

Patents in technology

What you should know



Navigating patents in a global market

Patented software forms an important part of leading-edge technologies from PCs and smartphones, to sensor-based devices, to healthcare and industrial automation equipment. For tech companies looking to grow or import/export internationally, it's critical that they get informed about patents. Otherwise, they may find themselves dealing with unexpected or undesired consequences. See:

<http://www.iam-media.com/blog/Detail.aspx?g=e25c70a2-9f94-49bf-b26f-88b9289c3fd9>

<http://uk.reuters.com/article/2014/12/15/uk-xiaomi-india-idUKKBN0JS08620141215>

By the numbers

The patent system is essential to global economic growth. It enables big bets in R&D and protects innovation across industries, including software, pharma, biotech, manufacturing and IT services. IP-intensive industries contribute:

- 38% of GDP and 74% of exports in the US.

The number of patent filings at the US Patent & Trademark Office increased over 60% during the past decade alone to more than 615,000. The US is not alone; China and others are also experiencing major growth:

- The State Intellectual Property Office of China (SIPO) has become the world's largest patent office, receiving over 928,000 applications in 2014.

The Microsoft approach (broad licensing program)

Microsoft has a 40 year history of innovation, and leads the IT industry in R&D at over \$11Bn annually. This investment serves as the foundation for Microsoft's vast patent portfolio of 60,000 issued patents and 35,000 pending applications; a portfolio consistently ranked at or near the top in quality by respected industry sources.

While other companies have chosen to "exclude" others from using their patents, in the early 2000's Microsoft announced it would consider licensing its patents to "all comers." This has led to a broad licensing practice across the industry, totaling:

- 1,200 licensing agreements with 700 companies since 2003.
- Including, over 30 patent licenses with Android OEMs to date

In its regulatory clearance of the Microsoft/Nokia acquisition, China's Ministry of Commerce concluded Microsoft:

- owns over 200 patents indispensable for building an Android smartphone.

Microsoft Patent Licensing Programs include licenses to: hardware makers of *Android* devices; implementations of Microsoft's Exchange Active Sync protocol; and other technologies.

A description of Microsoft's patent approach and programs can be found at <http://www.microsoft.com/en-us/legal/intellectualproperty/iplicensing/default.aspx>.

"[T]he import ban, which takes effect tomorrow ... is in itself significant because iBall is not a manufacturer; it re-sells white label devices made by Chinese OEMs under its own brand."

See IAM article

"The higher risks of IP litigation in Western markets even played a role in shaping Xioami's strategy of expanding in India and Southeast Asia..." See Reuters article