Ad Hoc of the Patent Committee (PatCom) of the IEEE-SA Standards Board

*Intended for recommendation to the IEEE-SA Standards Board*

**IMPORTANT NOTICE**

Participants on this reflector were asked to provide comments or recommendations in response to proposed text modifications to the IEEE-SA Standards Board Bylaws regarding the IEEE-SA patent policy and to include a rationale for each comment or recommendation.

The Ad Hoc has considered all comments and recommendations that were submitted, along with the rationales offered for those comments and recommendations. The Ad Hoc has prepared the following comment resolutions. The purpose of the Ad Hoc's responses to comments is not to debate with each commenter, but simply to indicate the outcome and the general basis for the Ad Hoc committee's determination. These comment resolutions may respond to a comment/recommendation or to both the comment/recommendation and associated rationale. Reviewers of the Ad Hoc's responses or other public statements should not assume that the Ad Hoc's recommendation on accepting a comment or recommendation necessarily means that the Ad Hoc accepts or rejects the associated rationale.
QUALCOMM Incorporated submits the following comments concerning the proposed changes to Article 6 of the IEEE Bylaws. Qualcomm reserves the right to supplement these comments based upon the input of other parties.

Proposed Response

PROPOSED REJECT.

Suggested Remedy

The proposed changes regarding "Compliant Implementation" should be rejected. Reverse all relevant changes.

Proposed Response

PROPOSED REJECT.

The comment that this is more than a clarification is not sufficient to justify a deletion of the text.

Proposed Response

PROPOSED REJECT.

It is not necessary to cite a specific IEEE instance of a problem in order to make policy clarifications or even changes.
Comment Type: S Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91. This proposed change to define "Compliant Implementation" in the IEEE Bylaws appears to be based on various economic or legal theories advocated by certain parties with specific business models and specific commercial interests. These theories are disputed by economists, contested in the courts and rejected by the majority of industry. Moreover, the proposed change comes in the context of corresponding and controversial attempts to change the IPR policies of other standards organizations as well as litigation between certain parties involving substantially the same issue.

Suggested Remedy

The proposed changes regarding "Compliant Implementation" should be rejected. Reverse all relevant changes.

Proposed Response

The ad hoc committee's recommendations will be reviewed by PatCom, and if recommended by PatCom, their adoption will require consideration and approval from the IEEE Standards Board (SASB) and the IEEE Board of Governors (BOG). SASB and BOG members have a duty to make decisions that they believe are in the best interests of IEEE. Factors in their consideration of the recommendations may include the benefits of policy clarification and the risk of unintended negative consequences (such as enabling different kinds of abuses, or discouraging participation in IEEE standards development). Although achieving broad agreement among all interested constituencies is a laudable goal, adoption of the recommendations does not require consensus of all materially affected parties.

Suggested Remedy

To the extent this proposed change to define "Compliant Implementation" in the IEEE Bylaws is intended to address suggestions for consideration made by representatives of government antitrust enforcement agencies, it goes far beyond anything that has been suggested. In particular, these changes do not address any of the six "suggestions" made by the United States Department of Justice in the Renata Hesse paper "Six "Small" Proposals for SSOs Before Lunch", and thus are not within the charter of the ad hoc group. Further, it should be expressly stated that any changes to the IEEE Bylaws that may be agreed by IEEE should not be understood to suggest that IEEE believes that any aspect of IEEE’s current Bylaws had given rise to an antitrust or competition law concern.

Suggested Remedy

The proposed changes regarding "Compliant Implementation" should be rejected. Reverse all relevant changes.

Proposed Response

In the course of considering the six suggestions, the ad hoc committee has determined that providing a reusable definition of Compliant Implementation was the most efficient way to implement other recommendations.
Comment Type: S
Comment Status: D
Compliant Implementation

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] It should be expressly stated that any changes to the IEEE Bylaws, including the proposed change to define "Compliant Implementation", should be made for the purpose of improving the efficient development and availability of IEEE-SA standards. Impartiality and fairness are key to the work of the PatCom and any changes to Article 6 must balance the interests of all parties.

Suggested Remedy
The proposed changes regarding "Compliant Implementation" should be rejected. Reverse all relevant changes.

Proposed Response
PROPOSED REJECT.

The comment does not provide a substantive basis for implementing the suggested remedy.

As to process, the ad hoc committee’s recommendations will be reviewed by PatCom, and if recommended by PatCom, their adoption will require consideration and approval from the IEEE Standards Board (SASB) and the IEEE Board of Governors (BOG). SASB and BOG members have a duty to make decisions that they believe are in the best interests of IEEE. Factors in their consideration of the recommendations may include the benefits of policy clarification and the risk of unintended negative consequences (such as enabling different kinds of abuses, or discouraging participation in IEEE standards development). Although achieving broad agreement among all interested constituencies is a laudable goal, adoption of the recommendations does not require consensus of all materially affected parties.
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<td></td>
<td>QUALCOMM Incorporated</td>
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<tr>
<td>[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.]</td>
<td>Any changes to the IEEE Bylaws must retain an appropriate balance between the interests of all parties. We are concerned that the proposed definition of &quot;Compliant Implementation&quot; favors the interests of implementers that seek licenses to essential patents over the interests of innovators that develop technology and contribute it to IEEE standards.</td>
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As to process, the ad hoc committee’s recommendations will be reviewed by PatCom, and if recommended by PatCom, their adoption will require consideration and approval from the IEEE Standards Board (SASB) and the IEEE Board of Governors (BOG). SASB and BOG members have a duty to make decisions that they believe are in the best interests of IEEE. Factors in their consideration of the recommendations may include the benefits of policy clarification and the risk of unintended negative consequences (such as enabling different kinds of abuses, or discouraging participation in IEEE standards development). Although achieving broad agreement among all interested constituencies is a laudable goal, adoption of the recommendations does not require consensus of all materially affected parties.

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<td>[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.]</td>
<td>Any changes to IEEE’s Bylaws should not interfere with bilateral patent licensing negotiations, result in the devaluation of technology subject to RAND licensing assurances, or apply different rules for assessing reasonableness of compensation for essential patents vs. non-essential patents. Unfortunately, this proposed change to define &quot;Compliant Implementation&quot; would upset this balance, thereby discouraging the development and contribution of technology to standard development and risk deterring the effectiveness of IEEE standards development activities.</td>
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It has always been the intent of the IEEE patent policy to apply to anything that is a Compliant Implementation of normative or optional portions of a standard. Calling out examples like component does not change that intent.

As stated in the policy, "Nothing in this policy shall prohibit a licensor and licensee from voluntarily negotiating any license under terms mutually agreeable to both parties."

IEEE takes no position on the appropriate methods for determining reasonable royalties for non-essential patent claims. The reasonable royalty for any Essential Patent Claim, however, should not include value attributable to the patent’s inclusion in a standard.
Comment Type: S
Comment Status: Proc-3
Comment: [Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] This proposed change suggests the possibility that members of the drafting group are representing specific commercial interests, or that the potential for a conflict of interest exists. The potential for conflicts of interest exists, for example, because the proposed changes reflect positions asserted by certain parties in litigation and in other advocacy, including in connection with proposed changes to IPR policies of other standards development organizations. This proposed change to include a definition of "Compliant Implementation" in the IEEE Bylaws therefore could create a conflict of interest because it advances the interest of a select few firms over the public good achieved through a balance of all interests. See What You Need to Know about IEEE Standards and the Law, https://standards.ieee.org/develop/policies/stdslaw.pdf. Especially given the nature of the discussions involving the IEEE Bylaws, and the contentious nature of these issues in different forums (e.g., litigation, other standards organizations, antitrust enforcement agencies, etc.) the potential for conflicts of interest is particularly high for individuals serving in leadership positions on the PatCom, or who are otherwise advancing positions for amendments to IEEE’s Bylaws. Consistent with IEEE’s Code of Ethics § 7.8 and Conflict of Interest Policy § 9.8, each such individual, even if serving on the PatCom in his or her individual capacity, should disclose any relationships pursuant to which that person may benefit professionally, personally, financially or in his or her business interests. Such disclosure will further ensure that the activities of the PatCom are conducted in an open and transparent manner that ensures that a balance of all interests will be maintained.

Suggested Remedy:
The proposed changes regarding “Compliant Implementation” should be rejected. Reverse all relevant changes.

Proposed Response: PROPOSED REJECT.

The comment does not present an argument on the merits of the suggested remedy.

The process of working on the patent policy is open to all participants. The process is transparent: policy drafts are made public, comments on those drafts are invited and are made public, responses to those comments are developed and made public, and the recommended text will be considered at public meetings of PatCom, the Standards Board, and the Board of Governors.

The affiliations of each member of the ad hoc have been disclosed. The affiliations of members of PatCom, the Standards Board, and the Board of Governors are regularly disclosed.
First pass report - IEEE-SA PatCom - IEEE-SA Standards Board Bylaws 5th Aug 2013 draft comments

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Comment Type: S Comment Status: D

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] As proposed, this definition would introduce a new understanding in the context of IEEE standardization for the term “Compliant Implementation” by, for the first time, including “components” within the meaning of “Compliant Implementation.” Currently, IEEE’s Antitrust Policy contemplates “components” as an input to a compliant implementation of an IEEE standard (thus allowing consideration of costs of components and other inputs to compliant implementations, but not allowing consideration of the prices of compliant implementations themselves) but components are not included within the meaning of a compliant implementation itself, as would be the case under the proposed changes.

Suggested Remedy
The proposed changes regarding "Compliant Implementation" should be rejected. Reverse all relevant changes. Alternatively, the proposed definition of "Compliant Implementation" should be modified to exclude the word "component."

Proposed Response
PROPOSED REJECT.

It has always been the intent of the IEEE patent policy to apply to anything that is a Compliant Implementation of normative or optional portions of a standard. Calling out examples like component does not change that intent.

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Comment Type: S Comment Status: D

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] Including “components” within the definition of “Compliant Implementation” as proposed, is unnecessary and would make a substantive change to the industry’s common approach for licensing essential patents subject to RAND assurances.

Suggested Remedy
The proposed changes regarding "Compliant Implementation" should be rejected. Reverse all relevant changes. Alternatively, the proposed definition of "Compliant Implementation" should be modified to exclude the word "component."

Proposed Response
PROPOSED REJECT.

It has always been the intent of the IEEE patent policy to apply to anything that is a Compliant Implementation of normative or optional portions of a standard. Calling out examples like component does not change that intent.

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Comment Type: S Comment Status: D

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] A component (e.g., a chip) will often not itself conform to mandatory and/or optional portions of the normative clauses of a standard. The definition of “Compliant Implementation” is therefore over-inclusive.

Suggested Remedy
The proposed changes regarding “Compliant Implementation” should be rejected. Reverse all relevant changes. Alternatively, the proposed definition of “Compliant Implementation” should be modified to exclude the word "component."

Proposed Response
PROPOSED REJECT.

It has always been the intent of the IEEE patent policy to apply to ANYTHING that is a Compliant Implementation of normative or optional portions of a standard. Calling out examples like component does not change that intent. If a component (e.g., a chip) does not itself conform to ANY mandatory and/or optional portions of the normative clauses of the standard, however, then that component is not a Compliant Implementation.

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Comment Type: S Comment Status: D

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] Defining “Compliant Implementation” to include “components” or other products or services that implement only "portions" of a standard results in a requirement that a patent holder license any patent claim essential to an IEEE Standard for all purposes, including those wholly unconnected to the standard.

Suggested Remedy
The proposed changes regarding “Compliant Implementation” should be rejected. Reverse all relevant changes. Alternatively, the proposed definition of "Compliant Implementation" should be revised to read “… shall mean a product that is fully compliant with an IEEE Standard.”

Proposed Response
PROPOSED REJECT.

It has always been the intent of the IEEE patent policy to apply to anything that is a Compliant Implementation of normative or optional portions of a standard. Calling out examples like component does not change that intent.

Licensing at the component level does not preclude inclusion of a "field of use" restriction. The PatCom ad hoc intends to develop an FAQ on this point.
Where a “component” does itself conform to mandatory and/or optional portions of the normative clauses of a standard, it would then be a conforming “product” under the proposed change to Article 6, rendering the inclusion of the word “component” in the definition redundant.

Suggested Remedy

The proposed changes regarding “Compliant Implementation” should be rejected. Reverse all relevant changes. Alternatively, the proposed definition of "Compliant Implementation" should be modified to exclude the word "component."

Proposed Response

PROPOSED REJECT.

Many IEEE standards are complex and offer a large number of features and options that may not be completely implemented in the marketplace. It has always been the intent of the IEEE patent policy to apply to anything that is a Compliant Implementation of normative or optional portions of a standard. Calling out examples like component does not change that intent. Components, products, and services can all be Compliant Implementations.

PROPOSED REJECT.

Imposing a definition of "Compliant Implementation" that includes "components" would expand the obligation of essential patent owners to provide Letters of Assurance in respect of multiple yet potentially conflicting levels of the supply chain including the level of component inputs to compliant implementations. This would result in a major and disruptive change to existing industry licensing practice, a new interpretation of the scope of the IEEE Licensing Assurance and is unjustified. Note that in Ericsson Inc. v. D-Link Systems, Inc., Case 6:10-cv-00473-LED-KFG (E.D. Tex. Aug. 6, 2013), the argument that the existing IEEE Licensing Assurance obliged chip-level licensing failed.

Suggested Remedy

The proposed changes regarding "Compliant Implementation" should be rejected. Reverse all relevant changes. Alternatively, the proposed definition of "Compliant Implementation" should be modified to exclude the word "component."

Proposed Response

PROPOSED REJECT.

It has always been the intent of the IEEE patent policy to apply to anything that is a Compliant Implementation of normative or optional portions of a standard. Calling out examples like component does not change that intent.

If they comment's description of the Ericsson decision is correct, that simply underscores the need for policy clarification.
As a leading supplier of chips, Qualcomm understands that its chips may be considered “components” of compliant implementations of IEEE standards and that under the current IEEE Bylaws licensing at the chip level is not required. Qualcomm does not see this as disadvantageous, nor should other component suppliers, unless licensing at the level of compliant implementation is accompanied by assertion of the same essential patents at the component level.

The proposed changes regarding "Compliant Implementation" should be rejected. Reverse all relevant changes. Alternatively, the proposed definition of "Compliant Implementation" should be modified to exclude the word "component."

These updates to the policy are intended to clarify rather than change the current policy.
Proposed Response

The proposed changes regarding "Reasonable Rate" should be rejected. Delete lines 46 - 53 and reverse all other relevant changes.

PROPOSED REJECT.

The ad hoc committee's recommendations will be reviewed by PatCom, and if recommended by PatCom, their adoption will require consideration and approval from the IEEE Standards Board (SASB) and the IEEE Board of Governors (BOG). SASB and BOG members have a duty to make decisions that they believe are in the best interests of IEEE. Factors in their consideration of the recommendations may include the benefits of policy clarification and the risk of unintended negative consequences (such as enabling different kinds of abuses, or discouraging participation in IEEE standards development). Although achieving broad agreement among all interested constituencies is a laudable goal, adoption of the recommendations does not require consensus of all materially affected parties.

Comment ID 25
Any changes to the IEEE Bylaws must retain an appropriate balance between the interests of all parties. We are concerned that this proposed change to include a definition of "Reasonable Rate" in Article 6 appears to be the result of work by a small group of parties with specific commercial interests that do not represent the interests of all IEEE members involved in the development of IEEE standards. The proposed change further reflects policy positions that have been promoted by certain parties, who are apparently represented by the small group involved in the drafting process to date. This raises significant procedural and substantive concerns.

**Suggested Remedy**

The proposed changes regarding "Reasonable Rate" should be rejected. Delete lines 46 - 53 and reverse all other relevant changes.

**Proposed Response**

Although we disagree with the suggestion, please note that the recommended text has been updated.

Any changes to IEEE's Bylaws should not interfere with bilateral patent licensing negotiations, result in the devaluation of technology subject to RAND licensing assurances, or apply different rules for assessing reasonableness of compensation for essential patents vs. non-essential patents. Unfortunately, this proposed change to include a definition of "Reasonable Rate" in IEEE Bylaws would upset this balance, thereby discouraging the development and contribution of technology to standard development and risk deterring the effectiveness of IEEE standards development activities.

**Suggested Remedy**

The proposed changes regarding "Reasonable Rate" should be rejected. Delete lines 46 - 53 and reverse all other relevant changes.

**Proposed Response**

We do not agree with the commenter's interpretation. The recommended text for "Reasonable Rates" has been revised in response to other comments received.

We believe the IEEE Patent Policy and these clarifications maintain an appropriate balance between patent holders and implementors.

**Suggested Remedy**

The proposed changes regarding "Reasonable Rate" should be rejected. Delete lines 46 - 53 and reverse all other relevant changes.

**Proposed Response**

The comment does not present an argument on the merits of the suggested remedy.

The process of working on the patent policy is open to all participants. The process is transparent: policy drafts are made public, comments on those drafts are invited and are made public, responses to those comments are developed and made public, and the recommended text will be considered at public meetings of PatCom, the Standards Board, and the Board of Governors.
This proposed change to include a definition of "Reasonable Rate" in IEEE Bylaws suggests the possibility that members of the drafting group are representing specific commercial interests, or that a potential for a conflict of interest exists. The potential for conflicts of interest exists, for example, because the proposed changes reflect positions asserted by certain parties in litigation and in other advocacy, including in connection with proposed changes to IPR policies of other standards development organizations. This proposed change therefore could create a conflict of interest because it advances the interest of a select few firms over the public good achieved through a balance of all interests. See What You Need to Know about IEEE Standards and the Law, https://standards.ieee.org/develop/policies/stdslaw.pdf. Especially given the nature of the discussions involving the IEEE Bylaws, and the contentious nature of these issues in different forums (e.g., litigation, other standards organizations, antitrust enforcement agencies, etc.) the potential for conflicts of interest is particularly high for individuals serving in leadership positions on the PatCom, or who are otherwise advancing positions for amendments to IEEE’s Bylaws. Consistent with IEEE’s Code of Ethics § 7.8 and Conflict of Interest Policy § 9.8, each such individual, even if serving on the PatCom in his or her individual capacity, should disclose any relationships pursuant to which that person may benefit professionally, personally, financially or in his or her business interests. Such disclosure will further ensure that the activities of the PatCom are conducted in an open and transparent manner that ensures that a balance of all interests will be maintained.  

**Suggested Remedy**  
The proposed changes regarding “Reasonable Rate” should be rejected. Delete lines 46 - 53 and reverse all other relevant changes.

**Proposed Response**

The comment does not present an argument on the merits of the suggested remedy. The process of working on the patent policy is open to all participants. The process is transparent: policy drafts are made public, comments on those drafts are invited and are made public, responses to those comments are developed and made public, and the recommended text will be considered at public meetings of PatCom, the Standards Board, and the Board of Governors. The affiliations of each member of the ad hoc have been disclosed. The affiliations of members of PatCom, the Standards Board, and the Board of Governors are regularly disclosed.

The affiliations of each member of the ad hoc have been disclosed. The affiliations of members of PatCom, the Standards Board, and the Board of Governors are regularly disclosed.

**Proposed Response**

We do not agree with the commenter’s interpretation. The recommended text for “Reasonable Rates” has been revised in response to other comments received.  

**Proposed Response**

We do not agree with the commenter’s interpretation. The recommended text for “Reasonable Rates” has been revised in response to other comments received.
RAND terms are not universal and are dependent upon the specific issues involved in the bilateral negotiation between the patent owner and prospective licensee. No "one size fits all" solution is possible.

**Proposed Response**

The proposed changes regarding "Reasonable Rate" should be rejected. Delete lines 46 - 53 and reverse all other relevant changes.

**Suggested Remedy**

The proposed changes regarding "Reasonable Rate" should be rejected. Delete lines 46 - 53 and reverse all other relevant changes.

**Comment Status**

X

**Response Status**

W

We do not agree with the commenter's interpretation. The recommended text for "Reasonable Rates" has been revised in response to other comments received.

**Comment ID**

35

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11/14/2013  6:46:48 PM

**TYPE:** S/substantive  E/editorial  **COMMENT STATUS:** X/received D/dispatched A/accepted R/rejected

**RESPONSE STATUS:** O/open  W/written C/closed Z/withdrawn

**SORT ORDER:** Comment ID
Comment Type: S
Comment Status: X

[Applicable to lines 46 - 53; 85 - 91.] The proposed definition of a “Reasonable Rate” is inappropriate because of its singular focus on a royalty “Rate” which implies some kind of percentage-base royalty, which is only one kind of monetary compensation (to say nothing of non-monetary compensation). This is inconsistent with the recognition that RAND licensing terms accommodate both monetary and non-monetary terms, all of which are considered part of integrated license agreements. The narrow focus on “Reasonable Rate” also does not even take into account the various ways that monetary payments are addressed in license agreements - e.g., upfront fees, fixed periodic payments, per-unit payments, percentage-based royalties, or a combination of some or all of the foregoing.

Suggested Remedy
The proposed changes regarding “Reasonable Rate” should be rejected. Delete lines 46 - 53 and reverse all other relevant changes.

Proposed Response
We do not agree with the commenter’s interpretation of the recommended text. The recommended text for “Reasonable Rates” has been revised in response to other comments received.

Comment Type: S
Comment Status: X

[Applicable to lines 46 - 53; 85 - 91.] It is not possible to identify all relevant factors relating to RAND license terms, and it is inappropriate to interfere with the commercial negotiations between RAND-committed essential patent owners and potential licensees, as the proposed definition of a “Reasonable Rate” would do. There is no justification for elevating the listed factors above other, unmentioned factors, and the listed factors are biased and one-sided.

Suggested Remedy
The proposed changes regarding “Reasonable Rate” should be rejected. Delete lines 46 - 53 and reverse all other relevant changes.

Proposed Response
We do not agree with the commenter’s interpretation. The recommended text for “Reasonable Rates” has been revised in response to other comments received.

Comment Type: S
Comment Status: X

[Applicable to lines 46 - 53; 85 - 91.] IEEE RAND commitments do not require patent claim-by-patent claim licensing or pricing. To the contrary, the commitment applies to “Essential Patent Claims,” and requires the patent holder to offer “a license . . . on a worldwide basis”.

Suggested Remedy
In each of the factors, replace references to a singular Essential Patent Claim with references to plural Essential Patent Claims.

Proposed Response
We do not agree with the commenter’s interpretation. The recommended text for “Reasonable Rates” has been revised in response to other comments received.
Comment Type S  Comment Status X  
Applicable to lines 46 - 53; 85 - 91. Mandating consideration of the value of only part of an Essential Patent Claim (i.e., “the invention or inventive feature” of such claim) is confusing and question begging.

Suggested Remedy
Delete entire first factor.

Proposed Response  Response Status W
PROPOSED REJECT.
We do not agree with the commenter’s interpretation. The recommended text for “Reasonable Rates” has been revised in response to other comments received.

Comment Type S  Comment Status X  
Applicable to lines 46 - 53; 85 - 91. Requiring a consideration of a comparison between the value of a patent claim and the value of alternatives suggests that the value of a patent claim included in a standard should be limited to the incremental value of that claim over the alternative. That is a fundamentally unfair and inappropriate suggestion. A patent claim that provides $1.00 of value is not worthless if there is a single alternative that also provides $1.00 worth of value. Nor is a patent claim adopted in a standard that provides $1.00 worth of value worth less than zero because a rejected alternative would have provided $1.01 of value.

Suggested Remedy
Delete entire first factor.

Proposed Response  Response Status W
PROPOSED REJECT.
We do not agree with the commenter’s interpretation. The recommended text for “Reasonable Rates” has been revised in response to other comments received.

Comment Type S  Comment Status X  
Applicable to lines 46 - 53; 85 - 91. IEEE RAND commitments apply only to products that are fully compliant with a standard. Otherwise such commitments would require licensing of Essential Patent Claims for non-standards-compliant products, which would be entirely inappropriate.

Suggested Remedy
Delete entire third factor.

Proposed Response  Response Status W
PROPOSED REJECT.
The effective definition of what is compliant has not been changed compared to the current IEEE Patent Policy.

Comment Type S  Comment Status D  
Applicable to lines 46 - 53; 85 - 91. There is no justification for any suggestion that an Essential Patent Claim provides less value in a product incorporating many other Patent Claims than it does in a product incorporating fewer Patent Claims.

Suggested Remedy
Delete entire third factor.

Proposed Response  Response Status W
PROPOSED REJECT.
We do not agree with the commenter’s interpretation. The recommended text for “Reasonable Rates” has been revised in response to other comments received.

Comment Type S  Comment Status D  
Applicable to lines 46 - 53; 85 - 91. There is no explanation as to how or why the “aggregate value of all Patent Claims” should impact the value of Essential Patent Claims.

Suggested Remedy
Delete entire third factor.

Proposed Response  Response Status W
PROPOSED ACCEPT IN PRINCIPLE.
The third factor in “Reasonable Rates” has been rewritten.
Proposed Response  

Reverse all such changes.

PROPOSED REJECT.

We disagree with the proposition that the recommended text does not address any of the six suggestions, but in any event, the ad hoc group's ability to make recommendations is not limited to that subject.

Proposed Response  

Add factor: “Any existing licenses covering the use of Essential Patent Claims for products fully compliant with the IEEE Standard, including the fact that licenses negotiated in advance of a determination of validity and infringement will be discounted as compared to licenses negotiated after such a determination.”

PROPOSED REJECT.

The recommended text for “Reasonable Rates” has been revised in response to other comments received. The commentor is invited to submit this comment, if still appropriate, on the revised text.
SuggestedRemedy

The proposed change that the Submitter of a Licensing Assurance "will grant" a license should be rejected and all relevant changes reversed.

Proposed Response  Response Status  W  
PROPOSED REJECT.

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

Comment Type  S  Comment Status  D  
[Applicable to pages 2 - 3, lines 80 - 91.]  This proposed change to the IEEE Bylaws that the Submitter of a Licensing Assurance "will grant" a license appears to be intended to benefit select parties with specific business models and commercial interests.

SuggestedRemedy

The proposed change that the Submitter of a Licensing Assurance "will grant" a license should be rejected and all relevant changes reversed.

Proposed Response  Response Status  W  
PROPOSED REJECT.

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

SuggestedRemedy

The proposed change that the Submitter of a Licensing Assurance "will grant" a license should be rejected and all relevant changes reversed.

Proposed Response  Response Status  W  
PROPOSED REJECT.

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

SuggestedRemedy

The proposed change that the Submitter of a Licensing Assurance "will grant" a license should be rejected and all relevant changes reversed.

Proposed Response  Response Status  W  
PROPOSED REJECT.

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

The remainder of the comment is not pertinent to the suggest remedy.
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<th>Comment Status</th>
<th>Comment ID</th>
<th>Page 17 of 88</th>
</tr>
</thead>
<tbody>
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<td>D Bylaws SC All</td>
<td>P 2 L 80</td>
<td># 53</td>
<td>23rd Sep 2013</td>
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<tr>
<td>Hermele, Daniel</td>
<td>QUALCOMM Incorporated</td>
<td></td>
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</tbody>
</table>

**Comment Type** S

**Comment Status** D

[Applicable to pages 2 - 3, lines 80 - 91.] This proposed change to include in the IEEE Bylaws that the Submitter of a Licensing Assurance “will grant” a license appears to be the result of work by a small group of parties with specific commercial interests that do not represent the interests of all IEEE members involved in the development of IEEE standards. The proposed change further reflects policy positions that have been promoted by certain parties, who are apparently represented by the small group involved in the drafting process to date. This raises significant procedural and substantive concerns.

**SuggestedRemedy**

The proposed change that the Submitter of a Licensing Assurance “will grant” a license should be rejected and all relevant changes reversed.

**Proposed Response**

PROPOSED REJECT.

The rationale for the requested remedy does not present an argument on the merits of the suggested remedy.

Nevertheless, the text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

<table>
<thead>
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<tr>
<td>Hermele, Daniel</td>
<td>QUALCOMM Incorporated</td>
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<td></td>
</tr>
</tbody>
</table>

**Comment Type** S

**Comment Status** D

[Applicable to page 2, lines 55-60 and page 3, lines 95 - 100.] Any changes to the IEEE Bylaws must retain an appropriate balance between the interests of all parties. We are concerned that this proposed change to include in IEEE Bylaws that the Submitter of a Licensing Assurance “will grant” a license favors the interests of implementers that seek licenses to essential patents over the interests of innovators that develop technology and contribute it to IEEE standards.

**SuggestedRemedy**

The proposed change that the Submitter of a Licensing Assurance “will grant” a license should be rejected and all relevant changes reversed.

**Proposed Response**

PROPOSED REJECT.

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

It is well understood that negotiations between the licensor and licensee will precede the actual granting of the license.
SuggestedRemedy

The proposed change that the Submitter of a Licensing Assurance "will grant" a license should be rejected and all relevant changes reversed.

Proposed Response

PROPOSED REJECT.

The rationale for the requested remedy does not present an argument on the merits of the suggested remedy.

Nevertheless, the text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.
Comment Type: S/substantive  E/editorial  
COMMENT STATUS: X/received  D/dispatched  A/accepted  R/rejected

Proposed Response:

Suggested Remedy

PROPOSED REJECT.

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.
A fundamental question is whether the proposed Bylaw change would incentivize potential licensees to act in this way, and in total disregard of the licensor’s rights as a patent owner, because even if the potential licensee infringes it would still be entitled to a license on terms that might not be determined, if at all, for an extended period during which the licensor will be deprived of a reasonable return on its investment. Such an incentive would increase the likelihood of litigation and increase the costs attendant to contributing patented technology to standardization, and thus create the risk of inferior standards and the consumer harm identified in these comments.

Suggested Remedy

The proposed change that the Submitter of a Licensing Assurance “will grant” a license should be rejected and all relevant changes reversed.

Proposed Response

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

It is well understood that negotiations between the licensor and licensee will precede the actual granting of the license.

The proposed changes to limit the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements represents a major policy change over the current IEEE Bylaws.

The proposed changes to limit the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements should be rejected.

The proposed changes to limit the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements should be rejected. Delete all text on lines 55 - 60 and starting at second sentence of line 95 to end of line 98.
Proposed Response

The proposed changes to limit the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements should be rejected. Delete all text on lines 55 - 60 and starting at second sentence of line 95 to end of line 98.

Suggested Remedy

The recommended text limits what can be included in a Letter of Assurance but does not limit what a submitter may seek to include in its license if voluntarily agreed by a licensee.
Applicable to page 2, lines 55-60 and page 3, lines 95 - 100.] It should be expressly stated that any changes to the IEEE Bylaws, including the proposed change to limit the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements, should be made for the purpose of improving the efficient development and availability of IEEE-SA standards. Impartiality and fairness are key to the work of the PatCom and any changes to Article 6 must balance the interests of all parties.

Proposed Response

PROPOSED REJECT.

The recommended text limits what can be included in a Letter of Assurance but does not limit what a submitter may seek to include in its license if voluntarily agreed by a licensee.

Applicable to page 2, lines 55-60 and page 3, lines 95 - 100.] This proposed change to include in the IEEE Bylaws a limitation on the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements appears to be the result of work by a small group of parties with specific commercial interests that do not represent the interests of all IEEE members involved in the development of IEEE standards. The proposed change further reflects policy positions that have been promoted by certain parties, who are apparently represented by the small group involved in the drafting process to date. This raises significant procedural and substantive concerns.

Proposed Response

PROPOSED REJECT.

The recommended text limits what can be included in a Letter of Assurance but does not limit what a submitter may seek to include in its license if voluntarily agreed by a licensee.

Nothing in this policy shall prohibit a licensor and licensee from voluntarily negotiating any license under terms mutually agreeable to both parties.
Any changes to IEEE’s Bylaws should not interfere with bilateral patent licensing negotiations, result in the devaluation of technology subject to RAND licensing assurances, or apply different rules for assessing reasonableness of compensation for essential patents vs. non-essential patents. Unfortunately, the proposed change to include in IEEE Bylaws a limitation on the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements would upset this balance, thereby discouraging the development and contribution of technology to standard development and risk deterring the effectiveness of IEEE standards development activities.

The proposed changes to limit the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements should be rejected. Delete all text on lines 55 - 60 and starting at second sentence of line 95 to end of line 98.

Voluntary portfolio licensing is clearly permitted by the text stating: "Nothing in this policy shall prohibit a licensor and licensee from voluntarily negotiating any license under terms mutually agreeable to both parties."

The proposed changes to limit the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements should be rejected. Delete all text on lines 55 - 60 and starting at second sentence of line 95 to end of line 98.

The recommended text limits what can be included in a Letter of Assurance but does not limit what a submitter may seek to include in its license if voluntarily agreed by a licensee. The process of working on the patent policy is open to all participants. The process is transparent: policy drafts are made public, comments on those drafts are invited and are made public, responses to those comments are developed and made public, and the recommended text will be considered at public meetings of PatCom, the Standards Board, and the Board of Governors.
First pass report - IEEE-SA PatCom - IEEE-SA Standards Board Bylaws 5th Aug 2013 draft comments

23rd Sep 2013

Bylaws SC All P2 L 55 # 71
Hermele, Daniel QUALCOMM Incorporated

Comment Type S Comment Status D Proc-3

[Applicable to page 2, lines 55-60 and page 3, lines 95 - 100.] This proposed change suggests that the possibility of members that the drafting group are representing specific commercial interests, or that the potential for a conflict of interest exists. The potential for conflicts of interest exists, for example, because the proposed changes reflect positions asserted by certain parties in litigation and in other advocacy, including in connection with proposed changes to IPR policies of other standards development organizations. This proposed change therefore could create a conflict of interest because it advances the interest of a select few firms over the public good achieved through a balance of all interests. See What You Need to Know about IEEE Standards and the Law, https://standards.ieee.org/develop/policies/stdlaw.pdf. Especially given the nature of the discussions involving the IEEE Bylaws, and the contentious nature of these issues in different forums (e.g., litigation, other standards organizations, antitrust enforcement agencies, etc.) the potential for conflicts of interest is particularly high for individuals serving in leadership positions on the PatCom, or who are otherwise advancing positions for amendments to IEEE’s Bylaws. Consistent with IEEE’s Code of Ethics § 7.8 and Conflict of Interest Policy § 9.8, each such individual, even if serving on the PatCom in his or her individual capacity, should disclose any relationships pursuant to which that person may benefit professionally, personally, financially or in his or her business interests. Such disclosure will further ensure that the activities of the PatCom are conducted in an open and transparent manner that ensures that a balance of all interests will be maintained.

SuggestedRemedy
The proposed changes to limit the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements should be rejected. Delete all text on lines 55 - 60 and starting at second sentence of line 95 to end of line 98.

Proposed Response Response Status W

PROPOSED REJECT.

The recommended text limits what can be included in a Letter of Assurance but does not limit what a submitter may seek to include in its license if voluntarily agreed by a licensee.
Portfolio cross-licensing is inherently pro-competitive because it can facilitate the availability of complementary technologies among multiple parties, lower transaction costs that would arise if separate negotiations were necessary for non-Essential Patent Claims, facilitate the combination of complementary inputs to end products (e.g., technology, manufacturer, etc.), and facilitate follow-on product innovation by a greater number of parties based on enhanced freedoms to operate at multi-levels of the marketplace.

SuggestedRemedy
The proposed changes to limit the ability of a submitter of a Letter of Assurance to include a grant or grant-back of patents not essential to the relevant IEEE standard in license agreements should be rejected. Delete all text on lines 55 - 60 and starting at second sentence of line 95 to end of line 98.

Proposed Response
PROPOSED REJECT.

The recommended text limits what can be included in a Letter of Assurance but does not limit what a submitter may seek to include in its license if voluntarily agreed by a licensee.
A blanket ban on seeking or obtaining any cross license is inappropriate. Some cross license terms would plainly be “reasonable” and thus constitute “reasonable terms” within the meaning of the IEEE Bylaws. Moreover, subsection (b) would require the owner of an Essential Patent Claim to permit use of any of its other IPR without compensation. That is also inappropriate.

PROPOSED REJECT.

This policy does not create a blanket ban on cross licensing. Further, we note the text: "Nothing in this policy shall prohibit a licensor and licensee from voluntarily negotiating any license under terms mutually agreeable to both parties."

The recommended text limits what can be included in a Letter of Assurance but does not limit what a submitter may seek to include in its license if voluntarily agreed by a licensee. We believe the IEEE Patent Policy and these clarifications maintain an appropriate balance between patent holders and implementors. Issues regarding the licensing of non-Essential Patent Claims are outside the scope of this policy.
[Applicable to page 3, lines 115 - 124.] Qualcomm is in general agreement with the condition that RAND commitments should be binding on successors and assignees of Essential Patent Claims. It is unclear, however, why the existing provisions relating to transferability, which were extensively discussed during the last consideration of the IEEE Bylaws, are no longer effective. While we are aware that ETSI and ITU have agreed certain changes to their IPR Policies to effect the above objective, we are not aware of any issue that has arisen regarding the existing IEEE provisions, and the additional obligations that would be imposed by the proposed revisions might be unnecessary and might lead to greater costs for IEEE members.

**Suggested Remedy**

The proposed changes should be explained and discussed further by all interested parties.

