

Intermec, Symbol Reach Major Agreement

Having resolved one lawsuit, the companies say they will cross-license intellectual property and negotiate their remaining IP disputes.

By Mary Catherine O'Connor

Sept 6, 2005—[Intermec Technologies](#) and [Symbol Technologies](#) have settled one lawsuit and adopted a plan to resolve four additional suits between the two companies. The agreement comes just one day before the major RFID equipment manufacturers were to meet for a pretrial hearing in Delaware regarding the now-resolved suit (see [Autumn Hearing Set for Intermec, Symbol](#)). According to a joint statement from the companies, Intermec will withdraw the suit over RFID intellectual property that it filed against Symbol, then [Matrics](#), in June 2004. While not all details of the settlement have been revealed, one major element is that both companies will have access to each other's RFID-related IP through licensing agreements pursuant to Intermec's Rapid Start Licensing Program, which Symbol has joined.

"We've always said that if we could arrive at a fair and equitable licensing of the IP, we would be more than happy to do so, and I believe that both parties reached a fair and equitable compromise," said Symbol CFO and interim president and CEO Sal Iannuzzi during a conference call today with press and analysts.

"We think the agreement is fair," agrees Tom Miller, president of Intermec, based in Everett, Wash. "We think the two companies have resolved a major RFID dispute and that the agreement will be good for both companies."

Iannuzzi extended his thanks to Larry Brady, president of Intermec's parent company [Unova](#), for his role in resolving the disputes. "I'm sure not every moment of these negotiations was easy for Larry Brady. I can tell you they weren't easy for me. But a climate of trust developed, and we were able to move ahead with a settlement that was good for both entities," he said.

The Rapid Start Licensing Program provides unlimited access to Intermec's portfolio of more than 145 Intermec RFID patents, in return for an initial fee plus royalty fees ranging from 2.5 to 7.5 percent of the finished product price (see [Intermec Announces Licensing Plans](#)). Intermec has said it would lower royalty fees to firms that also license their patents to Intermec. Symbol, which says it holds almost 50 RFID patents and patent applications, has indicated it would do so.

Symbol, based in Holtsville, N.Y., is also a founding member of the RFID IP licensing consortium formed last month to provide vendors a means of licensing each other's IP ([RFID Vendors to Launch Patent Pool](#)).

"We have access now to a very broad set of IP in the RFID market, inclusive of the licensing consortium and Intermec's Rapid Start program, and that brings significant value to our customers and our partners and our ability to deliver very comprehensive RFID systems to the marketplace without any concern [over IP disputes]," says Symbol's senior vice president of RFID, John Bruno.

Intermec and Symbol have also agreed to negotiate settlements to their other IP conflicts. "Both companies

will make a determined effort to negotiate settlement in all other outstanding intellectual property disputes between the companies during the next three months," said Iannuzzi. "During this time period, both companies have agreed to place all pending and anticipated legal actions on hold while these negotiations take place."

Outside of the settled RFID IP suit, Intermec filed two suits against Symbol over patent infringement and related issues (see [Round 3: Intermec vs. Symbol](#)). Symbol, meanwhile, filed two patent infringement suits against Intermec (see [Symbol Sues Intermec in IP Dispute](#) and [Symbol Files Second Suit](#)). When it filed its first suit against Intermec in March, Symbol also stopped supplying its bar code laser scan engines. But Iannuzzi asserts that Symbol has resumed making those engines available to Intermec.

According to a filing with the [SEC](#) regarding the settlement, Intermec has dropped its claim with the [United States International Trade Commission \(USITC\)](#) that Symbol is engaging in unfair trade practices by importing handheld devices that infringe on Intermec's patents (see [Intermec Says Symbol Violating Trade Law](#)).

Iannuzzi said both Intermec and Symbol have also agreed not to start any actions in the USITC for the next two years.

According to the same [SEC filing](#), Symbol can license Intermec's RFID-related patents to "make, have made or sell RFID readers and RFID tags in all markets other than in a defined number of transportation-related markets where the RFID tag is associated with a vehicle or mode of transport." Likewise, Intermec can license Symbol's RFID-related patents "to make, have made or sell RFID readers and RFID tags" in all markets other than the transportation market. According to Symbol senior vice president and general counsel Peter Lieb, this clause in the negotiations does not refer to the entire transportation market, but rather to a subset Symbol does not believe it will be selling into in the near future.

"This was a relatively inconsequential part of the negotiations," said Iannuzzi. "We did not think it impacted us very much at all, at least not at this point in time."

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