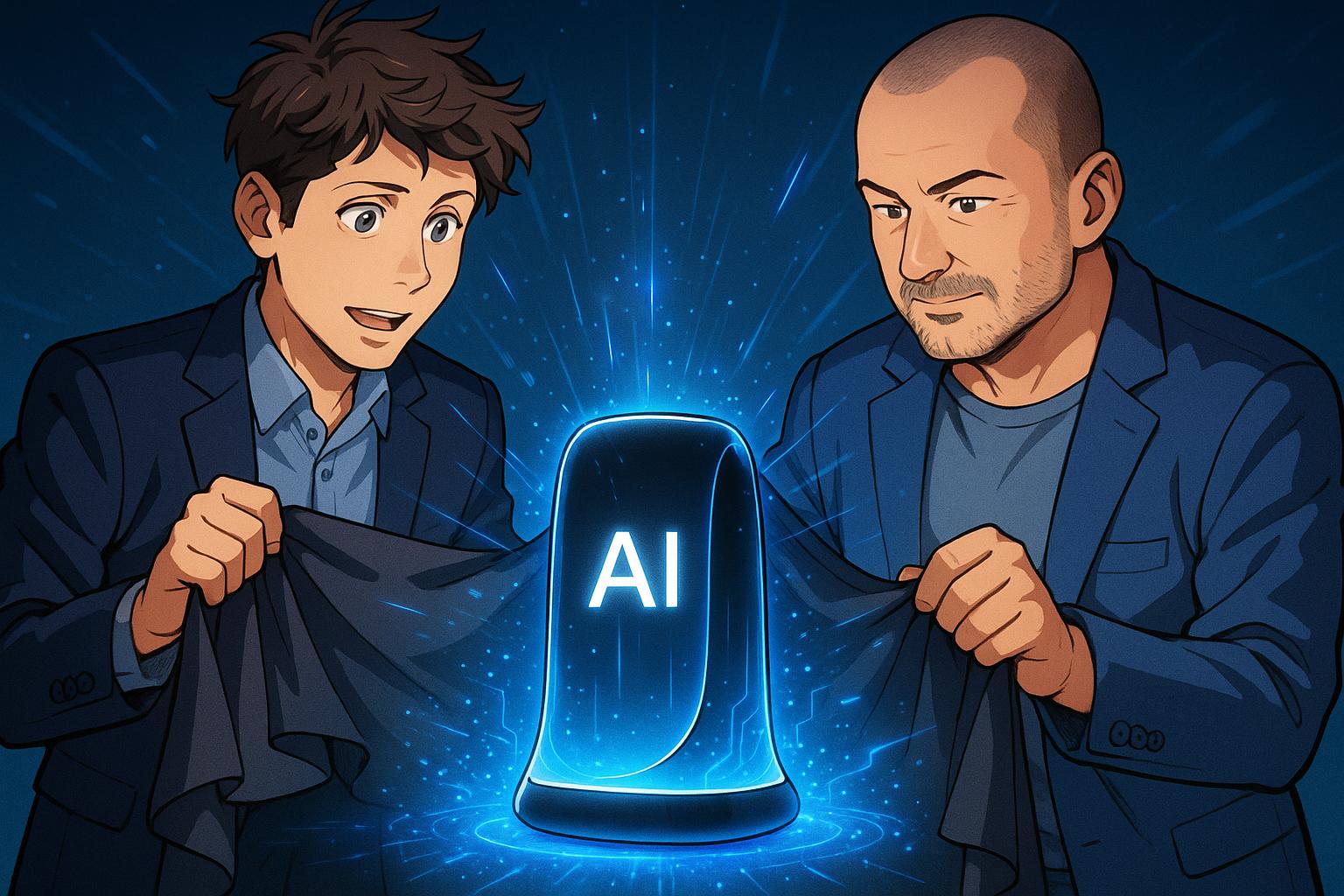
# OpenAI teams up with Jony Ive to develop revolutionary AI hardware beyond smartphones



Sam Altman, the CEO of OpenAI, recently unveiled an ambitious strategy to reshape human interaction with advanced technology through the acquisition of Jony Ive's startup, io Products, for an estimated $6.5 billion. This bold move aims to harness Ive's legendary design expertise to create hardware that could redefine how we engage with generative artificial intelligence. The potential device, described by Altman as “the coolest piece of technology that the world will have ever seen,” represents a pivotal shift as OpenAI seeks to develop an independent platform for AI outside of the established ecosystems dominated by companies such as Apple and Google.

Ive, whose illustrious career at Apple spanned from 1992 to 2019, masterminded iconic products including the iPhone, iMac, and Apple Watch. His designs played a crucial role in Apple’s emergence as a leader in technology and product aesthetics. In a joint statement, Ive expressed that the devices currently available to us are outdated. He believes that with advancements in AI, there’s a pressing need for innovative forms of technology that transcend traditional interfaces. “So it’s just common sense to at least think, surely there’s something beyond these legacy products,” Ive noted, underscoring a shared vision with Altman for a new generation of consumer electronics.

