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.

D **Bylaws** *SC* **All** *P* **1** *L* **1** # 1

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to pages 1 - 4, lines 1 - 165.] 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.

SuggestedRemedy

Proposed Response *Response Status* **W**

PROPOSED REJECT.

Not actionable

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 2

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Compliant-3*

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] Although styled as a “clarification”, this change to include a definition of "Compliant Implementation" represents a major policy change over the current IEEE Bylaws.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 3

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Compliant-2*

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] A fundamental question should be asked as a predicate to considering this proposed change: Has the lack of a definition of "Compliant Implementation" in the IEEE Bylaws 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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

It is not necessary to cite a specific IEEE instance of a problem in order to make policy clarifications or even changes.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 4

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Compliant-2*

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] No evidence of any issues with the existing IEEE Bylaws relating to the lack of a definition of "Compliant Implementation" and no rationale for this proposed change has been provided.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

It is not necessary to cite a specific IEEE instance of a problem in order to make policy clarifications.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 5

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Compliant-3*

[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.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 6

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Compliant-2*

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] 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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 7

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 8

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] This proposed change to define "Compliant Implementation" 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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 9

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] 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 "Compliant Implementation" 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 changes regarding "Compliant Implementation" should be rejected. Reverse all relevant changes.

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 10

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] 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 "Compliant Implementation" 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.

SuggestedRemedy

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

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.

As stated in the policy, "Nothing in this policy shall prohibit a licensor and licensee from voluntarily negoitiating 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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 11

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] Information concerning the parties represented or with whom the proponents of changing the Bylaws to include a definition of "Compliant Implementation" are affiliated, as well as the reasoning and evidence (if any) supporting the proposed modification, 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.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 12

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[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.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 13

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

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 *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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 14

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

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 *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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 15

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

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 *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. 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.

D **00** *SC* **All** *P* **1** *L* **16** # 16

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

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 *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.

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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 17

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] 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.

SuggestedRemedy

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 *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 18

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] 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.

SuggestedRemedy

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 *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.

If they comment's description of the Ericsson decision is correct, that simply underscores the need for policy clarification.

D **Bylaws** *SC* **All** *P* **1** *L* **16** # 19

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 16 - 17; 23 - 24; 34 - 36; 80 - 91.] 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.

SuggestedRemedy

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 *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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 20

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Clarity-2*

[Applicable to lines 46 - 53; 85 - 91.] Although styled as a “clarification”, the change to include a definition of "Reasonable Rate" represents a major policy change over the current IEEE Bylaws.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 21

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Reason-2*

[Applicable to lines 46 - 53; 85 - 91.] A fundamental question should be asked as a predicate to considering this proposed change: Has the lack of a definition of "Reasonable Rate" in the IEEE Bylaws 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. Separating out the concept of “Reasonable Rate” from “reasonable terms and conditions” is confusing and not necessary to address any identified problems in relation to licensing in IEEE-SA.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 22

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Reason-2*

[Applicable to lines 46 - 53; 85 - 91.] No evidence of any issues with the lack of a definition of "Reasonable Rate" in the IEEE Bylaws and no rationale for this proposed change has been provided.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 23

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Reason-3*

[Applicable to lines 46 - 53; 85 - 91.] This proposed change to provide a definition of "Reasonable Rate" 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 issues.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 24

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Reason-2*

[Applicable to lines 46 - 53; 85 - 91.] To the extent the proposed change to include a definition of "Reasonable Rate" 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. To the extent the Renata Hesse suggestion number 5 applies, addressing it – if it should be addressed at all – requires addressing all “terms,” not just a “Rate”. 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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We disagree with the commenter's assertion and believe the clarifications provided are useful.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 25

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **X** *Reason-2*

[Applicable to lines 46 - 53; 85 - 91.] It should be expressly stated that any changes to the IEEE Bylaws, including to provide a definition of "Reasonable Rate", 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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

The comment does not offer a substantive argument for the proposed change.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 26

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to lines 46 - 53; 85 - 91.] 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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 27

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Reason-2*

[Applicable to lines 46 - 53; 85 - 91.] 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 the IEEE Bylaws 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 changes regarding "Reasonable Rate" should be rejected. Delete lines 46 - 53 and reverse all other relevant changes.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 28

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 46 - 53; 85 - 91.] 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.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 29

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to lines 46 - 53; 85 - 91.] Information concerning the parties represented or with whom the proponents of a definition of "Reasonable Rate" in the IEEE Bylaws are affiliated, as well as the reasoning and evidence (if any) supporting the proposed modification 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.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 30

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to lines 46 - 53; 85 - 91.] 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 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/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.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 31

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 46 - 53; 85 - 91.] This proposed definition is inconsistent with IEEE's existing approach whereby it takes no position regarding the reasonableness of rates or licensing terms and conditions. See, e.g., Understanding Patent Issues During IEEE Standards Development FAQ (http://standards.ieee.org/faqs/patents.pdf), at 39. Likewise, the inclusion of any definition of a "Reasonable Rate" is inconsistent with the IEEE's deference to parties' bilateral negotiations for the determination of RAND licensing terms.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 32

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 46 - 53; 85 - 91.] The proposed factors identified are extremely limited, reflect positions that are not accepted as appropriate by the majority of participants in standards development or as considered by the courts, and would greatly disadvantage owners of technology covered by essential patents contributed to IEEE standards.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 33

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 46 - 53; 85 - 91.] 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.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 34

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 46 - 53; 85 - 91.] Issues concerning the contours of RAND licensing terms are some of the most hotly contested commercial issues currently, including in pending litigation. Notably, two courts recently have addressed these issues, and neither have taken the approach proposed in the changes by considering the specified factors. See, e.g., Microsoft Corp. v. Motorola Inc., No. 10-cv-1823 (W.D. Wash. April 25, 2013); Ericsson Inc. v. D-Link Systems, Inc., Case 6:10-cv-00473-LED-KFG (E.D. Tex. Aug. 6, 2013).

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We note the cases you have listed. The recommended text for "Reasonable Rates" has been revised in response to other comments received.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 35

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **X** *Reason-2*

[Applicable to lines 46 - 53; 85 - 91.] The proposed factors to include in the definition of a “Reasonable Rate” reflect a position of only a select few interested parties. If adopted, they risk unbalancing the current framework by devaluing patented technology that is offered for inclusion in IEEE standards, thereby depriving patent owner from realizing a reasonable return on its investment in developing the technology. This in turn will discourage patent owners from making available such technologies for standardization. Instead, Patent owners may reasonably choose to exclude their patented technologies from standardization to avoid onerous license assurance obligations. IEEE-SA technical committees may still develop standards upon which the excluded patented technology reads, but the patent owner will not be bound by any disclosure or RAND licensing assurance obligations. Certain potential licensees may, therefore, be excluded from the opportunity to obtain a RAND license for certain IEEE standards and consumers may be deprived of broadly available standardized products and services.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 36

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 37

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 38

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 46 - 53; 85 - 91.] Defining “Reasonable Rate” to mean a “rate based on all relevant factors” provides LESS clarity than the status quo. The status quo at least provides that the terms offered must be “reasonable”. Reasonableness is not even a requirement of the defined term “Reasonable Rate.”

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We disagree; however, we would point out that the definition of "Reasonable Rates" has been updated.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 39

Hermele, Daniel QUALCOMM Incorporated

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

[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”.

SuggestedRemedy

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

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 40

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 41

Hermele, Daniel QUALCOMM Incorporated

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

[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 provides $1.01 of value.

SuggestedRemedy

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 42

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

Replace the two instances of “the component, product, or service” with “the product fully compliant with the standard.”

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 43

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 44

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

Delete entire third factor.

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

The third factor in "Reasonable Rates" has been rewritten.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 45

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-2*

[Applicable to lines 85 - 91.] These changes do not address any of the six “suggestions” made by the US Deprtment of Justice in the Renata Hesse paper, and thus are not within the charter of the ad hoc group.

SuggestedRemedy

Reverse all such changes.

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **2** *L* **46** # 46

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to lines 46 - 53; 85 - 91.] The following factor appropriately reflects that licenses will be on terms parties have agreed to be RAND or that have been adjudicated to be RAND, and that licenses are typically negotiated with full knowledge that patents are probabilistic: “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.”

SuggestedRemedy

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 Response *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 47

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to pages 2 - 3, lines 80 - 91.] Although styled as a “clarification”, the proposed change that the Submitter of a Licensing Assurance “will grant” a license should be rejected as it represents a major policy change over the current IEEE Bylaws.

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.

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

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 48

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *License-3*

[Applicable to pages 2 - 3, lines 80 - 91.] A fundamental question should be asked as a predicate to considering this proposed change: Has the existing language in IEEE Bylaws 6.2(b) that "a license ...will be made available" 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 changes and will avoid decisions that reflect the interests of only select participants in the IEEE standardization process.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 49

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *License-3*

[Applicable to pages 2 - 3, lines 80 - 91.] No evidence of any issues with the existing IEEE Bylaws language that "a license ...will be made available" and no rationale for this proposed change that the Submitter of a Licensing Assurance “will grant” a license has been provided.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 50

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 51

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *License-3*

[Applicable to pages 2 - 3, lines 80 - 91.] To the extent this proposed change to the IEEE Bylaws that the Submitter of a Licensing Assurance “will grant” a license 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.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 52

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to pages 2 - 3, lines 80 - 91.] 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.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 53

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[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 *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 54

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *License-2*

[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 *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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 55

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *License-2*

[Applicable to pages 2 - 3, lines 80 - 91.] 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 that the Submitter of a Licensing Assurance “will grant” a license 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.

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.

