

# On the benefits of pooling patents



*Patent pooling is an effective and proven tool for helping companies manage their product and technology licensing programmes, explains WILLIAM LENIHAN, Director, IP Licensing of One-Blue, the one-stop shop for patent licenses from the leading providers of Blu-ray Disc technology.*

One-Blue operates a pool of a large number of licensors and more than ten thousand Blu-ray product patents that are essential to upholding BD, DVD, and CD standards. The company offers licenses for various BD products including: players, recorders, playback drives, recorder drives, software, PCs, pre-recorded discs, and recordable discs. As a result of this considerable undertaking, One-Blue has developed a series of best practices for other industries to consider as they create their own patent pools.

By following these steps, companies can ensure that their patent pool is governed fairly, offers a level-playing field for licensors and licensees, lowers costs for all parties, and is able to take swift enforcement action when required.

■ **The power of independence.** Fifteen patent owners are licensors in the pool operated by One-Blue, namely, CyberLink, Dell, Fujitsu, Hewlett-Packard, Hitachi, JVC Kenwood, LG Electronics, Panasonic, Philips, Pioneer, Samsung, Sharp, Sony, Taiyo Yuden, and Yamaha. Five of these companies are also shareholders in One-Blue, but One-Blue operates the pool as an independent licensing entity. To date, 93 manufacturers

from more than 15 countries have joined One-Blue as licensees.

For complex markets with diverse patent environments, this model allows a pool to more equitably manage the licensing process and removes possible points of contention between licensors. Also, by moving licensors away from the frontlines of enforcement action, an independent entity has the autonomy to aggressively enforce patent rights anywhere and against any party.

■ **Required participation in enforcement.** In the event an enforcement action is warranted, all members of the pool agree to participate by making their patents available for use by legal counsel. This prevents some members from opting out of enforcing their patents, while enjoying the pool's benefits.

■ **Per-batch licensing.** All too often, companies sign a license agreement, but fail to abide by its terms. A company that refuses to pay royalties increases the cost of business for all other parties while giving itself an unfair advantage. Per-batch licensing closes this loophole by licensing only the products shipped, not the company itself. Each product shipment carries licensing documentation and registration logos with serial numbers that can be verified by customs officials, distributors

and retailers. While it may seem like an extra step, per-batch licensing ensures licensees pay for what they ship.

■ **Pre-netting.** In many cases, licensees hold pre-existing patent licenses with various patent pool licensors. Pre-netting takes these pre-existing licenses into account and subtracts what would be due licensors that have the granted pre-existing licenses when calculating royalty payments. This step ensures that licensees pay only for what they use and encourages broader participation in the pool.

■ **Patent weighting.** Not all patents are created equal. One mistake patent pools often make is to ignore this fact and assign the same worth to each patent in the pool. Not only does this approach reward licensors whose essential patents may be more valuable, it also discourages a patent arms race in which licensors are incentivised to roll as many less valuable patents into the pool as possible in order to inflate their royalty share.

## BIOGRAPHY

BILL LENIHAN is the lead patent licensing executive for One-Blue, LLC, a one-stop patent licensing pool for Blu-ray patent holders. Prior to this position, Bill was the Director of IP Licensing for Philips Electronics in New York. He has been active in the sale and licensing of intangible assets since 1996 when he joined Philips Electronics North America Corporation as the Director of Corporate Strategy. Bill is a graduate of Manhattan College. Contact: william.lenihan@one-blue.com

## What retailers should know about Blu-ray Disc patent protection

With merchants already gearing up for the busy holiday shopping season, One-Blue has developed a series of guidelines for consumer goods retailers to help them comply with a licensing, registration and labeling programme governing the sale and distribution of hardware and software covered by Blu-ray Disc products patents.

The awareness effort is designed to help brick-and-mortar and online retailers avoid supply chain disruptions and reduce their exposure to legal and financial risks in the event that they are unknowingly buying, stocking or reselling unlicensed Blu-ray Disc products.

The following guidelines provide a check-list that retailers can use to protect themselves by ensuring that they are buying only from One-Blue licensees whose Blu-ray Disc products carry the appropriate registration marks and labeling.

