



MOSAID Technologies Incorporated

**Federal Trade Commission
Antitrust Division, United States Department of Justice
Comments of MOSAID Technologies on Patent Assertion Entities Activities Workshop**

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MOSAID Technologies Inc. greatly appreciated the opportunity to have me (Scott W. Burt, Senior Vice President and Chief Intellectual Property Officer), participate as a panelist at the Patent Assertion Entities Activities Workshop (PAE Workshop), jointly held by the Federal Trade Commission (FTC) and the Antitrust Division, Department of Justice (DOJ) on Dec. 10, 2012. MOSAID thanks the FTC and DOJ for including us in December and for providing us with the opportunity to submit these comments.

MOSAID is a long-established intellectual property (IP) company currently focused on the licensing and development of semiconductor and communications technologies. MOSAID was founded in 1975 as a designer of semiconductor Dynamic Random Access Memory (DRAM) integrated circuits. By the 1990s, MOSAID's innovative, patented DRAM technology had been widely adopted in the semiconductor industry – but adopted mostly without our express permission. We responded by actively and successfully licensing our DRAM patents and today, almost 100% of the commodity DRAM market is licensed to MOSAID's technology. This experience gave rise to MOSAID's current business activities: (1) the provision of patent licensing and IP management services; and (2) internal R&D activities focused on developing advanced Flash memory technology for business applications. In 2011, MOSAID was taken private by Sterling Partners, a leading U.S.-owned private equity firm with approximately \$5 billion in assets under management and office in Baltimore, Chicago and Miami. MOSAID has corporate offices in Ottawa and north Texas; about 20% of our employees are in Texas.

MOSAID is an IP licensing and development company – not a litigation company. We view patent infringement litigation as a last resort when we cannot negotiate a patent licensing agreement with a company that we believe is infringing MOSAID's intellectual property. Indeed, the vast majority of MOSAID's patent licensing agreements have been achieved through negotiation, not litigation, and our more than 60 licensees are a "Who's Who" of leading international electronics companies.

MOSAID continues to obtain patents on innovations developed by the company's engineers. However, in the last several years, the most significant additions to our portfolio of more

than 5,000 patents and applications have come from acquisitions. We acquire patents from a wide spectrum of IP owners, although most of our patents are purchased from large semiconductor and communications companies. These are typically companies that for years have invested heavily in research and development, and that now seek to benefit from the value in their resulting patent portfolios. While there is no “typical transaction,” in most of our acquisitions MOSAID purchases outright the patents or a company that holds the patents. We then license or sometimes sell the patents in our portfolios, primarily to leading companies that practice the relevant technology. In many cases, we share a portion of the revenue stream that is eventually realized, through our licensing efforts, with the original patent innovators.

One transaction that was discussed, and sometimes mischaracterized, during the PAE Workshop is illustrative. In September 2011, MOSAID purchased a company known as Core Wireless S.a.r.l., and its portfolio of approximately 2,000 wireless patents. These patents were originally developed and held by Nokia. As the Nokia representative indicated during the workshop, it had spent many years and invested many billions of dollars in research and development to build a substantial patent portfolio in wireless communications. Core Wireless is now using MOSAID’s specialized IP management and licensing model to unlock the monetary value within the Core Wireless portfolio. Under the arrangement with Nokia, Core Wireless independently conducts all of the licensing and, if necessary, enforcement efforts. Nokia, in turn, will share most of the revenues associated with the Core Wireless portfolio as these are realized.

As one can see from the Core Wireless example, MOSAID’s goal is to license its patents, not to restrict access to those innovations by industry participants. We succeed and the innovators succeed when the technology we license is valued and adopted by our licensees; and those licensees, in turn, succeed in deploying that technology in the marketplace. These incentives are reflected in our licensing strategies, where we do not want to exclude others from using our technology or to impose license terms that will limit the success of our licensees. We also believe in transparent ownership of intellectual property and are clear about our ownership records.

As highlighted by the PAE Workshop, MOSAID is part of a complex and evolving business of IP development, implementation and licensing that is developing new business models and new markets for intellectual property. At MOSAID, we play a valuable role in linking the developers and users of certain patented technologies. We believe that the importance of this role will continue to grow in a world where the companies engaged in technological research, development and innovation may no longer be the same companies that are most successful in implementing that technology. We hope to continue providing an efficient connection between technology innovators and implementing licensees, and hope that the

FTC and DOJ will consider this important role when looking at the issues discussed at the PAE Workshop.

Sincerely,

Scott W. Burt
Senior Vice President and Chief Intellectual Property Officer
MOSAID Technologies Incorporated