

# Intermec Inks EPCglobal's IP Accord

One of the largest holders of RFID intellectual property has agreed to EPCglobal's ground rules, signaling a breakthrough on the issue.

Feb. 9, 2004—From the start, the supporters of the Electronic Product Code (EPC) concept envisioned an open network similar to the Internet, with all companies being able to use the technologies involved without paying royalties. But some RFID vendors that had invested large amounts of money in developing intellectual property weren't prepared to give that property away. Now, it appears that a compromise has been reached.

Intermec Technologies, one of the largest holders of RFID patents, has announced that it has joined EPCglobal—the nonprofit organization charged with commercializing EPC technology—and signed a final version of EPCglobal's intellectual property agreement. That should be a sign to the rest of the RFID vendor community that EPCglobal has found a way to maintain the openness of the EPC Network while enabling vendors to protect their intellectual property.

Intermec had objected to an earlier draft of the intellectual property agreement because the agreement had no provision that allowed a company to exclude intellectual property that wasn't germane to enabling EPC-related standards or that let a company choose which elements of its intellectual property would be royalty-free.

"The first draft [of the intellectual property agreement, released in late October] was a concern to us because there was no provisions or mechanism for us to designate or direct specific IP related to the practice of specific elements of a standard and not others," says Mike Wills, Intermec's VP in charge of RFID. "It was an all-up, all-in approach. In essence the 130-plus RFID patents that Intermec holds would have all been subject to a free-world commune kind of approach."

Intermec wasn't alone in its concern. Other companies balked at signing the deal. So EPCglobal worked steadily with the vendor community to hammer out a compromise. The final IP agreement, which was released on Dec. 15, says that any intellectual property created prior to the development of EPC technology that is needed to make EPC technology work will be contributed by the companies who hold the patents.

The companies owning the needed intellectual property will be able to determine whether a contributed piece of intellectual property is available to other EPCglobal subscribers either (1) royalty-free, (2) on a cross-licensing basis or (3) on a reasonable and non-discriminatory basis. Any intellectual property created by EPCglobal working groups will be available royalty-free to any company that joins EPCglobal and signs the IP agreement.

"The new agreement allows us to designate which portions of our intellectual property portfolios are going to be required or necessary to practice specific standards," says Wills. "We will designate those based on the standards we choose to participate in, whether it is Class 1 or Class 2 or future standards."

Startups Matrics and Alien Technology, two companies that were intimately involved with the development of the existing Class 0 and Class 1 EPC protocols, supported a completely royalty-free approach (see Two

EPC Vendors Go Royalty Free). Other companies wanted some protection for their intellectual property.

It's not clear at this point how much pre-existing IP will go into the next generation of the Class 1 EPC protocol. What is clear is that EPCglobal is working to clear hurdles that could slow EPC adoption. A number of technology companies have signed the final ECPglobal intellectual property agreement, most notably Philips Semiconductors, and more are likely to follow.

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