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

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 56

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to pages 2 - 3, lines 80 - 91.] Information concerning the parties represented or with whom the proponents of the proposed change to include in the IEEE Bylaws that the Submitter of a Licensing Assurance “will grant” a license 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.

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 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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 57

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to pages 2 - 3, lines 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 in IEEE Bylaws that the Submitter of a Licensing Assurance “will grant” a license 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.

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 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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 58

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to pages 2 - 3, lines 80 - 91.] Proposed Section 6.2(b) improperly imposes a new obligation on parties providing licensing assurances to IEEE. As currently written, Section 6.2 provides that a Letter of Assurance allows for a statement that a license "will be made available." The proposed change to have 6.2(b) read that the Submitter of a Licensing Assurance "will grant" a license will effect a fundamental change in the obligations of licensors of RAND-committed essential patents.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 59

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to pages 2 - 3, lines 80 - 91.] Under the current Bylaw language it is clear that a licensor who has provided a RAND assurance on patents claimed to be essential to the standard will make a license available. At least implicitly, this imposes a duty on the licensor to offer licenses on RAND terms and conditions for such patents and to negotiate with potential licensees in good faith to try to reach agreement on license terms and conditions. If, however, the parties cannot reach such agreement then the potential licensee may take such steps as it deems appropriate, as potential licensees are already doing - e.g., a prospective licensee could legally challenge whether the terms offered by the licensor are consistent with its RAND assurance, or it could implement the standard based on its judgment that the licensor will either not assert its patents or that the claimed essential patents are in fact not infringed by the potential licensee's implementation of the standard. Likewise, under current Bylaw 6.2(b), if a potential licensee acts in bad faith (either expressly or constructively) by, for example, refusing to agree to RAND terms offered - i.e., engages in "reverse hold-up" - then the licensor will have acted consistent with its RAND license assurance, and the potential licensee will not benefit from its bad faith conduct.

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.

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

D **Bylaws** *SC* **All** *P* **2** *L* **80** # 60
Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to pages 2 - 3, lines 80 - 91.] If the proposed Bylaw change is adopted, a licensor would be obligated to "grant a license," regardless of the conduct of a potential licensee, including if the potential licensee refuses to accept a license offered on RAND terms. Indeed, 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.

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.

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

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 61
Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 2, lines 55-60 and page 3, lines 95 - 100.] Although styled as a "clarification", 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.

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.

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

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 62
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.] A fundamental question should be asked as a predicate to considering this proposed changes: Has the lack in the IEEE Bylaws of 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 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 changes and will avoid decisions that reflect the interests of only select participants in the IEEE standardization process.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 63
Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Recip-3*

[Applicable to page 2, lines 55-60 and page 3, lines 95 - 100.] No evidence of any issues with the existing IEEE Bylaws relating to the lack of 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 and no rationale for this proposed change has been provided.

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

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 64

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Recip-3*

[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 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.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 65

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **X** *Recip-2*

[Applicable to page 2, lines 55-60 and page 3, lines 95 - 100.] To the extent 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 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 propsoed changes do not address any of the six “suggestions” made by the United States department of Justice in the Renata Hesse paper, 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.

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.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 66

Hermele, Daniel QUALCOMM Incorporated

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

[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.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 67

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 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.

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..

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 68

Hermele, Daniel QUALCOMM Incorporated

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

[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 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 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 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.

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."

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 69

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 2, lines 55-60 and page 3, lines 95 - 100.] 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.

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.

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."

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 70

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.] Information concerning the parties represented or with whom the proponents of the 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 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.

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.

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.

D **Bylaws** *SC* **All** *P* **2** *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 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 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.

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.

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 72

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 2, lines 55 - 60 and page 3, lines 95 - 100.] The proposed limitation on the ability of a submitter of a Letter of Assurance to make a license offer which includes a grant or grant-back of patents not essential to the relevant IEEE standard even though such a license offer may be consistent with its RAND licensing assurance constitutes a major and unjustified change to the IEEE Bylaws. While a licensor certainly should be able voluntarily to limit its license offer to only Essential Patent Claims and seek a reciprocal cross-license to potential licensees' Essential Patent Claims, consistent with the scope of its licensing assurance, the IEEE Bylaws should not prescribe rules allowing potential licensees to unilaterally determine whether license grants to non-essential patent claims are permitted. This would constitute a major overreach of the IEEE Bylaws and would be detrimental to common and pro-competitive licensing practices.

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.

A Submitter's requirement that an Applicant take a license to non-Essential Patent Claims is inconsistent with a Submitter's undertaking to make a license available for essential patent claims. Voluntary and mutually agreed portfolio licensing, however, is clearly permitted under the recommended text:

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

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 73

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Recip-2*

[Applicable to page 2, lines 55 - 60 and page 3, lines 95 - 100.] This change would constitute a major overreach of the IEEE Bylaws and would be detrimental to common and pro-competitive licensing practices: Portfolio cross-licensing allows parties to determine their own competitively optimal outcomes from their licensing negotiations.

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 policy does not preclude 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."

