



DETERMINATION OF MERGER NOTIFICATION M/05/078 – Nokia/Intellisync

Section 21 of the Competition Act 2002

Proposed acquisition by Nokia Corporation of Intellisync Corporation

Dated 10th January 2006

Introduction

1. On 12th December 2005 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby by Nokia Corporation (“Nokia”) would acquire Intellisync Corporation (“Intellisync”).

The Undertakings Involved

2. Nokia is a publicly traded company incorporated under the laws of the Republic of Finland. Nokia is one of the leading global manufacturers of mobile devices and mobile networks. In 2004 Nokia achieved a worldwide turnover of €29.2 billion, of which €[100-500] million was achieved in Ireland. Nokia is active in the mobile phone sector and to a much lesser extent, in the mobile middleware sector and mobile device management sector. Mobile middleware software consists of a software platform that includes server software that either extends the reach of existing internet protocol or other mission critical applications, or offers the ability to develop new applications for mobile users leveraging a variety of wireless devices, including laptops, handhelds, interactive pagers and mobile phones.¹ (Other mission critical applications include groupware, messaging, customer relationship management (CRM) and sales force automation (SFM)). Mobile device management software enables corporations to extend the standard features found in desktop administration solutions to mobile devices through secure, over-the-air firmware updates (i.e. the software in the mobile device is automatically updated). Nokia’s worldwide 2004 turnover in mobile middleware email and mobile device management was €[1-5]m million and €[0-1]m respectively.
3. Intellisync is a publicly traded US based corporation, which provides wireless messaging and mobile software and services. It develops wireless email and mobile platforms, and markets these products to enterprises, mobile operators, software providers and device manufacturers. Its software is designed to enable interoperability between different platforms and devices. In the year ended 31st July

¹ IDC Market Analysis: Worldwide Mobile Middleware 2005 – 2009 Forecast, October 2005.

2005, Intellisync achieved a worldwide turnover of c.€[10-50] million, of which c.€[100,000-500,000] was achieved in the State. Intellisync has no subsidiaries or branch offices in Ireland and all of its turnover in Ireland is realised from import sales into Ireland.

Analysis

4. In the State, the activities of the undertakings involved overlap in the mobile middleware software segment. Specifically the overlap arises in mobile middleware email. In Ireland Nokia did not achieve any sales in mobile middleware enterprise applications or mobile device management and only had sales of c.€[10,000-100,000] in 2004 in mobile middleware email products. Intellisync realised sales of c. €[0-10,000] in mobile middleware email products. Given the relatively small sales achieved by the undertakings involved and the existence of a number of competitors in this product line, the proposed acquisition does not give rise to competition concerns.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Nokia Corporation of Intellisync Corporation will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority