

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

“*Appropriate Court*” shall mean a court or courts that have the authority to adjudicate patent validity, enforceability, and infringement; determine Reasonable Rates and other reasonable licensing terms and conditions; award compensation for unpaid past royalties and declare a future royalty rate; and resolve defenses and counterclaims.

“*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 a component, product, or service that conforms to mandatory portion(s), optional portion(s), or both, of the normative clauses 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 use of which was necessary to create a Compliant Implementation when, at the time of the IEEE Standard’s approval, there was no commercially and technically feasible non-infringing alternative. 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 the making, having made, using, selling, having sold, offering to sell, importing, or implementing a Compliant Implementation.

40 “*Reasonable and Good Faith Inquiry*” includes, but is not limited to, a Submitter using reasonable efforts
41 to identify and contact those individuals who are from, employed by, or otherwise represent the Submitter
42 and who are known to the Submitter to be current or past participants in the development process of the
43 [Proposed] IEEE Standard identified in a Letter of Assurance, including, but not limited to, participation in
44 a Sponsor Ballot or Working Group. If the Submitter did not or does not have any participants, then a
45 Reasonable and Good Faith Inquiry may include, but is not limited to, the Submitter using reasonable
46 efforts to contact individuals who are from, employed by, or represent the Submitter and who the Submitter
47 believes are most likely to have knowledge about the technology covered by the [Proposed] IEEE
48 Standard.

49 “*Reasonable Rate*” shall mean compensation that is based on the value contributed to the Compliant
50 Implementation by the Essential Patent Claim and that appropriately compensates the Submitter for use of
51 such claim in a Compliant Implementation, considering at least the following three factors:

- 52 1. The value of the claimed invention or inventive feature within the Essential Patent Claim, not
53 including any value that might result from any patent hold-up, lock-in, or other value associated
54 with the Essential Patent Claim’s being essential to the IEEE Standard.
55
- 56 2. The relative value of the functionality that the Essential Patent Claim contributes to the overall
57 functionality of the smallest saleable Compliant Implementation that practices the Essential Patent
58 Claim.
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- 60 3. The value of the Essential Patent Claim relative to the aggregate value that all Essential Patent
61 Claims contribute to the smallest saleable Compliant Implementation that practices such claims.
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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 standard and its amendments, corrigenda, editions, and revisions. A Submitter shall have no ability to
69 exclude Affiliates if the Submitter has indicated Reciprocal Licensing on an Accepted Letter of Assurance.

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

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

77 **6.2 Policy**

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

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

87 the standard. An asserted potential Essential Patent Claim for which an assurance cannot be obtained (e.g.,
88 a Letter of Assurance is not provided or the Letter of Assurance indicates that licensing assurance is not
89 being provided) shall be referred to the Patent Committee.

90 The licensing assurance that IEEE requests shall be either:

- 91 a) A general disclaimer to the effect that the Submitter without conditions will not enforce any
92 present or future Essential Patent Claims against any person or entity making, having made, using,
93 selling, having sold, offering to sell, importing, or implementing any Compliant Implementation;
94 or,
- 95 b) A statement that the Submitter will grant a license for Essential Patent Claims to an unrestricted
96 number of applicants on a worldwide basis without compensation or under Reasonable Rates,
97 with other reasonable terms and conditions that are demonstrably free of any unfair discrimination
98 to make, have made, use, sell, have sold, offer to sell, import, or implement any Compliant
99 Implementation. Such a statement signifies that reasonable terms and conditions, including
100 without compensation or under Reasonable Rates, is sufficient compensation for a license to use
101 those Essential Patent Claims.

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

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

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

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

119 An Accepted Letter of Assurance shall apply to the Submitter and its Affiliates except that the Submitter
120 may specifically exclude certain Affiliates identified in the Letter of Assurance.

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

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

130 provide such notice and (ii) to bind its assignees or transferees to agree to provide such notice as described
131 in (a) and (b). In jurisdictions where a Statement of Encumbrance does not bind both direct and indirect
132 successors, the Submitter shall bind its assignee or transferee by contract and shall require such assignee or
133 transferee to similarly bind its assignee or transferee.

134 A Submitter of an Accepted LOA who has committed to license Essential Patent Claims shall neither seek,
135 nor seek to have enforced, in any jurisdiction, a Prohibitive Order against an implementer based on alleged
136 infringement of any Essential Patent Claim within the scope of assurance of the Accepted LOA except:

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138 1. If the implementer (a) is not subject to the jurisdiction of an Appropriate Court and does not
139 voluntarily submit to the jurisdiction of an Appropriate Court, or (b) is in bankruptcy and lacks
140 the assets to accept a license offered without compensation or under Reasonable Rates, with other
141 reasonable terms and conditions; or,

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143 2. If the implementer fails to comply with a final adjudication by an Appropriate Court and after a
144 first-level appellate review, if sought by any party within applicable deadlines, that affirms such
145 adjudication in that jurisdiction.

146 Nothing in this policy shall preclude a Submitter and an implementer from agreeing to arbitrate any issues
147 that may otherwise be decided by an Appropriate Court. If the parties have agreed to binding arbitration,
148 then the decision of the agreed arbitration body shall be treated as if made by an Appropriate Court, and
149 any applicable procedures for contesting an arbitration award shall be considered first-level appellate
150 review.

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

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

164 The IEEE is not responsible for

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

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

173 In order for IEEE's patent policy to function efficiently, individuals participating in the standards
174 development process: (a) shall inform the IEEE (or cause the IEEE to be informed) of the holder of any
175 potential Essential Patent Claims of which they are personally aware and that are not already the subject of

176 an Accepted Letter of Assurance, that are owned or controlled by the participant or the entity the
177 participant is from, employed by, or otherwise represents; and (b) should inform the IEEE (or cause the
178 IEEE to be informed) of any other holders of potential Essential Patent Claims that are not already the
179 subject of an Accepted Letter of Assurance.