**Proposed Response**

**Response Status W**

The recommended text was intended to address comments by some IEEE stakeholders who believed that statements of encumbrance may not be binding in some jurisdictions. If the commenter believes that the recommended text would impose additional costs, the commenter is invited to provide specific examples for the drafting committee to consider.

[Applicable to page 3, lines 126 - 128.] Although styled as a “clarification”, this change to the IEEE Bylaws that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims represents a major policy change over the current IEEE Bylaws.

**Suggested Remedy**

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

**Proposed Response**

**Response Status W**

The proposed policy does not “style” the referenced text as a “clarification,” and the transmittal email to which this comment may refer is not a policy document.

**Proposed Response**

**Response Status W**

The recommended text is intended to address concerns that have been expressed by IEEE stakeholders and global competition authorities.

[Applicable to page 3, lines 126 - 128.] No evidence of any issues with the existing IEEE Bylaws and no rationale for this proposed change to the IEEE Bylaws to limit the compensation a Submitter of a Licensing Assurance may obtain to a royalty has been provided.

**Suggested Remedy**

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

**Proposed Response**

**Response Status W**

The recommended text is intended to address concerns that have been expressed by IEEE stakeholders and global competition authorities.
Comment Type S  Comment Status D  Royalty-3

[Applicable to page 3, lines 126 - 128.] The proposed change to the IEEE Bylaws to limit the compensation a Submitter of a Licensing Assurance may obtain to a royalty appears to be based on various economic or legal theories advocated by certain parties with specific business models and commercial interests. These theories are disputed by economists, contested in the courts and rejected by the majority of industry. Moreover, the proposed change comes in the context of corresponding and controversial attempts to change the IPR policies of other standards organizations as well as litigation between certain parties involving substantially the same issue.

Suggested Remedy

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

Proposed Response  Response Status W

PROPOSED REJECT.

The ad hoc committee's recommendations will be reviewed by PatCom, and if recommended by PatCom, their adoption will require consideration and approval from the IEEE Standards Board (SASB) and the IEEE Board of Governors (BOG). SASB and BOG members have a duty to make decisions that they believe are in the best interests of IEEE. Factors in their consideration of the recommendations may include the benefits of policy clarification and the risk of unintended negative consequences (such as enabling different kinds of abuses, or discouraging participation in IEEE standards development). Although achieving broad agreement among all interested constituencies is a laudable goal, adoption of the recommendations does not require consensus of all materially affected parties.

Comment Type S  Comment Status X  Royalty-2

[Applicable to page 3, lines 126 - 128.] To the extent this proposed change to the IEEE Bylaws to limit the compensation a Submitter of a Licensing Assurance may obtain to a royalty is intended to address suggestions for consideration made by representatives of government antitrust enforcement agencies, it goes far beyond anything that has been suggested. Further, it should be expressly stated that any changes to the IEEE Bylaws that may be agreed by IEEE should not be understood to suggest that IEEE believes that any aspect of IEEE’s current Bylaws had given rise to an antitrust or competition law concern.

Suggested Remedy

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

Proposed Response  Response Status W

PROPOSED REJECT.

We disagree with the commenter's assertion and believe the clarifications provided address the topics areas identified by various government antitrust enforcement agencies and are useful.
It should be expressly stated that any changes to the IEEE Bylaws, including the proposed change to the IEEE Bylaws to limit the compensation a Submitter of a Licensing Assurance may obtain to a royalty, should be made for the purpose of improving the efficient development and availability of IEEE-SA standards. Impartiality and fairness are key to the work of the PatCom and any changes to Article 6 must balance the interests of all parties.

Suggested Remedy

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

Proposed Response

PROPOSED REJECT.

We believe that these updates maintaining appropriate balance between licensors and potential licensees. Although we disagree with the suggested remedy, the recommended text has been updated:

"...statement signifies that reasonable terms and conditions, including without compensation or under Reasonable Rates, is sufficient compensation for a license to use those Essential Patent Claims."

This proposed change to the IEEE Bylaws to limit the compensation a Submitter of a Licensing Assurance may obtain to a royalty appears to be the result of work by a small group of parties with specific commercial interests that do not represent the interests of all IEEE members involved in the development of IEEE-SA standards. The proposed change further reflects policy positions that have been promoted by certain parties, who are apparently represented by the small group involved in the drafting process to date. This raises significant procedural and substantive concerns.

Suggested Remedy

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

Proposed Response

PROPOSED REJECT.

The comment does not present an argument on the merits of the suggested remedy. We note, however, that the specific language that the comment discusses has been changed and repositioned.
Any changes to the IEEE Bylaws must retain an appropriate balance between the interests of all parties. We are concerned that this proposed change to limit the compensation a Submitter of a Licensing Assurance may obtain to a royalty favors the interests of implementers that seek licenses to essential patents over the interests of innovators that develop technology and contribute it to IEEE standards.

**Suggested Remedy**

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

**Proposed Response**

PROPOSED REJECT.

We believe that these updates maintaining appropriate balance between licensors and potential licensees. Although we disagree with the suggested remedy, the recommended text has been updated:

"...statement signifies that reasonable terms and conditions, including without compensation or under Reasonable Rates, is sufficient compensation for a license to use those Essential Patent Claims."

Any changes to IEEE’s Bylaws should not interfere with bilateral patent licensing negotiations, result in the devaluation of technology subject to RAND licensing assurances, or apply different rules for assessing reasonableness of compensation for essential patents vs. non-essential patents. Unfortunately, this proposed change to limit the compensation a Submitter of a Licensing Assurance may obtain to a royalty would upset this balance, thereby discouraging the development and contribution of technology to standard development and risk deferring the effectiveness of IEEE standards development activities.

**Suggested Remedy**

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

**Proposed Response**

PROPOSED REJECT.

We believe that these updates maintaining appropriate balance between licensors and potential licensees. *Any* patent policy (or lack of a patent policy) will be a factor in bilateral negotiations; however, as stated in the draft policy,

"Nothing in this policy shall prohibit a licensor and licensee from voluntarily negotiating any license under terms mutually agreeable to both parties."
Bylaws

Hermele, Daniel QUALCOMM Incorporated

Comment Type S Comment Status D Proc-3

(Applicable to page 3, lines 126 - 128.) Information concerning the parties represented or with whom the proponents of the proposed changes to limit the compensation a Submitter of a Licensing Assurance may obtain to a royalty are affiliated, as well as the reasoning and evidence (if any) supporting the proposed modifications have not been readily made available. This raises a general concern that the IEEE-SA Patent Committee is operating in less than a fully transparent and open manner, which should be the approach taken to ensure that all interests are properly represented and heard. Ensuring such balance of interests is consistent with IEEE-SA’s accreditation by ANSI as a developer of American National Standards.

Suggested Remedy

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

Proposed Response Response Status W

PROPOSED REJECT.

The comment does not present an argument on the merits of the suggested remedy.

As to process, the ad hoc committee’s recommendations will be reviewed by PatCom, and if recommended by PatCom, their adoption will require consideration and approval from the IEEE Standards Board (SASB) and the IEEE Board of Governors (BOG). SASB and BOG members have a duty to make decisions that they believe are in the best interests of IEEE. Factors in their consideration of the recommendations may include the benefits of policy clarification and the risk of unintended negative consequences (such as enabling different kinds of abuses, or discouraging participation in IEEE standards development). Although achieving broad agreement among all interested constituencies is a laudable goal, adoption of the recommendations does not require consensus of all materially affected parties.

Suggested Remedy

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

Proposed Response Response Status W

PROPOSED REJECT.

The comment does not present an argument on the merits of the suggested remedy.

The process of working on the patent policy is open to all participants. The process is transparent: policy drafts are made public, comments on those drafts are invited and are made public, responses to those comments are developed and made public, and the recommended text will be considered at public meetings of PatCom, the Standards Board, and the Board of Governors.

The affiliations of each member of the ad hoc have been disclosed. The affiliations of members of PatCom, the Standards Board, and the Board of Governors are regularly disclosed.

Suggested Remedy

The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.
This statement contained in the proposed change is untrue. "Reasonable terms and conditions" have always been understood to include both monetary and non-monetary compensation. A royalty is only one form of consideration that is relevant in any license agreement, and no basis exists to limit licensors of Essential Patent Claims to only monetary consideration in the form of a royalty. Under the existing IEEE Bylaws, owners of essential patents may provide a Letter of Assurance that they will make licenses available "under reasonable rates, with reasonable terms and conditions that are demonstrably free of any unfair discrimination." This does not preclude but rather explicitly permits non-monetary consideration in the form of "reasonable terms and conditions that are demonstrably free of any unfair discrimination."

Suggested Remedy
The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

**Proposed Response**

PROPOSED ACCEPT IN PRINCIPLE.

The text has been changed to read:

"...statement signifies that reasonable terms and conditions, including without compensation or under Reasonable Rates, is sufficient compensation for a license to use those Essential Patent Claims."

Forms of non-monetary consideration, such as grants or grant backs to Essential Patent Claims or non-Essential Patent Claims are often times preferred and reasonably required by both licensors and licensees. Including non-monetary consideration in license agreements is generally pro-competitive and is certainly common practice in connection with licensing essential patents.

Suggested Remedy
The proposed changes that a Submitter of a Licensing Assurance has implicitly acknowledged that a royalty is sufficient compensation for a license to use those Essential Patent Claims should be rejected. Delete lines 126 - 128.

**Proposed Response**

PROPOSED ACCEPT IN PRINCIPLE.

The recommended text does not prohibit parties from voluntarily and mutually agreeing to include non-monetary consideration in a license agreement. In addition, the specific text to which this comment is addressed has also been revised:

"...statement signifies that reasonable terms and conditions, including without compensation or under Reasonable Rates, is sufficient compensation for a license to use those Essential Patent Claims."
### Proposed Response

**Response Status**  
W  

**Proposed Accept in Principle.**

The text has been changed to read:

"...statement signifies that reasonable terms and conditions, including without compensation or under Reasonable Rates, is sufficient compensation for a license to use those Essential Patent Claims."
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<tr>
<td>[Applicable to page 3, lines 126 - 128.] An accurate statement is provided as follows: &quot;Reasonable terms and conditions' are not limited to monetary compensation, and by committing to license Essential Patent Claims on reasonable terms and conditions a patent holder has not acknowledged, either implicitly or explicitly, that money alone is sufficient compensation for the use of the Essential Patent Claims in standards-compliant products.”</td>
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<tr>
<td>Suggested Remedy</td>
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<td>Add: &quot;Reasonable terms and conditions’ are not limited to monetary compensation, and by committing to license Essential Patent Claims on reasonable terms and conditions a patent holder has not acknowledged, either implicitly or explicitly, that money alone is sufficient compensation for the use of the Essential Patent Claims in standards-compliant products.”</td>
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<td>PROPOSED ACCEPT IN PRINCIPLE.</td>
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<tr>
<td>We agree that a submitter may properly request additional reasonable terms and conditions beyond monetary compensation. Please see the revised recommended text at APPROXIMATELY Lines 101-103.”</td>
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<tr>
<td>[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] Although styled as a “clarification”, this proposed change to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order represents a major policy change over the current IEEE Bylaws.</td>
<td></td>
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<td>Suggested Remedy</td>
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<td>The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order represents a major policy change over the current IEEE Bylaws.</td>
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<td>Proposed Response</td>
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<tr>
<td>PROPOSED REJECT.</td>
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<tr>
<td>We disagree with the commenter’s statement. The commenter is certainly free to voice that view, but any difference of view is not sufficient to justify a deletion of the text.</td>
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<td>96</td>
<td>S</td>
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<td>Qualcomm Incorporated</td>
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<td>Comment Type</td>
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<td>[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] A fundamental question should be asked before considering these proposed changes: Has the lack of a limitation on the ability of a Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order interfered with or impeded the development or availability of any IEEE standard or specification, and if so how? Identifying concrete issues to be addressed will allow for greater objectivity in considering the proposed change and will avoid decisions that reflect the interests of only select participants in the IEEE standardization process.</td>
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<tr>
<td>[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] No evidence of any issues with the existing IEEE Bylaws and no rationale for this proposed change to limit the ability of a Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order has been provided.</td>
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<td>The recommended text is intended to address concerns that have been expressed by IEEE stakeholders and global competition authorities.</td>
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This proposed change to the IEEE Bylaws to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order appears to be based on various economic or legal theories advocated by certain parties with specific business models and specific commercial interests. These theories are disputed by economists, contested in the courts and rejected by the majority of industry. Moreover, the proposed change comes in the context of corresponding and controversial attempts to change the IPR policies of other standards organizations as well as litigation between certain parties involving substantially the same issue.

Suggested Remedy

The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

PROPOSED REJECT.

The ad hoc committee's recommendations will be reviewed by PatCom, and if recommended by PatCom, their adoption will require consideration and approval from the IEEE Standards Board (SASB) and the IEEE Board of Governors (BOG). SASB and BOG members have a duty to make decisions that they believe are in the best interests of IEEE. Factors in their consideration of the recommendations may include the benefits of policy clarification and the risk of unintended negative consequences (such as enabling different kinds of abuses, or discouraging participation in IEEE standards development). Although achieving broad agreement among all interested constituencies is a laudable goal, adoption of the recommendations does not require consensus of all materially affected parties.

The proposed change to IEEE Bylaws to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order is intended to address suggestions for consideration made by representatives of government antitrust enforcement agencies, it goes far beyond anything that has been suggested. The relevant United States Department of Justice suggestion was "Place some limitations on the right of the patent holder who has made a F/RAND licensing commitment who seeks to exclude a willing and able licensee from the market through an injunction." This addition goes well beyond the suggestion to adopt what amounts to a blanket ban on injunctive relief. That is wholly inappropriate, as there are certain situations in which injunctions are appropriate. Further, it should be expressly stated that any changes to the IEEE Bylaws that may be agreed by IEEE should not be understood to suggest that IEEE believes that any aspect of IEEE's current Bylaws had given rise to an antitrust or competition law concern.

Suggested Remedy

The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

PROPOSED REJECT.

PatCom's role is to review the patent policy to determine whether any clarifications or changes are warranted. Any stakeholder is free to recommend language, but the stakeholder's suggestion (including specific proposal) does not limit PatCom's ability to determine the specific policy clarifications that it will recommend.

The sections of the recommended text dealing with prohibitive orders do not create a blanket prohibition on injunctions but simply clarify when they may be sought.
Comment Type S  Comment Status D  Proc-3

[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] This proposed change to Article 6 to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order appears to be the result of work by a small group of parties with specific commercial interests that do not represent the interests of all IEEE members involved in the development of IEEE standards. The proposed change further reflects policy positions that have been promoted by certain parties, who are apparently represented by the small group involved in the drafting process to date. This raises significant procedural and substantive concerns.

Suggested Remedy

The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

PROPOSED REJECT.

The comment does not present an argument on the merits of the suggested remedy.

As to process, the ad hoc committee's recommendations will be reviewed by PatCom, and if recommended by PatCom, their adoption will require consideration and approval from the IEEE Standards Board (SASB) and the IEEE Board of Governors (BOG). SASB and BOG members have a duty to make decisions that they believe are in the best interests of IEEE. Factors in their consideration of the recommendations may include the benefits of policy clarification and the risk of unintended negative consequences (such as enabling different kinds of abuses, or discouraging participation in IEEE standards development). Although achieving broad agreement among all interested constituencies is a laudable goal, adoption of the recommendations does not require consensus of all materially affected parties.
Any changes to the IEEE Bylaws must retain an appropriate balance between the interests of all parties. We are concerned that this proposed change to IEEE Bylaws to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order favors the interests of implementers that seek licenses to essential patents over the interests of innovators that develop technology and contribute it to IEEE standards.

Suggested Remedy

The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

PROPOSED REJECT.

We believe the IEEE Patent Policy and these clarifications maintain an appropriate balance between patent holders and implementers.

The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order would upset this balance, thereby discouraging the development and contribution of technology to standard development and risk deterring the effectiveness of IEEE standards development activities.

Suggested Remedy

The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

PROPOSED REJECT.

The comment does not present an argument on the merits of the suggested remedy.

The process of working on the patent policy is open to all participants. The process is transparent: policy drafts are made public, comments on those drafts are invited and are made public, responses to those comments are developed and made public, and the recommended text will be considered at public meetings of PatCom, the Standards Board, and the Board of Governors.

The affiliations of each member of the ad hoc have been disclosed. The affiliations of members of PatCom, the Standards Board, and the Board of Governors are regularly disclosed.
This proposed change suggests the possibility that members of the drafting group are representing specific commercial interests, or that the potential for a conflict of interest exists. The potential for conflicts of interest exists, for example, because the proposed changes reflect positions asserted by certain parties in litigation and in other advocacy, including in connection with proposed changes to IPR policies of other standards development organizations. This proposed change to IEEE Bylaws to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order therefore could create a conflict of interest because it advances the interest of a select few firms over the public good achieved through a balance of all interests. See What You Need to Know about IEEE Standards and the Law, https://standards.ieee.org/develop/policies/stdslaw.pdf. Especially given the nature of the discussions involving the IEEE Bylaws, and the contentious nature of these issues in different forums (e.g., litigation, other standards organizations, antitrust enforcement agencies, etc.) the potential for conflicts of interest is particularly high for individuals serving in leadership positions on the PatCom, or who are otherwise advancing positions for amendments to IEEE’s Bylaws. Consistent with IEEE’s Code of Ethics § 7.8 and Conflict of Interest Policy § 9.8, each such individual, even if serving on the PatCom in his or her individual capacity, should disclose any relationships pursuant to which that person may benefit professionally, personally, financially or in his or her business interests. Such disclosure will further ensure that the activities of the PatCom are conducted in an open and transparent manner that ensures that a balance of all interests will be maintained.

Proposed Response

The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

PROPOSED REJECT.

Thank you for the information about ETSI and ITU.

We disagree with the characterization, but please see the recommended text, revised in response to other comments received.

The affiliations of each member of the ad hoc have been disclosed. The affiliations of members of PatCom, the Standards Board, and the Board of Governors are regularly disclosed.
### Antitrust Agencies and Other Government Bodies Around the World

Antitrust agencies and other government bodies around the world have explicitly stated that injunctions may be appropriate against an unwilling licensee. See United States Department of Justice and United States Patent & Trademark Office, Policy Statement on Remedies for Standards-Essential Patents Subject to Voluntary FRAND Commitments, at p.7; Third Party United States Federal Trade Commission's Statement on the Public Interest, In the Matter of Certain Gaming an Entertainment Consoles, Related Software, and Components Thereof, United States International Trade Commission Investigation No. 337-TA-752, (June 6, 2012). In particular, see the comments of a representative of the European Commission in the 14th meeting of the IPR Special Committee of ETSI as set out in meeting report ETSI/IPR(13)14_018r2: “The representative of DG COMP (European Commission) commented that where the company against which an injunction is sought has shown to be unwilling to enter into a FRAND licence, injunctions should, in line with and as foreseen by the applicable law, be available.”

