

The Society for Economic Studies
The University of Kitakyushu
Working Paper Series No.2012-2
(accepted in July 24,2012)

Package licenses in patent pools with basic and optional patents*

Kenji AZETSU [†] Seiji YAMADA [‡]

Jul. 2012, Ver.2 (Dec. 2010, Ver.1)

Abstract

Patent pools are established by the patent holders in order to promote R&D and technological standards. This paper investigates the patent holders' incentive to form a patent pool, the patent pool's licensing behavior, and the anticompetitive effect of a patent pool. Our model is characterized by the following two features. First, we consider different two types of patent: *basic* and *optional*. Second, we consider a patent pool that offers two types of a package license: single and multiple. Our results yield some implications for a patent pool that is characterized by *the complementarity* between *basic* and *optional* patents.

Keywords: patent pools, multiple package licenses, antitrust laws, bundling goods, basic and optional patents

JEL Classification: K11, K21, L4

*We would like to thank Reiko Aoki, Sadao Nagaoka, Taiji Hagiwara, Toshihiro Matsumura, Takao Okawa, Kotaro Suzumura, Takashi Yanagawa. The financial support offered by KAKENHI (19830108) is also gratefully acknowledged.

[†]Kenji Azetsu, Faculty of Economics and Business Administration, The University of Kitakyushu. E-mail: azetsu@kitakyu-u.ac.jp.

[‡]Seiji Yamada, Graduate School of Economics, Kobe University. E-mail: sei.yamada@lion.kobe-u.ac.jp.