



## Ford is the latest automaker to 'open' its patents; but, as always, be sure to check the small print

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Ford is 'opening' a portfolio of its patents relating to electric vehicle (EV) technology to "competitive automakers to accelerate industry-wide research and development of electrified vehicles," according to [a press release](#) from the US company today. This makes Ford the latest of several major automotive industry players that have pledged to make their intellectual property covering next-generation vehicles available to competitors – though the precise meaning of 'open' has varied from case to case.



**Jack Ellis**

The announcement from Ford earlier today did not indicate how many patents would be made available under the scheme, though it did say that the company filed applications for over 400 EV-relevant patents in 2014, representing about 20% of all the applications it submitted last year. Altogether, Ford holds over 600 granted patents and around 1,000 pending applications relating to EV technology.

Among the patents that will be 'opened' are:

[US5764027](#): 'Method and apparatus for battery charge balancing'

[US6275763](#): 'Temperature dependent regenerative brake system for electric vehicle'

[US8880290](#): 'Driving behavior feedback interface'

The press release goes on to state that access to the available portfolio can be obtained by contacting Ford's technology commercialisation and licensing team directly, or by using the online open innovation platform [offered by AutoHarvest](#). And then, tacked on at the end of a paragraph where you could be forgiven for missing it completely, is the following short sentence: "The patents are available for a fee."

In other words, the IP assets in question are available for other companies to license, in return for some kind of – presumably monetary – payment. This would appear to stand in contrast to other 'open' patent pledges made by automakers recently. In June 2014, Tesla Motors said that it would not sue unlicensed third parties that practise on its patents "in good faith" –

though the exact meaning of that phrase is open to interpretation. In January this year, [Toyota announced](#) that it would make a portion of its patent portfolio relating to fuel cell-powered vehicles (FCVs) available to others to license on a royalty-free basis. However, the Japanese company made clear that it would assess each prospective licensee case-by-case and "request, but will not require" them to provide free licences to their own FCV patents in return. Beyond the automotive sector, such 'open' portfolio schemes have similarly begun to gain traction, [with Asia-Pacific companies leading the way](#).

So all things considered, if Ford is asking potential licensees to pay royalty fees, can this initiative really be described as an 'opening' of the company's patents? After all, what Ford is offering here sounds no different to a bog-standard licensing arrangement. What's more is that for those of us working in, or observing, the IP transactions marketplace, it is probably fairly common knowledge that Ford is an active participant in said market (it recent months it has completed a broad deal [with Intellectual Ventures](#), signed up to [RPX's defensive pool](#) and has [joined LOTNET](#)). As such, the company's announcement today might seem to be a pretty pointless and meaningless exercise.

However, there are several ways in which Ford can benefit from making this announcement. For one thing, there may be many players in the automotive industry - including SMEs and large corporates, at various points in the supply chain - and in adjacent sectors that lack the relevant contact relationships within Ford. A public announcement gives everyone an opportunity to make contact with the company's licensing team or to hook-up via AutoHarvest's third-party platform. This will increase the chances of Ford's technology disseminating throughout the industry, fulfilling its aim, stated in today's press release, to "accelerate the growth of electrified vehicle technology and deliver even better products to customers".

It could also give Ford some leverage if it decides to assert these patents in the future, since it has already publicised that it is willing to license them. That might serve to weaken any claims made by potential infringers that they were ignorant of Ford's patent coverage in the EV area.

But another clear advantage of making an 'open' patent pledge is that it can generate a lot of [positive publicity](#) for the companies that do so. At a time when patents and owners of large portfolios are much maligned, any move which is suggestive of sharing, collaboration and partnership, in spite of the patent right's proprietary nature, is likely to be well-received by the

IP system's critics - including those that are pushing for legislative reform in the United States. That in itself could prove to be worth more to Ford than the licensing revenues it generates from these patents in the short term.

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