**Suggested Remedy**

The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

**Proposed Response**

PROPOSED REJECT.

We agree that injunctions should be available in certain circumstances but do not agree with the proposed remedy. We note, however, that the recommended text on Prohibitive Orders has been revised in response to comments received. Please review this text.

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### Further Considerations

Moreover, during the September 2013 meetings of ETSI IPR Special Committee and the ITU IPR as hoc group, the European Commission stated their support for a safe harbor approach with clear rules on what constitutes a willing or unwilling licensee for the purposes of determining whether injunctive relief is available.

In ITU IPR- Contribution 166, the European Commission stated:

"The commitment by a licensor to license on FRAND terms must have an impact on the possibility to file injunctions. But the right to bring injunctive relief against an implementer unwilling to pay FRAND royalties should not be eliminated.

We support the concept of a safe harbour for licensees and wish for a clear definition of that concept. We would like to see clear and objective conditions under which the implementer is considered a willing licensee.

The commitment by a licensee to accept terms adjudication by a court or arbitration body must be material for the 'willing licensee' concept. The adjudication body chosen for the resolution of the dispute should be able to determine FRAND terms.

Implementers should have the right to bring material information on validity, essentiality and infringement to the adjudication process. But there should be no obligation for the arbitrator or adjudicator to rule on all of these issues. We believe a reasonable time frame for resolution is of essence.

Challenges to validity, essentiality or enforceability should remain available outside of the adjudication process and any such challenge should not impact the condition of being a willing licensee.

We believe portfolio licensing can be efficient in some cases and that sampling for the test of validity, essentiality or enforceability can be a pragmatic approach in such cases.”

The proposed changes to the IEEE Bylaws to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order are inconsistent with this guidance.

**Suggested Remedy**

The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

**Proposed Response**

PROPOSED REJECT.

We believe negotiations should occur without the threat of an injunction. We agree that injunctions should be available in certain circumstances but do not agree with the proposed remedy. We note, however, that the recommended text on Prohibitive Orders has been revised in response to comments received. Please review this text.
Whether injunctions, all other defenses and counterclaims - for their entire portfolio of patents essential to IEEE standards in order to obtain a license on RAND terms and conditions.

**Proposed Response**

We agree that injunctions should be available in certain circumstances but do not agree with the proposed remedy. We note, however, that the recommended text on Prohibitive Orders has been revised in response to comments received. Please review this text.

**Proposed Response**

We would disagree this is an effective ban on injunctions. We agree that injunctions should be available in certain circumstances but do not agree with the proposed remedy. We note, however, that the recommended text on Prohibitive Orders has been revised in response to comments received. Please review this text.

**Proposed Response**

We disagree this is an effective ban on injunctions. We agree that injunctions should be available in certain circumstances but do not agree with the proposed remedy. We note, however, that the recommended text on Prohibitive Orders has been revised in response to comments received. Please review this text.

Comment Type: S/substantive  E/editorial  COMMENT STATUS: X/received D/dispatched A/accepted R/rejected
Response Status: O/open  W/written  C/closed  Z/withdrawn
Sort Order: Comment ID

Bylaws  SC All  P1  L34  # 114
Hermele, Daniel  QUALCOMM Incorporated

Comment Type: S/Comment Status: D/Prohib-1
[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] This language inappropriately prohibits a patent holder from enjoining uses of Essential Patent Claims outside implementations of an IEEE Standard.

Suggested Remedy
The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

Proposed Response: PROPOSED REJECT.
We disagree with the statement made in the comment.

Essential Patent Claims practiced outside an Compliant Implementation are outside the scope of the policy.

Bylaws  SC All  P1  L34  # 115
Hermele, Daniel  QUALCOMM Incorporated

Comment Type: S/Comment Status: D/Prohib-1
[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] This language inappropriately prohibits a patent holder from seeking exclusionary relief as a sanction for contempt of court unless and until all appeals of all relevant issues have been exhausted.

Suggested Remedy
The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

Proposed Response: PROPOSED REJECT.
We agree that injunctions should be available in certain circumstances but do not agree with the proposed remedy. We note, however, that the recommended text on Prohibitive Orders has been revised in response to comments received. Please review this text.

Bylaws  SC All  P1  L34  # 116
Hermele, Daniel  QUALCOMM Incorporated

Comment Type: S/Comment Status: D/Prohib-1
[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] If, in a given jurisdiction, there is no court that can meet all of the criteria listed for "an appropriate court," this provisions amounts to a total ban on injunctions with no exceptions whatsoever in such jurisdiction.

Suggested Remedy
The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

Proposed Response: PROPOSED ACCEPT IN PRINCIPLE.
We have defined Appropriate Courts to be a court or a combination of courts.

Bylaws  SC All  P1  L34  # 117
Hermele, Daniel  QUALCOMM Incorporated

Comment Type: S/Comment Status: D/Prohib-2
[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] This language inappropriately requires patent holders to waive their right to injunctive relief in jurisdictions where such relief must be pleaded in a complaint.

Suggested Remedy
The proposed changes to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order should be rejected. Delete lines 34 - 36 and 129 - 136.

Proposed Response: PROPOSED REJECT.
If the Submitter wins a decision, and after appellate review the Applicant fails to pay the determined royalty, a second action could request an injunction.
Proposed Response

The proposal offered does not fully consider that the two parties may not agree on what constitutes reasonable terms and conditions. Prohibitive Orders should only be available after an Appropriate Court has made such a decision.

Suggested Remedy

Delete lines 129 - 136 and replace with “A Submitter of an Accepted LOA who has committed to license Essential Patent Claims shall not seek a Prohibitive Order against a potential licensee unless such Submitter has offered a license for such Essential Patent Claims to such potential licensee on reasonable terms and conditions and such potential licensee has either refused such license offer or has not within a reasonable time accepted such license offer.”

Proposed Response

PROPOSED REJECT.

The proposal offered does not fully consider that the two parties may not agree on what constitutes reasonable terms and conditions. Prohibitive Orders should only be available after an Appropriate Court has made such a decision.

Suggested Remedy

Delete lines 129 - 136 and replace with “A Submitter of an Accepted LOA who has committed to license Essential Patent Claims shall not seek a Prohibitive Order against a potential licensee unless such Submitter has offered a license for such Essential Patent Claims to such potential licensee on reasonable terms and conditions and such potential licensee has either refused such license offer or has not within a reasonable time accepted such license offer.”

Proposed Response

PROPOSED REJECT.

A letter of assurance is irrevocable once accepted.

Suggested Remedy

Delete “specific” on line 103.

Proposed Response

PROPOSED ACCEPT IN PRINCIPLE.

We have struck “or specific licensing terms” and added a reference to clause 5.3.10 of the IEEE-SA Standards Board Operations Manual.
The following language appropriately reflect the fact that Letters of Assurance are contracts and cannot be changed after the fact by the unilateral action of IEEE-SA: “Any changes to the text of this Section 6 shall not be used to interpret any Accepted Letter of Assurance submitted before the effective date of such changes.”

**SuggestedRemedy**

Add: “Any changes to the text of this Section 6 shall not be used to interpret any Accepted Letter of Assurance submitted before the effective date of such changes.”

**Proposed Response**

PROPOSED REJECT.

These updates to the policy are intended to clarify rather than change the current policy. In addition, the proposed remedy implicitly adds a term to previous letters of assurance and thus contradicts the commenter’s own rationale.

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Ericsson has learned in retrospect that in March 2013 the PatCom group formed an ad-hoc committee to consider changes to the IEEE patent policy. IEEE members such as Ericsson were not given any advance notice of plans to set up such a committee, or even that such a committee was being contemplated. As a result, only delegates who had the opportunity to attend that March PatCom meeting are now part of the committee, whose meetings are to be held at closed doors. At the outset of this state of events, this new ad-hoc Committee now refuses to accept additional members, thus denying most of the IEEE stakeholders a fair opportunity to participate in this important process that bears directly on their rights, the industry and future standard setting at IEEE.

In a testimony before the U.S. Senate this summer, IEEE prided itself for being a “neutral forum within which the standards development process is to take place” that generally operates under a “principle of one person/one vote.” The concept of neutrality means providing equal opportunity for all IEEE members to weigh into the process. Denying Ericsson and many other members the opportunity for equal participation in this process is not in line with the IEEE’s claimed “neutrality.”

Ericsson urges the rectification of this unacceptable state of affairs by ensuring that all current IEEE members get a chance to equally weigh into this process of considering significant changes to the IP section of the by-laws.

**SuggestedRemedy**

Open up the ad-hoc group process to all interested IEEE members.

**Proposed Response**

PROPOSED REJECT.

The process of working on the patent policy is open to all participants. The process is transparent: policy drafts are made public, comments on those drafts are invited and are made public, responses to those comments are developed and made public, and the recommended text will be considered at public meetings of PatCom, the Standards Board, and the Board of Governors.

Increasing the size of the committee that will craft language based on everyone’s input will do nothing more than slow down the process.
Comment Type: S  
Comment Status: D  
Clarity-1

Any changes adopted into the policy can only be forward looking in terms of their effect. RAND commitments are contractual in nature, and their terms were determined by submitting a Letter of Assurance (“LOA”) while taking into account the terms and conditions of the IEEE patent policy at the time the LOA was submitted. In this regard, the patent policy in effect at the time the LOA being considered and submitted served as a promise, upon which certain patent holders relied and carefully considered before voluntarily submitting their patents to voluntary RAND commitments that encumber them. Therefore, under the doctrine of promissory estoppel, the terms of the patent policy in effect at the time specific RAND commitments were given i.e. when the LOAs were submitted shall continue to apply with respect to these specific commitments. Any changes to the patent policy can apply only to RAND commitment that will be provided after any modified IP policy was adopted. The IEEE cannot retrospectively change terms that were relied on as part of the RAND contractual commitment and have become part and parcel of specific LOAs.

Suggested Remedy
None. The ad-hoc committee and IEEE Secretariat need to understand this basic principle.

Proposed Response  
Response Status: W

PROPOSED REJECT.

These updates to the policy are intended to clarify rather than change the current policy.

Comment Type: S  
Comment Status: D  
Compliant-1

The proposed new text, that includes the new word “component” proposes a significant deviation from the current IEEE-SA patent policy.

In addition to significantly changing the policy, the proposed text is inconsistent with industry practice and reflects an attempt to sneak in the problematic suggestion mentioned in our comment to lines 85-91 below.

These significant changes are unacceptable to Ericsson.

In addition to the above, the newly added definition to “Compliant Implementation” complies with the idea, something which implements only optional portions is not necessarily “compliant.”

Suggested Remedy
Suggested new text should not be adopted.

Proposed Response  
Response Status: W

PROPOSED REJECT.

It has always been the intent of the IEEE patent policy to apply to anything that is a Compliant Implementation of normative or optional portions of a standard. Calling out examples like component does not change that intent.

The definition of Compliant Implementation has been changed to read:

“Compliant Implementation” shall mean a component, product, or service that conforms to mandatory portions, optional portions, or both, of the normative clauses of an IEEE Standard.
Proposed Response

PROPOSED REJECT.

Any determination of what constitutes reasonable is highly fact-specific and depends on all the facts and circumstances of the particular case. Not all circumstances can be predicted in advance. For this reason we object to the use of the word "should" and believe it should be changed to "could".

Furthermore, as explained earlier, the policy should reflect the existing industry practice by relating to end-user products, rather than components. Therefore the word "component" needs to be deleted. Another reason for the importance of deleting the word "component" is that fact that the value discussed here should be the value to the end user. The value of the patented technology to a component is not measured on the component level, but rather on the end user's experience level.

The reference to “alternatives available” is unfeasible and does not predict the value of the technology to the end-user, regardless of whether it was incorporated into the standard.

As also recognized by recent U.S. case law, the most useful element for evaluating the reasonableness of a rate is by comparing it to the rate already paid by existing licensees.

SuggestedRemedy

Change suggested text to say (new text is in red font, deleted text is striked):

“Reasonable Rate” shall be a rate that is based on all relevant factors. Some of the factors to be considered in license negotiation or in dispute resolution over licensing terms should/could include:

1. Rates paid by other, existing, licensees

2. The value that an Essential Patent Claim contributes to the total value of the component, product, or service into which it is incorporated.

1.3. The aggregate value that Essential Patent Claims contribute to the component, product, or service.

Proposed Response

PROPOSED ACCEPT IN PRINCIPLE.

We have deleted the phrase "with alternatives available". We accept the proposed insertion of the word "essential" in factor 3. We have deleted the word "dispute". For the remainder of this suggestion, please see the current version of the recommended text.
The proposed text prescribes something that is completely undoable in real life. Especially the suggestion to consider "The value of the invention or inventive feature within an Essential Patent Claim compared with alternatives available when the invention or inventive feature was considered for inclusion in the Proposed IEEE Standard" is based on false assumptions that this is a feasible approach. Such text ignores the fact that, in practice, the second best alternative also is protected by patents. Furthermore, it also ignores the fact that a standard development project relies on the principle of choosing the "best technical solution" which has shown to be necessary in development of standards if they are to meet market requirements.

Suggested Remedy: The proposed text should not be adopted. In other words: Delete the proposed text “The value of the invention or inventive feature within an Essential Patent Claim compared with alternatives available when the invention or inventive feature was considered for inclusion in the [Proposed] IEEE Standard”. See in the above proposed change to lines 47-53 above.

Proposed Response: PROPOSED REJECT.

We do not agree with the commenter’s assertion. The recommended text for “Reasonable Rates” has been revised in response to other comments received.


Proposed Response: PROPOSED ACCEPT.

We agree with the general principle that reciprocity should not cover non-essential patents, but rather, only essential patents (both terms in lower case letters).

However, we are not sure the proposed language is workable given that commercial products typically incorporate multiple standards from multiple SDOs while the proposed new text that uses the capitalized term “Essential Patent Claims” and is thus limited to IEEE essential patents.

In other words, the proposed text is inconsistent with market realities.

SuggestedRemedy: This text should not be adopted.

We cannot find a fix to this problem within this time frame. We may be able to agree to a formulation that uses the terms “essential” and “non-essential” (both lower-case) without further definition. We would need to see such formulation.

Proposed Response: PROPOSED REJECT.

The commenter is correct in that the IEEE Patent Policy only addresses reciprocity for the same IEEE Standard. Essential Patent Claims for non-IEEE standards are intentionally not addressed by this policy. Reciprocity requirements, if any, for non-IEEE standards may be addressed by those other SDOs.
The proposed change in language from “Letter of Assurance” to “Licensing assurance” is unacceptable, for the following reasons: (1) it is undefined; (2) Even if it were defined, it appears as an attempt to sneak through the back door multiple other suggested revisions – such as those in lines 16-17, and 126-136, because the phrase “licensing assurance” could arguably be taken to suggest that the patent holder waived his rights to an injunction against licensees who fail to negotiate in good faith towards a RAND license. The concern of licensees’ failure to negotiate in good faith towards a RAND license is concrete, real, and well-known, especially to some of the companies on the ad-hoc committee who have recently been found by judicial bodies to engage in such conduct. (3) It changes the current balanced status quo of the by-laws because the proposed added new text is not balanced through an addition of a counter-text that establishes the duty of potential licensee to negotiate in good faith towards a RAND license. As noted below in the comment to lines 85-91, the letter of assurance involves making a RAND license offer. For the license to conclude there needs to be a willing licensee on the other end.

Suggested Remedy
The proposed revision should not be adopted

Proposed Response Response Status W
PROPOSED REJECT.

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

As to “licensing assurance,” IEEE requests that a Submitter assure that it will make licenses available. The language has been revised to clarify this point.

The current policy has served the IEEE and industry well in leaving some flexibility in terms of where to license Essential Patent Claims in the value chain while ensuring market access for all industry players. Changing this according to the proposed revision will have severe effects on industry cross-licensing, freedom to enter the market and operate in it and, ultimately, access to market for holders of Essential Patent Claims.

The proposed new “will grant” text in line 85 changes the current RAND commitment into something completely different. The commitment is currently a commitment to offer a license on RAND terms. The conclusion (or “granting”) of a license is a two-way street. A license cannot be granted unilaterally, where there is no willing licensee on the other side.

The language “demonstrably free of any unfair discrimination” needs to be omitted because it imposes a difficult burden of proof on patent holders, especially since their other licensing agreements are subject to non-disclosure clauses. Imposing such an impractical burden on patent holders would increase litigation and assist unwilling licensees in engaging bad faith delays of licensing negotiations.

Suggested Remedy
The proposed revision should not be adopted

Proposed Response Response Status W
PROPOSED REJECT.

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

As to “demonstrably free,” this is not new language.

The commenter is correct in that the IEEE Patent policy only addresses reciprocity for the same IEEE Standard. Essential Patent Claims for non-IEEE standards are intentionally not addressed by this policy. Reciprocity requirements, if any, for non-IEEE standards may be addressed by those other SDOs.
The proposed text is inconsistent with the very nature of the RAND commitment. IEEE-SA’s thriving success and the great success of its numerous technical standards, as evidenced in its July 30th 2013 Senate testimony, are based on the RAND balancing ecosystem that has worked well for IEEE SA and its standard for many years, and continues to work well today.

The proposed text attempts to change the commitment, by reading into the RAND commitment a new and significant derogation from the patent holder’s property right. Such derogation significantly tilts the RAND balance, in a manner that may well discourage many members’ participation in future IEEE standard setting, on many levels, and is therefore unacceptable.

Furthermore as a reminder, and as noted above, like any other proposed changes to the IP policy, this change can only be forward-looking. RAND commitments are contractual in nature, and their terms were determined by submitting an LOA while taking into account the terms and conditions of the IEEE patent policy in effect at the time LOA was being considered and submitted. In this regard, the patent policy in effect at the time the LOA was submitted served as a promise, upon which certain patent holders relied and carefully considered before voluntarily submitting their patents to voluntary RAND commitments that encumber them. Therefore, under the doctrine of promissory estoppel, the terms of the RAND contractual commitment and have become part and parcel of specific LOAs.

The proposed new text appears to be directed at preventing the current efficient practice of licensing of portfolios of essential patents, or at least making it very difficult to license portfolios of standard essential patents. Instead, the new text encourages an “infringe and litigate” strategy on behalf of the potential licensee, litigating patent per patent, jurisdiction by jurisdiction, only paying when a final court decision tells you to do so.

The proposed text discourages mutually negotiated agreements, which would be in the better interest of industry. European and U.S. antitrust officials have both acknowledged the significant shortcomings of the proposed litigious approach. A better way of providing willing licensees shelter from injunctions is the Balanced Safe Harbor Approach, submitted to both ETSI and ITU by a multiple companies including Ericsson.

