NVIDIA Conference Call to Discuss Complaints Filed Against Samsung and Qualcomm for Infringing Its GPU Patents

Company Participants

- Colette Kress, EVP and CFO
- Jen-Hsun Huang, President and CEO

Other Participants

- Alex Gauna, Analyst, JMP Securities
- Betsy Van Hees, Analyst, Wedbush Securities
- Chris Caso, Analyst, Susquehanna Financial Group
- Doug Freedman, Analyst, RBC Capital Markets
- Hans Mosesmann, Analyst, Raymond James
- JoAnne Feeney, Analyst, Longbow Research
- Matt Ramsay, Analyst, Canaccord Genuity
- Vivek Arya, Analyst, BofA Merrill Lynch

Presentation

Operator

Thank you for dialing in to the NVIDIA conference call.

All lines have been placed on mute. I will now hand the call over to NVIDIA Executive Vice President and Chief Financial Officer Colette Kress. Please go ahead, Ms. Kress.

Colette Kress {BIO 18297352 <GO>}

Thank you, operator. Good afternoon, everyone. And thank you for joining us on today's call on short notice.

With me on the call today from NVIDIA are Jen-Hsun Huang, President and Executive Officer. And David Shannon, Executive Vice President and Chief Administrative Officer.

We'll begin with a summary of our filing with the International Trade Commission and US District Court of Delaware. And discuss our decision to take legal action to protect our intellectual property. We will discuss the possible next steps in this process.

After our statements, we will be opening up the call to answer any questions on today's actions. We ask that you limit the questions to the matters of today's filings.

Before we begin, I'd like to remind you that today's call is being webcast live on NVIDIA's Investor Relations website. And is also being recorded. The replay of the webcast will be available until September 18th, 2014.

The content of today's conference call is NVIDIA's property and cannot be reproduced or transcribed without our prior written consent.

During the course of this call, we may make forward-looking statements based on current expectations. These forward-looking statements are subject to a number of significant risks and uncertainties. And our actual results may differ materially.

For a discussion of factors that could affect our current financial results and business, please refer to the disclosure in our 10-Q for the quarterly period ended July 27th, 2014. And the reports we may file from time to time on Form 8-K with the Securities and Exchange Commission.

All of our statements are made of today, September 4, 2014, based on information available to us today. And except as required by law we assume no obligation to update any such statements.

Today we filed complaints against Samsung and Qualcomm in the International Trade Commission and US District Court in Delaware for using our GPU patents without a license in Samsung Galaxy phones and tablets. This is the first time in NVIDIA's history we have initiated patent infringement claims against another company.

NVIDIA is the world's leader in visual computing. And has invented the GPU and technologies that are vital to mobile computing. We have the richest portfolio of computer graphics IP in the world, with 7,000 patents granted and pending, created by the world's best graphic engineers. And backed by more than $9 billion in R&D.

Our strategy is to continue to lead in visual computing technologies. And to seek return on our investments, by serving markets where inventions make a contribution. Our business model is selling processors to OEMs and licensing our GPU cores and patents.

This powerful and rich graphic experience mobile users demand is enabled by NVIDIA's patented inventions. Our patented inventions are used in billions of mobile devices each year, including the millions of smart devices sold with our Tegra processor incorporated.

Our Tegra processor sales are accelerating, with four consecutive quarters of revenue growth. Our newest processor, the Tegra K-1, features the Xiaomi Mi Pad, the

recently announced Acer Chromebook 13. And our new SHIELD tablet. Samsung and Qualcomm have also relied on our powerful inventions for their mobile success.

There are hundreds of millions of mobile processors, phones. And tablets manufactured by Samsung and Qualcomm with rich graphics powered by our patented GPU technologies. These patents include programmable shading, unified shaders. And multi-threaded parallel processing.

In terms of next steps, a decision will be issued by the ITC with 30 calendar days as to whether to open an investigation. If this proceeds, a relatively quick discovery process begins, leading a trial that would likely occur around mid-2015, with an initial decision a few months thereafter.

In regards to the complaint with the District Court of Delaware, a scheduling conference would likely occur within the next 60 to 90 days to set up trial dates. We'd expect a trial to be scheduled two or three years from now.

