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Apple, Qualcomm will bring you a 5G iPhone -- just not this year

In a nutshell, there isn't enough time to get the modems ready for September.

BY SHARA TIBKEN | APRIL 17, 2019 2:40 PM PDT



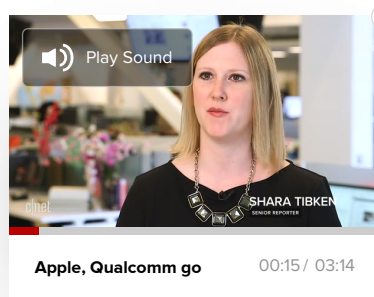
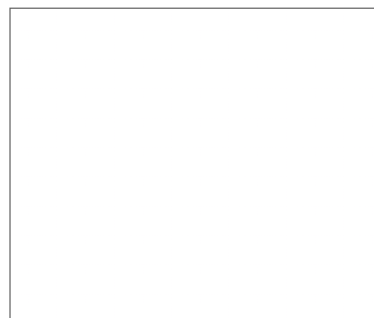
A 5G iPhone could launch in 2020.

Getty Images

Apple and Qualcomm have resolved their legal battle, likely so iPhones get 5G chips sooner. But that doesn't mean we'll see a 5G iPhone this year.

On Tuesday, the two sides [announced a surprise ending](#) to their [patent licensing battle](#), resolving a two-year dispute over Qualcomm's licensing fees. Apple had accused Qualcomm of anticompetitive practices that pushed chip prices higher, restricted competition and weighed on customer choice. Qualcomm had countered by saying the iPhone wouldn't be possible without its technology, so it should get paid for its innovation.

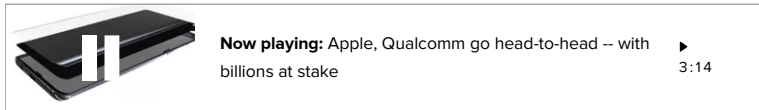
The agreement settles all litigation between the companies worldwide. Apple also signed a multiyear chipset supply agreement with Qualcomm, gaining



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access once again to the company's high-end modems. That includes [Qualcomm's 5G chips](#).



After years of work on 5G networks, hyped as the life-changing foundation for augmented reality, telemedicine and other tech trends, the super-fast wireless technology is being rolled out. Carriers are turning on their networks, and virtually every major Android handset maker has touted plans to launch a 5G device this year. Apple hasn't.

The company had been working with Intel on 5G chips, but the chipmaker had problems developing the product. A few hours after Apple and Qualcomm announced their settlement Tuesday, [Intel said it's exiting the 5G smartphone modem business](#). Intel's struggle with 5G is likely what brought Apple to the bargaining table with Qualcomm.

Apple didn't immediately respond to a request for comment. Qualcomm CEO Steve Mollenkopf, during an interview with CNBC, declined to say when a 5G modem could show up in the iPhone.

"We won't talk about Apple's product plans," he said. "There's obviously the beginning ramp of 5G broadly."

Even though Apple and Qualcomm are working together again, iPhones won't immediately roll out with 5G. At the earliest, Apple may be able to introduce a 5G device in 2020.

Here's why:

Modems are complex

Putting a modem in a phone isn't as simple as just buying the component. And a phone needs more than a modem to connect to a cellular network. Phone designers need access to software from the modem maker, and a phone also [requires radio frequency chips](#) and other components that take up space in the device. The size and capabilities of the modem can dictate aspects of the iPhone's design itself.

Phone makers also need to be able to test the modems in their devices before they go into mass production. Carriers require time to certify the phones to ensure they work properly on their networks and provide the promised upload and download speeds.

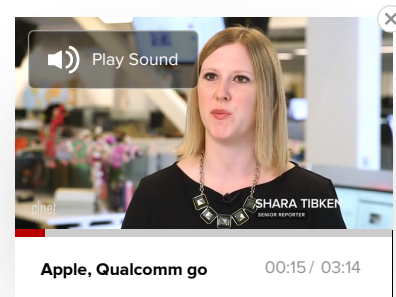
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[Apple and Qualcomm settle licensing dispute amid trial's opening arguments](#)

[Intel says it will exit 5G phone modems just hours after Apple, Qualcomm settle](#)

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Because 5G is a new standard, certification and testing aren't as routine as they've become with 4G LTE devices. There are a couple different flavors of 5G, millimeter wave and sub-6GHz, and carriers are split on which to roll out first. Verizon and AT&T are opting for millimeter wave, while T-Mobile is focusing on sub-6GHz.

Apple typically starts selling its iPhones as soon as they're unveiled, and it sells them in high volumes from the beginning.

"They have to have the design completely and utterly finalized by the springtime before they ship it in the fall," Technalysis Research analyst Bob O'Donnell said. "That means everything has been done, tested, evaluated and run through all the carriers. That process takes months."

Apple's next iPhones likely will hit the market in September, only five months from now. That's too late for all of the testing needed for Qualcomm's 5G chips.

