unfair Trade Practices). Accordingly, the JFTC issued on September 28 a cease and desist order in accordance with the provisions of Paragraph 1, Article 20 of the Act.

1. Violating Party

Name	QUALCOMM Incorporated
Address	5775 Morehouse Drive, San Diego, CA 92121,U.S.A.
Representative	Paul E. Jacobs
Business Outline	Research and development of wireless telecommunications technologies; Grant of license, etc., for intellectual property rights relating to wireless telecommunications; Manufacture, sale, etc., of semiconductor integrated circuits used in subscriber units and base stations

2. Outline of the Violation

With regard to the grant of licenses, etc., for intellectual property rights relating to CDMA Wireless Telecommunications^(Note 1) to the Japanese Manufacturers^(Note 2), QUALCOMM has coerced the Japanese Manufacturers to conclude an agreement (hereinafter the “License Agreement”) which includes provisions stipulating, in whole or in part, items (1) through (3) below, even though QUALCOMM had expressed beforehand that it would grant, under reasonable terms and conditions, a non-exclusive and non-discriminatory license.

- (1) For the manufacture, sale, etc., of semiconductor integrated circuits etc. used in CDMA subscriber units or CDMA base stations, QUALCOMM shall be granted royalty-free license for the intellectual property rights of the Japanese Manufacturers, etc.^(Note 3).
- (2) Regarding the manufacture, sale, use, etc., of semiconductor integrated circuits etc. used in CDMA subscriber units and CDMA base stations, the Japanese Manufacturers agree not to assert their intellectual property rights against QUALCOMM, etc.^(Note 4) and the Customers^(Note 5) of QUALCOMM.
- (3) Regarding the manufacture, sale, etc., of CDMA subscriber units, CDMA base stations and semiconductor integrated circuits used therein, the Japanese Manufacturers, etc. agree not to assert their intellectual property rights against QUALCOMM’s Licensees^(Note 6).

Due to the License Agreements, the Japanese Manufacturers, etc. have been prevented from asserting their rights regarding intellectual property rights such as filing lawsuits seeking injunctions or seeking the payment of license fees. This tends to impede the Japanese Manufacturers, etc.’s incentive to engage in research and development pertaining to technologies related to CDMA subscriber units, CDMA base stations and semiconductor integrated circuits used therein and tend to further strengthen QUALCOMM’s influential position in the market pertaining to the technologies, thereby tending to impede fair competition in the technology market.

(Note 1) Refers to wireless telecommunications that conform to the standards generally referred to as “W-CDMA” and “CDMA2000”, or those stipulated in Article 3, Paragraph 4 and 4-2 of the Ordinance Regulating Radio Equipment,

and those similar thereto and stipulated in or, to be stipulated in, foreign laws and regulations etc.

(Note 2) Refers to Japanese manufacturers of subscriber units or base stations, many of which have been engaged in the research and development of wireless telecommunications technologies.

(Note 3) Refers to the Japanese Manufacturers and their parent companies, affiliates, etc. Some of these companies possess intellectual property rights related to CDMA Wireless Telecommunications.

(Note 4) Refers to QUALCOMM and its affiliates, etc.

(Note 5) Refers to entrepreneurs which purchase from QUALCOMM semiconductor integrated circuits etc. used in subscriber units or base stations.

(Note 6) Refers to entrepreneurs which are granted licenses, etc., from QUALCOMM for intellectual property rights related to wireless telecommunications and have concluded an agreement with QUALCOMM which includes the same provisions as (3) above.

3. Outline of the Cease and Desist Order

(1) QUALCOMM shall rescind provisions in the License Agreement concluded with the Japanese Manufacturers stipulating, in whole or in part, items (1) through (3) in 2. above.

(2) QUALCOMM shall resolve at its executive decision making body, to comply with the following items.

A. To rescind those provisions in the License Agreement stipulating, in whole or in part, items (1) through (3) in 2. above

B. To refrain from engaging in conduct similar to what falls under 2. above, either directly or via QUALCOMM's subsidiaries, with regard to intellectual property rights related to specified wireless telecommunications. ^(Note 7)