Our IP provides significant value to mobile devices. Licensing our GPU core and patents is an important element of our strategy. We are asking the courts to determine infringement of NVIDIA's patents by all graphic architectures used by Samsung's mobile products. And to establish the value of our GPU patents.

Operator, we will now open it up for questions.

Questions And Answers

Operator

(Operator Instructions) And our first question comes from the line of Vivek Arya with Bank of America/Merrill Lynch. Please go ahead.

Q - Vivek Arya {BIO 6781604 <GO>}

Thanks for taking my question. Colette, I'm curious of the decision to sue specific Samsung products, because I assume that many other handset makers probably use that same Qualcomm Snapdragon chip. And probably many others use a similar ARM or Imagination GPU IP. So why single out specific Samsung products, or is the goal eventually to go and negotiate with other handset customers, also?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Yes, Vivek. First of all, thanks for the question. I'll take it for you. First of all, well, Samsung is one of the largest mobile device makers in the world. And they ship hundreds of millions of mobile devices every year. All of them, we believe, infringe on the GPU patents that we've invented. And so, it stands to reason that they'd be the first company we would engage in discussions with. And we've been in discussions with them for a couple of years.

There's another reason, which is that Samsung, because of their volumes. And because of their breadth of product portfolio, includes all three GPU architectures that are available to mobile devices, outside of ourselves. Qualcomm, of course, is one of the major ones. But they're not the only one. They also use ARM and Imagination Technologies.

And so, those are the reasons why we decided to engage discussions with Samsung first.

Q - Vivek Arya {BIO 6781604 <GO>}

So is the goal, Jen-Hsun, then -- then why are you going after Samsung? That's what I'm curious about. So I understand they are large. But the -- this allegation of infringement is really on the GPU side. So it's more with ARM and Imagination, rather than with Samsung. Or is it Samsung, just because they are the ones who are deploying that technology?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Well Samsung, because they're including the technology in their products. And they're the ones that choose what architecture they ultimately use. We also named Qualcomm in the suit because the GPU is included in Qualcomm's chips.

In the case of ARM and Imagination, they design cores. Now, neither of their GPU architectures are licensed to our patents. However, their cores are included in Samsung chips. And so, again, the two companies that are involved in this suit, therefore, is Samsung and Qualcomm.

Q - Vivek Arya {BIO 6781604 <GO>}

Just a last question. Apple also uses Imagination's GPU IP. And they're also a large customer. So can they also be the subject of this kind of litigation in the future?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Well today we're focused on Samsung and Qualcomm. And we continue to have productive conversations with a lot of other companies out there. But I think you highlight a very important point, which is NVIDIA has been very inventive in this space. We are the world leader in visual computing. We've invested a great deal over the years in this one specialty and one specific field.

We've been very inventive in it. We invented the GPU. We have the world's largest portfolio of graphics patents. And now, with billions of mobile devices being shipped each year and tens of billions being expected to ship in the coming years, it stands to reason that this is an important area for us.

I've also told you, quite several times now, over the last several years, that IP licensing and core is an important part of our overall strategy. And so, today's action is really just a confirmation of that strategy.

Q - Vivek Arya {BIO 6781604 <GO>}

Okay. And lastly, any litigation expenses we should be aware of? Thank you. That was the last.

A - Jen-Hsun Huang {BIO 1782546 <GO>}

We're not talking about expenses today. We'll report on that at our next earnings call. But the important thing to really focus on is that we have such a large portfolio of rich graphics patents and that the mobile market is going to have billions and billions of devices. And they incorporate our technology in them today.

So this is an important part of our strategy. And it's a very serious part of our strategy, as I've said before. We're very serious about our IP, our IP licensing strategy. And so, I think the size of the opportunity for us is quite important for us to go after it.

Q - Vivek Arya {BIO 6781604 <GO>}

Thank you.

Operator

And our next question comes from the line of Matt Ramsay with Canaccord Genuity. Please go ahead.

Q - Matt Ramsay {BIO 17978411 <GO>}

Yes. Good afternoon. Thank you for taking my questions. I have two.

