

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 mandatory or optional 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 a mandatory or optional portion 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 implementation method for such mandatory or optional portion of the normative clause. 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

40 [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
44 Submitter believes are most likely to have knowledge about the technology covered by the [Proposed]
45 IEEE Standard.

46 “*Reasonable Rate*” shall mean appropriate compensation to the patent holder for the practice of an
47 Essential Patent Claim excluding the value, if any, resulting from the inclusion of that Essential Patent
48 Claim’s technology in the IEEE Standard. In addition, determination of such Reasonable Rates should
49 include, but need not be limited to, the consideration of:

- 50 • The value that the functionality of the claimed invention or inventive feature within the Essential
51 Patent Claim contributes to the value of the relevant functionality of the smallest saleable
52 Compliant Implementation that practices the Essential Patent Claim.
- 53
- 54 • The value that the Essential Patent Claim contributes to the smallest saleable Compliant
55 Implementation that practices that claim, in light of the value contributed by all Essential Patent
56 Claims for the same IEEE Standard practiced in that Compliant Implementation.
- 57
- 58 • Existing licenses covering use of the Essential Patent Claim, where such licenses were not
59 obtained under the explicit or implicit threat of a Prohibitive Order, and where the circumstances
60 and resulting licenses are otherwise sufficiently comparable to the circumstances of the
61 contemplated license.
- 62

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

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

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

76 **6.2 Policy**

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

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

87 (e.g., an LOA is not provided or the LOA indicates that licensing assurance is not being provided) shall be
88 referred to the Patent Committee.

89 The licensing assurance shall be either:

90 a) A general disclaimer to the effect that the Submitter without conditions will not enforce any
91 present or future Essential Patent Claims against any person or entity making, having made, using,
92 selling, offering to sell, or importing any Compliant Implementation that practices the Essential
93 Patent Claims for use in conforming with the IEEE Standard; or,

94 b) A statement that the Submitter will make available a license for Essential Patent Claims to an
95 unrestricted number of Applicants on a worldwide basis without compensation or under
96 Reasonable Rates, with other reasonable terms and conditions that are demonstrably free of any
97 unfair discrimination to make, have made, use, sell, offer to sell, or import any Compliant
98 Implementation that practices the Essential Patent Claims for use in conforming with the IEEE
99 Standard. An Accepted LOA that contains such a statement signifies that reasonable terms and
100 conditions, including without compensation or under Reasonable Rates, are sufficient
101 compensation for a license to use those Essential Patent Claims and precludes seeking, or seeking
102 to enforce, a Prohibitive Order except as provided in this policy.

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

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

110 The Submitter shall not condition a license on the Applicant's agreeing (a) to grant a license to any of the
111 Applicant's Patent Claims that are not Essential Patent Claims for the referenced IEEE standard, or (b) to
112 take a license for any of the Submitter's Patent Claims that are not Essential Patent Claims for the
113 referenced IEEE standard.

114 On a Letter of Assurance, the Submitter may indicate a condition of Reciprocal Licensing. If an Applicant
115 requires compensation under Reciprocal Licensing to its Essential Patent Claims, then a Submitter may
116 require compensation for its Essential Patent Claims from that Applicant even if the Submitter has
117 otherwise indicated that it would make licenses available without compensation.

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

123 An Accepted Letter of Assurance is intended to be binding upon any and all assignees and transferees of
124 any Essential Patent Claim covered by such LOA. The Submitter agrees (a) to provide notice of an
125 Accepted Letter of Assurance either through a Statement of Encumbrance or by binding its assignee or
126 transferee to the terms of such Letter of Assurance; and (b) to require its assignee or transferee to (i) agree
127 to similarly provide such notice and (ii) to bind its assignees or transferees to agree to provide such notice
128 as described in (a) and (b).

129 The Submitter and the Applicant should engage in good faith negotiations (if sought by either party)
130 | without unreasonable delay or may litigate or, with the parties' mutual agreement, arbitrate: over patent
131 validity, enforceability, essentiality, or infringement; Reasonable Rates or other reasonable licensing terms
132 and conditions; compensation for unpaid past royalties or a future royalty rate; any defenses or
133 counterclaims; or any other related issues.

134 The Submitter of an Accepted LOA who has committed to make available a license for one or more
135 Essential Patent Claims agrees that it shall neither seek nor seek to enforce a Prohibitive Order based on
136 such Essential Patent Claim(s) in a jurisdiction unless the implementer fails to participate in, or to comply
137 with the outcome of, an adjudication, including an affirming first-level appellate review, if sought by any
138 party within applicable deadlines, in that jurisdiction by one or more courts that have the authority to:
139 determine Reasonable Rates and other reasonable terms and conditions; adjudicate patent validity,
140 enforceability, essentiality, and infringement; award monetary damages; and resolve any defenses and
141 counterclaims. In jurisdictions where the failure to request a Prohibitive Order in a pleading waives the
142 right to seek a Prohibitive Order at a later time, a Submitter may conditionally plead the right to seek a
143 Prohibitive Order to preserve its right to do so later, if and when this policy's conditions for seeking, or
144 seeking to enforce, a Prohibitive Order are met.

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

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

151 If a Submitter becomes aware of additional Patent Claim(s) that are not already covered by an Accepted
152 Letter of Assurance, that are owned, controlled, or licensable by the Submitter, and that may be or become
153 Essential Patent Claim(s) for the same IEEE Standard, then such Submitter shall submit a Letter of
154 Assurance stating its position regarding enforcement or licensing of such Patent Claims. For the purposes
155 of this commitment, the Submitter is deemed to be aware if any of the following individuals who are from,
156 employed by, or otherwise represent the Submitter have personal knowledge of additional potential
157 Essential Patent Claims, owned or controlled by the Submitter, related to a [Proposed] IEEE Standard and
158 not already the subject of a previously Accepted Letter of Assurance: (a) past or present participants in the
159 development of the [Proposed] IEEE Standard, or (b) the individual executing the previously Accepted
160 Letter of Assurance.

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

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

168 The IEEE is not responsible for

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

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

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