

Contents

PREFACE	2
ROYALTY RATE DERIVATION MODELS	9
INTELLECTUAL PROPERTY & INTANGIBLE ASSETS DRIVE ACQUISITIONS AND DEALS	10
BUSINESS ENTERPRISE FRAMEWORK	11
INTELLECTUAL PROPERTY SHARING IS VITAL	14
BEYOND COMMODITY EARNINGS.....	16
DRIVING FORCES BEHIND ROYALTY RATES	17
SIMPLE RULES OF THUMB.....	18
<i>The "25%" Rule</i>	18
<i>Industry Norms</i>	19
<i>Return on R&D Costs</i>	20
<i>The 5% of Sales Method</i>	20
INFRINGEMENT DAMAGES ANALYSIS.....	20
<i>The Analytical Approach</i>	21
<i>Hypothetical Example</i>	21
<i>Comparable License Transactions</i>	22
<i>Comparative Analysis Summarized</i>	25
INVESTMENT RATE OF RETURN ANALYSIS	25
DISCOUNTED CASH FLOW ANALYSIS	31
ROYALTY RATE GENERAL GUIDANCE	37
LICENSE TRANSACTIONS AND ROYALTY RATES	39
COMMUNICATIONS	40
ACOUSTICS.....	40
ANTENNA.....	40
BROADBAND	41
CABLE TRANSMISSION STANDARDS	42
CABLE TRANSMISSION STANDARDS	43
CELLULAR PHONE DOCKING STATION	44
CELLULAR PHONE DOCKING STATION	45
CELLULAR TELEPHONE TECHNOLOGY	46
CELLULAR TELEPHONE TECHNOLOGY	47
EMERGENCY COMMUNICATIONS.....	52
CELLULAR 3G TECHNOLOGY.....	53
CELLULAR CDMA TECHNOLOGY.....	53
CELLULAR CDMA TECHNOLOGY.....	54
CELLULAR CDMA AND WCDMA TECHNOLOGY.....	54
CELLULAR DATA TRANSMISSION.....	55
ENCRYPTION	56
E-RETAILING.....	56
INTERNET SOFTWARE.....	57
LONG DISTANCE CALLING FEATURES	58
NETWORK ACCESS	58
NETWORK SOLUTIONS.....	59
SMART PHONES	60
SOFTWARE	60
SPEECH COMPRESSION STANDARDS.....	61
TELECOMMUNICATIONS ACCESS DEVICES	61
TELEVISION TRANSMISSION	62
TRANSCEIVER INTEGRATED CIRCUIT	63
VIDEOCONFERENCING – PORTABLE	64

Royalty Rates for Technology – Computers and Communications Edition

VOICE MAIL.....	64
VOICE MAIL.....	65
VONAGE – INTERNET PHONE SERVICE.....	65
VONAGE – INTERNET PHONE SERVICE.....	65
COMPUTER HARDWARE.....	67
1394 SPECIFICATION.....	67
1394A SPECIFICATIONS.....	67
ACER PERSONAL COMPUTING.....	67
AST PERSONAL COMPUTING.....	68
COMMUNICATIONS.....	68
CRAY SUPERCOMPUTER ELECTRONIC CONNECTORS.....	69
COMPACT DISKS AND DVDS.....	69
COMPACT DISKS.....	70
DATA STORAGE.....	71
DATA STORAGE.....	72
DATA STORAGE.....	73
DATA STORAGE.....	73
DATA STORAGE.....	74
ENTERPRISE APPLICATION INTEGRATION MIDDLE-WARE.....	75
GRAPHICS.....	75
IBM PS/2.....	76
INFORMATION SECURITY.....	77
MACINTOSH.....	77
MECHANICAL FANS.....	78
MODEMS.....	78
MODEMS.....	79
RECORDABLE DISKS.....	80
SMART CONNECTOR.....	80
SOUND.....	81
TELESCOPES - COMPUTERIZED.....	81
TRACKING.....	83
COMPUTER SOFTWARE.....	84
ADAPTIVE RECOGNITION TECHNOLOGY.....	84
APPLE – COMPUTER SCREEN SYMBOLS.....	84
APPLE – NEWTON PDA.....	85
APPLICATION INTEGRATION.....	85
APPLICATION SERVICE PROVIDER.....	86
AUTODESK'S AUTOCAD RELEASE 12.....	86
BAR CODE.....	87
BAR CODE APPLICATION.....	88
CHARACTER RECOGNITION AND FRAUD PROTECTION.....	89
COMPUTER AIDED DESIGN.....	90
CONSTRUCTION SOFTWARE.....	90
DATABASE.....	91
DATABASE PROCESSING.....	92
DEBT COLLECTION.....	92
DECOMPRESSION TECHNOLOGY.....	94
DIAGNOSTIC.....	94
DISK COMPRESSION.....	95
DISTRIBUTED MANAGEMENT ENVIRONMENT (DME) 1.0 TECHNOLOGY.....	96
DOCUMENT MANAGEMENT.....	97
DOCTARR SOFTWARE.....	97
DOS – OPERATING SYSTEM.....	98
EDUCATIONAL.....	98

