

Licensing principles for Nokia Standard Essential Patents (SEPs)

Nokia supports the licensing of Standard Essential Patents (SEPs) under fair, reasonable and non-discriminatory (FRAND) terms in accordance with the IPR policies of relevant Standard Development Organizations (SDOs). A patent license agreement on these terms strikes a fair balance between the needs of those who develop technologies and those who implement them.

Nokia's SEP licensing programs operate on the following key principles:

1. Nokia is committed to offer licenses to its SEPs on FRAND terms in accordance with Nokia's undertakings to SDOs and their IPR policies.
2. Any SEP that Nokia transfers to a new owner will be transferred together with existing FRAND undertakings connected to that patent.
3. Nokia values each FRAND patent license in its full context, considering all relevant factors surrounding the agreement (for example, the licensed patents, the licensed products and standards, the field of use, the business model for selling or distributing such products, the term of the license, payment arrangements, the structure of the agreement and the value of any grant-back license and any other non-monetary compensation). Nokia applies its FRAND program rates (i.e. Nokia's generally offered FRAND per unit running royalty rates) to SEP license agreements, unless differences in the surrounding factors merit departing from them.
4. Nokia supports the principle that, subject to reciprocity, injunctions for SEPs that are subject to FRAND undertakings should not be enforced to prevent implementation of a standard, unless:
 - a. the SEP holder has offered a FRAND license to the implementor, and
 - b. the implementor is unwilling to enter into such a FRAND license or to comply with its terms.
5. Nokia acknowledges that the following can be relevant when assessing whether a party is a willing licensor or licensee (subject to reciprocity and the evolution of SDOs' IPR policies and their judicial interpretations):
 - a. in case of a dispute, the party is willing to have an independent adjudicator, that is reasonably acceptable to both parties, decide, without undue delay, whether license terms offered by a SEP holder are inconsistent with Nokia's FRAND undertakings, and
 - b. the party is willing to be bound by the applicable process and the resulting decision (including entering into resulting FRAND license and paying any potential award and resulting FRAND royalties).

6. When licensing its patents that are essential to a certain standard, Nokia offers patent licenses in accordance with its FRAND undertakings, without requesting the licensee to also take a license to Nokia's other patents that are not covered by such undertakings.

These principles are not intended to:

- have any impact on Nokia's rights or obligations beyond the extent to which Nokia's SEPs are covered by its existing FRAND undertakings,
- limit Nokia's legitimate right to license or divest any of its patents,
- amend any contract between Nokia and any third party, or
- create any obligation for Nokia to take licenses.

Nokia has shared information on its licensing programs and principles for SEPs with competition or antitrust authorities throughout the years, in connection with specific cases. No authority has ever requested Nokia to change the way Nokia licenses its SEPs.

We strive to resolve any disagreements through negotiations and, failing that, through offers to either mediate or arbitrate issues in dispute. The vast majority of our agreements are reached amicably. However, if a company is unwilling to negotiate a license, we sometimes have to resort to the courts to protect our rights. We have a strong track record of winning or settling disputes that we have been involved in, which is a further demonstration of the strength of our patented technologies and our compliance with best practices for licensing SEPs.

For companies new to SEP licensing the CENELEC Workshop Agreement, CWA17431, titled ["Principles and guidance for licensing Standard Essential Patents in 5G and the Internet of Things \(IoT\), including the Industrial Internet"](#) provides helpful guidance and information (through a Q&A) to help them assess their licensing needs and how to conduct licensing negotiations.