

RFID Consortium Taps MPEG LA

The patent-management organization will administer the consortium's RFID patent-licensing process.

By Mary Catherine O'Connor

Sept. 15, 2005—The RFID Consortium, a group of technology companies banding together to pool their RFID-related intellectual property, announced that it has hired [MPEG LA](#), a patent-management organization based in Denver, to determine and evaluate which patents are essential for the UHF RFID standard. Those patents deemed essential will be included in a joint patent portfolio license designed to provide consortium member companies with "fair, reasonable, nondiscriminatory access to this important technology," the consortium said in an issued statement.

MPEG LA was initially formed in 1996 to manage a patent portfolio license used by makers of digital video technology equipment based on the MPEG-2 standard. It now also administers the licenses of a number of other, similar patent pools.

Kevin Ashton, vice president of marketing for RFID reader company [ThingMagic](#), is the RFID Consortium's designated spokesperson. He says the consortium is fortunate in having established this arrangement with MPEG LA because of the organization's extensive experience. "MPEG LA has a good track record of administering patent licenses for technologies that are every bit as complex as RFID," he states, "so I feel like [the RFID Consortium's IP] is now in very safe hands. And personally, I'm thrilled because I've been hoping to see something like this happen for the last three years. Without this approach, I can't see how the industry could keep growing. There are too many patents being asserted...and the market could be killed by interlocking claims. That's what happened with [MPEG-2's predecessor standard] MPEG-1."

The RFID Consortium was formed early last month (see [RFID Vendors to Launch Patent Pool](#)) to provide a means for holders of essential RFID patents to receive fair compensation for those patents, at a reasonable cost to the end user. The organization expects to speed the adoption of RFID technology by pooling patents into a single portfolio, eliminating the need for member companies to negotiate use of IP on an individual basis.

The official members of the RFID Consortium thus far are [Alien Technology](#), [Applied Wireless Identifications Group \(AWID\)](#), [Avery Dennison](#), the Moore Wallace division of [RR Donnelley](#), [Symbol Technologies](#), [ThingMagic](#), [Tyco Fire & Security](#) and [Zebra Technologies](#).

[Intermec Technologies](#), an Everett-Wash., RFID hardware company holding more than 145 RFID-related patents, has not joined the RFID Consortium. When asked about Intermec's current deliberation over joining the RFID Consortium, the company's director of RFID business development, Christopher Kelley, said, "We're not against patent pools, but it's a difficult issue for us. We might not be able to join because we have so many RFID patents. Antitrust cases have come of patent pools in the past."

Ashton disagrees, however, with the notion that management of the patents pooled together within the RFID

Consortium could result in antitrust infringements. "The Department of Justice, in about 1996, set out a bunch of guidelines for MPEG LA," he says, adding, "The department felt that if patent pools [were to] follow these guidelines, then they would be pro-competitive." As such, he says, it would not pose violations of antitrust statutes. These guidelines, Ashton maintains, form a template for how MPEG LA administers patents.

The RFID Consortium says it has entered into a letter of intent with MPEG LA, under which the latter will likely soon issue a call for patents to determine essential patent holders, then implement the consortium's licensing plan.

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