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 74

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 2, lines 55 - 60 and page 3, lines 95 - 100.] 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 *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.

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 75

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 2, lines 55 - 60 and page 3, lines 95 - 100.] A license offer by an owner of Essential Patent Claims including either a grant or grant-back of non-Essential Patent Claims may or may not be consistent with the licensors' RAND assurance. If such offer is not consistent with RAND, the potential licensee will be entitled to receive a license offer that is consistent with the licensor's RAND assurance. However, to prescribe in advance that a grant or grant-back of non-Essential Patent Claims may be unilaterally refused by a potential licensee, irrespective of whether the essential patent owner has complied with its RAND licensing assurance is unjustified and beyond the reach of the IEEE Bylaws.

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. 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."

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 76

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Recip-2*

[Applicable to page 2, lines 55 - 60 and page 3, lines 95 - 100.] 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.

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.

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."

D **Bylaws** *SC* **All** *P* **2** *L* **55** # 77

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 2, lines 55 - 60 and page 3, lines 95 - 100.] In particular, the proposed changes would potentially preclude valuable, pro-competitive licensing practices in IEEE standards and would create significant competitive asymmetries between firms that seek to support and contribute technology to standards and those who seek solely to implement standardized solutions without participating in the standardization activities. The former would be decidedly disadvantaged (especially if the other changes to IEEE Bylaws are adopted) because they would have to grant licenses at a "Reasonable Rate" while still being subject to infringement suits by their licensees who might assert their non-Essential Patent Claims (which could be commercially necessary to produce and sell a competitive product complying with the relevant standard) and be unconstrained by a RAND assurance, or any obligation to license such non-Essential Patent Claims at all. Such asymmetries could thus cause enormous market distortions and anticompetitive outcomes by enabling some firms to raise rivals costs or even exclude their competitors and thereby deprive consumers of the opportunity to benefit from robust competition. They would also penalize and disincentivise innovators from contributing their technology to IEEE standards, instead holding their technology back from IEEE standards as non-essential "improvements" or "commercial necessities" to the detriment of implementers and consumers alike.

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.

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.

D **Bylaws** *SC* **All** *P* **3** *L* **115** # 78

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Transfer-2*

[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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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 commentor believes that the recommended text would impose additional costs, the commenter is invited to provide specific examples for the drafting committee to consider.

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 79

Hermele, Daniel QUALCOMM Incorporated

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

[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.

SuggestedRemedy

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 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.

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 80

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Royalty-2*

[Applicable to page 3, lines 126 - 128.] A fundamental question should be asked as a predicate to considering this proposed changes: Has the lack of a provision in the IEEE Bylaws limiting the compensation a Submitter of a Licensing Assurance may obtain to a royalty 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.

SuggestedRemedy

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

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 81

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Royalty-2*

[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.

SuggestedRemedy

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

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 82

Hermele, Daniel QUALCOMM Incorporated

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.

SuggestedRemedy

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.

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 83

Hermele, Daniel QUALCOMM Incorporated

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.

SuggestedRemedy

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 governement antitrust enforcement agencies and are useful.

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 84

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 3, lines 126 - 128.] 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.

SuggestedRemedy

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 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."

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 85

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to page 3, lines 126 - 128.] 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 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 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. We note, however, that the specific language that the comment discusses has been changed and repositioned.

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 86

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 3, lines 126 - 128.] 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.

SuggestedRemedy

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 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."

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 87

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 3, lines 126 - 128.] 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 deterring the effectiveness of IEEE standards development activities.

SuggestedRemedy

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 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."

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 88

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.

SuggestedRemedy

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.

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 89

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to page 3, lines 126 - 128.] This proposed change to limit the compensation a Submitter of a Licensing Assurance may obtain to a royalty 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 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.

SuggestedRemedy

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.

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 90

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 3, 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.”

SuggestedRemedy

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 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."

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 91

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 3, lines 126 - 128.] 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.

SuggestedRemedy

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 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."

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 92

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 3, lines 126 - 128.] Limiting consideration for a license of Essential Patent Claims only to a royalty would be also be contrary to the accepted understanding that RAND assurances do not require identical license terms to each licensee. Depending on their particular circumstances, some licensors and licensees place greater value on non-monetary consideration than others, and the ability to define the scope of consideration exchanged in connection with a RAND license allows parties to reach optimally negotiated outcomes. Thus, licenses for the same essential patents may be both RAND-compliant where one includes monetary terms and one does not. This is a good example of why a determination of whether or not a license offer is “RAND” is fact specific and cannot be made universally. A set of terms can be consistent with a RAND assurance with respect to one licensee but not with respect to another licensee. Each case needs to be considered on its own merits.

SuggestedRemedy

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 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."

