



Portfolio Media, Inc. | 111 West 19th Street, 5th floor | New York, NY 10011 | www.law360.com
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Ericsson, Apple Ink Deal To End Patent Battles

By **Vin Gurrieri**

Law360, New York (December 21, 2015, 7:28 PM EST) -- Telecom heavyweight Ericsson announced Monday that it has reached a global licensing deal with Apple that will end all pending infringement disputes between the companies that are playing out worldwide, including lawsuits in Texas and California federal courts as well as an investigation before the U.S. International Trade Commission.

Although the terms of its agreement with Apple Inc. are confidential, Ericsson Inc. said it includes a cross license that covers both companies' standard-essential patents, and grants each company certain other patent rights. Apple will also make an initial payment to Ericsson and pay on-going royalties, according to a statement issued by Ericsson announcing the agreement.

Kasim Alfalahi, Ericsson's chief intellectual property officer, told Law360 Monday that the agreement with Apple will last seven years and is merely the latest for Ericsson, which he says has signed "well over 100 agreements" with players in the market.

"We are pleased with this new agreement with Apple, which clears the way for both companies to continue to focus on bringing new technology to the global market, and opens up for more joint business opportunities in the future," Alfalahi said.

Alfalahi noted that the deal covers 4G mobile technology as well as earlier 2G and 3G technology, and allows the companies to collaborate in the development of next-generation 5G technology as well as in video network traffic management and wireless network optimization.

"We regard Apple as a good partner and we will continue to work with them in a positive manner," Alfalahi said.

Additionally, Alfalahi said that revenue in 2015 from all agreements with licensees, including Apple, would be between 13 billion and 14 billion Swedish Krona (\$1.53 billion to \$1.65 billion).

A representative for Apple was not immediately available for comment Monday.

Among the legal matters that will come to a close as a result of Ericsson and Apple's agreement is **an investigation** by the ITC into whether Apple violated trade laws by importing electronics that may infringe Ericsson patents.

The agreement also puts an end to seven lawsuits Ericsson had **filed in February** in Texas federal court alleging that Apple's popular iPhone, iPad and other products infringed 41 of Ericsson's patents.

Apple had previously lodged the first suit in the multifaceted legal tussle around the same time the previous licensing deal expired, seeking a declaration that Ericsson's patents are not essential to industry standards and that the company has not offered to license them to Apple on fair, reasonable and nondiscriminatory, or FRAND, terms.

Ericsson responded days later with **a suit of its own**, alleging Apple has been unwilling to pay a FRAND royalty for a license and has declined Ericsson's proposal to arbitrate. The company then

filed its spate of infringement lawsuits against Apple in February.

All of those cases as well as other proceedings taking place overseas will be terminated as a result of the licensing pact announced Monday.

The deal with Apple comes about two years after Ericsson **reached a licensing deal** with Samsung Electronics Co. Ltd., an agreement which resolved all pending patent litigation between those two companies.

--Additional reporting by Vidya Kauri, Aaron Vehling and Ryan Davis. Editing by Emily Kokoll.

All Content © 2003-2016, Portfolio Media, Inc.