The proposed revision should not be adopted.

The proposed revision should not be adopted.

We believe these updates maintain an appropriate balance between the licensor and potential licensee. While we disagree with the commenter’s assertions, please note that the wording in this area has changed and should be reviewed.
Proposed Response

PROPOSED REJECT.

Not actionable

Suggested Remedy

"Compliant Implementation" shall mean a component, product, or service that conforms to mandatory and/or optional portions of the normative clauses of an IEEE Standard. If an implementer of mandatory portions of the normative clauses of an IEEE Standard has also chosen to conform to optional portions of the normative clauses of that IEEE Standard in a component, product, or service, then the component, product, or service that conforms to mandatory and optional portions of the normative clauses of an IEEE Standard shall be a "Compliant Implementation" both as to the aspects of the component, product, or service that conform to the mandatory portions and the normative portions. For the avoidance of doubt, if a component, product, or service implements only a portion of an IEEE Standard, but implements the entire standard when used together with other components, products, or services, the aspect of the component, product, or service that partially implements the IEEE Standard is a "Compliant Implementation".

Proposed Response

PROPOSED ACCEPT IN PRINCIPLE.

The definition now reads:

"Compliant Implementation" shall mean a component, product, or service that conforms to mandatory portions, optional portions, or both, of the normative clauses of an IEEE Standard.
The author believes that the IEEE and its community of users would be best served through the adoption of a fully-elicited definition of FRAND that includes the principle that a FRAND royalty should be assessed against a royalty base consisting, at the most, of the smallest salable unit that implements the claim in question in whole or in part. The author also believes that the application of proportionality, as a starting point but not an ending point of the FRAND analysis, will help address the problem of royalty stacking.

Nevertheless, motivated by the goal of reaching consensus quickly, and recognizing that both the application of smallest salable unit and the inclusion of an express requirement of proportionality have been the focus of critical commentary in past discussions of defining RAND or FRAND in the ITU and other forums, the author is currently focusing his proposed changes to address the definition of FRAND at a higher level of generality. Specifically, the author proposes the following: In introductory text, move away from limiting evaluation of "reasonableness" with reference to monetary terms ("rates"), and toward more holistic consideration of licensing terms sought. Also in introductory text, identify enumerated factors as mandatory, while continuing to recognize possibility that other factors merit consideration.

In first factor, make use of ex ante value more specific, particularly in light of US and EU comments during FRAND discussion at September ITU-T meeting. Also, potentially set time at which consideration of value relative to alternatives at time of finalization of standard rather than at time of selection for inclusion, as earlier time may exclude alternatives that could have been proposed subsequently. In second factor, track "value of patent to the standard, and value of standard to the product" formulation in Judge Robart's opinion in Microsoft v. Motorola (see page 7 of opinion). In third factor, address vagueness of current language and make consideration of stacking concerns more explicit.

Existing Bylaws text is in black. Text proposed for revision by the Ad Hoc in the version circulated on the pp-dialog list serve in August 2013 is in blue. Text proposed for revision is in red. Alternative text for consideration is in green.

**Suggested Remedy**

Reasonable Rate Terms and Conditions shall be determined in licensing negotiations or dispute resolution based on a consideration of relevant factors, including the following: 1. The value of the invention or inventive feature within an Essential Patent Claim compared with alternatives available when the invention or inventive feature was considered for inclusion in the [Proposed] IEEE Standard or [potential alternative: the IEEE Standard containing the invention or inventive feature was finalized], and independent of any change in the value of the Essential Patent Claim that may have resulted from its inclusion in the IEEE Standard. 2. The value that an Essential Patent Claim contributes to the IEEE Standard, and the value that the IEEE Standard contributes to the total value of the component, product, or service into which it is incorporated. 3. The aggregate cost of implementing the IEEE Standard that would result if all owners of Essential Patent Claims for that IEEE Standard sought similar terms from implementers of the IEEE Standard in components, products, or services. value that all Essential Patent Claims contribute to the component, product, or service.
The recommended text has been revised in response to other comments received. The commentor is invited to review that text to determine whether his comment has been addressed.

**Suggested Remedy**

"Reciprocal Licensing" shall mean that the Submitter of an LOA has conditioned its granting of a license for all of its Essential Patent Claims upon the applicant's agreement to grant a reciprocal license with **Reasonable Terms and Conditions** to all of the applicant's Essential Patent Claims, if any, for the referenced IEEE standard, including any previous or subsequent amendments, corrigenda, editions, and revisions. If an LOA references any amendment or corrigendum (including through a reference to amendments or corrigenda that may be added in the future), the scope of reciprocity includes the base standard and its amendments, corrigenda, editions, and revisions.

**Proposed Response**

PROPOSED REJECT.

We agree with the statement that early submitters should not be disadvantaged, but we disagree that the recommended text creates any such disadvantage. The scope of reciprocity is a base standard and its current and future amendments, corrigenda, revisions and editions. You don't have to know about a future amendment to the base standard to be able to demand reciprocity for it.
On a Letter of Assurance, the Submitter may indicate a condition of Reciprocal Licensing. The Submitter may provide multiple licensing options to prospective licensees, including options that grant licenses to Patent Claims that are not Essential to the referenced IEEE Standard and/or require reciprocal licenses to patents that are not essential to the IEEE Standard. However, at least one option the Submitter provides shall require (a) reciprocity limited to the applicant's grant of its Patent Claims that are Essential to the referenced IEEE standard; and (b) that the applicant take a license only to the Submitter's Patent Claims that are Essential to the referenced IEEE Standard, shall not require the applicant (a) to grant a license to any of the applicant's Patent Claims that are not Essential Patent Claims for the referenced IEEE Standard, or (b) to take a license for any of the Submitter's Patent Claims that are not Essential Patent Claims for the referenced IEEE Standard. Nothing in this policy shall prohibit a licensor and licensee from voluntarily negotiating any license under terms mutually agreeable to both parties.

Proposed Response
We believe the requested flexibility already exists because of the text that states:

"Nothing in this policy shall prohibit a licensor and licensee from voluntarily negotiating any license under terms mutually agreeable to both parties."

Suggested Remedy

Proposed Accept in Principle.

We have struck "or specific licensing terms" and added a reference to clause 5.3.10 of the IEEE-SA Standards Board Operations Manual.
Comment Type: S | Comment Status: D | Transfer-1

Existing language only covers transfers or assignments made "with the intent of circumventing or negating any of the representations and commitments made in such Letter of Assurance". From the perspective of the prospective licensee, it does not matter what motivated the intra-affiliate assignment or transfer. What matters is that the effect of the transfer is that the submitter of an LOA is now unable to grant the license to EPCs that it committed to license in its LOA, and the assignee or transferee affiliate is claiming not to be bound. The revision removes the "intent of circumventing" language and makes clear that the transfer does not deprive the implementer of the right to receive a license.

Existing Bylaws text is in black. Text proposed for revision by the Ad Hoc in the version circulated on the pp-dialog list serve in August 2013 is in blue. Text proposed for revision is in red. Alternative text for consideration is in green.

Suggested Remedy

Replace current text with the following:

As to any Essential Patent Claims that are the subject of a Letter of Assurance that contains a commitment to license such Essential Patent Claims from the Submitter, no assignment or other transfer, directly or indirectly, from the Submitter of such Letter of Assurance to an Affiliate of the Submitter (except for an Affiliate excluded in such Letter of Assurance) shall deprive any implementer of a Compliant Implementation of the right to receive a license on Reasonable Terms and Conditions from such assignee or transferee Affiliate.

Proposed Response | Response Status: W | PROPOSED REJECT.

The paragraph to which this comment is addressed must be read in the context of the following paragraph. That succeeding paragraph addresses issues of actual effects. The prior paragraph is intended to capture unanticipated cases. For those cases, a focus on intent is appropriate.
### Comment ID: 149

**Comment Type:** S  
**Comment Status:** D  
**Workman, Helene  
Apple**

**Proposed Response**

**Bylaws SC 6.1 P 1 L 16 # 149**

The term "normative clauses" should be defined in the policy including with respect to optional and alternative portions of an IEEE Standard.

**Suggested Remedy**

Add at the end of the "Compliant Implementation" definition: "Normative clauses of an IEEE Standard are those portions of an IEEE standard that are expressly identified as required for compliance with an IEEE Standard, including those portions of an optional or alternative portion of an IEEE Standard that are identified as required for compliance with such optional or alternative portion. For clarity, those portions of an IEEE Standard, including any portions of an optional or alternative portion thereof, which are designated by the terms "must", "shall", "mandatory", "normative", or "required" are expressly identified as being required for compliance."

**Response Status:** W  
**Comment Status:** D  
**Compliant-1**

In IEEE Standards, normative clauses are all clauses of the standard unless they are explicitly marked informal. We believe this is well understand in IEEE standards.

### Comment ID: 150

**Comment Type:** S  
**Comment Status:** D  
**Workman, Helene  
Apple**

**Proposed Response**

**Bylaws SC 6.1 P 2 L 46 - 47 # 150**

Consideration of the factors should be mandatory (although additional factors may be considered).

**Suggested Remedy**

Change second sentence of "Reasonable Rate" definition to read as follows: "The factors to be considered in license negotiations or in dispute resolution shall include:"

**Response Status:** W  
**Comment Status:** D  
**Reason-1**

We have reworded the text to indicate "at least the following three factors."
It should be clarified and reinforced that the value of any Essential Patent Claim required for implementation of an IEEE Standard should be assessed apart from any value associated with its being incorporated into an IEEE Standard.

**Suggested Remedy**

The Reasonable Rate factors list should include the following: "The value of any Essential Patent Claim required for implementation of an IEEE Standard should be assessed apart from the change to the value of the Essential Patent Claim that results from the inclusion of the Essential Patent Claim in an IEEE Standard and should be assessed as of the time the decision is made to include the invention claimed in the Essential Patent Claim required for implementation of an IEEE Standard."

**Proposed Response**

PROPOSED ACCEPT IN PRINCIPLE.

We have reworded factor 1 to include this principle more clearly.

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It should be clarified and reinforced that a Reasonable Rate should presumptively reflect a party's pro rata ownership of actual Essential Patent Claims as compared to the total, industry-wide pool of such assets. The proportional rate should guide the Essential Patent Claim owner's initial offer and should inform the final terms of any license.

**Suggested Remedy**

The Reasonable Rate factors list should include the following: "The starting point for the evaluation of a Reasonable Rate for an Essential Patent Claim required for implementation of an IEEE Standard should be a party's pro rata ownership of Essential Patent Claims required for implementation of a particular IEEE Standard compared to the total, industry-wide pool of Essential Patent Claims required for implementation of that IEEE Standard. This application of the principle of proportionality is a presumption only, and is without prejudice to the ability of the owner of an Essential Patent Claim that is required for implementation of an IEEE Standard to seek a higher rate based on what it believes to be the special contribution the inventions described in the Essential Patent Claim make to an IEEE Standard or the ability of the prospective licensee to seek a lower rate based on what it believes to be the relative lack of importance of the inventions described in the Essential Patent Claim that is required for implementation of an IEEE Standard to that IEEE Standard."

**Proposed Response**

PROPOSED ACCEPT IN PRINCIPLE.

In looking at the aggregate value that all Essential Patent Claims contribute, we believe that a single patent holder's pro rata portion of them could be appropriately considered. Please see the updated text for factor 3.

---

Related claims and defenses such as non-infringement, invalidity and unenforceability should be adjudicated and those resolutions should be a factor in the Reasonable Rate.

**Suggested Remedy**

The Reasonable Rate factors list should include: "Adjudications of related claims and defenses such as non-infringement, invalidity and unenforceability."

**Proposed Response**

PROPOSED ACCEPT IN PRINCIPLE.

The recommended text no longer refers to "disputes," and discussion of "Adjudication of related claims and defenses" is not appropriate for this text. The text does not, however, exclude consideration of infringement, validity, or enforceability.
1. **Comment ID 155**
   - **Proposed Response**
   - **Response Status** W
   - **Proposed Reject.**
   - It should be clarified and reinforced that the policy does not shift burdens of proof.
   - **Suggested Remedy**
     - Add the following: "The policy does not shift burdens of proof. The burden of proving infringement, essentiality, and entitlement to a particular Reasonable Rate for a valid, infringed, and enforceable Essential Patent Claim that is required for implementation of an IEEE Standard, including, for example, a Reasonable Rate that diverges from a Reasonable Rate based on proportionality principles, shall be on the owner of the Essential Patent Claim."
   - **PROPOSED REJECT.**
   - We do not believe this clarification is necessary.

2. **Comment ID 156**
   - **Proposed Response**
   - **Response Status** W
   - **PROPOSED REJECT.**
   - In light of lines 115 to 124 which requires a transferor of Essential Claims to bind any assignee or transferee of an Essential Patent Claim to the terms of an Accepted LOA, it is not clear why the text in lines 109 to 114 (which relates to prohibitions on transfer of Essential Patent Claims with the intent of circumventing the commitments made in an Accepted LOA) is necessary.
   - **Suggested Remedy**
     - Delete the language in lines 109 to 114.
   - **PROPOSED REJECT.**
   - This will be addressed in an FAQ rather than directly in the policy.

3. **Comment ID 158**
   - **Proposed Response**
   - **Response Status** W
   - **Proposed Reject.**
   - "a component, product, or service" is extending the original scope of the licensing commitment to functionality beyond the IEEE standard compliant functionality. This is not acceptable.
   - **Suggested Remedy**
     - Delete the entire definition.
     - Optionally:
       - Delete "a component, product, or service".
   - **PROPOSED REJECT.**
   - It has always been the intent of the IEEE patent policy to apply to anything that is a Compliant Implementation of normative or optional portions of a standard.
   - Licensing of essential patents claims currently occurs at all levels. This text makes that current practice clear.
**Comment ID** 160  
**Page 57 of 88**  
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**Comment ID** 160

**Comment Type:** S  
**Comment Status:** D  
**Compliant-1**

The well established licensing practice is to license patents at the end user product level. As this is the current practice and widely accepted principle it would be good to insert this explicitly in the policy.

**Suggested Remedy**

Delete the entire definition.

**Optionally:**
Replace "a component, product, or service" with "those portions of an end-user product".

**Proposed Response**

**Response Status:** W  
**Proposed REJECT.**

It has always been the intent of the IEEE patent policy to apply to anything that is a Compliant Implementation of normative or optional portions of a standard. Calling out examples like component does not change that intent.

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**Comment ID** 161

**Comment Type:** S  
**Comment Status:** D  
**O-Defs-1**

The usage of 'commercially feasible' is very vague and causes uncertainties for implementers as to whether something is essential or not. It would be better to maintain and embrace the common practice where the 'commercially feasible' is not used in the definition of essentiality, and that the essentiality is defined strictly based on 'technical' merits.

**Suggested Remedy**

Delete "commercially and".

**Proposed Response**

**Response Status:** W  
**Proposed REJECT.**

"commercially feasible" is in the current policy, and we are unaware of instances where that has been problematic.

---

**Comment ID** 162

**Comment Type:** S  
**Comment Status:** D  
**O-Defs-1**

As the second sentence of "essential Patent Claim" definition is only clarifying the first sentence, it is better to clarify this by adding "For the avoidance of doubt," in front of the second sentence.

**Suggested Remedy**

Add "For the avoidance of doubt," in the beginning of the sentence to become: "For the avoidance of doubt, an Essential Patent Claim does not include any...".

**Proposed Response**

**Response Status:** W  
**Proposed REJECT.**

The existing text is largely the same as the current policy text. We are aware of no instances of misunderstanding.
The used definition rather creates more uncertainties than it solves. It is a long practice that SDOs do not take position to the bilateral negotiations of companies and this should be reiterated here. There is no reason to change the existing licensing practices, where the licensing negotiations are evaluating the actual benefits to end-users by the inventions to be licensed, and determining the reasonableness accordingly.

Proposed Response

Delete the definition of "Reasonable Rate"

Optionally:
Replace the definition of "Reasonable Rate" to be "Reasonable Rate’ shall be left for bilateral discussions between potential licensees and patent holders based on the evaluation of technical value of the inventions bringing to the end-user products."

PROPOSED REJECT.

Regulators have explicitly suggested that standards bodies may want to provide guidelines on what constitutes a FRAND rate. The recommended text for "Reasonable Rates" has been revised in response to other comments received.

The language "all relevent factors" is very unclear and creates confusion and future disputes between the members. It is not advisable that SDOs will further complicate the negotiations between IEEE members.

Proposed Response

Delete the definition of "Reasonable Rate"

Optionally:
Refraze this sentence as suggested above.

PROPOSED ACCEPT IN PRINCIPLE.

This definition has been rewritten and the text "all relevant factors" is no longer present.

The language "all relevent factors" is very unclear and creates confusion and future disputes between the members. It is not advisable that SDOs will further complicate the negotiations between IEEE members.

Proposed Response

Delete the definition of "Reasonable Rate"

Optionally:
Delete 48-50

PROPOSED REJECT.

We do not agree with the commenter’s assertion. The recommended text for "Reasonable Rates" has been revised in response to other comments received.
The reference to the component, product, or service, is too open ended. It would be much more exactly and practically expressed, if the value is in relation to the end-user value it introduces. This is only feasible method to value the invention. Any reference to valuation of invention based on the component value is superficial as the component might be used in different ways in various end-user products bringing varying value to end-users.

**Suggested Remedy**
- Delete the definition of "Reasonable Rate"
- Optionally: Replace this to "The value that an Essential Patent Claim contributes to the end-user product in which it is incorporated."

**Proposed Response**

```
We have made several changes to the definition of Compliant Implementation and Reasonable Rates and believe when used together are appropriate.
```

**Comment ID** 167

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It is impossible to estimate the aggregate value of all Patent Claims. It might be feasible to consider this at the end-user product level, where the valuation is much easier to be done, but this is already implied by above change proposal.

**Suggested Remedy**
- Delete the definition of "Reasonable Rate"
- Optionally: Delete 53

**Proposed Response**

```
We do not agree with the commenter's assertion. The recommended text for "Reasonable Rates" has been revised in response to other comments received.
```

**Comment ID** 168

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It is important to emphasize the need for a case by case analysis of licensing negotiations. In each licensing negotiation there are many factors impacting the Reasonable Rate that there cannot be any given formula to calculate it.

**Suggested Remedy**
- Delete the definition of "Reasonable Rate"
- Optionally: Add "As all licensing negotiations are individual with a lot of case specific business details, there is no attempt to create any exact definition for Reasonable Rate, but this is left solely for parties to settle within bilateral negotiations outside of IEEE."

