

Zebra Set to Expand Its Footprint in RFID Space

The vendor plans to leverage newly acquired technology patents for reader-tag communications and transponder designs in future products.

By Beth Bacheldor

Sept. 28, 2006—[Zebra Technologies](#) has added more heft to its RFID patent pool. The Vernon Hills, Ill., company announced earlier this week that it purchased a portfolio of U.S. and international patents from [BTG](#). The deal is valued at about \$10 million.

Zebra first purchased a number of RFID patents and technology rights from BTG in 2005. At the time, it secured an option to buy the remainder of BTG's RFID patents in the future. With this week's acquisition, Zebra has now acquired all of BTG's RFID patents, which number approximately 200. Zebra has yet to divulge many details about the types of patents it has acquired from BTG, or how those patents will be used with regard to product development, but it has disclosed that some patents address reader-tag communications, transponder designs and reader arrangements.

The latest acquisition gives Zebra one of the largest portfolios of RFID-related patents—about 300, according to Matt Ream, the company's senior manager of RFID systems. "This puts Zebra in a very strong position with respect to branching out in a variety of areas in RFID," he says.

BTG, a London-based company that develops, markets and licenses pharmaceuticals and medical technologies, says it decided to divest the RFID patents to focus on its core lines of business.

Zebra's strategies have never been simply to collect royalties on patent license fees, says Reik Read, an analyst with [Robert W. Baird & Co.](#), a provider of investment banking, wealth-management and other financial services. "They've always been about building products."

Baird adds, "Strategically, Zebra is saying it is going to get more aggressive with RFID. In addition to being able to have the intellectual property to develop their own products, the patents give them a bargaining chip with others. The patents give them potential access to other players in the industry that they might otherwise not have had."

BTG was a pioneer in RFID's development, Ream says, holding some of the first RFID patents in the industry. "A lot of the BTG patents were the basis for some of the early RFID technology," he explains. Now Zebra plans to leverage the patents to investigate technology related to how readers and tags communicate, and to improve reader designs. Its goal, according to Ream, is to improve the efficacy of RFID by incorporating the patents into future products.

Zebra will submit to the [RFID Consortium](#) all the relevant patents—those deemed essential to the [EPCglobal Gen 2](#) standard—that it acquired from BTG. Formed in mid-2005, the consortium seeks to make it easier for RFID technology vendors to license RFID patents, and for patent-holders to manage their intellectual property (see [RFID Vendors to Launch Patent Pool](#)).

Zebra's RFID patents acquisition comes on the heels of an announcement last week by Zebra CEO Edward Kaplan that he plans to retire. Kaplan, 63, and Zebra board member Gerhard Cless founded the company in 1969 with initial capital of \$1,000. Having served as chairman for 37 years, Kaplan said he plans to pursue personal interests and spend more time with family once a successor has been named.

Zebra's board of directors has formed a search committee composed of the company's outside directors to identify a successor CEO. The committee has also retained Blackbird Partners of Oak Brook, Ill., to assist in the search process.

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