I guess, Jen-Hsun, just to sort of build on the last question, I mean, there's an OEM here in the suit. And also a chipset provider in the suit. As devices are deployed in the field, are you guys making sort of any claims, or maybe you could give your thoughts about where you think the real value extraction lies, with the chipset provider that sells the deriving chipset revenue or with sort of the ecosystem that's built on the device? And I think where do you think you'll be most successful in sort of getting a royalty in the long term? Thanks.

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Ultimately, we have to decide on a case-by-case basis. And in the case of Samsung and Qualcomm, this is very clear, all right?. But we have to look at it on a case-by-case basis.

All three architectures that we've mentioned, Qualcomm, ARM. And Imagination's GPU architectures, we believe, infringe on some very important patents. And some very important inventions that we've created over the years. And in each one of those cases, the way they get to market is a little bit different.

There are some OEMs that are vertically integrated and they design their own phones or devices. And chips. There are some that buy chips from other people. There are some that license this technology from other people. And so, there's a whole lot of different types of business models. And we'll deal with each one of them on a one-on-one basis.

Q - Matt Ramsay {BIO 17978411 <GO>}

All right. Thanks for that. And maybe just taking a little bit of a different angle here, because, obviously, there's a lot of questions that I think all of us could ask that you guys probably wouldn't be able to answer today. But on more of a strategic angle, Jen-Hsun, you've spoken a lot in the past about being pretty excited about Android as a gaming platform, going forward. And I think it's interesting that, perhaps, the largest shipper of GPUs into Android devices and also the largest OEM shipper of Android devices are the two folks that you've named here in the suit.

Maybe you could talk about it from a strategic angle, broader than just extracting royalties from handsets. But also from an overall strategic angle of how you guys approach the market for Android GPUs in general. Thanks.

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Yes. Well you know we're a technology company. And we're a visual computing technologies company. And visual computing is used in all kinds of markets.

Android is one of the most successful operating systems in the history of mankind. It is synonymous with mobile cloud. And mobile cloud is going to be the computing model of almost every computing device in the world, some day. It doesn't matter whether it's initially started with phones and tablets. But it'll be in computers. And it'll be in cars. And it'll be in TVs. And game consoles. And all kinds.

The entire world of computing will be mobile cloud, some day. And our strategy is to focus on the markets whereby we can add the most value with products. Gaming is one of them. Design is another, as you've heard me talk about, in the area of enterprise. High-performance computing is an important market for us. Automotive is an important market for us. Mobile is also an important market for us.

And in each one of these markets, we may choose to design an entire system. We could sell a chip, which is essentially a one-time license use for an OEM, or we could license GPU cores, if they would like to build their own vertically integrated or proprietary solutions, or we could license patents for them to use in any designs or products that they would like to create.

And so, we're a visual computing technology company at the core. And we have a business model that starts from creating technology, inventing technology. And we offer it to the customers and offer it to the marketplace in a whole lot of different form factors that suits their needs. And so, I think that this strategy allows us to stay very, very focused on being the world's leading in visual computing. And yet being

able to address and serve markets that are very far away from our core or very specific to our core, whether it's gaming or automotive or design or otherwise.

Q - Matt Ramsay {BIO 17978411 <GO>}

All right. Thank you.

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Thanks a lot.

Operator

And our next question comes from the line of Doug Freedman, with RBC Capital Markets. Please go ahead.

Q - Doug Freedman {BIO 6507613 <GO>}

Great. Thanks for taking my question, guys.

Jen-Hsun, if you could, should we -- if we were to look at your existing royalty stream, especially the deal that you've cut with Intel, that is, I believe, a broad cross-license that gives them complete access. Should we look at that as setting some precedent to the value of the IP portfolio that you are trying to license, or is there, in this case, limited in some way? Can you sort of, maybe, compare and contrast for us. So we maybe we can get an idea of sort of the value potential here?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Well ultimately, we're asking the courts to help us establish the value of our patents. But I think there's a lot of different ways to think about the size of the market for us with respect to IP licensing. With every major revolution of computing whether it was client server, mainframe before it, the PC after client server. And now mobile computing, the size of the marketplace has become larger and larger. And the reason for that, of course, is because the nature of the technology can reach more people. And become valuable to more people.