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 93

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 3, lines 126 - 128.] This proposal could be interpreted to mean that a licensor giving a license assurance in connection with an IEEE standard could recover only a royalty as its remedy against an infringer. Thus, it may be that this proposal is intended to impose a categorical prohibition on parties giving RAND licensing assurances for Essential Patent Claims against seeking or obtaining injunctive relief or exclusionary orders. Such a position is one that has been explicitly rejected by courts, by the vast majority of participants in different standards organizations IPR committees, many of whom are present in PatCom, and by anti-trust enforcement agencies and other government bodies around the world. Adopting such a position would place the IEEE well outside the mainstream and promote a position asserted by only a small number of interested parties who have been unsuccessful in their efforts to impose a blanket “no injunctions” rule in other standards organizations and fora. Providing a RAND undertaking has never meant and should not mean that injunctive relief, exclusions orders or similar remedies are no longer available under any circumstances as this proposed change would imply.

SuggestedRemedy

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.

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.

D **Bylaws** *SC* **All** *P* **3** *L* **126** # 94

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 3, lines 126 - 128.] An accurate statement is provided as follows: "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."

SuggestedRemedy

Add: "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."

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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."

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 95

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Prohib-3*

[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.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 96

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.] 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.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 97

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.] 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.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 98

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Prohib-3*

[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] 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.

SuggestedRemedy

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 *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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 99

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.] To the extent 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 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 Unitied 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.

SuggestedRemedy

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 *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 100

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] It should be expressly stated that any changes to the IEEE Bylaws, including the prosed change to limit the ability of Submitter of a Licensing Assurance to seek or to seek to enforce a Prohibitive Order, 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.

SuggestedRemedy

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 *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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 101

Hermele, Daniel QUALCOMM Incorporated

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.

SuggestedRemedy

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 *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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 102

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Prohib-3*

[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] 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.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 103

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.] 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 IEEE Bylaws 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.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

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."

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 104

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] Information concerning the parties represented or with whom the proponents of the 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 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.

SuggestedRemedy

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 *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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 105

Hermele, Daniel QUALCOMM Incorporated

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 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.

SuggestedRemedy

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 *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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 106

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Prohib-3*

[Applicable to page 1, lines 34 - 36 and pages 3 - 4, lines 129 - 136.] This proposed change to the IEEE Bylaws is substantially similar to proposed changes being advocated by certain parties in other standards organizations such as ETSI and ITU. It is a proposal fiercely contested and disputed by the majority of industry and rejected by courts and anti-trust authorities.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

Thank you for the information about ETSI and ITU.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 107

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.] Providing a RAND undertaking has never meant and should not mean that injunctive relief or similar remedies may be enforced only under certain limited circumstances prescribed in advance.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 108

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.] 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."

SuggestedRemedy

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 *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 109

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.] 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.

SuggestedRemedy

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 *Response Status* **W**

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.
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D **Bylaws** *SC* **All** *P* **1** *L* **34** # 110

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.] The proposed changes are very drastic indeed and would amount to an effective ban on injunctions and like remedies. If adopted, the proposed changes could force the essential patent owner to litigate every single essential patent claim in every jurisdiction around the world, each up to a final non-appealable instance, on every possible issue – infringement, validity, RAND, and 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.

SuggestedRemedy

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 *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 111

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 is well understood to be completely impossible as a matter of practicality given the limited capacity of patent and appellate courts around the world and the limited resources of essential patent owners. It is thus, calculated to inflict enormous disadvantage on essential patent owners and enable implementers to practice “reverse holdup” – i.e., to force some patent holders to accept little or no compensation for their standardized technologies and certainly to accept compensation that is far less than reasonable.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

We do not agree with the comment; however, 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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 112

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.] These proposed changes would amount to an effective ban on injunctions and similar remedies and would constitute a drastic and unbalancing change to the existing IEEE Bylaws that would penalize innovators and contributors of technology to IEEE standards and would perniciously damage the objectives of standardization at IEEE.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT

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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 113

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.] Whether injunctions, exclusion orders or similar remedies are appropriate is a fact specific issue that courts (or, if both parties agree, arbitration tribunals) can and should determine in each instance. Such determinations have already been made in various cases around the world and undoubtedly will continue. Standards organizations, such as the IEEE, have and should refrain from trying to make such a blanket prohibition that could severely disrupt and damage current industry practice.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 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.

SuggestedRemedy

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 *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 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.

SuggestedRemedy

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 *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 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.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

We have defined Appropriate Courts to be a court or a combination of courts.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 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.

SuggestedRemedy

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 *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 118

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.] The following language completely addresses the relevant United States Department of Justice suggestion without permitting implementers who refuse to enter into RAND licenses to do so with impunity: “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.”

SuggestedRemedy

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 *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **34** # 119

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.] The following language appropriately reflects that an unwilling licensee should be subject to all remedies available to the patent holder, as per the United States Department of Justice and United States Patent & Trademark Office Policy Statement on Remedies for Standards-Essential Patents Subject to Voluntary F/RAND Commitments: “An implementer that refuses to negotiate (including a constructive refusal to negotiate) a license for Essential Patent Claims shall not be entitled to rely on the existence of any accepted Letter of Assurance covering such Essential Patent Claims to defend against a request for a Prohibitive Order."

