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## Interest High In Nortel Networks' Patent Portfolio >NRTLQ

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(This article was originally published Thursday.)

By **Stuart Weinberg**  
OF DOW JONES NEWSWIRES

TORONTO (Dow Jones)--Nortel Networks Corp. (NRTLQ) is shopping its patent portfolio and there is no shortage of interest, including from at least three Canadian companies.

The bankrupt telecom firm, which has liquidated all of its assets save its intellectual property, is soliciting interest in a portfolio of 3,000 patents that some estimate could be worth upwards of US\$1 billion. The patents have been divided into eight lots, one of which consists of Nortel's highly coveted LTE (long term

Still, interest is high and a bidding war could ensue, according to some industry watchers. "This has the potential to be a feeding frenzy," said Joe Siina, chief executive of Ovidian Group LLC, a Berkeley, Calif. IP business and investment firm.

Siina said his company has been approached by five entities in recent weeks seeking advice on the potential acquisition of Nortel patents. He said the entities consist of technology and private-equity companies, though he declined to identify them.

Wi-LAN Inc. (WIN.T), an Ottawa patent-license company, told Dow Jones it's weighing a bid. The company didn't say whether it's interested in the entire portfolio, but did indicate it's working with partners to help fund a potential bid.

Mosaid Technologies Inc. (MSD.T), a patent-license company also based in Ottawa, reiterated its interest in the patents, in particular the LTE portfolio.

The LTE patents are considered the crown jewel of the portfolio because they are believed to be essential to the LTE cellular-network standard, which most major carriers plan to adopt. The owner of these patents will be able to extract license fees across the entire wireless-industry spectrum and/or defend itself from infringement claims by industry rivals.

Research In Motion Ltd. (RIMM), maker of the BlackBerry smartphone, is widely believed to be interested in the LTE portfolio. Last year, RIM contested the sale of Nortel's wireless network business to L.M. Ericsson Telephone Co. (ERIC) because it wanted to bid on the LTE patents. Ultimately, Nortel ended up licensing some LTE patents to Ericsson, but it retained ownership.

RIM officials weren't immediately available for comment.

Patent aggregators RPX Corp. and Allied Security Trust said they are monitoring the Nortel patent-monetization process. Both firms acquire patents to help protect their members from lawsuits by so-called non-practicing entities, or companies that generate revenue solely by licensing and litigating patents.

RPX's members include Cisco Systems Inc. (CSCO), International Business Machines Corp. (IBM), Microsoft Corp. (MSFT) and Hewlett-Packard Co. (HPX), to name a few.

Intellectual Ventures LLC, a big patent aggregator and invention company, said it's interested in every patent sale.












Key in determining the portfolio's value will be the extent to which the portfolio has been licensed. The \$1 billion price tag associated with the portfolio was ridiculed by some and supported by others. Lewis Zaretski, executive vice-president of ThinkFire Services USA Ltd., a patent-advisory firm, said Nortel didn't have a broad licensing program like rival Lucent Technologies. If the patents are as essential as it claims, the \$1 billion price tag may be justified, he said.

-By Stuart Weinberg, Dow Jones Newswires; 416-306-2026;

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(Ben Dummett in Toronto contributed to this article.)

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