And in every one of those cases, every one of the succeeding generations, the computer graphics part of it has been important. And in the last 21 years, we've generated and contributed more to modern computer graphics than just about any single company.

And so mobile computing is an important opportunity. And a good-sized market for us -- and maybe put your phone on mute -- and then. And then those -- in this new market of mobile computing, it goes into a lot of different verticals. In some of the verticals we may choose to design chips. In some of the verticals, we may choose to license our patents. In some of the verticals we may decide to choose our cores. And every combination.

But there's no question that the billions of devices, that are used today. And the billions of devices that will be shipped in the future, GPU is such a vital part of its experience. And our invention is so important to it, that this is -- should be an important part of our strategy.

Q - Doug Freedman {BIO 6507613 <GO>}

Great. Thanks for taking my questions.

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Yes. Thanks a lot, Doug.

Operator

And our next question comes from the line of Alex Gauna, with JMP Securities. Please go ahead.

Q - Alex Gauna {BIO 3038925 <GO>}

Jen-Hsun, if I heard you correctly, you said you had been in talks with Samsung for a number of years. I'm wondering, did something change recently, or why now in terms of bringing the lawsuit?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Well we just made no progress. And they've not put a real offer on the table. We've spent quite a bit of time working with them. We've shared a lot of our claims. And claim charts. And we've made every effort to have a negotiated outcome. But sometimes when you've been using technology for free for a long time, I guess it's hard to sign up for a large and significant license agreement.

But the fact of the matter is, they're using our technology for free in their devices today. And they're shipping an enormous number of devices. And so, this is something that's really important to us. And we need to resolve it. And that's -- after working at it for a couple of years, we came to the conclusion that we just weren't going to make any more progress. And so we decided to ask the courts for their help.

Q - Alex Gauna {BIO 3038925 <GO>}

Okay. Then to follow up on Doug's question, I'm wondering, the dispute you had with Intel, I'm assuming, that resulted in a cross-license, I'm assuming it's more in the PC realm. Is there a difference in terms of the way the IP is deployed in a mobile sense, or because it's being used with Android, or would you say that the position that led you to such a favorable outcome with Intel is similar with what's going on with Samsung and Qualcomm? Thank you.

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Well I -- Intel ships about 300 million PC chips a year. And the mobile industry is quite a bit larger than that. And visual computing is, arguably, even more important in mobile computing than it is in computing and PCs before it. And so, I believe that mobile devices, which really brings joy to people, when they're beautiful and interactive. And can serve up all kinds of rich content for consumers, largely, it benefits greatly from the GPU that's inside it. And so, I think there's one part of it, which is the size of the use of our technology is much, much larger in mobile market.

In terms of the actual agreements, it could be a license of IP. It could be a license of our core. It could be a cross-license. It can come in a whole lot of different ways.

And so this is a strategy, this is an important strategy of our Company. And -- but each one of the customers will have their own specific needs. And we'll sit down and talk to them.

Q - Alex Gauna {BIO 3038925 <GO>}

All right. Thank you.

Operator

And our next question comes from the line of Hans Mosesmann with Raymond James. Please go ahead.

Q - Hans Mosesmann {BIO 1522582 <GO>}

Thanks, Jen-Hsun, just to follow up on the series of questions, I think Colette mentioned up front that Samsung, or maybe in the PR, that Samsung had indicated that it wasn't their issue, it was their vendors' or suppliers' issue. By saying that, is Samsung saying that there is validity to your patents. But it's not their problem? Is that how they're positioning this?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Well I'd really like not to -- not to repeat conversations today. And, surely, they'll have an opportunity to address some of these questions themselves.

But Samsung chooses what technology they incorporate in their phone, in their smartphones. And tablets. And other devices. So ultimately, Samsung is culpable for infringing our patents.

However, Qualcomm also infringes on our patents, because they incorporate our GPUs inside their chips, our GPU patented technologies inside their chip. And their chips are used by Samsung. And so, we decided to name both of them today. And by doing so, we are focusing on two very large companies that have a large business incorporating our GPUs and using them for free. And also, it allows us to engage all three architectures in the marketplace at one time.