**Proposed Response**

```
Although exact license terms are of course left for negotiation or judicial resolution, those processes occur within the context of IEEE's patent policy. We note, however, that the recommended text has been revised in response to other comments received. Please see this new text.
```

**Comment ID** 170
This is a clear change to existing practices, where reciprocity has been in purpose left undefined serving the interest of technology contributors. It is of utmost important to the technology contributors to ensure that in the case of cross licensing negotiations it can reciprocate. It is not necessary to define the scope of reciprocity in detail, as each licensing negotiation is different, and such definition may be misused against the interests of technology contributors. Strict definitions reduce the willingness of patent holders to contribute to standardization, i.e., they work against the IEEE mission.

**SuggestedRemedy**
Delete 55-60, leave 'reciprocal licensing' in lower case.

**Proposed Response**
PROPOSED REJECT.
We believe these clarification maintain an appropriate balance between the licensor and potential licensee. Further we note the text:

"Nothing in this policy shall prohibit a licensor and licensee from voluntarily negotiating any license under terms mutually agreeable to both parties."

**Comment Type** S  
**Comment Status** X  
**Recip-1**

IEEE specifications are widely referred by other standards. The proposed wording does not indicate how these referring standards are dealt with in the case of restricting reciprocity only to the IEEE standard the Essential Patent Claims of which are to be licensed. For example, if WFA specifications include additional Essential Patent Claims, it is not clear whether those patent holders may refuse to license them on RAND terms.

**SuggestedRemedy**
Delete 55-60.

**Proposed Response**
PROPOSED REJECT.

We have concluded that the IEEE policy will address reciprocity for the same IEEE standard.

**Comment Type** S  
**Comment Status** D  
**Recip-1**

IEEE specifications are within families, for example for 802 is one family, and within 802.11 is a sub-family of 802, and so on. The reciprocity in this kind of environment is difficult to define as such. It is much better to let it be mentioned only at general level rather than trying to restrict it to particular specifications per each sub-sub-family, which could have misintended consequences.

**SuggestedRemedy**
Delete 55-60.

**Proposed Response**
PROPOSED REJECT.

We have concluded that the IEEE policy will address reciprocity for the same IEEE standard.

**Comment Type** E  
**Comment Status** W  
**License-1**

The LoA should be called as Letter of Assurance rather than Licensing assurance. Using different terminology in the same matter is confusing and unnecessary.

**SuggestedRemedy**
Revert back to "A Letter of Assurance".

**Proposed Response**
PROPOSED ACCEPT IN PRINCIPLE.

We have changed the text to read "The licensing assurance the IEEE requests shall be either..." which is consistent with the text in the first paragraph of clause 6.2.

**Comment Type** E  
**Comment Status** D  
**License-1**

"compliant implementation" already includes the meaning of 'any' thus it is unnecessary to repeat here.

**SuggestedRemedy**
Delete "any".

**Proposed Response**
PROPOSED REJECT.

We believe "any" is correct.
The proposed change of 'a license will be made available' to 'the Submitter will grant a license' is not appropriate as it does not take into account other possible conditions, such as, reciprocity in the licensing situation. The original meaning is 'prepare to license' or 'will offer to license' that should be retained.

Proposed Response

Replace "the Submitter will grant" to "the Submitter is prepared to offer".

PROPOSED REJECT.

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

It is well understood that negotiations between the licensor and licensee will precede the actual granting of the license.

The wording "to an unrestricted number of applicants on worldwide basis" has been argued to mean in some discussions of SDO IP Policies that anyone should be able to have a license to patents without actually implementing the Specification. This interpretation is against IEEE's interest as this leads into situation, where partial implementations of IEEE specs might use the IP Policy to cherry-pick patent claims to their products that are not compatible with IEEE specs. This has not been the intention of technology contributors, and neither is it in the interest of IEEE. It is worthwhile to fix this argument by modifying the policy here to explicitly say that it is in the interest of IEEE only to grant licenses to parties who implement a complete specification.

Proposed Response

Replace "Essential Patent Claims to unrestricted number of applicants on worldwide basis without compensation or under Reasonable Rates," with "Essential Patent Claims to parties implementing the specification at the level of an end-user product without compensation (in case a RF commitment has been provided) or under Reasonable Rates (in case a RAND commitment has been provided)."

PROPOSED REJECT.

An Accepted Letter of Assurance shall apply to the Submitter and its Affiliates at the time the Letter of Assurance is provided, except that the Submitter may specifically exclude certain Affiliates identified in the Letter of Assurance.

PROPOSED REJECT.

This policy for affiliates is unchanged from the existing policy.

Given that this requirement is only for Compliant Implementations, we believe it is appropriate.
Proposed Response

D Bylaws SC P 3 L 95-98 # 179
Vaario, Jari Nokia

Comment Type S Comment Status D Recip-1

We strongly advise to delete. But if any specifications are retained reciprocity has to be a mutual requirement and we have to address a real problem from the licensor's angle as well. The real problem related to reciprocity is that applicants should not require licenses beyond SEP patents. This should be addressed here, or if deleted based on the above suggestion, somewhere else.

Suggested Remedy

Delete the entire definition.

Optionally:
Replace "The Submitter shall not require ..." with "Neither party shall require the other to grant a license to any of the Patent Claims of the other party that are not Essential Patent Claims for the referenced IEEE standards".

PROPOSED REJECT.

We do not agree with the commenter's interpretation. We believe that the recommended text is clear that a Submitter cannot require a potential licensee to take a license to non-essential patent claims as a condition of receiving a license for Essential Patent Claims.

Comment Status D
Response Status W
Recip-1

We do not agree with the commenter's interpretation. We believe that the recommended text is clear that a Submitter cannot require a potential licensee to take a license to non-essential patent claims as a condition of receiving a license for Essential Patent Claims.

Suggested Remedy

Delete ", or (b) to take a license for any license of the Submitter’s Patent Claims that are not Essential Patent Claims for the referenced IEEE standard." is an awkward request if read stand alone. Why should applicants enjoy such a free ride to all Submitter's other patents? If this is considered as part of reciprocal license requirement one may understand the intention, although one cannot agree with it, as the IEEE standards are referred by other standards where applicants may have patents and refuse to license them.

Suggested Remedy

Delete ", or (b) to take a license for any license of the Submitter's Patent Claims that are not Essential Patent Claims for the referenced IEEE standard." is an awkward request if read stand alone. Why should applicants enjoy such a free ride to all Submitter's other patents? If this is considered as part of reciprocal license requirement one may understand the intention, although one cannot agree with it, as the IEEE standards are referred by other standards where applicants may have patents and refuse to license them.

Suggested Remedy

Delete ", or (b) to take a license for any license of the Submitter's Patent Claims that are not Essential Patent Claims for the referenced IEEE standard." is an awkward request if read stand alone. Why should applicants enjoy such a free ride to all Submitter's other patents? If this is considered as part of reciprocal license requirement one may understand the intention, although one cannot agree with it, as the IEEE standards are referred by other standards where applicants may have patents and refuse to license them.

Proposed Response

PROPOSED REJECT.

Nothing in the policy prevents a licensor and a potential licensee from mutually agreeing to a license or cross license that extends beyond Essential Patent Claims.

Comment Type S Comment Status D Royalty-1

The statement that the submission of LoA would be at the same time an acknowledgement that monetary compensation would be sufficient to cover RAND conditions and terms is simply incorrect and inappropriate to put in the IP Policy. RAND commitment is, and has been always, much more than a simple monetary compensation.

Suggested Remedy

Delete the entire paragraph.

Proposed Response

PROPOSED REJECT.

Although we disagree with the suggested remedy, the recommended text has been updated:
"…statement signifies that reasonable terms and conditions, including without compensation or under Reasonable Rates, is sufficient compensation for a license to use those Essential Patent Claims."

Comment ID 182
The contest of this chapter has been debated at ETSI and ITU already over one year. There are several faults within the presented text, that are analyzed in below. However, it would be easiest just to remove the whole text.

**Proposed Response**

Delete the entire paragraph.

**Suggested Remedy**

Delete the entire paragraph.

**PROPOSED REJECT.**

Thank you for your information about ETSI and ITU.

---

The restriction for patent owner not to seek injunction against unwilling licensee is not for any SDOs to decide. The patent owner should be capable of licensing its patents to implementers, also to those who are building their business model for avoiding any royalty payments. If this right is taken away from patent owners there would be very little interest for participation in any standardization activities.

**Proposed Response**

Delete the entire paragraph.

**Suggested Remedy**

Delete the entire paragraph.

**PROPOSED REJECT.**

Any SDO patent policy provides some limitations on the actions that patent owners make take. We note, however, that the recommended text on Prohibitive Orders has been revised in response to other comments received. Please see this text.

---

Proposed text provides infinite possibilities for unwilling licensees to delay their obligations to take a license to Essential Claims, and as such is unacceptable to patent owners, i.e., the companies, who contribute the most to the creation of IEEE standards.

**Proposed Response**

Delete the entire paragraph.

**Suggested Remedy**

Delete the entire paragraph.

**PROPOSED REJECT.**

The comment is nonspecific, but the recommended text now addresses one potential source of delay (multiple levels of review).

---

We disagree with the commenter's implicit characterization of the recommended text and the patent policy.
“Policy Statement on Remedy for Standards-Essential Patents subject to Voluntary F/RAND Commitments” by US DoJ and USPTO should be considered to describe the circumstances where injunctive relief should be appropriate remedy.

Suggested Remedy

unless such alleged infringer fails to participate in proceedings before, or fails to comply with a final and non-appealable judgment of, an appropriate court(s) in that jurisdiction, the Submitter is not able to receive the sufficient compensation, for example, such alleged infringer refuses to pay what has been determined to be reasonable terms and conditions, such alleged infringer refuses to engage in an adjudication process in an appropriate court in that jurisdiction to determine reasonable terms and conditions or such alleged infringer is not subject to the jurisdiction of a court that could award damages. An appropriate court is one that has authority to adjudicate patent validity and infringement; determine reasonable licensing rates, terms and conditions; award monetary compensation for unpaid past royalties and declare a future royalty rate; and resolve defenses and counterclaims. Nothing shall preclude parties from agreeing to arbitrate any such issues.

Proposed Response

We have updated our definitions and other related text that, while not the same language suggested, makes improvements and clarifications. Further, we will consider additional clarifications in this area in a potential future FAQ.

The circumstances where injunctive relief is appropriate remedy and the definition of what is the reasonable terms and conditions should be similar to other standard setting organization (SSO).

We can understand that each SSO has its own IPR policy and the IPR policy should be defined independently. However, there could be some issues which should be defined in a coordinated manner among SSOs. We believe that the circumstances where injunctive relief is appropriate remedy and the definition of what is the reasonable terms and conditions are the issues to be defined in a coordinated manner, since if they were different among the SSOs, it will be confusing for both IPR holders, implementers. We recommend to discuss the issues with other SSOs.

Proposed Remedy

PROPOSED REJECT.

The IEEE proposal is public, and everyone has an opportunity to comment.

Without adequate knowledge of the provisions of SASB Operations Manual 6.3.5, which address LOA obligations relating to amendments and corrigenda, the reader of the sentence in lines 58-60 will likely infer a larger reciprocity obligation than the obligation imposed on LOA filers.

Suggested Remedy

Insert ", in accordance with SASB Operations Manual 6.3.5" at the end of the first sentence of the Reciprocal Licensing definition (lines 55-58) in the proposed amended Bylaws, SBBBylaws_050813.

Alternatively, delete the second sentence at lines 58-60, as the provisions regarding amendments, corrigenda are already described in SASB Operations Manual 6.3.5.

Proposed Response

PROPOSED REJECT.

When the Standards Board Bylaws are considered in their entirety (this is just clause 6) it is clear that multiple documents must be read to have a full understanding of the policy and its implementation.
Although the LOA already limits this provision to RAND, language should be included to further clarify that any proceedings or adjudication is about RAND, and that the tribunal's adjudication should be based on that principle.

**Suggested Remedy**

Make the following changes:
- insert "to determine RAND terms and conditions" after "proceedings" in line 132;
- Substitute "RAND" for "reasonable" in line 134
- Substitute "RAND royalties" for "monetary compensation" in line 135

The final text at lines 129-136 will then read:
"A Submitter of an Accepted LOA who has committed to license Essential Patent Claims shall neither seek, nor seek to have enforced, a Prohibitive Order in any jurisdiction based on alleged infringement of the Essential Patent Claims identified in the LOA against any alleged infringer unless such alleged infringer fails to participate in proceedings "to determine RAND terms and conditions" before, or fails to comply with a final and non-appealable judgment of, an appropriate court(s) in that jurisdiction. An appropriate court is one that has authority to adjudicate patent validity and infringement; determine reasonable RAND* licensing rates, terms and conditions; award RAND royalties monetary compensation for unpaid past royalties and declare a future RAND* royalty rate; and resolve defenses and counterclaims."

The final text at lines 129-136 will then read:
"A Submitter of an Accepted LOA who has committed to license Essential Patent Claims shall neither seek, nor seek to have enforced, a Prohibitive Order in any jurisdiction based on alleged infringement of the Essential Patent Claims identified in the LOA against any alleged infringer unless such alleged infringer fails to participate in proceedings "to determine RAND terms and conditions" before, or fails to comply with a final and non-appealable judgment of, an appropriate court(s) in that jurisdiction. An appropriate court is one that has authority to adjudicate patent validity and infringement; determine reasonable RAND* licensing rates, terms and conditions; award RAND royalties monetary compensation for unpaid past royalties and declare a future RAND* royalty rate; and resolve defenses and counterclaims."

**Proposed Response**

PROPOSED REJECT.

It is IEEE style to use "Reasonable Rates and other reasonable licensing terms and conditions" rather than the abbreviation RAND.

**Comment Status**

D

**Response Status**

W
Comment Type: S/ substantive  E/editorial  COMMENT STATUS: X/received D/dispatched A/accepted R/rejected
RESPONSE STATUS: O/open  W/written C/closed Z/withdrawn
SORT ORDER: Comment ID

**Proposed Response**

"Reasonable Rate" definition is not needed as royalty rates should be left to the parties and to the courts.

**Suggested Remedy**

- delete the proposed definition "Reasonable Rate"

Proposed Response

- Response Status: W
- PROPOSED REJECT.

Regulators have explicitly suggested that standards bodies may want to provide guidelines on what constitutes a FRAND rate. The recommended text for "Reasonable Rates" has been revised in response to other comments received.

**Proposed Response**

- Response Status: W
- PROPOSED REJECT.

The open and transparent process being used by the IEEE is a comprehensive discussion.

**Proposed Response**

- Response Status: W
- PROPOSED ACCEPT IN PRINCIPLE.

We have aligned the terms with 35 USC section 271 but have also included implement because some IEEE standards may involve services in addition to tangible goods.
Proposed Response

**Comment Type**: S

**Comment Status**: D

**Proposed Remedy**

- not clear why the language must be amended
- delete proposed changes

**Response Status**: W

PROPOSED REJECT.

In rare instances, an Accepted Letter of Assurance may indicate that the submitter declines to provide any licensing assurance as to its Essential Patent Claims. The primary change in this paragraph is to make clear that in that instance, this paragraph does not limit the Submitter’s ability to assign or transfer an EPC for which no licensing assurance has been provided.

---

Proposed Response

**Comment Type**: S

**Comment Status**: X

**Proposed Remedy**

- the statement "implicitly acknowledged that a royalty is sufficient compensation." ignores the complexity of SEP licensing and is misleading
- delete proposed changes

**Response Status**: W

PROPOSED REJECT.

Although we disagree with the suggested remedy, the recommended text has been updated:

"...statement signifies that reasonable terms and conditions, including without compensation or under Reasonable Rates, is sufficient compensation for a license to use those Essential Patent Claims."

---

Proposed Response

**Comment Type**: S

**Comment Status**: D

**Proposed Remedy**

A Submitter shall not Exclude a potential licensee, other than one in breach of a license agreement with the Submitter covering such Essential Patent Claim, unless the potential licensee fails, within sixty days of receiving a written request, to agree in writing i) to enter into a license pursuant to the Licensing Assurance and ii) in the case of dispute to participate in, and be bound by, Independent Adjudication of whether the terms and conditions offered are reasonable.

"Independent Adjudication" shall mean a fair, independent, and internationally-recognized adjudication process to determine whether any set of license terms and conditions offered by the Submitter is not inconsistent with its LOA; the Independent Adjudication shall consider relevant arguments in such determination, subject to the time constraints, but shall not be required to issue separate determinations of the essentiality, infringement, validity, or enforceability of any Essential Patent Claim. "Exclude" shall mean to actually enjoin (e.g. through enforcing an injunction or exclusion order) from implementing the IEEE standard referenced in such LOA.

**Response Status**: W

PROPOSED REJECT.

We believe the IEEE Patent Policy and these clarifications maintain an appropriate balance between patent holders and implementers.

We note, however, that the recommended text on Prohibitive Orders has been revised in response to comments received. Please review this text.
Proposed Response

Response Status W

PROPOSED REJECT.

We believe that, when used in a sentence with "component," the word "product" is understood to include consumer electronics, infrastructure equipment, and more.

We note that the definition of Compliant Implementation has been changed to read:

"Compliant Implementation" shall mean a component, product, or service that conforms to mandatory portions, optional portions, or both, of the normative clauses of an IEEE Standard.

Proposed Response

Response Status W

PROPOSED REJECT.

We note that the definition of Compliant Implementation has been changed to read:

"Compliant Implementation" shall mean a component, product, or service that conforms to mandatory portions, optional portions, or both, of the normative clauses of an IEEE Standard.

Proposed Response

Response Status W

PROPOSED REJECT.

The text in the policy was changed to match the corresponding text on the letter of assurance form that has been used for the last 5+ years.

Proposed Response

Response Status W

PROPOSED REJECT.

We do not believe the recommended text prevents the Submitter from making a license offer that includes multiple Essential Patent Claims to the same IEEE standard. The recommended text does prevent the submitter from making only a license offer that includes both essential and non-essential patent claims. Further we would note the following text from the policy:

"Nothing in this policy shall prohibit a licensor and licensee from voluntarily negotiating any license under terms mutually agreeable to both parties."
Comment Type S  Comment Status X  Royalty-1
Limitation that royalty is the only compensation is misguided since royalty is only one form of potential consideration in a transaction where Submitter licenses its Essential Patent Claims. We understand that the aim of this paragraph may be to prohibit access to non-essential IPRs of a potential licensee, however the suggested wording has broader impacts.

Suggested Remedy
Delete paragraph

Proposed Response  Response Status W
PROPOSED REJECT.

Although we disagree with the suggested remedy, the recommended text has been updated:

"...statement signifies that reasonable terms and conditions, including without compensation or under Reasonable Rates, is sufficient compensation for a license to use those Essential Patent Claims."