This acquisition is significant, marking one of OpenAI's most substantial investments to date and increasing its stake in io from 23% to a commanding total. With 55 experts in hardware and software set to join OpenAI, the collaboration aims to merge top-tier design.

OpenAI's foray into hardware comes at a time when the competitive landscape is heating up, particularly for Apple. The tech giant has struggled to keep pace with the rapid evolution of AI technology and has faced criticism for its lacklustre integration of AI capabilities into its products, such as the Siri digital assistant. Following the announcement of the acquisition, Apple’s shares fell nearly 3%, suggesting investor concerns regarding competition in the AI-driven market.

As AI devices like Amazon's Alexa+ and Humane's AI Pin strive to make their mark, questions linger about whether a new device designed specifically for AI can dethrone the ubiquitous smartphone. Roger Beharry Lall, a director of IDC, highlighted that mobile phones currently serve as the primary gateway to AI technologies. “Right now, the phone is the medium through which you can access these technologies,” he remarked, adding that if anyone could revolutionise the interface for this technology, it would likely be Ive.

OpenAI's aspirations extend beyond producing simply another gadget; the company aims to conceptualise a device that fundamentally transforms user experience. Both Altman and Ive suggest that while their initial prototypes promise unprecedented advancements, they do not envision this new product as a direct replacement for smartphones, but rather an innovative alternative.

As OpenAI solidifies its position as a key player in Silicon Valley, bolstered by last year’s success of its generative AI chatbot, ChatGPT, the race to innovate in AI hardware is set to intensify. The first products from this collaboration are expected to materialise by 2026, potentially shifting the technological paradigm in ways that remain to be seen.

The landscape of technological devices is in flux, and with the combined expertise of OpenAI and one of the industry’s foremost design minds, the future may hold unforeseen innovations that not only expand on but also redefine our interaction with technology.

### Reference Map

1. All content sourced from article [[1]](https://www.france24.com/en/live-news/20250521-apple-design-legend-jony-ive-joins-openai), [[2]](https://apnews.com/article/52c72786e54f0ead8b04d037c30d6754), [[3]](https://elpais.com/economia/2025-05-21/openai-compra-la-empresa-del-disenador-del-iphone-para-dar-el-salto-a-los-dispositivos-de-inteligencia-artificial.html), [[4]](https://www.reuters.com/business/openai-acquire-jony-ives-hardware-startup-io-products-2025-05-21/), [[5]](https://www.axios.com/2025/05/21/jony-ive-openai-io-acquisition), [[6]](https://www.ft.com/content/8ac40343-2fd1-4035-9664-47c77017d0d3), [[7]](https://www.axios.com/newsletters/axios-closer-8a8ea9c0-3659-11f0-ab36-97cd635a1057).

