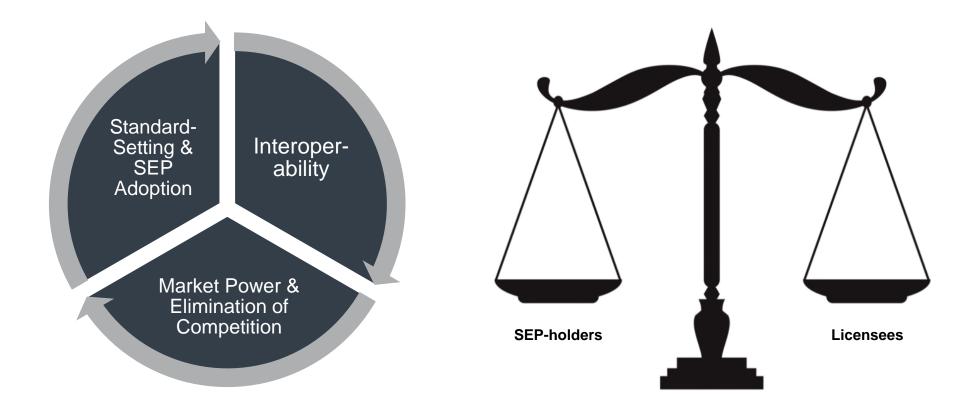
Overview on Standard Essential Patents Licensing Practices Presentation for Joint NGMN/ITU Conference

John ("Jay") Jurata, Jr. Leader, Orrick Antitrust & Competition Group January 29, 2019



SEPs & FRAND Licensing





Major FRAND Cases & Enforcement Actions



• Huawei v. Samsung (Intermediate People's Court Shenzhen) (N.D. Cal. Pending) EC Motorola Decision • Sisvel v. Haier Appeal • Iwncomm v. Sony (Beijing High • EC Samsung Settlement (Düsseldorf, Germany) People's Court) • Apple v. Motorola • Ericsson v. Comp. Comm'n • Core Wireless v. LG (Fed. Cir.) (New Delhi) (E.D. Tex.) RealTek v. LSI • Microsoft v. InterDigital • Unwired Planet v. Huawei Appeal • FTC-Bosch Consent (N.D. Cal.) (D. Del.) (U.K.) • Ericsson v. D-Link Decree • FTC v. Qualcomm (N.D. Cal. Core Wireless v. LG Microsoft v. Motorola (Fed. Cir.) (E.D. Tex.) 2018) (Motion for Partial • GPNE v. Apple (N.D. Cal) (9th Cir.) KFTC Qualcomm decision Summary Judgment) 2013 2015 2014 2018 2012 2016 2017 2019 • FTC-Google • Huawei v. ZTE (CJEU) Unwired Planet v. Huawei • HTC. v. Ericsson (E.D. Tex.) (Motion for Determination of Microsoft v. Motorola (U.K.) **Consent Decree** • FTC v. Qualcomm (N.D. Foreign Law) Microsoft v. Motorola (9th Cir.) Cal.) (Motion to Dismiss) (W.D. Wash.) • EC Qualcomm TFTC Qualcomm Decision Statements of Objection • In re Certain Electronic China NRDC Qualcomm • TCL v. Ericsson (C.D. Cal.) Devices (ITC) • In re Innovatio (N.D. III.) decision Huawei v. InterDigital Saint Lawrence v. (Guangdong High Ppl's Ct) Deutsche Telecom (Manheim, Germany) CSIRO v. Cisco (Fed. Cir)

General Consensus

FRAND promise

- Irrevocable
- Travels with the patent
- Enforceable by third parties under contract law

Injunctions for SEPs should be rare

• But no per se ban

FRAND royalties

- Should exclude any value added by fact of the standard's adoption
- Should factor in evidence of royalty stacking

"Good faith" behavior expected from both sides

• But challenging infringement and validity ≠ "unwilling" licensee

Reciprocity permissible, but limited to SEPs for same standard

Open & Emerging Issues

Scope of "non-discriminatory" prong?

- What are "similarly situated" licensees?
- Refusal to license upstream component manufacturers?
- Authorizing Licensing Agents to license only end products?

Must license offer comply with FRAND, or only final license terms?

• And is FRAND a single rate, or a range?

Geographic scope for assessing "willing licensee" status?

• Limited to territorial jurisdiction of adjudicating court/agency, or worldwide?

SEP portfolio un-bundling as a mechanism to evade FRAND?

- Partial transfers to Patent Assertion Entities?
- Partial transfers to Patent Pool Licensing Agents?

Options for Resolving SEP Disputes

- FRAND adjudication litigation
- FRAND adjudication arbitration
 - International Chamber of Commerce
 - American Arbitration Association International Centre for Dispute Resolution
 - Japan Commercial Association of Arbitration
- Formal complaint to competition authorities



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Back-up slides



SEP Adjudication, 2009 – 2013



	Asserted	Invalid	Not Infringed	Withdrawn	Dismissed	Valid & Infringed
InterDigital	8	3	4	0	1	0
Motorola	16	2	4	6	1	3
Samsung	34	13	9	8	0	4
TOTAL	58	18	17	14	2	7

Source: Jurata & Smith, "Apples and Oranges: Comparing Assertions of SEPs and Differentiating Patents from an Antitrust Perspective," *CPI Antitrust Chronicle* (Mar. 2015)

SEP Adjudication, 2013 – 2017



SEP Owner	Asserted	Invalid	Not Infringed	Withdrawn	Dismissed	Valid & Infringed
Core Wireless	29	0	5	20	0	4
CSIRO	1	0	0	0	0	1
Ericsson	9	2	3	4	0	0
Golden Bridge Technology	1	0	1	0	0	0
GPNE	2	0	2	0	0	0
InterDigital	15	1	8	3	0	3
LSI, Agere	4	1	1	2	0	0
NXP	6	3	0	0	3	0
Samsung	3	0	1	0	2	0
Wi-LAN	1	1	0	0	0	0
TOTAL	71	8	21	29	5	8

Source: Jurata, Luken & Rose, "Between a Rock and a Hard Place": Unwired Planet v. Huawei and the Dangerous Implications of Worldwide FRAND Licenses, *Concurrences* (Aug. 2017)

