

**The UnwiredPlanet program, which aims to spur adoption of active 433 MHz RFID tags and readers, will reduce the fees that hardware providers pay Savi by as much as 90 percent.**

By Claire Swedberg

Nov. 17, 2009—[Savi Technology](#) has launched a new patent licensing program that could potentially shrink the price end users pay for 433 MHz active RFID tags and readers complying with the ISO 18000-7 standard. With its new licensing program, known as UnwiredPlanet, the company is reducing the license fees RFID hardware firms currently pay for the right to manufacture ISO 18000-7 devices. The move is part of Savi's goal to enable wide adoption of active RFID systems across multiple industries.

Earlier this year, Savi, as well as other active RFID technology vendors, created the [Dash7 Alliance](#), with the aim of hastening the adoption of active RFID technology conforming to the ISO 18000-7 standard (see [Dash7 Alliance Seeks to Promote RFID Hardware Based on ISO 18000-7 Standard](#)).

By reducing the costs of making hardware compliant with the ISO 18000-7 standard, Savi hopes more RFID vendors will be able to manufacture and sell active RFID products, and that additional types of 18000-7-compliant technology (beyond container tags) will be introduced, says Patrick Burns, the company's senior director of licensing, and the alliance's president.

Savi's first licensing program was launched in 2006 as a way for hardware developers to access a portfolio of Savi patents with reasonable and non-discriminatory (RAND) terms (see [Savi Announces IP Licensing Program for Active RFID tags](#)). That original license, however, required the companies to pay a large upfront fee to Savi, in addition to a percentage of their sales, for use of the intellectual property (IP).

In contrast, Burns says, UnwiredPlanet is available at less than one-tenth of the cost (at very high volumes), compared with the previous license. "This will hugely benefit end users," he states, "not only from reducing device costs, but also from leveling the playing field, in terms of interoperability." The proprietary active RFID solutions currently in the marketplace have held adoption back, he argues, "and with broad adoption of Dash7, interoperability concerns will become a thing of the past—similar to what has happened with Wi-Fi."

This year, the [U.S. Department of Defense](#) (DOD) issued a \$429.4 million contract known as RFID III, for which four vendors (Savi, [Unisys](#), [Systems and Processes Engineering Corp.](#) and [Northrop Grumman](#)) are providing active RFID tags that also support up to five sensors used to detect light, temperature, humidity, shock and tampering (see [U.S. Defense Department Picks Four for RFID III and DOD Tests, Buys New ISO 18000-7 Tags From Four Companies](#)). All of the tags comply with the ISO 18000-7 standard, and must be able to interoperate. With the issuing of that contract, and the DOD's recent initial orders of ISO 18000-7 hardware, Burns says, the time was right for Savi to issue the UnwiredPlanet program, enabling vendors to similarly provide the technology for the commercial sector

without paying exorbitant costs for the IP. The UnwiredPlanet licensing program is intended to accelerate market adoption for Dash 7 technology beyond the initial contracts signed by the four active RFID technology vendors as part of RFID III.

"There are a lot of different forces coming together," Burns says, the major part of which was the DOD's acceptance of the ISO 18000-7 standard from multiple vendors. "We [Savi] wanted to see the DOD's portion of this effort," he explains, adding that once the RFID III contract was signed, UnwiredPlanet was the "natural evolution."

According to Burns, the cost savings comes as a result of the elimination of an upfront fee for companies that wish to sell products under the 18000-7 patents. Previously, he says, it could cost businesses in the "seven digits"—in other words, \$1 million or more. In addition, UnwiredPlanet pricing is based on the number of devices sold, rather than on a percentage of sales. Although Burns says he is unable to specify the exact percentage, he expects the cost with UnwiredPlanet to be as low as about a nickel per unit sold. "It will be massively less expensive," he states. Moreover, companies that sign up for the program before Feb. 1, 2010, will pay nothing for the first 100,000 ISO 18000-7-compliant units they sell.

The new program will make active technology much less expensive for many companies to produce and sell, Burns notes, and will especially benefit small to midsize companies that previously might not have been able to pay the patent costs. Those companies, he says, have often had innovative ideas but not the capital to pay the fees.

The new license is also broader, Burns says, and includes patents related not only to container security tags, but also to low-frequency wake-up technology and universal data blocking, to control messages over the air. Low-frequency activation is not currently required in order to comply with the ISO 18000-7 standard, but Burns predicts it will be in the future.

"In terms of the numbers, it will be the smaller [makers of 433 MHz active tags] who benefit most," Burns says. However, he adds, "there are large companies that will be excited about this, too," as the fees per sale will be greatly reduced. This is just proof, he says, that the 18000-7 standard will be the universal option for active technology. "There's plenty of proprietary efforts out there, but they haven't been widely adopted. This is going to be the global standard."

[RFind Systems](#) is an active RFID technology vendor that manufactures real-time locating systems, and is also a member of the Dash7 Alliance, though it was not part of the military's RFID III contract. The company serves to benefit from this new standards program, says Sharon Barnes, RFind's CEO, by enabling it to affordably provide active RFID technology to the commercial sector, in automotive and other areas.

While RFind currently sells RFID solutions to the automotive industry, it is in limited deployments, rather than more universal systems that would include an automotive manufacturer and all of its supply chain

## Savi's New Licensing Program Slashes Costs for ISO 18000-7

Topics/Verticals: [RFID Standards](#), [Manufacturing](#), [Automotive](#)

partners—such as components manufacturers, third-party logistics providers that ship parts to the manufacturer and finished vehicles to dealerships, and the dealerships themselves. Within a few years, Barnes envisions an active tag being placed on an item, such as a car engine, as it is manufactured, and being tracked from that location to the auto manufacturer and then to the dealer, with data regarding that movement being shared with all supply chain participants. "That's the goal," she says.

The reduction in cost for RFID vendors using the ISO 18000-7 standard is key, Barnes adds. "Certainly," she says, "in the commercial sector, price plays a very key role."

The Dash7 Alliance will now work with a variety of end-user industries to spread the word about the new program, and to ensure that the needs of end users are being met by ISO 18000-7 technology. In the case of the automotive working group, for instance—of which she is the chairperson—that will mean working with automotive manufacturers to ensure that the Dash7 technology transfers and displays data in the format the users would want it to be in, and that it can integrate with other systems they typically use, such as (in the case of the auto industry) an existing tire-pressure-monitoring system.