Comment Type S  Comment Status D  Prohib-1
Injunctions, as with all remedies for patent infringement, must remain an available remedy against unwilling licensees. Suggested wording encourages to patent-by-patent FRAND determination and litigation. It ignores essential IPR portfolio licensing aspects which are in the interest of Submitters.

Suggested Remedy
Delete paragraph

Proposed Response  Response Status W
PROPOSED REJECT.

Voluntary and mutually agreed licensing of portfolios is not prohibited under the policy.

Comment Type S  Comment Status D  Prohib-1
The sentence could be clearer. Further, it would be better not to require a "final and non-appealable judgement" because of the potential for excessive delays.

Suggested Remedy
Remove "fails to participate in proceedings before, or fails to comply with a final and non-appealable judgement of, an appropriate court(s) in that jurisdiction" and replace with "fails to participate in or to comply with the outcome of, an adjudication of reasonable licensing terms and conditions"

Proposed Response  Response Status W
PROPOSED ACCEPT IN PRINCIPLE.

The recommended text now expressly addresses the issue of appellate review. Please see this new text.
The sentence beginning "an appropriate court..." is confusing.

Suggested Remedy
Replace the sentence that begins "An approriate court..." in its entirety with the following sentence: "Such adjudication of reasonable terms and conditions must be made by a court or courts of competent jurisdiction (or, if mutually agreed, in an arbitration) that can award correspondingly appropriate monetary compensation for unpaid past royalties and declare a future royalty rate, and that will allow either party to assert related claims and defences such as validity, enforceability and non-infringement." Remove the last sentence as it is no longer necessary.

Proposed Response

We have created a definition of Appropriate Court to make this clear.

---

It may be appropriate to define the meaning of "fails to participate"

Suggested Remedy
Suggest inserting "A failure to participate arises when the prospective licensee (a) is not subject to the jurisdiction of any court(s) with the power to determine and award reasonable monetary compensation to the Patent Holder and will not voluntarily submit to such jurisdiction or to arbitration, or (b) is in bankruptcy and lacks the assets to accept an offer meeting reasonable terms and conditions."

Proposed Response

We have reworded the text to incorporate some of the concepts proposed in the remedy.

---

To the extent that "clarification" could involve retroactivity, this will be quite disruptive and surprising.

Suggested Remedy
Change "clarification" to "revision" which is used elsewhere in the documentation.

Proposed Response

We will consider using this text as a part of a potential future FAQ.

---

Is "Prohibitive" the best word available? Costs are "prohibitive" -- which carries a negative tone. And the term is not really precise. Proposed alternatives are explanatory and more neutral and not confusing with any existing term.

Suggested Remedy
Delete "Prohibitive Order". How about "Exclusory Relief" [or "Proscriptive Relief"]?

Proposed Response

We considered the alternatives proposed but believe prohibitive order is clear.
Proposed Response

Response Status W

PROPOSED REJECT.

We do not understand the need for this nor does the commenter provide any justification.

Proposed Response

Response Status W

PROPOSED REJECT.

We disagree with the commenter’s interpretation; however, we have reworded all three factors. Please review.

Proposed Response

Response Status W

PROPOSED ACCEPT IN PRINCIPLE.

We have updated factor 1 to include this concept.
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<th>Block, Marc Sandy</th>
<th>IBM Corporation</th>
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<td>PROPOSED REJECT.</td>
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<tr>
<td>While we don't agree with the proposed remedy, we would point out that the recommended text for &quot;Reasonable Rates&quot; has been updated, including factor 3.</td>
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| #241       |                    |                 |
| **Proposed Response** | **Response Status** | W |
| PROPOSED REJECT. |
| If the commenter intended to suggest that IEEE will set an "aggregate royalty", then we disagree with the commenter's interpretation of the recommended text. The commenter has not suggested a remedy. |

SuggestedRemedy
Delete bullet 3

Any consideration here about the possible need for confidential information? Assessing this factor may involve sales and strategies for various competitors. It is appreciated that regulators are pressing for more RAND determinations and definitions, but do the selected factors achieve that goal?

SuggestedRemedy
PROPOSED REJECT.
Thank you for your comment; however, no suggested remedy is provided.

We have deleted "all of" and suggest the recommended text on the definition of Reciprocal Licensing be reviewed.
First pass report - IEEE-SA PatCom - IEEE-SA Standards Board Bylaws 5th Aug 2013 draft comments

Block, Marc Sandy
IBM Corporation

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<th>Affiliates-1</th>
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<tbody>
<tr>
<td>“DoJ Proposals Before Lunch” bullets discussed possibility of reciprocity covering same standard or family [related] standards. I appreciate that the PatCom drafting committee stated they could not identify “related” standards. So I took a crack at it. I think the revision provides more openness, fairness, certainty, and ease of implementation.</td>
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<td>We have concluded that for the IEEE policy we will only address reciprocity for the same IEEE standard.</td>
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<td>The proposed revision in column G provides fairness and promotes broad, balanced access to EPCs. I understand that the “listed Affiliates” provision is legacy; instead of deletion, the proposed text in G is a workable compromise.</td>
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<td>We agree that a submitter that seeks an EPC license from a proposed licensee should not be permitted to withhold EPCs held by an otherwise excluded affiliate. Accordingly, the definition of “reciprocal license” now includes the following sentence: “A submitter shall have no ability to exclude affiliates if the submitter has indicated reciprocal licensing on an excepted letter of assurance.”</td>
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Block, Marc Sandy
IBM Corporation

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<th>Proposed Response</th>
<th>Response Status</th>
<th>Comment Status</th>
<th>Transfer-1</th>
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<tbody>
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<td>I rewrote text, but have sent red-line with transmittal note. I couldn’t red-line here. To the extent the IEEE draft [&quot;jurisdiction&quot; language] could result in unwarranted FUD and less usage of the Statement of Encumbrance (&quot;S/E&quot;) option, that would be unfortunate. It is unclear why the draft policy states an intent that license agreements extend to transferees and then seeks to discourage the effective way (S/E) of doing that. Suppose I agree you can walk through my yard. I tell the next owner that he must agree to let you walk on the yard, and successive owners shall include similar contractual obligations. But one of the owners sells the property without telling his buyer. A downstream BFP buyer w/o notice later tells you to get off the lawn. Some might have concerns with the contract approach. With the S/E, I would write into the transfer agreement that the rights purchased are subject to your right to walk through the yard. That carve-out should be included in later patent transfer agreements.</td>
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<td>On another point, while flowdown of the licensing assurance is appropriate, I question whether transferees must be subject to the disclosure requirement &quot;terms&quot; in the last paragraph of the LOA form. Ergo, the change in G proposes flowing down the &quot;licensing assurance terms&quot;.</td>
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Proposed Response: We agree with the principle that a patent holder cannot sell a right that it no longer owns. We also agree with the principle that an effort to evade the obligations imposed by a letter of assurance submitted by a patent's previous owner may be actionable under applicable competition laws. The recommended text was intended to address concerns that some have expressed that a statement of encumbrance may not be binding in some jurisdictions. We note that the recommended text has been changed, and the commenter should consider whether the changes address the commenter's concerns.

Proposed Response: We agree with the principle that a patent holder cannot sell a right that it no longer owns. We also agree with the principle that an effort to evade the obligations imposed by a letter of assurance submitted by a patent’s previous owner may be actionable under applicable competition laws. The recommended text was intended to address concerns that some have expressed that a statement of encumbrance may not be binding in some jurisdictions. We note that the recommended text has been changed, and the commenter should consider whether the changes address the commenter's concerns.

Proposed Response: Although we disagree with the suggested remedy, the recommended text has been updated:

"...statement signifies that reasonable terms and conditions, including without compensation or under Reasonable Rates, is sufficient compensation for a license to use those Essential Patent Claims."

See also our responses to similar comments on injunctions.
This IEEE draft provision on injunctive relief seems to address holdup but not holdout which may raise questions about balancing stakeholder interests.

1. The provision precludes not just being awarded injunctive relief, but precludes "seeking" or "pleading" such relief in a case that otherwise "allows the parties to raise all claims, defenses, etc." There is a real concern here with waiver of relief, if injunction is not pleaded at the start. After hearing the entire case, a court may likely not re-open proceeding to allow for owner to ask for exclusory/injunctive relief. Arguments about "conditional pleadings" and later "contempt" to sneak in injunctive relief are speculative, and suggest more litigation proof and expense for EPC owner.

2. Implementer conduct is immunized and irrelevant. What if (i) implementer does not respond to RAND offer; (ii) implementer does not agree to negotiate at all; (iii) implementer does not negotiate in good faith and unduly delays; (iv) implementer sues EPC owner under implementer SEPs (i.e., although the policy allows the EPC owner to seek reciprocity under RAND, the draft provision would prevent EPC owner from counterclaiming with injunction even if it was enjoined); (v) implementer engages in anticompetitive conduct, such as selling below cost; etc No implementer behavior gives rise to even pleading for injunctive relief (other than implementer defying a court order or not "participating in litigation" (which is to be read as avoiding jurisdiction).

3. Some insist that all issues (validity, infringement, etc) must be adjudicated before RAND royalties determined. Note Fed Cir Judge Rader. citing the Georgia Pacific case in the recent IP Innovation v Red Hat case, states that "hypothetical negotiation presumes [willing parties], with both parties assuming the patent is valid, enforceable, and infringed." The judge did not require all issues to be adjudicated before "reasonableness of royalty" is assessed. That should be considered in the IEEE draft that would disallow tribunals that consider although do not finally adjudicate such issues.

Suggested Remedy:

**PROPOSED REJECT.**

1. The commenter is invited (a) to point to specific jurisdictions where there is an issue as the commenter describes, and (b) to suggest a remedy that is consistent with the overall policy to limit the circumstances in which an Prohibitive Order may be sought.

2. The commenter is invited to review the new language concerning Prohibitive Orders, and consider whether the issues in (2) are resolved. If concerns remain, please provide a suggested remedy.

3. The recommended language does not require that the court resolve all potential claims or defenses. Rather it simply requires that the court be capable of resolving such issues, if the parties ask the court to do so.

Proposed Response **PROPOSED ACCEPT IN PRINCIPLE.**

The recommended text now expressly addresses the issue of appellate review. Please see this new text.

Suggested Remedy:

**PROPOSED REJECT.**

We agree that without other conditions being met, the ITC cannot issue an Prohibitive Order in a matter dealing with IEEE Essential Patent Claims.
Comment Type: S/Comment Status: D/Prohib-1
Where arbitration generally will not be authorized to address all issues, the IEEE draft provision restricts or precludes its use.

Suggested Remedy

Proposed Response
Response Status: W

PROPOSED REJECT.

While we do not agree with the commenter’s characterization, the recommended text now expressly addresses the issue of arbitration.

Comment Type: S/Comment Status: D/Prohib-1
The proposal in column G balances obligations. It recognizes that injunctive relief should not be available if the prospective licensee is in a safe harbor of “good faith”. On the other hand, it should avoid waiver of such relief in all cases. The proposal also clearly recognizes specific circumstances that have been widely acknowledged by various factions engaged in the injunction-RAND discussion.

Suggested Remedy

Delete and insert: “An LOA Submitter that has made an offer and agrees to negotiate a license that will embody FRAND terms should be allowed to include Exclusory Relief in its pleadings when a FRAND dispute is brought to a court, agency, or other tribunal that can assess equities, party conduct, reciprocity, and FRAND commitment and other factors, except that the parties stipulate that such relief shall not be granted as long as the prospective licensee (i) has agreed to and is actively engaged in negotiating FRAND terms in good faith, (ii) has not failed to comply with FRAND terms adjudicated between the parties, (iii) is subject to jurisdiction to resolve the RAND dispute, and (iv) is not asserting its EPC patents to enjoin the LOA Submitter.”

Proposed Response
Response Status: W

PROPOSED REJECT.

Please see the response to comment #248.

Comment Type: S/Comment Status: D/Reason-1
The structure of the proposed Reasonable Rate definition takes us down the wrong path. It is unremarkable to recognize that a Reasonable Rate should be “based on all relevant factors”; thus, the substance of the definition is in the subsequent list of “some of the factors” - a list of unclear significance. Are the listed factors being elevated above unlisted factors without regard to their actual degree of significance in a particular context? The factors that are actually relevant in any particular cases will vary in significance and utility depending on the context of the particular case. The proposed definition may add more uncertainty than it removes. While the IEEE-SA is not expert in invention valuation, there is a point that would be appropriate for the IEEE-SA to make - a point about a standards-specific aspect of royalty rate determination - a point that reflects the IEEE-SA’s interest.

The IEEE-SA could make it clear that a “Reasonable Rate” is based on the value of the claimed invention and not on any lock-in that might result from the invention being essential to an IEEE standard. How one goes about identifying the value of the invention is complex, multi-factored, and context-dependent and is not the focus of the IEEE-SA’s work.

Suggested Remedy

Replace the definition of ‘Reasonable Rate’ with the following: “A ‘Reasonable Rate’ is based on the value of the claimed invention and not on any lock-in that might result from the invention being essential to an IEEE standard.”

Proposed Response
Response Status: W

PROPOSED ACCEPT IN PRINCIPLE.

We have reworded the 1st factor to contain the concepts of your suggestion.
The revised wording that appears to flow from defining Compliant Implementation results in a licensing assurance that does not indicate that it is with respect to a particular IEEE standard.

**Suggested Remedy**

In both line 83 and line 88, after “Compliant Implementation” add “of the applicable IEEE standard”.

**Proposed Response**

PROPOSED REJECT.

We believe that the use of “an IEEE Standard” is correct in this context.

---

When the Letter of Assurance indicates that the Submitter will grant a license without compensation, the Submitter may indicate a condition of Reciprocal Licensing without compensation as long as the Letter of Assurance also indicates that the Submitter will grant a license with compensation on a condition of Reciprocal Licensing with compensation.

**Suggested Remedy**

Insert the following at the sentence break on line 95: “When the Letter of Assurance on which the Submitter has committed to license Essential Patent Claims on reasonable terms and conditions that are demonstrably free of any unfair discrimination shall include an indication that the Submitter acknowledges that a royalty is sufficient compensation for a license to use those Essential Patent Claims.”

**Proposed Response**

PROPOSED ACCEPT IN PRINCIPLE.

We have deleted the word “implicit.”

---

If the provision about “sufficient compensation” is included, rather than purporting to add an “implicit” acknowledgement to past LOAs the provision should refer to “express” acknowledgements embodied in future LOAs.

**Suggested Remedy**

If the paragraph is included, it should be replaced with the following: “A Letter of Assurance on which the Submitter has committed to license Essential Patent Claims on reasonable terms and conditions that are demonstrably free of any unfair discrimination shall include an indication that the Submitter acknowledges that a royalty is sufficient compensation for a license to use those Essential Patent Claims.”

**Proposed Response**

PROPOSED ACCEPT IN PRINCIPLE.

We have deleted the word “implicit.”

Please see the new text which incorporates this concept.
Proposed Response

"IEEE Standard" is used throughout the IEEE SA Standards Board Bylaws. If there are cases in clause 6 where "IEEE Standard" does not refer to a specific standard, then word "standard" should appear in lower case. We will correct any erroneous uses.

SuggestedRemedy

Define IEEE Standard among the definitions.

PROPOSED ACCEPT IN PRINCIPLE.

Comment ID 260

Bylaws SC 6.1 P 1 L 19, 20

RAES, Serge

Comment Type S Comment Status D Compliant-1

IEEE Standard is capitalized, but not defined.

SuggestedRemedy

Same comment as above. The issue is raised here in the context of the suppression of "Proposed" in front of IEEE Standard. This implies that some definitions and provisions would no longer apply to yet to be approved approved (i.e. draft) IEEE standards.

SuggestedRemedy

Evaluate the impact of the removal of "Proposed" before IEEE Standard and take this into account in the drafting of the definition of IEEE Standard, as suggested above.

PROPOSED ACCEPT IN PRINCIPLE.

We have reviewed the use of "[Proposed]" throughout the document and believe the few that remain are correct.

Comment ID 261

Bylaws SC 6.1 P 1 L 24, 40

RAES, Serge

Comment Type S Comment Status D Proposed-1

Same comment as above. The issue is raised here in the context of the word "[Proposed]" in front of IEEE Standard. It is unclear whether this implies the removal of the squared "Proposed" or something else.

SuggestedRemedy

Evaluate the impact of the removal of "Proposed" before IEEE Standard and take this into account in the drafting of the definition of IEEE Standard, as suggested above.

PROPOSED ACCEPT IN PRINCIPLE.

We have reviewed the use of "[Proposed]" throughout the document and believe the few that remain are correct.

Comment ID 262

Bylaws SC 6.1 P 2 L 44, 50, 69

RAES, Serge

Comment Type S Comment Status D Proposed-1

Same comment as above. The issue is raised here in the context of the word "[Proposed]" in front of IEEE Standard. It is unclear whether this implies the removal of the squared "Proposed" or something else.

SuggestedRemedy

Evaluate the impact of the removal of "Proposed" before IEEE Standard and take this into account in the drafting of the definition of IEEE Standard, as suggested above.

PROPOSED ACCEPT IN PRINCIPLE.

We have reviewed the use of "[Proposed]" throughout the document and believe the few that remain are correct.
Proposed Response
Evaluate the impact of the removal of "Proposed" before IEEE Standard and take this into account in the drafting of the definition of IEEE Standard, as suggested above.

We have reviewed the use of "[Proposed]" throughout the document and believe the few that remain are correct.

---

Comment ID 264
Page 79 of 88

Is a Prohibitive Order meant to be limited to only Compliant Implementation, as currently defined? The net effect would be that no Prohibitive Order could be asked or delivered against an implementation that is not fully compliant with an IEEE Standard (Draft or not). So, rubbish, faulty or incompatible products would possibly be added to or remain on the market place forever. That is not possibly intended.

Suggested Remedy
Take this into account in the definition of Compliant Implementation, in liaison with the definition of IEEE Standard, with all the above comments.

Proposed Response
We do not agree with the commenter's assertion. We believe that "rate" is understood to mean compensation, and that compensation could take a variety of different forms, such as a percentage of selling price, a flat amount per unit, or some other arrangement. Whether the "rate" would be "reasonable" in any given circumstance is beyond the scope of this response.

---

Comment ID 265
Page 79 of 88

Is the use of "rate" undefined without the definition of the object to which it applies? Example: if the rate is x%, it should be defined to what it applies, i.e. x% of WHAT?

Suggested Remedy
The highlighted problem does not occur when dealing with "Reasonable Fee". So, this approach should be considered as a fee may result from the application of a rate to an object (or many different rates to many different objects/bases).

