

**The company says it is positioning itself as a one-stop supplier of the technology underpinning UHF readers and passive tags, and that it will not compete with interrogator manufacturers using the R1000 chip.**

By Mark Roberti

July 10, 2008—[Impinj](#), a provider of EPC Gen 2 UHF radio frequency identification tags and readers, announced today that it has purchased [Intel's](#) RFID business unit and the rights to sell Intel's R1000 RFID chips. The chips support the EPC Gen 2 and ISO 18000-6C specifications, and incorporate many standard electronics components into a single chip, thereby reducing the size, cost and complexity of ultrahigh-frequency (UHF) readers.

The two companies decline to disclose the financial terms of the acquisition, which closed on July 3, but Bill Colleran, Impinj's president and CEO, says his firm accepted Impinj stock in exchange for the unit. "This acquisition makes Impinj a one-stop shop for the underlying technology for UHF RFID systems," Colleran says. "I think it's a big development not just for Impinj, but for the entire industry."



Bill Colleran

Impinj plans to sell the Intel R1000—now rebranded the Impinj Indy R1000—to other reader manufacturers. About 40 to 50 manufacturers have developed interrogators incorporating the R1000 chip, and Impinj has been reaching out to these companies to let them know it does not plan to compete with them. Impinj intends to continue selling its high-end Speedway EPC Gen 2 UHF fixed RFID reader, but does not plan to develop handheld, portable and other interrogators incorporating the R1000 chip.

"There is a big segment of the market that we don't serve," Colleran tells *RFID Journal*. "That's part of the reason this deal made sense for us. It complements our portfolio. So we've been communicating with Intel customers to let them know we don't plan on creating a portfolio of Impinj readers based on the R1000. We'll let them go after that market, and we'll stay in our niche with Speedway."

Colleran acknowledges that there could be concerns among competitors that sell both tags and readers, because Impinj could develop future versions of the R1000 to provide improved reader performance when communicating with tags based on Impinj's own Monza chip, thereby giving Monza-based tags an edge over other tags on the market. Still, he says, Impinj does not believe there would be many companies with such apprehension, or that the concerns would be insurmountable. Impinj, he adds, intends to continue developing products Intel already had in its pipeline, and to launch a family of reader chip products.

To focus more on RFID, Impinj recently sold off some intellectual property it had developed around nonvolatile memory (see [RFID News Roundup: Impinj Sells Memory Patents to Focus on RFID](#)).

## Impinj Acquires Intel's UHF RFID Reader Chip Operation

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According to Colleran, the company had essentially sold off a unit that was not core to its business, while acquiring one that was. At present, he says, Impinj's Speedway reader business is much bigger than the reader chip business, though he expects the latter will grow as the market accelerates and could become the company's primary revenue source for interrogator products.

Impinj plans to absorb Intel's existing RFID staff. Some of those employees are based in Portland, Ore., or in Folsom, Calif., and some work remotely around the United States. Several of the former Intel employees whom Impinj intends to keep on will continue working at Intel's Folsom office, while others will move to Impinj's Seattle headquarters.

"We expect the transition to take about six months, though some aspects might take longer and some will be completed more quickly," Colleran says. "Impinj will source chips from Intel to ensure that there will be no interruption of supply. From our customers' perspective, it should go very smoothly since they will be dealing with the same people."