

## **Ericsson, Google, Samsung Sign License Agreements to Ease Patent Spats**

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Ericsson, Google and Samsung are looking to play nice by signing cross-license agreements that will put many of their existing arguments to rest.

According to a press, Ericsson has agreed to a cross-license agreement with Samsung that covers patents relating to GSM, UMTS, and LTE standards for both networks and handsets. The agreement ends complaints made by both companies against each other before the International Trade Commission (ITC) as well as the lawsuits before the U.S. District Court for the Eastern District of Texas.

The agreement includes an initial payment and ongoing royalty payments from Samsung to Ericsson for the term of the multi-year license agreement.

The initial payment in the agreement will impact Ericsson sales and net income in Q4 2013 by \$651 million, and \$512 million respectively. Ericsson expects that the initial payment in the agreement will impact Ericsson's operating cash flow in the beginning of 2014.

Additional details of the agreement are confidential and will not be disclosed. Information of the financial impact of the initial payment on Ericsson's Q4 2013 results will be included in Ericsson's Q4 2013 earnings report.

The move comes just as Samsung Monday announced that it had reached a patent cross-license agreement covering a "broad range of technologies and business areas." The companies called the agreement "mutually beneficial". It covers the

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Published on Wireless Week (<http://www.wirelessweek.com>)

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two companies' existing patents as well as those filed over the next 10 years.

With this agreement, Samsung and Google gain access to each other's patent portfolios.

**Source URL (retrieved on 01/31/2015 - 5:07am):**

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