And so, we decided, based on those two reasons, the size of the customers. And the ability to address all three architectures, to name both Samsung and Qualcomm.

Q - Hans Mosesmann {BIO 1522582 <GO>}

Thank you.

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Yes. Thanks a lot, Hans.

Operator

And our next question comes from the line of Betsy Van Hees with Wedbush Securities. Please go ahead.

Q - Betsy Van Hees {BIO 6078412 <GO>}

Hi. Good afternoon. Thanks for taking my questions.

Jen-Hsun, with over 7,000 patents, you chose just seven. And I was wondering if you guys could give us a little more details behind why those seven patents were chosen, given all the patents that you guys hold?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Well there's a -- it's a balance of making sure that we choose patents that we have very high confidence reads on their products. We've spent a lot of time analyzing their products. And you're right, we have 7,000 issued and pending patents in this one field, in this very important field. However, we have to find a balance between very high confidence patents that reads on their products, as well as efficiency for the courts.

Ultimately, it's -- we want to find the balance of high-confidence of winning. And the most efficient way of getting through the courts.

Q - Betsy Van Hees {BIO 6078412 <GO>}

Fair enough. Then, I know you didn't want to talk about expenses. But we're -- I guess we can assume that the expenses, the litigation expenses, at least in the near term, have already been factored in to the guidance that you guys have provided us. And there isn't anything in addition that we should expect. And then you'll address future OpEx litigation issues as we move forward. Is that a fair way to look at things?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Well we'll have an opportunity for Colette and I to talk about OpEx at the next earnings call. But I think at the highest level, Betsy, I think that the important thing to realize is IP licensing, IP is a very important part of our strategy. We are the world leader in visual computing. We invented the GPU. We've contributed more to modern visual computing than just about any company in the world.

We're singularly focused in this one important field. We're incredibly inventive, over the years. And we're still very, very inventive. And this technology is vital to the growth and to the vibrancy of large markets, including the mobile computing market, smartphones and devices.

So this is an important part of our overall company strategy. IP license -- creating -- inventing technology, IP licensing. And licensing, then, to OEMs and other companies that are using it or would benefit from it. And in this case, these two companies are using our technology freely, without a license. And we would like the courts to help us establish the validity of our patents, the infringement. And also the value of the patents we should derive.

Q - Betsy Van Hees {BIO 6078412 <GO>}

Helpful.

You've been talking about this for a couple of years now. And you had that presentation that you put together last summer, when you discussed in terms of the monetization of your IP, that you guys would be working very judiciously in making sure that that happened. And so, it appears as if you guys reached an impasse with both Samsung and Qualcomm, which led you to take this action to protect your IP.

So -- and you said you were in discussions with other people. So we can, I guess, look at this as -- for those other individuals that you guys are currently in negotiations with and talking to, it's a pretty big shot over the bow, warning signal over the bow, that you're not afraid to step into -- I mean, because you've taken on some pretty big boys here, some pretty big players.

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Well the courts don't really care how big or small a company is. All they care about is whether a patent has been infringed.

And so, the courts will have to evaluate and assess this particular case on the merits of this case. And we believe that -- and we're all experts in this field. And we have a lot of competitors. But we really have no peers. This is something that we deeply care about. And technology is core to this Company. It's at the foundation of this Company.

We've said. And I've said, that we are serious about IP licensing. And today's action makes it very clear, indeed, that I am very serious about IP licensing. And so, it is a -- we've invested a great deal in getting here. We've invested $9 billion in a singular field of computing.

We have the richest portfolio of computing patents, graphics computing patents, in the world. And so, it's -- we have to make sure that we're compensated fairly for the use of our patents.

Q - Betsy Van Hees {BIO 6078412 <GO>}

Thank you. So much for taking my questions. And good luck.

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Thanks a lot, Betsy.

Operator

And our next question comes from the line of Chris Caso with Susquehanna Financial Group. Please go ahead.