SuggestedRemedy

Add: “An implementer that refuses to negotiate (including a constructive refusal to negotiate) a license for Essential Patent Claims shall not be entitled to rely on the existence of any accepted Letter of Assurance covering such Essential Patent Claims to defend against a request for a Prohibitive Order."

Proposed Response *Response Status* **W**

PROPOSED REJECT.

A letter of assurance is irrevocable once accepted.

D **Bylaws** *SC* **All** *P* **3** *L* **103** # 120

Hermele, Daniel QUALCOMM Incorporated

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

[Applicable to page 3, line 103.] It is preferable to avoid debate or controversy over what constitutes a “specific” licensing term and what constitutes a “non-specific” licensing term.

SuggestedRemedy

Delete “specific” on line 103.

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **1** # 121

Hermele, Daniel QUALCOMM Incorporated

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

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 *Response Status* **W**

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.

D **Bylaws** *SC* **All** *P* **1** *L* **1** # 122

Hermele, Daniel QUALCOMM Incorporated

Comment Type **S** *Comment Status* **D** *Proc-3*

The following rule is necessary to preserve the integrity of IEEE-SA processes: “Any suggestions for changes to the text of this Section 6 shall be published at least six months in advance of the proposed effective date of such changes and shall identify with particularity (a) the identity of the author of such changes and the identity of all entities such author represents; and (b) the justification for such changes.”

SuggestedRemedy

Add: “Any suggestions for changes to the text of this Section 6 shall be published at least six months in advance of the proposed effective date of such changes and shall identify with particularity (a) the identity of the author of such changes and the identity of all entities such author represents; and (b) the justification for such changes.”

Proposed Response *Response Status* **W**

PROPOSED REJECT.

The process for changing the IEEE SASB Bylaws and OpsMan is defined elsewhere and is not part of the patent policy.

D **Bylaws** *SC* **6.1 and 6.2** *P* **1** *L* **16-165** # 123

Kallay, Dina Ericsson, Inc.

Comment Type **S** *Comment Status* **D** *Proc-3*

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 *Response Status* **W**

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.

D **Bylaws** *SC* **6.1 and 6.2** *P* **1** *L* **16-165** # 124

Kallay, Dina Ericsson, Inc.

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.

SuggestedRemedy

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.

D **Bylaws** *SC* **6.1** *P* **1** *L* **16-17** # 125

Kallay, Dina Ericsson, Inc.

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" compliant" is impractical because something which implements only optional portions is not necessarily "compliant.

SuggestedRemedy

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.

D **Bylaws** *SC* **6.1** *P* **1** *L* **23-24** # 126

Kallay, Dina Ericsson, Inc.

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

See above comment on the proposed revisions in lines 16-17

SuggestedRemedy

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.

D **Bylaws** *SC* **6.1** *P* **1** *L* **34-36** # 127

Kallay, Dina Ericsson, Inc.

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

See above comments to proposed new text in in lines 129-136

SuggestedRemedy

Suggested new text should not be adopted

Proposed Response *Response Status* **W**

PROPOSED REJECT.

The comment and remedy are unclear.

D **00** *SC* **6.1** *P* **2** *L* **47-53** # 128

Kallay, Dina Ericsson, Inc.

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

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

~~. 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.~~

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 thatEssential ~~all~~ Patent Claims contribute to the ~~component,~~ product, or service.

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **48-50** # 129

Kallay, Dina Ericsson, Inc.

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

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.

SuggestedRemedy

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 *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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **53** # 130

Kallay, Dina Ericsson, Inc.

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

Reasonable rates or terms for Essential Patent Claims should not be hampered by royalty claims for non-essential IPR that can be designed around.

SuggestedRemedy

Change “all Patent Claims” to “Essential Patent Claims”. See in the above proposed change to lines 47-53 above.

Proposed Response *Response Status* **W**

PROPOSED ACCEPT.

D **Bylaws** *SC* **6.1** *P* **2** *L* **55-60** # 131

Kallay, Dina Ericsson, Inc.

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

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 multiples 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 *Response Status* **W**

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.

D **Bylaws** *SC* **6.2** *P* **3** *L* **80** # 132

Kallay, Dina Ericsson, Inc.

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

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.

SuggestedRemedy

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.

D **Bylaws** *SC* **6.2** *P* **3** *L* **85-91** # 133

Kallay, Dina Ericsson, Inc.

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

(Text continues on page 3)

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.

SuggestedRemedy

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.

D **Bylaws** *SC* **6.2** *P* **3** *L* **95-98** # 134

Kallay, Dina Ericsson, Inc.

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

Please see our comments to lines 55-60

SuggestedRemedy

Proposed new text should not be adopted.

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* **6.2** *P* **4** *L* **126-128** # 136

Kallay, Dina Ericsson, Inc.