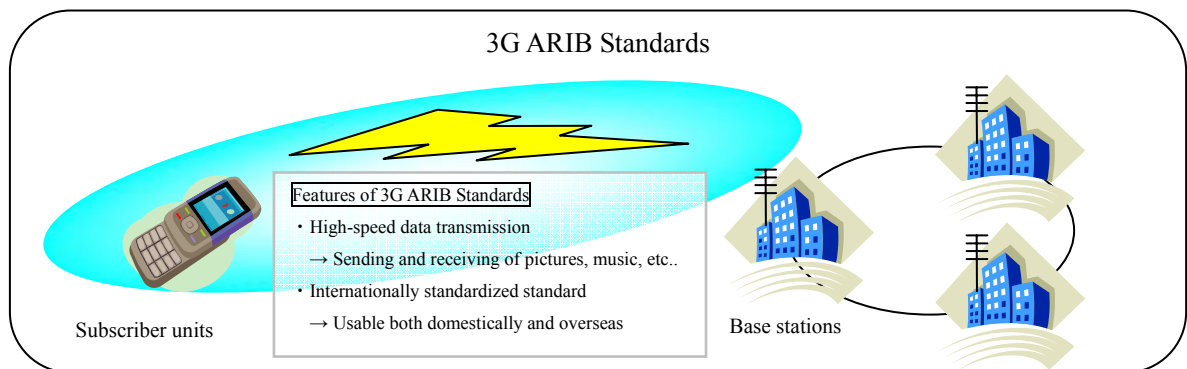
(3) QUALCOMM shall notify the Japanese Manufacturers with which it has concluded the License Agreement of the measures it has taken in accordance with (1) and (2) above.

(4) QUALCOMM shall refrain from engaging in conduct similar to what falls under 2. above, either directly or via QUALCOMM's subsidiaries, with regard to intellectual property rights related to wireless telecommunications.

(Note 7) Refers to CDMA Wireless Telecommunications, those stipulated in Article 3, Paragraph 4(3) to (6) of Ordinance Regulating Radio Equipment, those similar thereto and stipulated in, or to be stipulated in, in foreign country's laws and regulations etc. and those to be stipulated in each country's laws and regulations etc., based on the international standards called "IMT-Advanced", which will be developed in the International Telecommunication Union.

1. Overview of Mobile Telecommunications Service in Japan

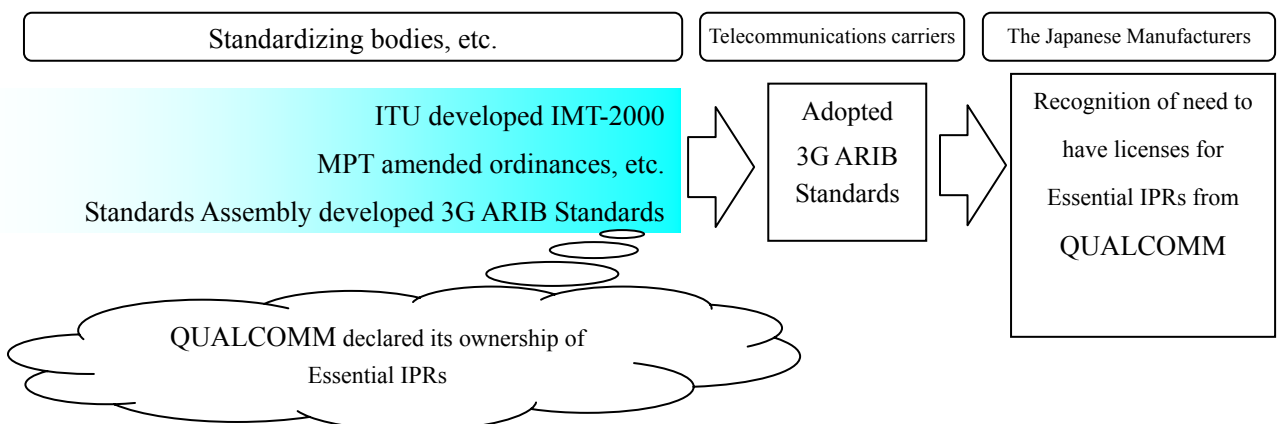
- (1) In Japanese Mobile Telecommunications service, third-generation standards (hereinafter “3G ARIB Standards”; generally referred to as “W-CDMA” and “CDMA2000”) as developed in the Standards Assembly established in the Association of Radio Industries and Business (ARIB) (hereinafter “Standard Assembly”) have been adopted as wireless telecommunications standard for subscriber units and base stations.
- (2) The Japanese Manufacturers manufacture subscriber units and base stations which conform to 3G ARIB Standards, and they sell these to telecommunications carriers and others. In addition, the majority of these manufacturers engage in research and development of technologies related to wireless telecommunications.