Royalty Rates for Technology – Computers and Communications Edition

EDUCATIONAL.....	99
EDUCATIONAL.....	99
FACTORY CONTROLS.....	100
FINANCIAL – QUICKEN SOFTWARE	100
FRONT END IMAGING SOFTWARE.....	101
GAMES	101
GAMES	102
GAMES	102
GOVERNANCE, RISK AND COMPLIANCE	103
GRAPHICS INTERCHANGE FORMAT	104
IPHONE 2.0 APPLICATIONS.....	104
INTEGRATION.....	105
INTELLIGENT SOFTWARE SOLUTIONS.....	106
INTERACTIVE TECHNOLOGY.....	106
MAINFRAME.....	107
MAC OPERATING SYSTEM AND RHAPSODY	107
MEDICAL IMAGE MANAGEMENT.....	107
MULTI-USER TECHNOLOGY	108
NETWORKING.....	109
OPERATING SOFTWARE.....	110
PHOENIX TECHNOLOGIES BIOS	111
PROFESSIONAL PRACTICES MANAGEMENT	111
SECURITY - FINGERPRINTS	111
SPEECH COMPRESSION	112
SPOKEN WORD AUDIO BUSINESS MODEL	112
SPREADSHEET	114
SPREADSHEET	114
TEXT TO SPEECH TECHNOLOGY	115
THREE-DIMENSIONAL VISUALIZATION	116
TOOLS – DISTRIBUTION RIGHTS.....	116
UNIX OPERATING SYSTEM	117
VIRTUAL REALITY - QUICKTIME.....	118
YEAR 2000 SOFTWARE	118
WORD PROCESSING AND OFFICE SUITE SOFTWARE	118
INTERNET	120
DOMAIN NAMES.....	120
ENCRYPTION DOWNLOADING.....	122
INTERNET DATA COMPRESSION.....	122
INTERNET GAMING.....	123
INTERNET SERVICES.....	123
WIRELESS APPLICATION PROTOCOL	124
SEMICONDUCTORS	125
CHIP INTERFACE TECHNOLOGY.....	125
CHIP STACKING TECHNOLOGY	125
HIGH-BANDWIDTH CHIP CONNECTION TECHNOLOGY	126
LASER TECHNOLOGY	126
LIGHTNING RESISTANCE	127
MANUFACTURING	127
MANUFACTURING	127
METAL OXIDE SEMICONDUCTOR FIELD EFFECT TRANSISTORS.....	128
PENTIUM II PROCESS.....	129
POWER CONVERSION.....	129
SUPERCONDUCTOR MATERIAL	130
TEXAS INSTRUMENTS.....	130

Royalty Rates for Technology – Computers and Communications Edition

TEXAS INSTRUMENTS.....	131
TEXAS INSTRUMENTS.....	131
TEXAS INSTRUMENTS.....	132
TEXAS INSTRUMENTS.....	132
TEXAS INSTRUMENTS.....	133
TEXAS INSTRUMENTS.....	133
TEXAS INSTRUMENTS.....	134
THIN FILM FERROELCTRIC TECHNOLOGY	135
THE MAGNITUDE AND MEANING OF ROYALTY MISREPORTING	136
COMPANY INDEX	142