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**Licensing Negotiations by Standard Setting Organizations
(Professor Richard Gilbert)**

Organized by
the World Intellectual Property Organization (WIPO)

Geneva, November 8, 2011

13.30 – 13.40 Introduction

Moderator: Mr. Carsten Fink, Chief Economist, World Intellectual Property Organization (WIPO), Geneva

13.40 – 15.00 Licensing Negotiations by Standard Setting Organizations

Speaker: Mr. Richard Gilbert, Professor of Economics, University of California at Berkeley, United States of America

Abstract: Owners of patents with claims that are essential to a standard may charge high royalties for the use of products that comply with the standard. Standard-setting organizations (SSOs) have addressed this concern by seeking to obtain commitments from participating patent owners to license their essential patents at terms that are fair, reasonable, and non-discriminatory (FRAND). More recently, SSOs have considered joint negotiations by their members with patent owners to more clearly establish licensing terms before the standard issues. However joint negotiation may allow potential licensees to suppress royalty terms below a technology's economic value. This paper advances an alternative proposal that relies on bilateral negotiations between rights holders and potential licensees with a firm commitment not to discriminate among licensees. Under some circumstances, bilateral negotiation with non-discrimination can achieve the benefits of joint negotiation with less risk of suppressing royalty terms.

Time will be reserved for an open discussion.

The session will start at 13.30 p.m., on Tuesday, November 8, 2011, at the headquarters of WIPO, 34, chemin des Colombettes, Geneva (Conference Room B).

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