

Principles for Binding FRAND Arbitration

- InterDigital is committed to making available licenses to its worldwide portfolio of patents and patent applications that are essential to cellular standards on FRAND terms and conditions in accordance with ETSI's rules.
- InterDigital seeks to negotiate license agreements for its worldwide portfolio of cellular standards essential patents (SEPs) with prospective licensees that meet their particular needs and circumstances consistent with InterDigital's overall licensing program and FRAND commitments.
- If negotiations appear to reach an impasse, InterDigital is willing to engage in binding arbitration with prospective licensees to set the FRAND terms and conditions of a worldwide license to InterDigital's SEPs.
- InterDigital believes that binding arbitration is the most effective and efficient mechanism for resolving disputes where further good faith, arms-length negotiations are unlikely to be successful.
- InterDigital's willingness to engage in binding arbitration to resolve disputes over FRAND terms and conditions of a worldwide license assures prospective licensees that InterDigital will not engage in so-called "patent hold-up."
- InterDigital believes that its binding arbitration approach provides an efficient mechanism for resolving FRAND licensing disputes and ensuring that SEP licenses can be concluded in an expeditious and fair manner where negotiations have otherwise reached an impasse.
- Binding arbitration is also a means to assure that InterDigital will be adequately and fairly rewarded for the use of its intellectual property in cellular standards, as provided for in ETSI's IPR Policy.
- InterDigital's binding arbitration approach contemplates that, prior to jointly initiating arbitration proceedings, the parties will have engaged in good faith negotiations to reach agreement on as many terms of a license as possible but have not reached agreement on all terms. InterDigital's binding arbitration approach further contemplates that for those terms on which the parties have not reached agreement, the parties will have identified competing provisions in a form license that they will submit to the arbitrators. This is for the benefit of both licensors and licensees: the more issues can be resolved beforehand, the quicker and less expensive the arbitration will be for both parties.