■ **Check One-Blue's Licensee Database.** Determine whether your supplier has a registration or license agreement with One-Blue for

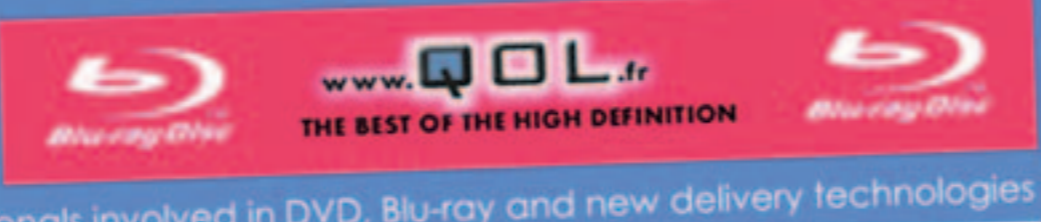
the relevant Blu-ray Disc product by checking One-Blue's online Licensee Database. Companies that have a registration agreement are required to obtain a License Status Confirmation Document (LSCD) with every shipment, and are denoted in the database with an asterisk ("\*").

■ **Require that LSCDs are included in supply contracts.** Retailers should require from their Blu-ray Disc product suppliers that LSCDs be provided with every shipment. Upon request, One-Blue can provide retailers with an overview of the LSCD process and if necessary, obtaining duplicate copies of issued LSCDs.

■ **Look for One-Blue's Product Label.** One-Blue requires that a label with a unique One-Blue logo and barcode, which contains anti-counterfeiting marks like a bank note, be placed on the outer packaging of all licensed Blu-ray players or recorders and Blu-ray-enabled PCs sold. The One-Blue Product Label signifies to retailers and consumers that the Blu-ray Disc product manufacturers have obtained a patent license from One-Blue.



# DVintelligence



Europe's premier online source of news, data & analysis for professionals involved in DVD, Blu-ray and new delivery technologies

Home Videos Archives Directory Columns Diary Proceedings Features Advertising Contact Us

### Broadcasters key to provide 3D content, educate consumers

3D broadcasters will play a key role in offering much needed content and in educating consumers about the technology. 3D for the home continues to gain traction in key markets, with nearly 15 million ... [Read more...](#)

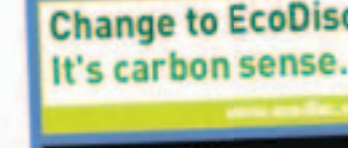
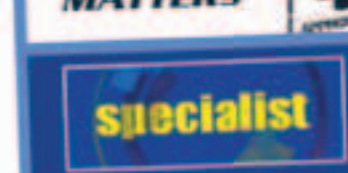


### Video Pro-copyright campaign launched in UK

Liz Bales, Director General of the UK's Industry Trust for IP Awareness, talks to DVD Intelligence at the launch of 'Moments Worth Watch Now'

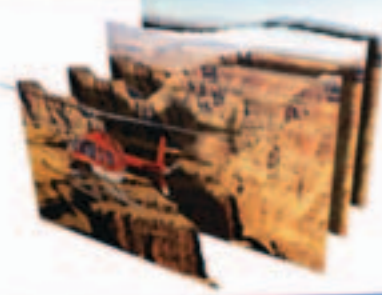


### 3D is NOW



### German scientists develop advanced 2D-to-3D conversion software for films

German researchers at the Institute for Telecommunications Systems at Technische Universität Berlin have been hard at work on advanced 2D-to-3D conversion technologies that produce high-quality results... [Read more...](#)



### Pioneers to speak on all facets of 3D at 2nd Blu-ray Disc Academy conference

Is there enough 3D content in the pipeline being produced to satisfy the market's appetite? Is 3D the preserve of Hollywood studios or is it within the reach of independents? Is 3D only for blockbusters... [Read more...](#)



### Volfoni unveils world's first hybrid/universal 3D glasses

In a world's first, French company Volfoni is demonstrating at CeBIT in Hanover a new generation of "intelligence" 3D glasses - ActiveEyes - based on an hybrid active/passive technology that allows user... [Read more...](#)



### Message to replicators: be prepared!



University of Worcester Business School professor and DVD Intelligence columnist KLAUS OESTREICHER has been researching innovations in the home entertainment industry in great depth. With other colleagues from countries around the globe he tried to find patterns: which way replicators seek to find a profitable future in the face of radical, sometimes disruptive, innovations from outside the industry?

After a long time of what we call in academia "inertia," where strategic thinking was much more focused around the link between optical discs and traditional content, increasingly replicators have started to think beyond those boundaries.