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.france24.com/en/live-news/20250521-apple-design-legend-jony-ive-joins-openai> - Please view link - unable to able to access data
2. <https://apnews.com/article/52c72786e54f0ead8b04d037c30d6754> - OpenAI has acquired Jony Ive's startup, io Products, in a $6.5 billion all-stock deal, bringing the renowned designer of the original iPhone on board as its new creative head. This move is part of OpenAI's strategy to develop hardware tailored to the generative AI era, leveraging Ive’s design expertise to potentially revolutionize devices akin to the impact of the iPhone. Ive’s design firm, LoveFrom, has already been collaborating with OpenAI for two years on AI-focused products. The acquisition increases OpenAI's stake from a previous 23% ownership in io. OpenAI CEO Sam Altman and Ive hinted at a prototype device in development, describing it as potentially unprecedented in technological advancement. This strategic push into hardware aligns with OpenAI's intention to establish its own device platform, independent of dominant systems like Apple’s iOS and Google’s Android. The move comes amid mixed results from other AI device trials, such as Humane AI’s underperforming AI Pin and Rabbit’s moderately successful r1 devices. Apple has yet to comment, with its stock declining over 2% following the announcement, reflecting concerns over competition in the AI device space.
3. <https://elpais.com/economia/2025-05-21/openai-compra-la-empresa-del-disenador-del-iphone-para-dar-el-salto-a-los-dispositivos-de-inteligencia-artificial.html> - OpenAI ha adquirido io, la empresa de Jony Ive, famoso por diseñar el iPhone y otros productos icónicos de Apple, valorándola en 6.500 millones de dólares. Esta compra, la mayor en la historia de OpenAI, marca su entrada en el desarrollo de dispositivos físicos de inteligencia artificial. La compañía busca combinar software con hardware de altísima calidad, según su CEO Sam Altman. Ive, junto a antiguos diseñadores de Apple, fundó io en 2024, y su equipo se unirá ahora a OpenAI para impulsar este nuevo proyecto. El desarrollo del primer dispositivo está previsto para 2026, aunque aún no se han revelado detalles específicos. Altman e Ive aseguran estar construyendo algo completamente nuevo, sin intención de reemplazar a los smartphones, sino de ofrecer una alternativa innovadora. Esta operación ha provocado una caída del 2% en las acciones de Apple, que enfrenta una creciente competencia en el campo de la inteligencia artificial. OpenAI pagará 5.000 millones de dólares por el 77% restante de io, tras haber adquirido un 23% anteriormente. La adquisición incluirá un equipo de 55 expertos en hardware y software. Laurene Powell Jobs y otros inversores también han apoyado financieramente a io. Se espera que la operación se cierre durante el verano de 2025.
4. <https://www.reuters.com/business/openai-acquire-jony-ives-hardware-startup-io-products-2025-05-21/> - OpenAI has acquired Jony Ive’s startup, io Products, in a $6.5 billion all-stock deal, bringing the renowned designer of the original iPhone on board as its new creative head. This move is part of OpenAI's strategy to develop hardware tailored to the generative AI era, leveraging Ive’s design expertise to potentially revolutionize devices akin to the impact of the iPhone. Ive’s design firm, LoveFrom, has already been collaborating with OpenAI for two years on AI-focused products. The acquisition increases OpenAI's stake from a previous 23% ownership in io. OpenAI CEO Sam Altman and Ive hinted at a prototype device in development, describing it as potentially unprecedented in technological advancement. This strategic push into hardware aligns with OpenAI's intention to establish its own device platform, independent of dominant systems like Apple’s iOS and Google’s Android. The move comes amid mixed results from other AI device trials, such as Humane AI’s underperforming AI Pin and Rabbit’s moderately successful r1 devices. Apple has yet to comment, with its stock declining over 2% following the announcement, reflecting concerns over competition in the AI device space.
5. <https://www.axios.com/2025/05/21/jony-ive-openai-io-acquisition> - OpenAI has announced a major hardware initiative by acquiring io, a startup co-founded by renowned Apple designer Jony Ive, in a deal valued at nearly $6.5 billion. As part of the acquisition, OpenAI will pay $5 billion in stock, bringing Ive into a pivotal creative role within the company. Known for his groundbreaking work with Steve Jobs at Apple, Ive's involvement signals OpenAI's commitment to developing a new generation of AI hardware. The first products resulting from this partnership are expected to be unveiled in 2026. The deal is anticipated to close in the summer of 2025.
6. <https://www.ft.com/content/8ac40343-2fd1-4035-9664-47c77017d0d3> - OpenAI has announced the acquisition of hardware start-up io, founded by former Apple design chief Sir Jony Ive, for $6.4 billion in an all-equity deal that consolidates its earlier 23% ownership. The move represents OpenAI’s strategic push into hardware as it envisions a future beyond smartphones for accessing artificial intelligence. While the 55 employees at io will join OpenAI, Ive himself will not become an employee; instead, he will serve as a consultant and maintain his independent design firm, LoveFrom. OpenAI aims to develop a new range of devices tailored for the era of artificial general intelligence (AGI), potentially redefining how users interact with computers. Ive and his team will steer the design of these products, leveraging experience from developing iconic Apple products like the iPhone and iPod. Despite previous AI hardware ventures like Humane's AI pin failing commercially, OpenAI is committed to innovating beyond traditional typing-based interfaces. The move also aligns with the company's broader partnership with Apple, which recently integrated ChatGPT into its devices. Apple, too, is exploring an AI future where smartphones may become obsolete, echoing Ive’s concerns over the societal impact of these devices.
7. <https://www.axios.com/newsletters/axios-closer-8a8ea9c0-3659-11f0-ab36-97cd635a1057> - In today's Axios Closer newsletter, major developments include OpenAI's $6.5 billion acquisition of AI hardware startup io, co-founded by former Apple designer Jony Ive. The purchase, involving $5 billion in stock, integrates io’s 55 employees into OpenAI to form a new hardware division, with new products expected in 2026. Meanwhile, Nvidia CEO Jensen Huang criticized U.S. AI chip export controls to China, declaring them counterproductive. These restrictions have reduced Nvidia’s market share in China from 95% to 50%, benefiting local competitors like Huawei. Despite concerns, the White House has no plans to loosen these limits. On the financial front, Target reported weaker-than-expected Q1 earnings, citing decreased customer traffic, lowered spending, and backlash from rolled-back DEI initiatives. The retailer cut its full-year sales forecast and announced leadership changes, causing its shares to fall 5.2%, now down 31% for the year. Other notable events include Bitcoin setting a new all-time high, Toyota exploring a compact U.S. pickup truck, and Medtronic planning to spin off its diabetes division to focus on core areas.