

VIA GETS INTEL LICENSE FOR SOME CHIP SETS

By Peter N. Glaskowsky {7/24/00-07}

Intel and VIA have come to terms over VIA chip sets designed for Intel's P6 bus. VIA has agreed to pay Intel a lump sum plus ongoing royalties, in return for which VIA has received a license that covers all of VIA's currently available chip sets for the P5 and P6 buses. The

license specifically includes VIA chip sets that support the 133MHz front-side bus of the Pentium III, the original focus of the dispute.

Intel's lawsuits against VIA pending in England, Singapore, and Washington D.C. have been dismissed. A separate Intel lawsuit, filed against VIA in San Francisco, will be amended to remove claims concerning the chip sets covered by the new license, but it has been expanded to cover VIA's KX133 chip set for AMD's Athlon and Duron processors.

VIA's x86-compatible Cyrix processors are not part of the settlement. While Intel has not yet taken action against

VIA over the Cyrix processors, such a suit remains a strong possibility. The new license also does not cover chip sets for Intel's forthcoming Pentium 4 processor, which uses a new 400MHz front-side bus.

Though VIA competes with Intel's chip-set group, Intel's processor division relies on VIA to support sales of entry-level Pentium III and Celeron CPUs. Many PC OEMs use VIA chip sets in conjunction with Intel processors to reach price and performance targets unsupported by any Intel core-logic offering. Until Intel can fully recover from its recent series of missteps in the chip-set market, VIA will remain essential to Intel's overall success. ♦

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