### Penthouse launches first pan-European 3D adult channel

US adult publisher Penthouse launched yesterday Penthouse 3D, the first pan-European 3D-formatted adult channel. It will feature 100% full 3D native HD, 30 hours of updated content monthly and programming... [Read more...](#)



### 70% of Danes find piracy socially acceptable, study reveals

Seven out of 10 Danes find piracy socially acceptable 'to a greater or lesser degree' according to a survey published by the Rockwool Foundation Research Unit. But three out four felt it was totally unacceptable... [Read more...](#)



### News in Brief

#### THE PRINCE of Wales press sec Harrison has confirmed the roy William and Kate Middleton this broadcast in 3D after months of confirmation from both Sky 3D talks of a 3D royal wedding bro progress. The additional camer Abbey, the small audience for be distracted away from negoti the optimal 2D, radio, photogr coverage of the day were reas refusal.

#### ACCORDING to research from there are now more 3D Blu-ray across the country than non-3D 57% of all units sold in the run 3D-enabled, an sharp increase September 2010.

#### WITH the addition of 3,000 un Blockbuster Express rental kid operations by the end of this executive from the video chal NCR Corp. Initial tests of pren (\$2.99 for the first night) of 2 Entertainment titles in four m our expectations." NCR proje generate from \$175 million to 200 million revenue in 2011 with pre-tax earnings from \$10 million to \$20 million.

#### RESEARCH from e-commerce platform and strategic consulting firm Elastic Path Software has revealed that a surprisingly large portion of online vide viewers (75%) are willing to pay for certain while 40% have paid to access online conten past year. Gen Ys (18 to 34 year olds) are an excellent target for media providers, as they most active demographic online and are willi pay for most types of content.

#### ITALIAN replicator Decibel Trading Service h purchased a complete BLULINE BD manufac line from Singulus. Decibel currently produo CD-ROM and DVD in its production facilities near Milano, as well as providing ancillary p services, such as DVD authoring. Singulus r replicator in Blu-ray worldwide

### Pro-copyright campaign launched in UK



Liz Bales, Director General of the UK's Industry Trust for IP Awareness, talks to DVD Intelligence at the launch of 'Moments Worth Paying For', an education campaign to promote a positive attitude towards copyright and creativity. [Read article here.](#)



### Worldwide 3D TV market predicted to pass \$100-billion mark by 2014

The 3D TV market worldwide is expected to surpass the landmark figure of \$100bn by 2014. Worldwide 3D TV unit sales are forecast to grow with a CAGR of 79.12% for the period spanning 2010 - 2014, according... [Read more...](#)



### Cinram moves deeper into digital platforms with 1K Studios acquisition

Cinram International has acquired Los Angeles-based digital media company 1K Studios. The move is part of a broad initiative to advance Toronto-based disc replicator and distribution Cinram, a provider... [Read more...](#)



### kdg's logistics arm in charge of Media Markt e-commerce setup in Austria

Medialog, the logistics arm of Austria-based independent replicator kdg mediatech, now provides e-commerce logistics for packaged entertainment products Media Markt in Austria. The giant German consumer... [Read more...](#)



### Italy gets world's first terrestrial 3D TV broadcasters work on specs

Mediaset, Italy's largest commercial broadcaster, has the first 3D broadcast service over a digital terrestrial television (DTT) network. The service, known as 3VOD operates on the Bestv settop... [Read more...](#)



### New UK research 'could make the internet 100 times faster'

David Willetts, the UK's Minister for Universities and Science, has announced £7.2 million of investment in a project dubbed Photonics HyperHighway to "make the internet 100 times faster... [Read more...](#)



### Hadopi warnings yet to deter half French who download illegally

After starting to send warning emails on 5 October t Internet users suspected of illegal file-sharing, the F authorities have announced that they are now send second wave of emails accompanied... [Read more...](#)



## Packaged Media in a Changing Marketplace

# DVD and beyond

www.dvd-intelligence.com

More news, more features, and now with a brand new Video streaming page, we keep serving 18,000 visitors each month in over 100 countries - free of charge - with the same dedication and independence that built an enviable reputation.

Together with its annual companion magazine, *DVD and Beyond*, read by some 10,000 executives in 26 European countries, [www.dvd-intelligence.com](http://www.dvd-intelligence.com) offers an unmatched platform to promote your company brand, products and services.