

EETimes

November 22, 1999, Issue: 1088

Section: News

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### **VoiceAge to bring Canadian university's technologies to market -- Sipro Lab spin-off will commercialize research**

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MONTREAL - In a bid to expand its business as an independent intellectual-property (IP) rights agent, Sipro Lab, a developer of software implementations for voice compression technologies based on the G.729 standard, has recently restructured by spinning its operations into two separate companies.

Sipro Lab, founded in 1994 as the University of Sherbrooke's exclusive licensing agent for algebraic code excited linear prediction (ACELP) technology, spun off a company called VoiceAge Corp. in August to commercialize technologies developed at the Canadian university. VoiceAge, established by Sipro in collaboration with the university, will further develop the ACELP technology-the crown jewel of the partnership-as well as license proprietary codecs and build new products for Internet and wideband applications, according to Laurent Amar, president of Sipro Lab. The new company is scouting opportunities for an initial public offering.

Sipro, meanwhile, will "focus on licensing" by representing other patent pools, Amar said. It plans to learn a variety of technologies other than ACELP, and push them to various companies. Amar said Sipro needs "to keep a neutral position to become successful at what we do," although he will hold a seat on the VoiceAge board.

At a time when IP issues are becoming so complex they can make or break an emerging standard, Sipro Lab may have found a niche as an IP rights negotiator in a market that sorely needs such expertise.

Sipro appears qualified for the job. Back in 1995, when "the IP situation was a real mess" for voice compression, Amar said, Sipro brought one of the key technologies to the table in the form of ACELP.

The company helped integrate ACELP into several standards and made the technology widely available through the G.729 Consortium.

In sum, said Amar, Sipro grew by "learning to push the technology, integrating into standards and building an IP clearinghouse for it."

Sipro now hopes to become a patent-pooling agency for the third-generation mobile phone specifications, among other emerging standards. Although the company is one among a number of agencies-including MPEG LA-tendering bids to the Universal Mobile Telecommunications System (UMTS), Amar believes his company has more than a fair shot at winning the bid.

"We think we're in a good position to replicate the success we've had with G.729," he said.

## Versed in trading

Sipro claims that it has learned the art of building a patent pool, not by design but by experience. By representing the University of Sherbrooke in the process of integrating its ACELP technology into several standards, including the Global System for Mobile Communications, time division multiple access (TDMA) and code division multiple access (CDMA), Sipro has not only become familiar with the industry's key IP holders but has also become well-versed in the divergent IP trading models pursued by various entities.

Many industry observers believe that, aside from the fundamental complexities of today's high-tech products, the biggest hurdle in most international standards negotiations is the disparate IP trading models being pursued by different industry segments.

Sipro Lab's biggest break came when the company, as the exclusive agent for the G.729 Consortium, persuaded both AT&T and Nokia to join the G.729 one-stop shopping concept. The group at the time had consisted of France Telecom, Nippon Telegraph and Telephone Corp. and the University of Sherbrooke.

"Entities such as big network operators and universities-those who belong to the G.729 Consortium, for example-often have very different business models and expectations in exerting their IP, compared with those who are in the private sector and are in the business of manufacturing products," Amar said. Private companies, he said, "tend to use their patents in order to defend their positions."

As an agent, Sipro helped ensure that the G.729 patent-pooling concept included a mechanism that affords private companies some latitude in asserting their rights or supplying their own IP-trading clauses to the negotiation.

In the course of negotiating with G.729 patent owners to facilitate access to related IP rights, Sipro helped the G.729 Consortium develop a flexible pricing schedule for royalty payments that was designed to meet the specialized needs of each segment of the telecommunications industry. Sipro also conducted an extensive survey to determine different vendors' licensing preferences. The survey is intended to foster widespread adoption of the G.729 standard.

Asked what qualities are required to become a successful intermediary between IP owners and licensees, Amar pointed out four conditions. "First, you must have experience in licensing. You need to have legal and technical expertise. You must also possess marketing skills. But most important, you must be able to negotiate at a high level."



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