

6. Patents

6.1 Definitions

The following terms, when capitalized, have the following meanings:

“*Accepted Letter of Assurance*” and “*Accepted LOA*” shall mean a Letter of Assurance that the IEEE-SA has determined is complete in all material respects and has been posted to the IEEE-SA web site.

“*Affiliate*” shall mean an entity that directly or indirectly, through one or more intermediaries, controls the Submitter or Applicant, is controlled by the Submitter or Applicant, or is under common control with the Submitter or Applicant. For the purposes of this definition, the term “control” and its derivatives, with respect to for-profit entities, means the legal, beneficial or equitable ownership, directly or indirectly, of more than fifty percent (50%) of the capital stock (or other ownership interest, if not a corporation) of an entity ordinarily having voting rights. “Control” and its derivatives, with respect to nonprofit entities, means the power to elect or appoint more than fifty percent (50%) of the Board of Directors of an entity.

“*Applicant*” shall mean any prospective licensee for Essential Patent Claims. “*Applicant*” shall include all of its Affiliates.

“*Blanket Letter of Assurance*” shall mean a Letter of Assurance that applies to all Essential Patent Claims for which a Submitter may currently or in the future (except as otherwise provided for in these Bylaws and in the *IEEE-SA Standards Board Operations Manual*) have the ability to license.

“*Compliant Implementation*” shall mean any product (e.g., component, sub-assembly, or end-product) or service that conforms to any portion of a normative clause of an IEEE Standard.

“*Enabling Technology*” shall mean any technology that may be necessary to make or use any product or portion thereof that complies with the IEEE Standard but is neither explicitly required by nor expressly set forth in the IEEE Standard (e.g., semiconductor manufacturing technology, compiler technology, object-oriented technology, basic operating system technology, and the like).

“*Essential Patent Claim*” shall mean any Patent Claim the practice of which was necessary to implement either mandatory or optional portions of a normative clause of the IEEE Standard when, at the time of the IEEE Standard’s approval, there was no commercially and technically feasible non-infringing alternative to create a Compliant Implementation. An Essential Patent Claim does not include any Patent Claim that was essential only for Enabling Technology or any claim other than that set forth above even if contained in the same patent as the Essential Patent Claim.

“*Letter of Assurance*” and “*LOA*” shall mean a document, including any attachments, stating the Submitter’s position regarding ownership, enforcement, or licensing of Essential Patent Claims for a specifically referenced IEEE Standard, submitted in a form acceptable to the IEEE-SA.

“*Patent Claim(s)*” shall mean one or more claims in issued patent(s) or pending patent application(s).

“*Prohibitive Order*” shall mean an interim or permanent injunction, exclusion order, or similar adjudicative directive that limits or prevents making, having made, using, selling, offering to sell, or importing a Compliant Implementation.

“*Reasonable and Good Faith Inquiry*” includes, but is not limited to, a Submitter using reasonable efforts to identify and contact those individuals who are from, employed by, or otherwise represent the Submitter and who are known to the Submitter to be current or past participants in the development process of the [Proposed] IEEE Standard identified in a Letter of Assurance, including, but not limited to, participation in

41 a Sponsor Ballot or Working Group. If the Submitter did not or does not have any participants, then a
42 Reasonable and Good Faith Inquiry may include, but is not limited to, the Submitter using reasonable
43 efforts to contact individuals who are from, employed by, or represent the Submitter and who the Submitter
44 believes are most likely to have knowledge about the technology covered by the [Proposed] IEEE
45 Standard.

46 “*Reasonable Rate*” shall mean compensation that is based on the value contributed to a Compliant
47 Implementation by an Essential Patent Claim, appropriately compensates the patent holder for the practice
48 of such claim in a Compliant Implementation, and does not include the value, if any, resulting from the
49 Essential Patent Claim’s being essential to the IEEE Standard. In addition, determination of such
50 Reasonable Rates should consider at least:

- 51 • The value of the functionality of the claimed invention or inventive feature within the Essential
52 Patent Claim relative to the value of the overall functionality of the smallest saleable Compliant
53 Implementation that practices the Essential Patent Claim.
- 54 • The value of the Essential Patent Claim relative to the aggregate value that all Essential Patent
55 Claims contribute to the smallest saleable Compliant Implementation that practices such claims.

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58 “*Reciprocal Licensing*” shall mean that the Submitter of an LOA has conditioned its granting of a license
59 for its Essential Patent Claims upon the Applicant’s agreement to grant a license to the Submitter with
60 Reasonable Rates and other reasonable licensing terms and conditions to the Applicant’s Essential Patent
61 Claims, if any, for the referenced IEEE Standard, including any amendments, corrigenda, editions, and
62 revisions. If an LOA references an amendment or corrigendum, the scope of reciprocity includes the base
63 IEEE Standard and its amendments, corrigenda, editions, and revisions.

64 “*Statement of Encumbrance*” shall mean a specific reference to an Accepted LOA or a general statement
65 in the transfer or assignment agreement that the Patent Claim(s) being transferred or assigned are subject to
66 any encumbrances that may exist as of the effective date of such agreement. An Accepted LOA is an
67 encumbrance.

68 “*Submitter*” shall mean an individual or an organization that provides a completed Letter of Assurance. A
69 Submitter may or may not hold Essential Patent Claims. “*Submitter*” shall include all of its Affiliates
70 unless specifically and permissibly excluded.

71 **6.2 Policy**

72 IEEE standards may be drafted in terms that include the use of Essential Patent Claims. If the IEEE
73 receives notice that a [Proposed] IEEE Standard may require the use of a potential Essential Patent Claim,
74 the IEEE shall request licensing assurance, on the IEEE Standards Board approved Letter of Assurance
75 form, from the patent holder or patent applicant. The IEEE shall request this assurance without coercion.

76 The Submitter of the Letter of Assurance may, after Reasonable and Good Faith Inquiry, indicate it is not
77 aware of any Patent Claims that the Submitter may own, control, or have the ability to license that might be
78 or become Essential Patent Claims. If the patent holder or patent applicant provides an assurance, it should
79 do so as soon as reasonably feasible in the standards development process once the PAR is approved by the
80 IEEE-SA Standards Board. This assurance should be provided prior to the Standards Board’s approval of
81 the standard. An asserted potential Essential Patent Claim for which an assurance cannot be obtained (e.g.,
82 a Letter of Assurance is not provided or the Letter of Assurance indicates that licensing assurance is not
83 being provided) shall be referred to the Patent Committee.

84 The licensing assurance shall be either:

- 85 a) A general disclaimer to the effect that the Submitter without conditions will not enforce any

86 present or future Essential Patent Claims against any person or entity making, having made, using,
87 selling, offering to sell, or importing any Compliant Implementation; or,

88 b) A statement that the Submitter will make available a license for Essential Patent Claims to an
89 unrestricted number of Applicants on a worldwide basis without compensation or under
90 Reasonable Rates, with other reasonable terms and conditions that are demonstrably free of any
91 unfair discrimination to make, have made, use, sell, offer to sell, or import any Compliant
92 Implementation. Such a statement signifies that reasonable terms and conditions, including
93 without compensation or under Reasonable Rates, are sufficient compensation for a license to use
94 those Essential Patent Claims.

95 At its sole option, the Submitter may provide with its Letter of Assurance any of the following: (i) a not-to-
96 exceed license fee or rate commitment, (ii) a sample license agreement, or (iii) one or more material
97 licensing terms.

98 An Accepted Letter of Assurance shall apply to the Submitter, including its Affiliates. The Submitter,
99 however, may specifically exclude certain Affiliates identified in the Letter of Assurance, except that a
100 Submitter shall have no ability to exclude Affiliates if the Submitter has indicated Reciprocal Licensing on
101 an Accepted Letter of Assurance.

102 On a Letter of Assurance, the Submitter may indicate a condition of Reciprocal Licensing. The Submitter
103 shall not require the Applicant (a) to grant a license to any of the Applicant's Patent Claims that are not
104 Essential Patent Claims for the referenced IEEE standard, or (b) to take a license for any of the Submitter's
105 Patent Claims that are not Essential Patent Claims for the referenced IEEE standard. If an Applicant
106 requires compensation under Reciprocal Licensing to its Essential Patent Claims, then a Submitter may
107 require compensation for its Essential Patent Claims from that Applicant even if the Submitter has
108 otherwise indicated that it would make licenses available without compensation.

109 The Submitter and all Affiliates (other than those Affiliates excluded in a Letter of Assurance) shall not,
110 with the intent of circumventing or negating any of the representations and commitments made in the
111 Accepted Letter of Assurance, assign or otherwise transfer any rights in any Essential Patent Claims that
112 they hold, control, or have the ability to license and for which licensing assurance was provided on an
113 Accepted Letter of Assurance.

114 An Accepted Letter of Assurance shall be binding upon any and all assignees and transferees of any
115 Essential Patent Claim covered by such LOA. The Submitter agrees (a) to provide notice of an Accepted
116 Letter of Assurance either through a Statement of Encumbrance or by binding any assignee or transferee to
117 the terms of such Letter of Assurance; and (b) to require its assignee or transferee to (i) agree to similarly
118 provide such notice and (ii) to bind its assignees or transferees to agree to provide such notice as described
119 in (a) and (b).