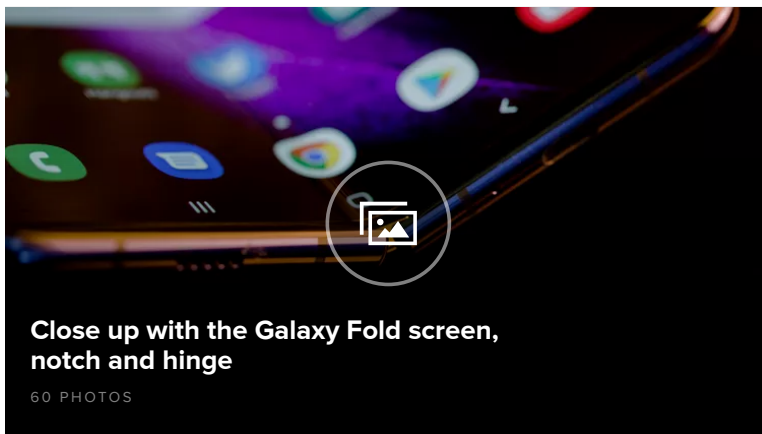
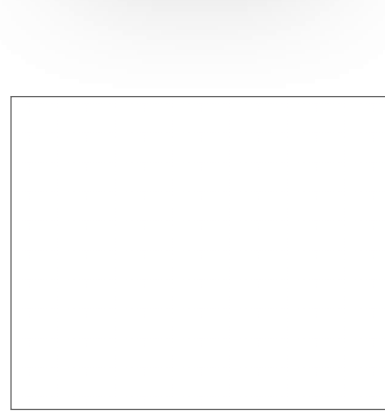
Handset makers need early access to chips

Using a modem in a phone requires close cooperation between the handset maker and the chipmaker. Modem suppliers give samples to companies as many as 18 months before the chip shows up in phones, and they often have reference designs to start testing before their phones are finalized.

Typically, Android companies launch phones about eight months after receiving modem samples. Apple requires its modems earlier than Android vendors.

Apple started talking to modem suppliers two years in advance of the first iPhone launch, [Tony Blevins](#), the company's vice president of procurement, said in a [January trial](#).

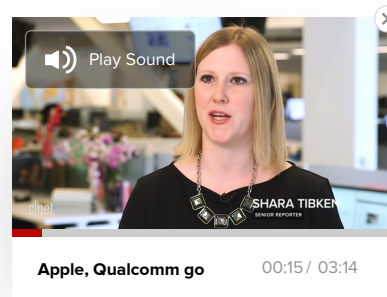
It no longer needs chips quite as early. Generally, Apple launches an iPhone about a year after it gets wireless chip samples.



Still, Apple may be cutting it close, timing-wise, to have 5G in its fall 2020 iPhones.

"We believe Apple and Qualcomm needed to start working together by April in order for Apple to launch 5G enabled smartphones for its September 2020 iPhone launch timeframe," Canaccord Genuity analyst Mike Walkley noted.

Qualcomm's multimode 5G chip isn't widely available until next year



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Though everyone is using the same wireless technology, the carriers are employing different bands of spectrum. And the first-generation chip and antennas can't tap into all of those frequencies at the same time.

Most 5G phones available this year (except for those from Huawei) will use Qualcomm's [X50 modem](#). The chip only connects to 5G networks, which means handset makers also have to include a second modem for 4G, 3G and 2G in their devices. And the first phones are tied to a specific carrier. In other words, the 5G phone you buy for Verizon will work only on Verizon's 5G network.

Once Qualcomm's upcoming [X55 chip](#) and new radios are out, a phone will be able to run on all major spectrum bands, all over the world. That means we'll get unlocked 5G phones -- if that's what the handset makers choose. And there will be no need for a handset maker to also buy a separate 4G chip.

The X55 will start showing up in devices later this year, Qualcomm said, but when it comes to X55-powered handsets, they're more likely to hit in 2020, Qualcomm President Cristiano Amon told CNET in an interview in February at Mobile World Congress.

"There are some [phone makers] who are aggressive with their launch dates," Amon said. "We could see some X55s but most of the smartphones coming from Q2 all the way to the holiday season will be [powered by the] ... X50."

Qualcomm needs time to customize modems for Apple

Apple designs its own application processor -- the brains of the iPhone -- but it relies on third-party chips like those from Qualcomm for network connectivity. All Android vendors use Qualcomm's Snapdragon processors that integrate the modem with the application processor. That improves battery life and has other benefits.

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Qualcomm wouldn't release modems as often without Apple's business

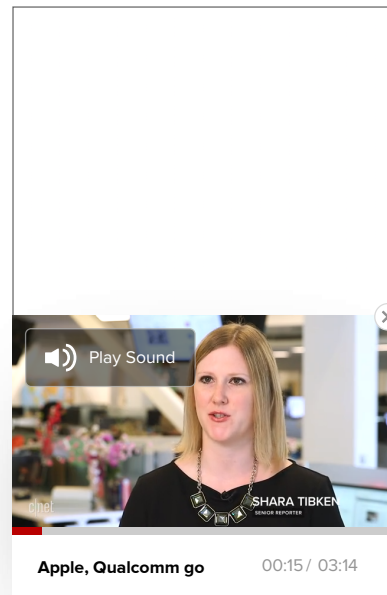
5G will rule on high-end phones by year's end, ready or not

Samsung Galaxy S11 5G may be slimmer, last longer thanks to Qualcomm

For Apple, Qualcomm takes the modem it embeds into its Snapdragon processors, wraps a different chipset around it and includes different software and other items to make it work in iPhones. Because Apple is the only Qualcomm smartphone customer that requires a standalone modem, Qualcomm has to custom-build its chips.

[Qualcomm CTO James Thompson testified](#) in a January trial that it costs the company about \$250 million a year to tweak its modems for Apple.

Qualcomm and Apple haven't been talking or working together for months, which means Qualcomm likely doesn't have a standalone modem ready for Apple.



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