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

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 eco-system 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 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.

SuggestedRemedy

The proposed revision should not be adopted.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **6.2** *P* **4** *L* **129-136** # 137

Kallay, Dina Ericsson, Inc.

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

(text continues on page 4)

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.

SuggestedRemedy

The proposed revision should not be adopted.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* *L* # 138

Ohana, Gil Cisco Systems, Inc.

Comment Type **S** *Comment Status* **D** *Proc-3*

Introductory Note: The proposal of a clarification either to existing text in the IEEE-SA Bylaws or to text proposed for addition to the Bylaws by the Patent Committee Ad Hoc Task Force does not reflect a belief that current text is ambiguous or ineffective. Positions taken, including in the "Explanation" text, reflect the consensus-driven nature of the IEEE-SA Patent Committee consideration of potential revisions to Section 6 of the IEEE-SA Bylaws. As such, they do not necessarily reflect author's positions or those of company with which author is affiliated, but instead reflect hope that the text provided may attract consensus among the participants in the process of considering potential revisions.

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.

SuggestedRemedy

Proposed Response *Response Status* **W**

PROPOSED REJECT.

Not actionable

D **Bylaws** *SC* **Definition of "Complia** *P* **1** *L* **16-17** # 139

Ohana, Gil Cisco Systems, Inc.

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

The deletion of "and/or optional" and the text in the first additional sentence avoids identifying an implementation that conforms only with optional features as a "Compliant Implementation". It preserves the obligation to license Essential Patent Claims essential only to optional features where the optional features are included in a component, product, or service that also conforms to mandatory features.

The second additional sentence addresses the situation in which an IEEE-SA standard describes the interaction of multiple components, products, or services, no single one of which can fully implement the standard. The sentence makes clear that a component, product, or service can be a "compliant implementation" if it is part of a set of components, products, or services that together implement an IEEE Standard. This change preserves the ability of makers of components in particular to obtain licenses for their products.

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.

SuggestedRemedy

"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 *Response Status* **W**

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.

D **Bylaws** *SC* **Definition of "Prohibiti** *P* **1** *L* **34-36** # 140

Ohana, Gil Cisco Systems, Inc.

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

Addition of reference to “temporary restraining order” and “preliminary or final” expands scope of definition to include interim remedies. Given potential for interim remedies to magnify pressure on implementers of standards to accede to non-RAND licensing demands to preserve ability to make, use, and sell compliant implementations during the pendency of litigation, inclusion of both interim and final remedies is critical. Removal of reference to orders conditioning making, selling, or importing products preserves ability of court to issue orders conditioning right to sell on payment of royalties into escrow and other remedies that patentees might view as necessary to encourage speedy resolution of licensing disputes.

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.

SuggestedRemedy

“Prohibitive Order” shall mean a temporary restraining order, ~~n~~ preliminary or final injunction, exclusion order, or similar interim or final judicial or regulatory directive that limits ~~,~~ or prevents ~~, or conditions~~ the making, using, selling, offering to sell, importing, distributing or implementing a Compliant Implementation.

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

We have removed "conditions" and changed it to "interim or permanent injunction."

D **00** *SC* **Definition of "Reasona** *P* **2** *L* **46-53** # 141

Ohana, Gil Cisco Systems, Inc.

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

The author believes that the IEEE and its community of users would be best served through the adoption of a fully-elaborated 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.

SuggestedRemedy

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.~~

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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.

D **Bylaws** *SC* **Definition of "Reciprocal** *P* **2** *L* **55-60** # 142

Ohana, Gil Cisco Systems, Inc.

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

Current language may create an imbalance between early submitters of LOAs to base versions of IEEE standards, who will be unable to reference specific amendments or corrigenda that do not yet exist in their reference to reciprocity in the LOA form, and later submitters, who will be able to identify specific amendments or corrigenda that exist at the time they submit their LOAs. Proposed change would permit earlier submitter to include reciprocal license of EPCs essential to future amendments and corrigenda in scope of reciprocity it will require from its licensees through a generic reference to future amendments and corrigenda (e.g., "This commitment to license any patent claims the licensor owns that are EPCs to the 802.11 standard (including any future amendments or corrigenda) is made conditional on the licensee's grant to the licensor of a license on Reasonable Terms and Conditions to EPCs the licensee may own or control to the 802.11 standard, and any future amendments and corrigenda to such standard that may be issued by IEEE-SA subsequent to the date of this LOA.").

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.

SuggestedRemedy

"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 ~~r~~Reasonable ~~t~~Terms and ~~c~~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 *Response Status* **W**

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.

D **Bylaws** *SC* **Contents of Licensing** *P* **3** *L* **88-89** # 143

Ohana, Gil Cisco Systems, Inc.

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

Substitute "Reasonable Terms and Conditions" for "Reasonable Rates"

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.

