

Technical standards can enable innovators to develop – and consumers to use – products that can reliably work together. Ensuring that licenses to patents that are voluntarily contributed and essential to these standards are available to all on fair, reasonable, and non-discriminatory (FRAND) terms, which can include licenses on royalty-free terms (RF-FRAND), is critical for promoting innovation, consumer choice and a dynamic marketplace.

ROYALTY-FREE LICENSING

Broad, Low-Cost Access to Standards

RF-FRAND is a form of a FRAND licensing policy under which participants voluntarily commit to license their standard essential patents (SEPs) on a royalty-free basis. These policies have enabled rapid proliferation of successful standards like Bluetooth, HTML, and USB by lowering implementation costs, reducing the risk of SEP hold-up, and promoting broad standards adoption.

Innovators voluntarily choose RF-FRAND licensing to reduce barriers to adoption of the standard. Broad adoption of standards creates significant downstream market opportunities, benefits consumers, and creates strong rewards for innovation.

RF-FRAND policies also promote the development of high-quality, market-driven standards by encouraging technology selection-based on technical merit and consumer demand. Participation remains entirely voluntary, and patent holders who prefer royalty-bearing licensing are free to pursue other standards with different licensing models or keep their technology outside any standard at all.

RF-FRAND – and FRAND – policies often include other provisions such as reciprocity and allow patent holders during development of the standard to opt-out of licensing obligations. Reciprocity among contributors, upfront licensing terms, and voluntary contributions to a shared specification accelerate standards adoption.

BENEFITS OF RF-FRAND



FOR SEP LICENSORS:

Opportunity to participate in widely adopted standards, benefit from expanded downstream markets, and proposed technologies compete through technical merit and market relevance. Opt-out options for licensors wanting to exclude their patents.



FOR CONSUMERS:

Faster availability of innovative and interoperable technologies, greater competition, lower costs, and standards designed to best meet market needs.



FOR INNOVATORS:

Clear licensing, lower implementation costs including reduced entry barriers for small and larger companies, reduced risk of SEP hold-up, and widespread adoption of standards that create downstream market opportunities.