Q - Chris Caso {BIO 4815032 <GO>}

Yes, hi. Thanks for taking the question.

Just, if you could describe the remedies that you're seeking from the court in these cases? As I was able to just kind of eyeball the complaints, quickly, it didn't look like you specified specific monetary damages in the complaint. How are you looking to get this resolved?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

We're seeking the courts to help us determine the damages that have been done to our Company. And also for compensation for use of our technology, going forward.

Q - Chris Caso {BIO 4815032 <GO>}

So it'll be up to the courts to decide?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

I'm sorry?

Q - Chris Caso {BIO 4815032 <GO>}

I'm sorry. So it will be up to the courts to decide?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Oh, yes. Yes. That's correct.

Q - Chris Caso {BIO 4815032 <GO>}

Okay. And as a follow-on, oftentimes in the patent litigation suits there are counter suits filed by the other parties. Is there anything you could say with regard to your level of confidence in your ability to defend or your exposure to a counter suit by either Samsung or Qualcomm?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Well we can't speak on what they would do. But we have extremely high confidence in our actions.

Q - Chris Caso {BIO 4815032 <GO>}

Okay. Thank you.

Operator

(Operator Instructions) And we do have a question from the line of JoAnne Feeney. Please go ahead.

Q - JoAnne Feeney {BIO 6967467 <GO>}

Yes. Thanks. Hi. Jen-Hsun, I was wondering if you could, perhaps, give us a sense of if there's anything different about your IP position now versus, say, five years ago. Is there something new that's in your IP that makes it very clear that these other uses are infringing? Is it something that clearly defines use of NVIDIA's new technology versus, say, AMD's contribution to those areas of shaded technology, et cetera? Anything that would limit the litigation to those relatively current generation of products versus having it be applicable to older generations?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Yes, I would say three things.

One, AMD should decide on the merits and the value of their patents.

Two, the last five years have been a quite important five years. And the reason for that is mobile computing has exploded. The mobile computing world today, versus five years ago, is utterly different. And today, the rich displays and the importance of rich graphics applications all over the web is more important than ever. And obviously, it is also larger than ever.

We've also invested, in the last five years, in adapting our cores so that they're mobile friendly. Because of the efforts of Tegra, all of our GPUs today are mobile-ready. The energy efficiency is fantastic, like the TK-1, Tegra K-1. And, yet, the architecture is identical to the architecture that we use in high-performance PCs and work stations.

And so, we have more ability to license our GPU cores to OEMs and technology companies than ever before. And it wouldn't have been possible, if not for our focus in the mobile market.

Then, lastly, I guess I would just add and reiterate that it does take some time in engaging discussions with these companies on something this significant. We're talking about a very large number of devices. We are talking about technology that we have invented. And so, the impact to them is, of course, not insignificant. And so, these conversations do take time.

But these factors all played into it. Okay?

Q - JoAnne Feeney {BIO 6967467 <GO>}

Yes. That's very helpful.

A - Jen-Hsun Huang {BIO 1782546 <GO>}

All right. So --

Q - JoAnne Feeney {BIO 6967467 <GO>}

Thanks, Jen-Hsun. Can I get a follow-up in there, just briefly?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

Sure. Sure.

Q - JoAnne Feeney {BIO 6967467 <GO>}

I'm just wondering -- you don't want to talk about OpEx. That's understandable. I'm just wondering, though, to prepare these two filings, did you need to go to outside counsel to do that, or are you doing that entirely internally?

A - Jen-Hsun Huang {BIO 1782546 <GO>}

We always have some outside counsel working with us, because our internal legal department is not the size of all of the various legal work that we have to do. And we have a lot of world experts that are working with us, from a lot of different places.

So okay, thank you very much, JoAnne. I really appreciate it.

Hi. everybody, thank you for joining us today. Today's action was a very important new chapter for our IP licensing strategy. We have the world's largest and the most -- the richest collection of graphics IP in the world. And IP licensing is a very important part of our strategy. And I look forward to reporting on our progress as we go forward.

Thank you very much for joining us.

Operator

Ladies and gentlemen, that does conclude your conference call for today. We thank you for your participation and ask that you please disconnect your lines.