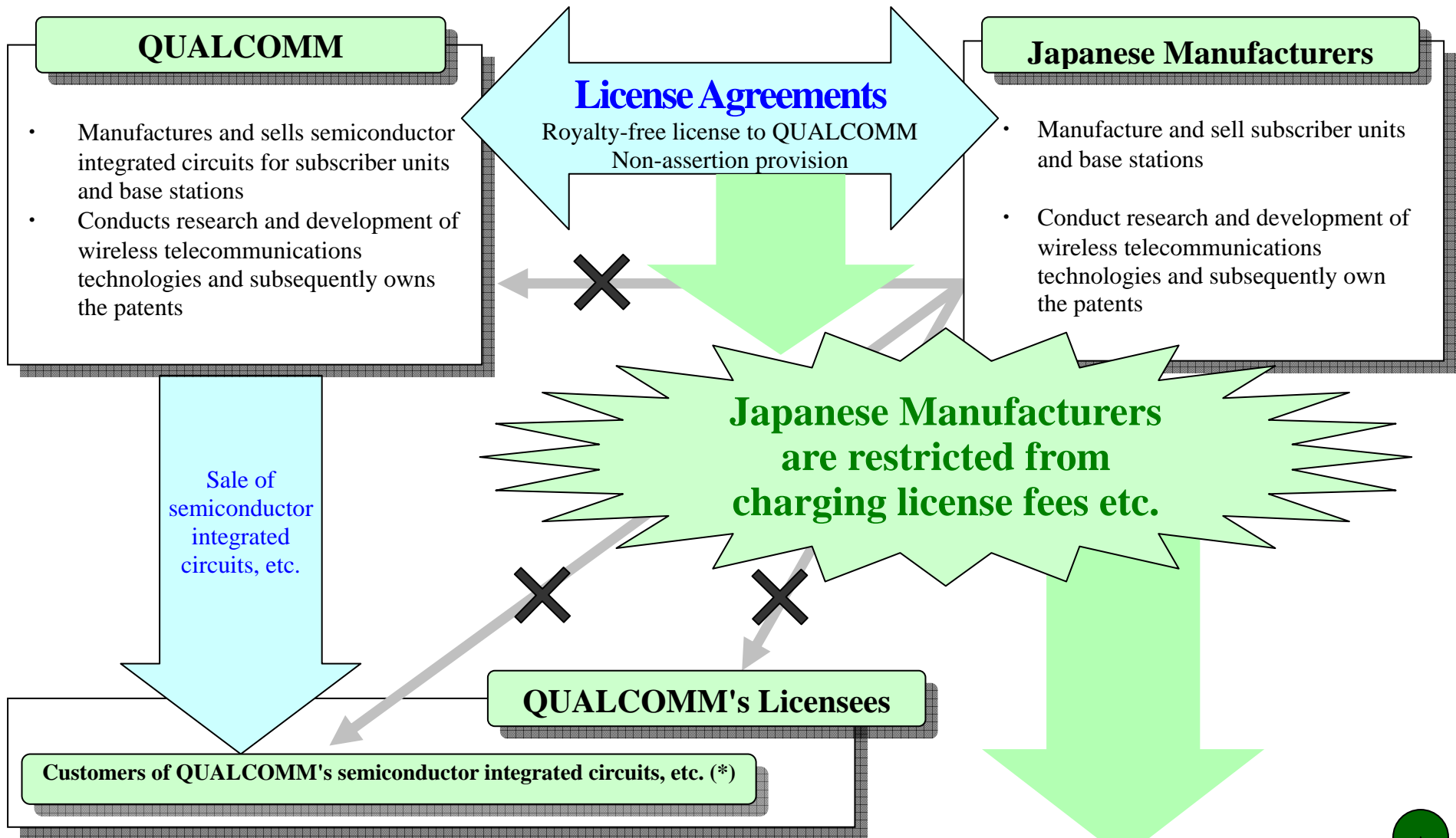


2. Development of 3G ARIB Standards, etc.

- (1) The International Telecommunication Union (ITU), a specialized body of the United Nations, developed the international standards called “IMT-2000” in May 2000.
- (2) In March 2000, Japan’s Ministry of Posts and Telecommunications (MPT) amended its ordinances, etc. related to wireless telecommunications, based on IMT-2000, whose completion was imminent. In the same month, the Standards Assembly, based on these amended ordinances, etc., developed 3G ARIB Standards as the standard in Japan for wireless telecommunications.
- (3) QUALCOMM has expressed on establishments of 3G ARIB Standards as specified in (2) and amendments thereto that it has a considerable number of intellectual property rights necessary for the manufacture and sale of 3G ARIB Standards-compliant devices (hereinafter “Essential IPRs”), and that it will grant, under reasonable terms and conditions, a non-exclusive and non-discriminatory license.

Based on these and other circumstances, the Japanese Manufacturers have become aware that they have to have licenses for the Essential IPRs from QUALCOMM.





(*) In addition to concluding a License Agreement with QUALCOMM, there are some, among QUALCOMM's Licensees, which purchase semiconductor integrated circuits etc. for use in subscriber units and base stations through affiliates of QUALCOMM.

(Market pertaining to technologies related to CDMA subscriber units etc.)