120 The Submitter and the Applicant should engage in good faith negotiations (if sought by either party) or
121 may, when necessary, litigate or, with the parties' mutual agreement, arbitrate: over patent validity,
122 enforceability, essentiality, or infringement; Reasonable Rates or other reasonable licensing terms and
123 conditions; compensation for unpaid past royalties or a future royalty rate; any defenses or counterclaims;
124 or any other related issues.

125 The Submitter of an LOA who has committed to license Essential Patent Claims agrees that it shall neither
126 seek nor seek to enforce a Prohibitive Order in a jurisdiction unless the implementer fails to participate in,
127 or to comply with the outcome of, an adjudication, including an affirming first-level appellate review, if
128 sought by any party within applicable deadlines, in that jurisdiction by a court(s) that has the authority to:
129 determine Reasonable Rates and other reasonable terms and conditions; adjudicate patent validity,
130 enforceability, essentiality, and infringement; award monetary damages; and resolve any defenses or
131 counterclaims.

132 In jurisdictions where the failure to request a Prohibitive Order in a pleading waives the right to seek a
133 Prohibitive Order at a later time, a Submitter may conditionally plead the right to seek a Prohibitive Order
134 to preserve its right to do so later, if and when the conditions set forth in this policy are met.

135 Nothing in this policy shall preclude a Submitter and an implementer from agreeing to arbitrate over patent
136 validity, enforceability, essentiality, or infringement; Reasonable Rates or other reasonable licensing terms
137 and conditions; compensation for unpaid past royalties or a future royalty rate; any defenses or
138 counterclaims; or any other issues that the parties choose to arbitrate.

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

141 If, after providing a Letter of Assurance to the IEEE, the Submitter becomes aware of additional Patent
142 Claim(s) not already covered by an Accepted Letter of Assurance that are owned, controlled, or licensable
143 by the Submitter that may be or become Essential Patent Claim(s) for the same IEEE Standard but are not
144 the subject of an Accepted Letter of Assurance, then such Submitter shall submit a Letter of Assurance
145 stating its position regarding enforcement or licensing of such Patent Claims. For the purposes of this
146 commitment, the Submitter is deemed to be aware if any of the following individuals who are from,
147 employed by, or otherwise represent the Submitter have personal knowledge of additional potential
148 Essential Patent Claims, owned or controlled by the Submitter, related to a [Proposed] IEEE Standard and
149 not already the subject of a previously Accepted Letter of Assurance: (a) past or present participants in the
150 development of the [Proposed] IEEE Standard, or (b) the individual executing the previously submitted
151 Letter of Assurance.

152 A Letter of Assurance is irrevocable once submitted and accepted and shall apply, at a minimum, from the
153 date of the standard's approval to the date of the standard's transfer to inactive status.

154 Copies of an Accepted LOA may be provided to participants in a standards development meeting.
155 Discussion of essentiality, interpretation, or validity of Patent Claims is prohibited during IEEE-SA
156 standards-development meetings or other duly authorized IEEE-SA standards-development technical
157 activities. IEEE-SA shall provide procedures stating when and the extent to which patent licensing terms
158 may be discussed (see subclause 5.3.10 of the *IEEE-SA Standards Board Operations Manual*).

159 The IEEE is not responsible for

- 160 1. Identifying Essential Patent Claims for which a license may be required;
- 161 2. Determining the validity, essentiality, or interpretation of Patent Claims;
- 162 3. Determining whether any licensing terms or conditions provided in connection with submission of
163 a Letter of Assurance, if any, or in any licensing agreements are reasonable or non-discriminatory;
- 164 or,
- 165 4. Determining whether an implementation is a Compliant Implementation.

166 Nothing in this policy shall be interpreted as giving rise to a duty to conduct a patent search. No license is
167 implied by the submission of a Letter of Assurance.

168 In order for IEEE's patent policy to function efficiently, individuals participating in the standards
169 development process: (a) shall inform the IEEE (or cause the IEEE to be informed) of the holder of any
170 potential Essential Patent Claims of which they are personally aware and that are not already the subject of
171 an Accepted Letter of Assurance, that are owned or controlled by the participant or the entity the
172 participant is from, employed by, or otherwise represents; and (b) should inform the IEEE (or cause the
173 IEEE to be informed) of any other holders of potential Essential Patent Claims that are not already the
174 subject of an Accepted Letter of Assurance.