

NEW PUBLICATION

The Stockholm Network Experts' Series on IP & Competition:

What is Wrong with Royalties in High Technology Industries?

By Damien Geradin

In this paper, Professor Geradin addresses the issue of whether something has gone wrong with royalties in high technology industries. This paper seeks to answer this question first by looking at a number of concrete scenarios where firms holding IPRs seek to obtain a return on their patent portfolios by licensing them. As will be seen, the behaviour of these firms essentially depends on whether they are vertically-integrated or non vertically-integrated..

Professor Geradin reviews four different hypothetical scenarios, illustrating common misconceptions and misinformation related to evaluating the royalties that are paid by standard implementers. He also shows that the focus of competition authorities analysing technology licensing agreements should not be so much to control royalty rates, a complex task for which competition authorities are not well suited, but rather to ensure that vertically-integrated firms do not restrict downstream competition through anti-competitive licensing practices.

To view the full publication, please visit:

http://www.stockholm-network.org/downloads/publications/Damien_Geradin___Royalties_in_High_Tech_Inds.pdf

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