



**Volume 12, issue 9  
June 19 2014**

In-depth analysis of WLAN, cellular and broadband wireless markets

**Key issues:**

Cisco buys Tail-f as Facebook and AT&T turn its world upside-down	2
Tesla and GE point to a new patent landscape in IoT	8
AT&T's Fire Phone exclusive will hold back the Amazon model	14

**Comment:**

Does the wireless IoT require a fundamentally new network?	18
At critical juncture, Mozilla arms Firefox with \$25 phone	23
SIM is still the cellco's trump card, but NFC is a red herring	25
Europe's cellcos start to roll out LTE-Advanced	28
China Mobile looks to make the best of MVNOs	30

**Start-Up Watch:**

Davra offers tools to filter IoT data in the fog	31
--	----

**M&A Watch:**

Analog Devices broadens RF reach with Hittite buy	31
---	----

**4G Watch:**

Vodafone and Huawei trial GSM/LTE spectrum sharing; 4G roll-out round-up	32
--	----

**IoT Watch:**

Google to expand wearables platform with Fit	33
--	----

**IPR Watch:**

Microsoft's Android patents out in the open	34
---	----



## Key Issues

### Cisco buys Tail-f as Facebook and AT&T turn its world upside-down

- Facebook adds to network sector disruption with its own switch design
- These moves, and AT&T's SDN, threaten to squeeze Cisco's revenues
- Cisco responds by buying its way into Domain 2.0 with Tail-f buy for SDN and IoT

News that Facebook, not content with designing its own low-power servers, has also built its own networking switch, will have sent loud groans around the corridors of Cisco, Juniper et al. On the one hand, the network equipment vendors have to adapt to the slow but real transition to software defined networking (SDN), which could commoditize their hardware and transform their competitive landscape. And now they face the prospect of large potential customers turning their backs even on that commoditized hardware, and of the new networks being defined by a new breed of service providers – not the traditional carriers, in which vendors like Cisco are entrenched, but the more maverick, disruptive service providers of the web/cloud world.

The vendor response is twofold. One, hold onto specialized equipment revenues for as long as possible, by luring carriers with 'gentle' migration routes to SDN, and with virtualization approaches, such as NFV which are still hardware dependent. And two, buy clever software innovators in order to secure a place in the critical early SDN deals, whether from traditional operators like AT&T, or cloud giants like Facebook.

#### Facebook's Wedge:

Facebook's switch is called Wedge and is run by Linux-based operating software called FBOSS. Both will be submitted to the Open Compute Foundation as open source designs so that others can use the designs, something Facebook has also done with its homegrown server platforms. (Google has also developed its own switch but has kept its designs secret). The switch is embedded with a microserver, so in many ways behaves like a piece of data center equipment.

Facebook, like many of those in the cloud vanguard, wants to rob the network of its mystique and its complexity, turning it in to a series of simple mix-and-match boxes which do not require obscure programming languages – the same process which has already entirely disrupted the server industry and is now moving into networks and cell sites. Jay Parikh, VP of infrastructure engineering, told the GigaOM Structure conference that Facebook's



**To order further copies of Wireless Watch, or to enquire about site pricing or our other services, please contact us at the addresses below:**

Maravedis Rethink

**Sales contact details**

Adlane Fellah +1-305-865-1006

Email: [afellah@maravedis-bwa.com](mailto:afellah@maravedis-bwa.com)

Web Site: [www.maravedis-bwa.com](http://www.maravedis-bwa.com)

Wireless Watch provides analysis and research covering the whole wireless world, including cellular, wireless Lan and broadband wireless.

Maravedis-Rethink Research is a premier global provider of market intelligence and advisory services focusing on 4G and mobile cloud technologies, regulation and markets. It provides a complete mobile and wireless advisory service consisting of weekly newsletters, monthly in-depth research papers and full scale market re-ports. We also offer customized market research and a query service for simple or complex questions about Wi-Fi, WiMAX, cellular or fixed wireless issues. Please contact us for further details.