Proposed Response
We do not agree with the commenter's assertion. We believe that "rate" is understood to mean compensation, and that compensation could take a variety of different forms, such as a percentage of selling price, a flat amount per unit, or some other arrangement. Whether the "rate" would be "reasonable" in any given circumstance is beyond the scope of this response.
"a rate that is based on all relevant factors". None of the listed factors is as defined above, i.e. x% of WHAT? The rate cannot then be based on such factors.

SuggestedRemedy
The sentence does not define precisely enough the value nor method to determine a value resulting from the application of a rate to SOMETHING.

Proposed Response  Response Status W
PROPOSED ACCEPT IN PRINCIPLE.

"All relevant factors" has been removed.

The factors have something to do with "the value of the invention", "the value of 1 or more Essential Patent Claims" as listed in items 1-3 (lines 48-53). However, no value or price (or method for determining such value/price) is offered. However, the (total) value of the component, product or service is offered twice, i.e. in items 2-3. It is unclear how the proposed definition can make any determination or make reference to an object which has been allocated a value or price.

SuggestedRemedy
Refer to the value of something that has been measured and published, such as the price (to be further defined, as there are multiple prices) of a component, product or service.

Proposed Response  Response Status W
PROPOSED REJECT.

We do not agree with the commenter's assertion. The recommended text for "Reasonable Rates" has been revised in response to other comments received.

Comparing item 2 (lines 51-52) to item 3 (line 53), it is unclear whether item 2 attempts to deal with Essential Patent Claims and the aggregate of all Essential Patent Claims, whereas item 3 should deal with all patent claims, i.e. both Essential and non-Essential ones?

SuggestedRemedy
Consider changing item 2 to read e.g. "The value that all of the patent holder's Essential Patent Claims contributes to the total value ... compared to the aggregate value that all Essential Patent Claims contribute to the same."

Proposed Response  Response Status W
PROPOSED ACCEPT IN PRINCIPLE.

We have added "Essential" to the third factor.
Comparing item 2 (lines 51-52) to item 3 (line 53), it is unclear whether the proposed items 2-3 definitions is for the same Patent Holder or not?

SuggestedRemedy

The aggregate value of all Patent Claims comprises both Essential Patent Claims and all other possibly implemented (or not) patent claims; given that the determination of the value of all Essential Patent Claims (from all the relevant SEP patent holders) is already difficult to determine, it is beyong normal human skills to identify all patent claims that may be embodied in any component, product or service. So, it is proposed to remove this item 3 entirely if it attempts to go beyong Essential Patent Claims.

Proposed Response

We have changed factor three to be "Essential Patent Claims."

Proposed Accept In Principle.

---

Why is the expansion of the definition of "Letter of Assurance" attempting to depart from its existing definition by providing another undefined concept "licensing assurance"?

SuggestedRemedy

Go back to the original text, i.e. "Letter of Assurance".

Proposed Response

We have changed the text to read "The licensing assurance that the IEEE requests shall be either..." which is consistant with the text in the first paragraph in clause 6.2

Proposed Accept In Principle.

---

The ownership or rights of the Submitter to the Essential Patent Claims is not established: hence, it cannot grant a license under the current wording.

SuggestedRemedy

Expand to "a license for ITS Essential Patent Claims". Suggested improvement: introduce the notion of having the rights to grant a license to cover the range of parties able to de jure grant such license.

Proposed Response

The Letter of Assurance form makes it clear that the Submitter can only provide assurance if it owns or has the ability to license a patent.

Proposed Reject.

---

Same comment as above on the use of "Reasonable Rates".

SuggestedRemedy

Verify that the new definition of "Reasonable Rates" fits in this place.

Proposed Response

We believe this is correct.

Proposed Reject.

---

Same comment as above on the use of "Reasonable Rates".

SuggestedRemedy

Verify that the new definition of "Reasonable Rates" fits in this place.

Proposed Response

We believe the text is correct.
<table>
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<tr>
<td>276</td>
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<td>Orange</td>
<td>RAES, Serge</td>
<td>Bylaws SC 6.2, P3, L92</td>
<td>Why is the expansion of the definition of “Letter of Assurance” attempting to depart from its existing definition by providing another undefined concept “licensing assurance” ?</td>
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<td><strong>Proposed Remedy</strong></td>
<td>Revert to the original definition, i.e. &quot;with its Letter of Assurance&quot;.</td>
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<td><strong>Proposed Response</strong></td>
<td>We have changed the text to read &quot;The licensing assurance that the IEEE requests shall be either…&quot; which is consistent with the text in the first paragraph in clause 6.2</td>
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<td>277</td>
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<td>82</td>
<td>D</td>
<td>Orange</td>
<td>RAES, Serge</td>
<td>Bylaws SC 6.2, P3, L112-113</td>
<td>&quot;and for which licensing assurance was provided on an Accepted Letter of Assurance&quot; is redundant with &quot;the representations and commitments made in the Accepted Letter of Assurance&quot; on lines 112-113 above. Otherwise, same comment relating to the use of &quot;licensing assurance&quot; instead of &quot;Letter of Assurance&quot;.</td>
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<td><strong>Proposed Remedy</strong></td>
<td>Remove redundant &quot;and for which licensing assurance was provided on an Accepted Letter of Assurance&quot;.</td>
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<td><strong>Proposed Response</strong></td>
<td>We believe the text as written is correct.</td>
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<td>278</td>
<td>S</td>
<td>82</td>
<td>D</td>
<td>Orange</td>
<td>RAES, Serge</td>
<td>Bylaws SC 6.2, P3, L115-116</td>
<td>&quot;covered by such LOA.&quot; does not mean an Accepted LOA. What is binding is the Accepted LOA.</td>
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<td><strong>Proposed Remedy</strong></td>
<td>Change to &quot;covered by such Accepted LOA.&quot;.</td>
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<td><strong>Proposed Response</strong></td>
<td>&quot;such&quot; refers back to the previous mention of an LOA which says &quot;Accepted LOA&quot;</td>
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**Proposed Response**

Revert to the original definition, i.e. "with its Letter of Assurance".

**Proposed Remedy**

Remove redundant "and for which licensing assurance was provided on an Accepted Letter of Assurance".

**Proposed Response**

We believe the text as written is correct.
The requirement that "A Submitter of an Accepted LOA who has committed to license Essential Patent Claims shall neither seek, nor seek to have enforced, a Prohibitive Order in any jurisdiction based on alleged infringement of the Essential Patent Claims identified in the LOA against any alleged infringer unless such alleged infringer fails to participate in proceedings before, or fails to comply with a final and non-appealable judgment of, an appropriate court(s) in that jurisdiction. An appropriate court is one that has authority to adjudicate patent validity and infringement; determine reasonable licensing rates, terms and conditions; award monetary compensation for unpaid past royalties and declare a future royalty rate; and resolve defenses and counterclaims." has been under extensive debate within the ETSI IPR SC and the ITU IPR AHG: both SSO have not yet reached a consensus text on this particular topic. Regulators have expressed a preference for the definition of a safe harbour, by which both the patent holder and the potential licensee will have as clear as possible criteria and lines of conduct in order to avoid the threat of a Prohibitive Order.

**Suggested Remedy**
Postpone this definition until the ITU IPR AHG has come to a consensus on a text, targeted on Friday 25/10/2013. It may also be advisable to postpone any final draft until the ETSI IPR SC has met and possibly concluded on a similar text (if not the same) at its meeting ending on 12/12/2013. Regulators have expressed their strong preference for a common text (or similar text) with the same scope and effect: otherwise, it would make litigations even more frequent and difficult to resolve world-wide.

**PROPOSED REJECT.**

It is the responsibility of the IEEE Standards Association to act in the best interests of IEEE. The IEEE proposal is public, and everyone (including representatives of other standards organizations) has an opportunity to comment.

"reasonable licensing rates": see comments related to the definition of "Reasonable Rates" above.

**Suggested Remedy**
Postpone changes until the whole paragraph is resolved as indicated above.

**PROPOSED REJECT.**

"future royalty rate": see comments related to the definition of "Reasonable Rates" above.

**Suggested Remedy**
Postpone changes until the whole paragraph is resolved as indicated above.

**PROPOSED REJECT.**

The text now says, "Prohibitive Order" shall mean an interim or permanent injunction, exclusion order, or similar adjudicative directive....
Comment ID 285

Comment Type E  Comment Status D  Reason-1

Lines 46 and 47 state what is close to a rationale for this clause. A "reasonable rate" shall be a rate that takes in to account "all relevant factors". The requirement then should be what are those factors should be included in determining what constitutes a "reasonable rate" in license negotiation or dispute resolution.

SuggestedRemedy

This text should be considered as rationale and moved to a separate rationale document and what follows as a requirement in the policy should be a description of the factors IEEE deems are relevant. The fact that there are many factors many experts contend are relevant to determining a reasonable rate (think of Georgia Pacific criteria for example) needs to be acknowledged somewhere in the policy or in a statement of rationale if some factors were selected and not others and the requirement should provide for the possibility there may be "relevant factors" not contained in the requirement or that all of the factors listed may not apply in specific situations.

Proposed Response Response Status W

PROPOSED REJECT.

Comment ID 286

Comment Type E  Comment Status D  Reason-1

The first term "value" comprises both "economic value" and "technical value or performance". The terms "compared with alternatives" sets up possible mismatch between value of an Essential Patent claim compared to an alternative when the comparison is more likely intended to be between the values of using an Essential patent claim and the "values" of alternative approaches that may use no or other essential patent claims.

SuggestedRemedy

Add "economic and technical" before first use of term "value" Add "economic and technical values of" before the term "alternatives" in line 49

Proposed Response Response Status W

PROPOSED REJECT.

Comment ID 287

Comment Type E  Comment Status D  Reason-1

Use of capital R G and F and I in the clause "Reasonable and Good Faith Inquiry" signals that this clause is a defined term.

SuggestedRemedy

substitute lower case r, g, f and i in the first letters of the clause or create a new clause that defines what is meant by "Reasonable and Good Faith Inquiry"

Proposed Response Response Status W

PROPOSED REJECT.

Reasonable and Good Faith Inquiry is a defined term. See approximately line 40.

Comment ID 288

Comment Type E  Comment Status X  Reason-1

The text of lines 115 and 116 beginning with "IEEE intends that ..." is a statement of the rationale for the requirements that follow. This statement of rationale should be transferred to a separate rationale document for the policy in order that the policy be internally consistent and so treat the inclusion of rationale similarly for all requirements.

SuggestedRemedy

Transfer this text to a rationale document

Proposed Response Response Status W

PROPOSED ACCEPT IN PRINCIPLE.

The IEEE Patent Committee already has a set of FAQs that provide additional information and rationale. These FAQs will be updated after the clarifications are complete; however, that does not preclude the IEEE from deciding to include rationale in the policy itself where it believes it is appropriate. We note, however, that the specific phrase "IEEE intends that" has been deleted.
It is the typical case that there will be more numerous implementors for a standard then there will be numbers of holders of ECs for a standard. So in a tally of simple numbers of parties that are going to be interested in the patent policy there are going to be more implementors than there are going to be holders of ECs. So simple numbers can produce a distorted view of what may be best policy. An approach that strives to balance the interests of holders of ECs and those that are going to be implementors will produce a "better" policy than one that is or may be dominated by one or the other interest group.

The proposed patent policy contains requirements new and different from those in the present patent policy. A reviewer of the proposed policy and readers of the final policy to understand in order to reach conclusions whether or not the overall policy or specific requirements are consistent with what the authors set out to be their purpose. Without such rationale authors of future revisions will not have the benefit of the thinking process the current authors used and the data they used leading to the text. As time passes and new data are generated requirements based on old or incorrect data may be more easily revised accordingly when the rationale for the original text is available than when the original rationale is not available. The text of the policy should as completely as possible strive for clear requirements that can be evaluated "pass or fail". The text of the policy should be internally consistent with itself either consistently including rationale for itself or consistently not including rationale for itself but not sometimes including rationale on requirements and sometimes not.

The IEEE Patent Committee already has a set of FAQs that provide additional information and rationale. These FAQs will be updated after the clarifications are complete; however, that does not preclude the IEEE from deciding to include rationale in the policy itself where it believes it is appropriate.
D Bylaw SC 6.1 P 1 L 16 # 292
Willingmyre, George
GTW Associates

Comment Type S
Comment Status D
Clarity-3

Does the new definition of "Compliant Implementation" as indicated by blue text change in any way the scope of components, products or services for which the patent policy may apply?

SuggestedRemedy
State a rationale for the definition of "Compliant Implementation" so that reviewers of the proposal and future readers of the policy will understand why the definition is what it is and how (or if) it has changed from previous policy text. It is particularly helpful for such a rationale to illustrate any problematic anecdotes.

Proposed Response Response Status W

PROPOSED REJECT.

No; this is simply a clarification.

D Bylaw SC 6.2 P 3 L 86 # 294
Willingmyre, George
GTW Associates

Comment Type S
Comment Status D
Recip-1

"All of its essential patent claims" may be interpreted to be more than those identified in a LOA. The term "potential licensee" is better word than "applicant" in lines 56 and 57. The clause "reasonable terms and conditions" might be interpreted not to include "royalty rates"

SuggestedRemedy
Change the word "its" to the word "the" and add "identified in the LOA" after the words Essential Patent Claim in line 56. Substitute the words "potential licensee's" for the word "applicant's" in line 56 and 57. Add the words "royalty rates" between the words reasonable and terms in line 57

Proposed Response Response Status W

PROPOSED REJECT.

1. Your understanding of "All of its Essential Patent Claims" is correct.

2. We have chosen to use Applicant, but please see the definition of Applicant.

3. "Reasonable terms and conditions" generally includes royalty rates, and adding it here is unnecessary.
The phrasing of lines 126 through 128 sets out that "A Submitter of an Accepted LOA" ... "has implicitly acknowledged" certain facts. A submitted LOA means exactly what the words in the LOA state, not less not more. If the purpose of the 3 lines is to reduce or address some current ambiguity what an accepted LOA means then the rationale for any explicit requirement needs to be something like "to address current ambiguity" and the requirement that addresses whatever is the current ambiguity needs to be something explicit. The authors should take in to consideration that the statement that the acknowledgement means that "a royalty is sufficient compensation" does not enjoy universal support and is rather like IEEE-SA informing someone what they really mean or after the fact meant when they submit or submitted an LOA. If the matter is important then there should be an explicit requirement. A potentially related matter is whether or not current makers of RAND assurances have implicitly agreed that monetary damages are sufficient to address instances of infringement of essential patent claims identified in the LOA.

**SuggestedRemedy**

Eliminate lines 126 through 128 or create a rationale for a new explicit requirement describing the problem or matter the text is supposed to address and then add such a new requirement in the policy.

**Proposed Response**

**PROPOSED REJECT.**

While we disagree with the proposed remedy, however, the text has been changed to read:

"...statement signifies that reasonable terms and conditions, including without compensation or under Reasonable Rates, is sufficient compensation for a license to use those Essential Patent Claims."

Based on information received at the meeting of the patent committee August 21 I understand that the rationale for the requirements in line 129 through 136 is to address the recommendations stated by a representative of the DOJ. "4. Place some limitations on the right of the patent holder who has made a F/RAND licensing commitment who seeks to exclude a willing and able licensee from the market through an injunction. S. Make improvements to lower the transactions cost of determining F/RAND licensing terms. Standards bodies might want to explore setting guidelines for what constitutes a F/RAND rate or devising arbitration requirements to reduce the cost of lack of clarity in F/RAND commitments..." An SDO really has no authority over the rights of a patent holder unless the owner first voluntarily agrees to give up that right. Therefor the requirements in this section need to be recast as as commitments a participant may make if the participants decide that is in their interests.

The present references to "final and non appealable judicial decisions" changes a present delicate balance in current patent policy between the rights and interests of owners of patents and the rights and interests of parties who need a license to use such patents away from the patent owner and toward those parties who need a license. Under the newly proposed wording Potential licensees may appeal judicial decisions and extend for years the time a final and non appealable decision consistent with the patent policy description is reached. The proposed policy text is inconsistent with the recommendation to "make improvements to lower the transition costs" in that it describes just a lengthy and expense litigation process that must be followed with no encouragement of arbitration procedures or other approaches to solve disputes that may be less expensive and time consuming than litigation. The absence of text describing the results of arbitration proceedings that merit at least the same treatment the draft presently limits to final and non appealable judicial decisions discourages use of such arbitration procedures. Former commissioner of the FTC Rosch has stated that whether an infringer has complied with the decision of an neutral arbitrator should be taken in to consideration by courts considering disposition of requests for injunctions "Commissioner Rosch thus submits that if a court concludes that a party, or its predecessor in interest, made a FRAND commitment with respect to a SEP, an injunction should be denied for that patent. In his view, the only exception to this is when the licensees refuses to comply with the decision of a federal court or some other neutral arbitrator defining the FRAND terms. (see [http://www.ftc.gov/os/2012/12/121205apple-motorolaamicusbrief.pdf](http://www.ftc.gov/os/2012/12/121205apple-motorolaamicusbrief.pdf) ) If the decision of a neutral arbitrator merits consideration in granting or not granting an injunction it should also merit IEEE reference as a potential condition for seeking an injunction. There could be other approaches that merit equivalent recognition.

**SuggestedRemedy**

If the rationale for this section is to address the recommendation(s) by a DOJ official then a rationale statement for this section needs to be created that so states and contains the text of the recommendation(s) that are the basis for the requirements. Whatever is the thinking of the authors why these requirements are what they are needs to be recorded. Recast the requirements as a commitment a holder of an ECP may voluntarily make if the participants decide that is in their interests.
**First pass report - IEEE-SA PatCom - IEEE-SA Standards Board Bylaws 5th Aug 2013 draft comments**

23rd Sep 2013

seek to have enforced" better text is "On a letter of Assurance the Submitter shall state it (use words that describe the objective, could be "shall neither seek or nor seek to have enforced ...") Add text describing the outcomes of arbitration procedures mutually agreed by the parties but which have not been met in a fashion that parallels the description of the "final and non appealable judgements" presently described.

Proposed Response

While we don't agree with all points of the comment, we have made changes to clarify the usage of arbitration.

Proposed Reject.

The phrase "in order for IEEE's patent policy to function efficiently" is a statement of rationale for later requirements. Without a definition of who are "individuals participating the standards development process" it may be ambiguous to whom the later requirements in the paragraph apply. For example does a person who attends a meeting and says nothing during the meeting fall within the definition? Does a member of a mailing list for a standard fall within the definition? Does a submitter of public comments on some public review of a draft standard fall within the definition?

Suggested Remedy

The phrase "in order for IEEE's patent policy to function efficiently" should be transferred from the patent policy to a separate document as a statement of rationale for the requirements that follow. Create a defined term for "participants" and substitute "participants" for the words "individuals participating in the standards development process".

Proposed Reject.

The language discussed in this comment exists in the current edition of the patent policy.