Patent Licensing Companies in the Semiconductor Market

Patent Litigation Risk and Potential Targets

The semiconductor industry has all the attributes that appeal to patent licensing companies (PLCs): Are you in their sights?

PLCs WILL INCREASINGLY EXTRACT CASH FROM THE SEMICONDUCTOR INDUSTRY

Patent Licensing Companies (PLCs) are non-operating companies concentrated on creating the majority of their income from licensing patents to or litigating against operating companies suspected to infringe their patent rights. Other related terms include non-practicing entities (NPEs), patent holding companies (PHCs), patent monetization entities (PMEs), patent assertion entities (PAEs) and Patent Trolls. PLCs commonly acquire their patents from other companies, and then monetize them via aggressive patent litigation. Some PLCs have R&D activities in order to generate their own patents, and they monetize them by licensing.

The RPX Corporation’s March 2015 report states that “NPEs cost operating companies an estimated $12.2 billion in both legal fees and other legal costs and settlement or judgment amounts in 2014”. Patent Licensing Companies operate in fields with high probability of patent infringement, mainly in USA, where litigation damages are much higher than in Europe or Asia. In a patent infringement action, the potential sales volume plays a major role for assessing the damage award. Thus, the PLCs come into action when the market has reached a critical size and target companies have made irreversible investments.

Patent litigation risk tends to increase as new technologies emerge, or as existing technologies combine to create new products and services. The convergence of technologies in the semiconductor field leads to an increase in patent litigation in that sector. The semiconductor industry brings together all ingredients to appeal to PLCs. These include strong consolidation, with many mergers and acquisitions (M&A), numerous patents for sale from bankrupt companies and M&A, complex patented inventions, the colossal amount of products embedding semiconductor devices, big companies, and a lot of money. All companies designing, manufacturing or marketing semiconductor-based products are potential targets for PLCs’ next patent litigation.

In this report we reveal the most aggressive Patent Licensing Companies in the semiconductor field, their recent patent acquisitions, and their potential targets for future patent litigation. More than 2,880 semiconductor-related US patents have been acquired by PLCs since 2013. Now, it is a critical time to assess the patent litigation risks and know the potential targets related to these recent patent acquisitions:

• Which PLCs recently acquired semiconductor-related patents?
• Which PLCs represent the biggest threat for operating companies?
• Which products and which companies have already been involved in patent litigation with PLCs in the semiconductor field?
• Which companies are potential targets for PLCs?
• How can operating companies deal with the PLC threat?
AGGRESSIVENESS AND LITIGATION RISKS FROM PATENT LICENSING COMPANIES

This report provides an in-depth analysis of patent litigation filed by PLCs involved in the semiconductor field, including the dynamics of US patent litigation, defendants, accused products and the current status of the litigation cases.

We have evaluated both the aggressiveness and the litigation risk from each PLC. According to our analysis, seven PLCs may be considered as major threats to practicing companies involved in the semiconductor market: WI LAN, Acacia Research, Conversant IP Management, Intellectual Ventures, Rambus, Round Rock Research and Tessera. Some of them have shown strong patent enforcement activity since 2014, and they will continue to aggressively enforce their patents against semiconductor players over the next few years.

IDENTIFY POTENTIAL TARGETED COMPANIES

Many industrial companies at every level of the semiconductor supply chain, including integrated device manufacturers, outsourced semiconductor assembly and test companies, and equipment and material suppliers are potential targets for Patent Licensing Companies.

For each PLC, we provide a detailed IP profile of their recent patent acquisitions in the semiconductor field, including:

- Patent acquisition dynamics
- Patented technologies, including memory, transistor, sensor, radio frequency and power devices, manufacturing, and packaging
- Remaining lifetime of the patent portfolio
- Latest patent litigation, including which companies have been sued for patent infringement, accused products and current status
- Potential targets by technical segment: the main companies facing the highest risk of patent litigation owned by the PLC.

COMPANIES MENTIONED IN THE REPORT (NON-EXHAUSTIVE)

Acacia Research, Conversant IP Management, DSS Technology Management, Future Link Systems, Intellectual Ventures, Mosaic, PACT XPP Technologies, Rambus, Round Rock Research, Tessera, WI LAN, X2Y Attenuators

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   b) any claim attributable to errors, omissions or other inaccuracies in the Product or interpretations thereof.

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5. Force majeure
The Seller shall not be liable for any delay in performance directly or indirectly caused by or resulting from acts of nature, fire, flood, accident, riot, war, government intervention, embargoes, strikes, labor difficulties, equipment failure, late deliveries by suppliers or other difficulties which are beyond the control, and not the fault of the Seller.

6. Protection of the Seller’s IPR
6.1 All the IPR attached to the Products are and remain the property of the Seller and are protected under French and international copyright law and conventions.

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6.4 The Buyer shall define within its company point of contact for the needs of the contract. This person will be the recipient of each new report in PDF format. This person shall also be responsible for respect of the copyrights and will guaranty that the Products are not disseminated out of the company.

7. Termination
7.1 If the Buyer cancels the order in whole or in part or postpones the date of mailing, the Buyer shall indemnify the Seller for the entire costs that have been incurred as at the date of notification by the Buyer of such delay or cancellation. This may also apply for any other direct or indirect consequential loss that may be borne by the Seller, following this decision.

7.2 In the event of breach by one Party under these conditions or the order, the non-breaching Party may send a notification to the other by recorded delivery letter upon which, after a period of thirty (30) days without solving the problem, the non-breaching Party shall be entitled to terminate all the pending orders, without being liable for any compensation.

8. Miscellaneous
All the provisions of these Terms and Conditions are for the benefit of the Seller itself, but also for its licensors, employees and agents. Each of them is entitled to assert and enforce those provisions against the Buyer.

Any notices under these Terms and Conditions shall be given in writing. They shall be effective upon receipt by the other Party. The Seller may, from time to time, update these Terms and Conditions and the Buyer, is deemed to have accepted the latest version of these terms and conditions, provided they have been communicated to him in due time.

9. Governing law and jurisdiction
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