Standardization and Innovation In Trade: Balance is the Word

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The Innovation Engine

Innovation
- Investment drives innovation
- Innovation creates new IP
- IP enables new products or technologies
- Sales create economic returns
- Reinvestment of returns in R&D sustains innovation

IPR protection
- IPR laws protect ability to earn economic returns from IP
- IPR laws are critical for new market entrants (SMEs)

Standards drive growth
- Help establish interoperability of competing products
- Simplifies development by defining a minimum set of common requirement
- Helps enables business opportunities
Standards Dynamics: Market Driven

Innovator / Tech Leader
- Develops or Acquires IP
- Risk – Huge R&D Costs

Implemener
- Implements Std in Product, Service
- Risk - costs

MARKET PLACE

Customer
- Product Choice
- Risk - Sales Price

Standards Organization
- Organize Stakeholders
- Foster adoption by consensus
- Balance all company interests
- RAND Expectations
Increasing Handset Competition in 3G

- Large number of handset OEMs creates a competitive environment for 3G

Note: Vendors with a market share under 5% have been placed in the “Other” category

Sources: Analog & TDMA – Gartner Group, 2000; CDMA, GSM & WCDMA – Strategy Analytics, 2006
Lowering the Cost of WCDMA (UMTS) Handsets

Note: WCDMA Phones Sold per Calendar Quarter; lowest end sold in quantities of approx 50,000 units or higher
Note: Data derived from licensee reports. Does not include modules.

Source: QUALCOMM Incorporated
Innovation Leadership

“I don’t consider Americans to lead innovation – but they’re the best at taking innovations to the market. Another success factor is the huge, integrated domestic market.”

Jan-Eric Peters, Editor, Die Welt
(Newsweek, June 26, 2006)
Thank You

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