Wireless Industry Leaders commit to framework for LTE technology IPR licensing

Alcatel-Lucent, Ericsson (NASDAQ:ERIC), NEC, NextWave Wireless, Nokia, Nokia Siemens Networks and Sony Ericsson have today announced a mutual commitment to a framework for establishing predictable and more transparent maximum aggregate costs for licensing intellectual property rights (IPR) that relate to 3GPP Long Term Evolution and Service Architecture Evolution standards (LTE/SAE). The companies invite all interested parties to join this initiative which is intended to stimulate early adoption of mobile broadband technology across the communications and consumer electronic industries.

The framework is based on the prevalent industry principle of fair, reasonable and non-discriminatory (FRAND) licensing terms for essential patents. This means that the companies agree, subject to reciprocity, to reasonable, maximum aggregate royalty rates based on the value added by the technology in the end product and to flexible licensing arrangements according to the licensors’ proportional share of all standard essential IPR for the relevant product category.

Specifically, the companies support that a reasonable maximum aggregate royalty level for LTE essential IPR in handsets is a single-digit percentage of the sales price. For notebooks, with embedded LTE capabilities, the companies support a single-digit dollar amount as the maximum aggregate royalty level. The parties believe the market will drive the LTE licensing regime to be in accordance with these principles and aggregate royalty levels.

This framework balances the prevailing business conditions relevant for the successful widespread adoption of the LTE standard, which continues its progress toward definitive adoption by the industry in the applicable standards forums and organizations.

Company Quotes

"As our respective companies have now launched R&D efforts and trials for LTE technology, we hope that this initiative will help for a wide adoption of this technology across devices and applications, enabling a wireless lifestyle for consumers and enterprises and creating value for technology providers," said Olivier Baujard, Chief Technology Officer, Alcatel-Lucent.

“The adoption of this initiative will reassure operators of the early widespread adoption of LTE technology throughout the consumer electronics industry," Ericsson's Senior Vice President, General Manager and Chief Technology Officer Håkan Eriksson said. “It also confirms Ericsson’s longstanding commitment to the FRAND principles as fundamental to the industry.”

“NEC is excited about this initiative. LTE is a key technology in the transformation of voice-oriented telecom services into data-oriented communication services. In partnership with other LTE technology leaders and vendors, NEC, as both an infrastructure and handset provider, must play a crucial role in establishing a better environment in which to explore the LTE market, and we believe this initiative is an important first step. ” said Dr. Katsumi Emura, Executive General Manager, Intellectual Asset Management Unit, NEC Corporation.

“Today’s devices contain a multitude of different technologies. To ensure all patent holders are treated fairly without stifling the market, it would be preferable for patent holders to offer reasonable terms.” said Ken Stanwood, Executive Vice President Technology and Standards, NextWave Wireless “We are enthusiastic about this effort and hope the concepts will spread to other technologies.”
“The patent licensing market requires basic rules in order to properly develop and function”, said Ilkka Rahnasto, Vice President, Intellectual Property Rights, Nokia. “Today's announcement is a step towards establishing more predictable and transparent licensing costs in a manner that enables faster adoption of new technologies. “

“In order to connect 5 billion people and deal with 100-fold traffic at lowest cost of ownership we need to create economies of scale,” said Stephan Scholz, CTO of Nokia Siemens Networks, “Mobile broadband implementation using technologies with a predictable, transparent maximum aggregate costs for licensing intellectual property rights will drive global adoption and foster social and economical growth.”

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About Alcatel-Lucent
Alcatel-Lucent (Euronext Paris and NYSE: ALU) provides solutions that enable service providers, enterprise and governments worldwide, to deliver voice, data and video communication services to end-users. As a leader in fixed, mobile and converged broadband networking, IP technologies, applications and services, Alcatel-Lucent offers the end-to-end solutions that enable compelling communications services for people at home, at work and on the move. With operations in more than 130 countries, Alcatel-Lucent is a local partner with global reach. The company has the most experienced global services team in the industry, and one of the largest research, technology and innovation organizations in the telecommunications industry. Alcatel-Lucent achieved revenues of Euro 17.8 billion in 2007 and is incorporated in France, with executive offices located in Paris. For more information, visit Alcatel-Lucent on the Internet: http://www.alcatel-lucent.com

About Ericsson
Ericsson is the world’s leading provider of technology and services to telecom operators. The market leader in 2G and 3G mobile technologies, Ericsson supplies communications services and manages networks that serve more than 185 million subscribers. The company’s portfolio comprises mobile and fixed network infrastructure, and broadband and multimedia solutions for operators, enterprises and developers. The Sony Ericsson joint venture provides consumers with feature-rich personal mobile devices.

Ericsson is advancing its vision of ‘communication for all’ through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 70,000 employees generated revenue of USD 27.9 billion (SEK 188 billion) in 2007. Founded in 1876 and headquartered in Stockholm, Sweden, Ericsson is listed on the Stockholm, London and NASDAQ stock exchanges. For more information, visit www.ericsson.com or www.ericsson.mobi.

About NEC Corporation
NEC Corporation (TSE: 6701) is one of the world’s leading providers of Internet, broadband network and enterprise business solutions dedicated to meeting the specialized needs of its diverse and global base of customers. NEC delivers tailored solutions in the key fields of computer, networking and electron devices, by integrating its technical strengths in IT and Networks, and by providing advanced semiconductor solutions through NEC Electronics Corporation. The NEC Group employs more than 150,000 people worldwide. For additional information, please visit the NEC home page at: http://www.nec.com

About NextWave Wireless
NextWave Wireless Inc. (Nasdaq: WAVE) is engineering the future of mobility by providing next-generation mobile multimedia and wireless broadband technologies to the world’s leading mobile operators, handset manufacturers, consumer electronics manufacturers and wireless service providers. From mobile television and mobile broadband systems to semiconductors and device-embedded mobile multimedia software that can be found in more than 200 million handsets around the globe, NextWave is evolving the way consumers experience mobile multimedia content. NextWave Wireless is headquartered in San Diego, California, U.S.A., and has offices in over a dozen countries. For more information visit NextWave Wireless at http://www.nextwave.com

About Nokia
Nokia is the world leader in mobility, driving the transformation and growth of the converging Internet and communications industries. We make a wide range of mobile devices with services and software that enable people to experience music, navigation, video, television, imaging, games, business mobility and more. Developing and growing our offering of consumer Internet services, as well as our enterprise solutions and software, is a key area of focus. We also provide equipment, solutions and services for communications networks through Nokia Siemens Networks. www.nokia.com

About Nokia Siemens Networks
Nokia Siemens Networks is a leading global enabler of communications services. The company provides a complete, well-balanced product portfolio of mobile and fixed network infrastructure solutions and addresses the growing demand for services with 20,000 service professionals worldwide. Nokia Siemens Networks is one of the largest telecommunications infrastructure companies with operations in 150 countries. The company is headquartered in Espoo, Finland. www.nokiasiemensnetworks.com

About Sony Ericsson

Sony Ericsson Mobile Communications was established as a 50:50 joint venture by Sony and Ericsson in October 2001, with global corporate functions located in London. The company serves the worldwide communications market with innovative and feature-rich mobile phones, accessories and PC-cards, and it has R&D sites in Europe, Japan, China, India and America. Sony Ericsson is the title sponsor of the Women’s Tennis Association, and works with the Association to promote the Sony Ericsson WTA Tour in over 80 cities during the year. For more information, please visit www.sonyericsson.com