In a move clearly acknowledging Apple's business strategy, Google buys Motorola Mobility and its 24500-strong patent portfolio for \$12.5Bn.



Gartner describes the strategy as "vertical integration"-- building both software and hardware in-house from the ground up while owning a vast (not to mention valuable) IP library.

The acquisition means Google is now be able to make a whole variety of devices-- not only smartphones and tablets, but also Bluetooth-based accessories and set top boxes-- a potential means for a more successful future Google TV device, no doubt.

Google now also owns Motorola Mobility's 3 manufacturing facilities and 91 factory leases around the globe.

However Google severely risks alienating its handset-maker partners (39 in all, including HTC, Sony Ericsson LG), as it will now directly enter the hardware sales battlefield.

Google's Android partners might be saying they "welcome Google's commitment to defending Android and its partners," but one has to read behind the lines-- even as the company insists Android will remain an open-source platform and Motorola Mobility will be run as a separate entity.

Motorola Mobility Goes Google

Written by Marco Attard 16 August 2011

Analyst predict the announcement might prove to be good news for Microsoft-- Pyramid Research says Google's partners will show "stronger commitment" to Windows Phone.

The only step left for the purchase is regulatory approval from the EU and other jurisdictionand hope it doesn't kick off more major antitrust investigations...

Go Google to Acquire Motorola Mobility

Go Official Google Blog: Larry Page on the Acquisition

Go Quotes from Android Partners

Go Google-Motorola: Everyone Gets a Trophy (Pyramid Research)