宗像 直子
MUNAKAKATA Naoko

特許庁長官
Commissioner, Japan Patent Office

March 13, 2018
Facilitating SEP Licensing - JPO's Approach -

March 13, 2018

Naoko MUNAKATA
Commissioner of the Japan Patent Office
1. Relation between Standards and Patents

**Patents**
- Grant monopoly to a technology

**Standards**
- Spread a technology as widely as possible

**Tension**

**Standards Setting Organizations (SSOs)**
- IPR Policy
  - Fair, reasonable and non-discriminatory (FRAND) terms

**Legal precedents around the world**
- Injunction
  - Permitted only in limited situations
2. Changes in Parties to Licensing Negotiations

**In the Past**

- Negotiations among ICT companies
  - Telecommunications company vs Telecommunications company

**In IoT Era**

- Negotiations among parties from different industries
  - Telecommunications company vs Company in other industries

### Cross-licensing

**Possible**

- Perspectives on license rate
  - Basically on the same page

**Difficult**

- Perspectives on essentiality
  - Have capability to assess vs Lack capability to assess

Significantly different
1. Purpose of this Guide

- Aiming to
  - Enhance transparency and predictability
  - Facilitate negotiations between rights holders and implementers
  - Help prevent or quickly resolve disputes concerning SEPs

- Not legally binding, Not intended to be prescriptive
- Not “recipes”

II. Licensing Negotiation Methods

A. Good Faith
   - Issues relating to actions at each stage of negotiations
   - Examples of actions in bad faith

B. Efficiency
   - Factors for efficient negotiation
     - Parties to negotiation in supply chain

III. Royalty Calculation Methods

A. Reasonable
   - Royalty Base
   - Royalty rate

B. Non-discriminatory
   - Is a use-based license discriminatory?

C. Other Factors
   - Lump-sum or Running royalty
4. Panel 1 and 2: How to Conduct Good Faith Negotiations

**Stages in Licensing Negotiations**

- **Provides specific issues based on the CJEU framework**
  - Scope of Information to be provided
  - Reasonable amount of time for response

**Parties to Negotiations in the Supply Chain**

- **Identifies elements to be considered**
  - which entities in the supply chain should be the parties in licensing negotiations

**Rights holder**

1. Offer of licensing negotiations
2. Expression of willingness to obtain a license
3. Offer on FRAND terms
4. Counteroffer on FRAND terms

**Implementer**

- Lawsuits or ADRs

**End-product manufacturer**

- (or mobile network operator)
- Parts (e.g. TCU)
- Patent indemnification agreement

**Supplier 1**

- Parts (e.g. module)
- Patent indemnification agreement

**Supplier 2**

- Offer licensing negotiation

**Rights holder**

- Offer licensing negotiation
5. Panel 3: How to Calculate Royalties

**Contribution of SEP and royalty base**

- Identifies elements to be considered in determining the basis for calculating royalties
  - SSPPU or EMV?

**Royalties for Different Use**

- Identifies elements to be considered
  - whether the use-based approach is discriminatory

**5G communication technology**

- Smart meter
- Smart house
- Self-driving car
- Smart agriculture
- Automatic machine control
- Remote surgery

- Low cost
- High reliability
- Small data capacity
- Low latency
6. Panel 4: Utilization of International Arbitration

Current Situation and Issues

- Disputes involving SEPs for int’l standards:  
  → happening at the same time in multiple countries

- Filing lawsuits in courts around the world:  
  → different judgements in different countries  
  → longtime / high cost

Advantages of Arbitration

- One-time settlement over multiple rights around the world
- The New York Convention enables global enforcement

Tokyo as a Venue?

- Mock int’l arbitration in Tokyo on June 29, 2018 with leading experts across the world as arbitrators  
  → To show the benefit  
  → To give you a sense of int’l arbitration in Tokyo