

## Seen and heard

# A round-up of IP-related quotes, observations and opinions from the recent past...

Ericsson and Samsung have reached an agreement on global patent licenses between the two companies. The cross license agreement covers patents relating to GSM, UMTS, and LTE standards for both networks and handsets ... The agreement includes an initial payment and ongoing royalty payments from Samsung to Ericsson for the term of the new multi-year license agreement. The initial payment in the agreement will impact Ericsson sales and net income in Q4 2013 by SEK 4.2 b. and SEK 3.3 b. respectively. Ericsson expects that the initial payment in the agreement will impact Ericsson's operating cash flow in the beginning of 2014.

Excerpt from an Ericsson press release, January 27

Lenovo and Google today have entered into a definitive agreement under which Lenovo plans to acquire the Motorola Mobility smartphone business... The purchase price is approximately US\$2.91 billion (subject to certain adjustments). The remaining US\$1.5 billion will be paid in the form of a three-year promissory note... Google will maintain ownership of the vast majority of the Motorola Mobility patent portfolio, including current patent applications and invention disclosures. As part of its ongoing relationship with Google, Lenovo will receive a license to this rich portfolio of patents and other intellectual property. Additionally, Lenovo will receive over 2,000 patent assets, as well as the Motorola Mobility brand and trademark portfolio.

Excerpt from a joint press release issued by Google and Lenovo, January 29

IBM and Twitter announced today that in December Twitter acquired over 900 patents from IBM and that the companies entered into a patent cross-license agreement. Financial terms were not disclosed... "This acquisition of patents from IBM and licensing agreement provides us with greater intellectual property protection and gives us freedom of action to innovate on behalf of all those who use our service," said Ben Lee, Legal Director for Twitter.

Excerpt from a joint press release issued by IBM and Twitter, January 31

For us, licensing income fuels our continuous investment in R&D, which is something like \$5 billion every year. So while I cannot say I am not pleased with what we made in 2013, you really need to see it in those terms.

Ericsson chief IP officer **Kasim Alfalahi** commenting on the news that the company generated \$1.62 billion in licensing royalties in its last financial year, *IAM* blog, February 2

GE Licensing is making GE-developed intellectual property (IP) available to entrepreneurs and small businesses to bring technologies with commercial potential to market faster... As part of a pilot to test the approach, the first licensee of GE developed technology will be Edmonton's Vadu Inc. Vadu plans to commercialize a proprietary GE video analytics technology. Customers will be able to use Vadu's solution to customize and enhance consumer-buying experiences and improve sales effectiveness in real-world environments.

Excerpt from a GE press release, February 6

Nokia and HTC have settled all pending patent litigation between them, and entered into a patent and technology collaboration agreement. HTC will make payments to Nokia and the collaboration will involve HTC's LTE patent portfolio, further strengthening Nokia's licensing offering. The companies will also explore future

technology collaboration opportunities. The full terms of the agreement are confidential.

Excerpt from a Nokia press release, February 7

Sound View Innovations, LLC today announced that it had entered into a Patent Purchase Agreement with Alcatel-Lucent. Sound View Innovations has acquired approximately 500 Alcatel-Lucent patents in force worldwide, with the majority of the acquired portfolio in the United States and Europe. The patents encompass a broad range of technologies relevant to social media, content distribution, and distributed computing.

Press release issued by Sound View, a non-practising entity (NPE) whose management consists of the same individuals who manage another NPE, Round Rock, February 10

I'm not optimising these patents if all I do is leave them on the shelf and try to license them ... I will give patent coverage in exchange for a piece of a company and I can say to a start-up, "Go and build something, go and be the next dotcom darling." To me, that's what patents are supposed to do.

**Anthony Hayes**, CEO of NPE Spherix, explaining the creation of its Innovate21 division, which will make Spherix patents available to start-ups in exchange for equity, *IAM* blog, February 13

Andrea Electronics Corporation, a leading developer of hardware and software microphone technologies, today announced that it has sold a portion of its future intellectual property (IP) revenues for \$3 million, and it secured a \$4 million credit facility backed by a portion of its IP portfolio from an affiliate of funds managed by Fortress Investment Group, a leading global investment firm with approximately \$58 billion in assets.

Excerpt from a press release issued by Andrea Electronics Corporation, February 18

On behalf of the independent inventor community, a community whose discoveries have collectively added billions of dollars to the U.S. economy, we are writing to express our alarm at the current rush toward patent legislation that could cripple invention in America. Opening paragraph of a letter sent to Senators **Patrick Leahy** and **Chuck Grassley**, chairman and ranking member respectively of the US Senate Judiciary Committee, and signed by over 2,000 inventors, February 19

We looked at our patents and realised that a lot had been marketed in the past, but just hadn't moved; so we thought that, rather than have them sitting on the shelf, let's try something and get the technology into the hands of companies that can utilise it.

**Don Mothersbaugh**, senior technical specialist in the Office of Technology Management at Penn State, explaining why the university has decided to auction licences to 70 of its patents, *IAM* blog, March 7

As a mobile phone maker, Nokia rarely exercised its patent rights because of its cross-licensing with Samsung Electronics, Apple and the like, but now it can launch patent lawsuits or demand an increase in royalties without any limitation ... At the same time, Microsoft can expand its mobile phone business while keeping Samsung and Apple at bay by utilising Nokia as a sort of cannon fodder.

**Hwang Eun-jeong**, a lawyer with the Korea Electronics Association, explaining why the organisation had petitioned Korea's Fair Trade Commission to examine Microsoft's purchase of Nokia's mobile devices business, quoted in *Business Korea*, March 10