

# Exhibit 1

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## TECHNOLOGY

# Rockstar Consortium to Sell 4,000 Patents to RPX Corp. for \$900 Million

Consortium Includes Apple, Microsoft, BlackBerry, Ericsson and Sony



CEO and founder of RPX Corp, John Amster photographed at his office in San Francisco. *DEW KELLY FOR THE WALL STREET JOURNAL*

By **ASHBY JONES**

Updated Dec. 23, 2014 1:30 p.m. ET

In yet another sign that the smartphone-patent wars are starting to cool, Apple Inc. and a handful of other big technology companies have agreed to sell the bulk of a jointly

owned portfolio of telecommunications patent assets for \$900 million, less than a quarter of the \$4.5 billion they paid for the full portfolio four years ago.

Rockstar Consortium Inc. has agreed to sell more than 4,000 patents to San Francisco-based RPX Corp. , a patent clearinghouse that helps companies protect themselves from patent lawsuits.

The deal will put an end to several high-profile lawsuits filed by Rockstar against companies that make phones powered by the Android operating system.

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companies that make up Rockstar—Apple, Microsoft Corp. , BlackBerry Ltd. , Ericsson Inc., and Sony Corp. —won a bidding war with Google Inc. to purchase the full portfolio of about 6,000 patents in 2011 from the bankrupt Nortel Networks Inc. The companies tucked 4,000 patents into Rockstar and distributed the remaining 2,000 patents among each other.

RPX will turn around and license the patents to a separate syndicate of about 30 other technology companies that include Google and Cisco Systems Inc.

Funds from the syndicate made up much of the \$900 million paid for the patents.

“Peace is breaking out,” said John Amster, the chief executive of RPX. “I think people have started to realize that licensing, not litigation, is the best way to make use of patents, and this deal is a significant acknowledgment of that reality.”

Mark Chandler , Cisco’s general counsel, called the deal “constructive for the entire industry.”

Added Erich Andersen, deputy general counsel at Microsoft: “We joined Rockstar to ensure that both Microsoft and our industry would have broad access to the Nortel patent portfolio, and we’re pleased to have accomplished that goal through this sale.”

“It’s a fair price, and a very good deal for Ericsson,” said Kasim Alfalahi, the company’s chief intellectual property officer.

Spokespeople for Apple, Google, Sony and BlackBerry declined to comment.

Rockstar was created in 2011 as a vehicle for its owners to reach licensing deals with other players in the telecom world.

But Rockstar’s efforts to license the patents didn’t go as well as initially planned. “I figured that given the price that parties were willing to pay for these patents, talks to license them would be much easier,” Rockstar Chief Executive John Veschi told The Wall Street Journal in a 2013 interview.

So Rockstar turned to the courtroom. Starting late last year, Rockstar sued several companies for allegedly infringing their patents, including Google and Cisco. Last month, Rockstar settled its suits against Google and Cisco. Financial details weren’t disclosed, but Cisco told investors in early November that it had recorded a pretax charge of \$188 million to settle the Rockstar litigation.

As part of the deal with RPX, Rockstar will drop the remainder of its suits, which include claims against Samsung Electronics Co. , LG Electronics Inc., HTC Corp. and Huawei Technologies Co.

The settlements follow others in the long-running smartphone patent wars.

For instance, in May, Apple and Google agreed to drop all lawsuits between the two companies, and in August, Apple and Samsung agreed to end all litigation between the two companies outside the U.S. Apple and Samsung are still battling in federal court in California, where Apple has won two jury verdicts finding that Samsung infringed its designs for the iPhone.

Whether the Rockstar companies recouped its \$4.5 billion investment is an open question. In the minds of some experts, the \$4.5 billion figure reflected the high point of a frothy market that developed for patents in the earlier days of the smartphone industry.

The Rockstar companies squeezed more than three years of use out of the 4,000 patents, and will keep licenses going forward. The 2,000 patents they held back from Rockstar—and aren’t part of the sale to RPX—were among some of the most valuable in the Nortel portfolio.

Initially, the purchase of the 6,000 Nortel patents caused anxiety at the Justice Department. A chief concern was that Apple and Microsoft, which took ownership of many patents related to wireless standards, rather than leave them with Rockstar, would use the patents to quash competition.

The Justice Department ultimately blessed the deal in 2012 after getting concessions from the companies that they would agree to license the patents on “fair, reasonable and nondiscriminatory” terms.

The deal represents a significant move for RPX, which since its founding in 2008 has offered companies a way to cut back on their exposure to patent lawsuits, especially those bought by companies that profit from creations they themselves had no hand in creating, called “patent-assertion entities” or, less flatteringly, “trolls.”

RPX’s nearly 200 clients pay memberships that allow them access to any of RPX’s patents to defend themselves. As a matter of policy, RPX doesn’t use its patents to bring lawsuits.

Before the Rockstar deal, the publicly traded RPX had invested \$890 million to acquire more than 4,900 patents.

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