

INTERVIEW JOSEPH SIINO

All Via's Saying is Give Peace a Chance

Joseph Siino, president of patent pool manager Via Licensing, tells **Managing IP** about his peace plan to end wireless patent wars, the impact of China and the coming challenges of 5G technology

Patent wars in the wireless industry are inescapable. Or so it has seemed in recent times, with Apple's titanic battle with Samsung and litigation involving non-practising entities dominating headlines.

Joseph Siino, president of Via Licensing, believes there is another way, however.



Via was formed by Dolby in 2002 to pursue strategic multi-party licensing initiatives. It develops and manages licensing programmes on behalf of companies in markets such as audio, wireless, broadcast, and automotive.

Siino joined Via in 2015. Before that, he founded Ovidian Group and Hadrian Ventures, both companies that provided strategic IP business solutions, and also served as Yahoo's first senior vice-president of global IP.

He believes a realignment of the industry is needed. He is collaborating with two seemingly unlikely bedfellows to bring it about. With Ira Blumberg, patent chief at smartphone maker Lenovo, and Boris Tekslar, chief executive at licensing firm Conversant, Siino is promoting what they are terming a peace plan for wireless patents.

A three-pronged plan

As Siino explained in a Financial Times opinion piece, the plan has three prongs.

Firstly, reduce 4G LTE patents to fewer than 2,000 patent families truly essential to smartphone handset makers, down from the more than 60,000 that have been declared essential. Secondly, base royalty prices on the objective value of the entire stack of 4G LTE patents in a phone, not the subjectively argued value of each individual patent. Thirdly, ensure greater transparency by promoting collective licensing solutions such as patent pools that openly

"We could have done with a round or two less of patent reform and solved the troll issue, probably without weakening our patent system quite so much. Holdouts are a much bigger problem in the industry than holdups and people are starting to realise that"

publish their pricing frameworks and offer consistent terms to all licensees.

Siino wrote in the FT: "This 'peace plan' can help spark a realignment in the industry in which the conflict is no longer between product maker and patent owner, but between those who transact IP on a fair and transparent basis, and those who do not."

In an interview with Managing IP, Siino elaborated on the plan and gave his views on a wide range of issues facing the patent market.

Siino says the patent world has evolved. "It would have been shocking and unheard of seven years ago to see companies like Lenovo, Conversant and Via publishing articles together promoting the same pricing mechanism," he says. "It is really revolutionary when you look at it from that perspective."

What's changed? Siino identifies a slowly evolving education of parties on both sides as well as exhaustion from approaching the issues in an ideologically driven manner. "There is increased awareness that these issues can be solved at a business level," he says.

He elaborates: "When I joined Via a few years ago, in my opinion those narratives around trolls and operating companies that dominated the IP scene for a decade were still very, very strong but beginning to get a little bit stale in the minds of some folks. There had been multiple rounds of patent reform. The reality was that independent patent owners weren't posing nearly the problems for large companies that they had 10 years earlier, and patents rights had been

weakened. At Via we saw a greater willingness on the part of operating companies owning patents to see non-practising entities become part of the pool as well, and sit on the same side of the table and license the IP in an industry-friendly way."

Siino believes this creates an opening for Via to have more of a dialogue privately with operating companies and NPEs to assess whether there is common ground to come together on pricing and licensing methodology. "That would allow us to really relegate the whole troll issue to the past," he says.

He emphasises that this means taking a top-down approach, trying to assess the value of all relevant patents related to a stack. Once that is done, the value of individual patents in that stack can be parsed out. This can be done through patent pools such as those run by Via.

"We are not the only patent pool company out there, but we do think we run probably the most pure classic patent pool in the areas we operate," says Siino. "Companies know that they are paying the same as everyone else and it is a well-established programme. That really makes it easy on everyone."

Developments for Via this year include Siemens and Taiwanese 4G long-term evolution leader Innovative Sonic joining the LTE wireless licensing programme.

A more chaotic climate

Siino believes the US patent system has been seriously weakened in recent years. But he is confident it will improve.

"We could have done with a round or two less of patent reform and solved the troll issue, probably without weakening our patent system quite so much. Holdouts are a much bigger problem in the industry than holdups and people are starting to realise that. So we have got to rebalance the system a little bit," he says.

He continues: "I'm optimistic that we've hit the turning point and that we're moving in the right direction now, but it's going to take a little while. The process could be accelerated a little bit as a result of the trade dialogue that's going on between the US and China right now because intellectual property is clearly at the centre of that. It's going to become quite apparent to the current US administration, if it isn't already, that we've weakened our IP system a little bit too much."

China will play a big role in how patent licensing evolves. Where the biggest technology players are based has evolved as China's influence has grown. This throws up new challenges.

"It's a little bit more of a chaotic environment out there internationally," says Siino. "Meanwhile, technology has become a lot more complex so there's the need for a lot more standards. On the one hand patent pools are more important than ever. On the other hand, there's not as much of a

common understanding from companies all around the world as to how to deal with IP."

As China becomes a more dominant global player, Siino says the challenge is getting Chinese companies into the fold with the rest of the world in terms of a playing fair with IP and at the same time respecting the fact that China market conditions are a little bit different, such as lower margins.

"There is a much more varied array of companies from around the world and maybe the conditions are a little bit different and some updating needs to be done. So it might make sense to take another look at pricing and pools, since it's not just a small club of European, US and Japanese companies anymore that are involved in these IP issues," says Siino.

He continues: "While there may be some friction in the short run, the long-term trend as China takes its place as maybe the top economy in the world is for companies to eventually reach a common framework for how they deal with these types of issues to overcome some of these international differences. It just makes sense for business to have a more predictable level playing field going forward. I think there's a migration task in how Chinese companies viewed the world 10 or 15 years ago when it came to IP versus how they're going to view the world 10 to 15 years from now. That migration path may involve some short-term measures to take down those pricing differences and things like that but still provide mechanisms for everyone to eventually be playing by the same set of rules."

He believes Via is nicely positioned because it already needs to work with a lot of different companies at the same time and provide a framework that accounts for a lot of variables and is neutral.

Preparing for 5G

Another big change will be the introduction of 5G.

"All the issues we have faced to date, as complex as they are, have been relatively simple compared to what the situation will be with 5G," Siino says.

He notes the clash of the computer industry and the telephone industry that occurred with 4G technology, as well as the explosion in the number of companies that have patents relevant to the standards.

"5G replicates that on steroids," says Siino, "because you've got not only the interplay between mobile companies and computer companies, but now you've got automotive companies and home automation companies in the mix as well. You've got all kinds of different industries coming together around 5G wireless technology and an explosion in the number of patents that are relevant to the standard. So it's ever more important with 5G that the industry has a consensus approach basically through patent pools. I don't really see another alternative to deal with licensing in this area in an efficient manner for industry."

Via is working on its 5G offering.

"We're going to incorporate it together with our multigenerational offerings fairly soon and are already reaching out to companies to basically say: 'Let's do it right this time.' Let's get ahead of the game, be proactive and solve these problems for industry before they become as confrontational as they did in recent years. That's where the peace plan comes in – let's figure out a way to deal with this peacefully and sensibly before we all waste a lot of money."

"All the issues we have faced to date, as complex as they are, have been relatively simple compared to what the situation will be with 5G"



Via Licensing Corporation, 1275 Market Street, San Francisco, CA 94103
via-corp.com | +1-415-645-4700 | info@vialicensing.com

Published in Partnership with

**Managing
Intellectual
Property**