SuggestedRemedy

number of applicants on a worldwide basis without compensation or under Reasonable ~~Rates~~ Terms and Conditions~~, with reasonable terms~~ that are demonstrably free

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We believe calling out "rates" and "terms and conditions" separately is appropriate, but all terms and conditions (including rates) all are required to be reasonable.

D **Bylaws** *SC* **Effect of stating a con** *P* **3** *L* **95-98** # 144

Ohana, Gil Cisco Systems, Inc.

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

Current language may be understood to prohibit any proposed licensing option that would require reciprocal license of patents that are not essential to same IEEE Standard. I do not believe that is intention. Instead, owners of EPCs should be permitted to propose multiple options, provided that at least one option licenses only EPCs for referenced IEEE standard and provides for reciprocity limited to EPCs for same IEEE Standard.

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.

SuggestedRemedy

On a Letter of Assurance, the Submitter may indicate a condition of Reciprocal Licensing. The Submitter may provide multiple licensing options to prospective licnesees, 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 *Response Status* **W**

PROPOSED REJECT.

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."

D **Bylaws** *SC* **Use of licensing terms** *P* **3** *L* **101-105** # 145

Ohana, Gil Cisco Systems, Inc.

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

Reference to prohibition of discussion of “specific patent license terms” may be mis-understood by working group participants as prohibition of any discussion of relative licensing costs and other terms as a reason to support or oppose a particular the inclusion of a particular contribution in an IEEE Standard. Added language clarifies that discussion of relative licensing costs is permitted.

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.

SuggestedRemedy

Copies of an Accepted LOA may be provided to participants in a standards development ~~the working group, but shall not be discussed at any standards working group meeting.~~ Discussion of essentiality, interpretation, or validityof Patent Claims, or specific patent license terms is prohibited during IEEE-SA standards-development meetings or other duly authorized IEEE-SA standards-development technical activities. For the avoidance of doubt, notwithstanding the prohibition of the discussion of specific patent license terms during IEEE-SA standards-development meetings or other duly authorized IEEE-SA standards-development technical activities, participants in such meetings or activities are free to identify relative licensing costs or other terms as a reason to prefer one technical proposal relative to another, just as they are free to identify the technical merit of one technical proposal relative to another.

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* **Transfers of Essential** *P* **3** *L* **109-114** # 146

Ohana, Gil Cisco Systems, Inc.

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.

SuggestedRemedy

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.

D **Bylaws** *SC* **Implicit Acknowledgm** *P* **3** *L* **126** # 147

Ohana, Gil Cisco Systems, Inc.

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

Incorporate defined term "Reasonable Terms and Conditions"

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.

SuggestedRemedy

A Submitter of an Accepted LOA who has committed to license Essential Patent Claims on R~~r~~easonable T~~t~~erms and C~~c~~onditions that are demonstrably

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."

D **Bylaws** *SC* **What an "appropriate** *P* **4** *L* **134** # 148

Ohana, Gil Cisco Systems, Inc.

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

Incorporate defined term "Reasonable Terms and Conditions"

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.

SuggestedRemedy

patent validity and infringement; determine R~~r~~easonable Terms and Conditions ~~licensing rates, terms and conditions;~~ award monetary

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

The recommended text defines "Reasonable Rates," but does not otherwise defined "reasonable terms and conditions." We have incorporated some of your ideas in the new recommended text for "Reasonable Rates."

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

Workman, Helene Apple

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

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

SuggestedRemedy

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."

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

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

Workman, Helene Apple

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

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

SuggestedRemedy

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:"

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

We have reworded the text to indicate "at least the following three factors."

D **Bylaws** *SC* **6.1** *P* **2** *L* **51- 52** # 151

Workman, Helene Apple

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

It should be reinforced and clarified in the policy that the proper base for calculating RAND licensing of Essential Patent Claims should be common as between the parties and should bear the closest possible relationship to the actual functionality covered by the IEEE Standard. Several courts and regulatory agencies recommend considering the 'smallest saleable patent practicing unit' to help identify the appropriate component that incorporates the inventive (or standardized) feature(s). This legal doctrine seeks to avoid unjust enrichment by focusing parties on the component that practices all or substantially all of the standard. When the smallest saleable unit includes functionality beyond that contributed by the standard, the royalty base should be further apportioned so that the resulting royalty base reflects as closely as possible only the value that the standard contributes to the price of the smallest saleable unit.

SuggestedRemedy

Replace factor 2 with: "The proper base for calculating reasonable and non-discriminatory terms for an Essential Patent Claim for implementation of an IEEE Standard shall bear the closest possible relationship to the actual functionality covered by the IEEE Standard. The proper base will be, at most, the smallest saleable patent practicing unit that implements the technology claimed in the Essential Patent Claim required for implementation of an IEEE Standard. Where the smallest saleable patent-practicing unit is over-inclusive and contains functionality beyond that claimed in the IEEE Standard for which the Essential Patent Claim is required for implementation, then the value of the smallest saleable unit should be further apportioned to focus on the value of the functionality described in the IEEE Standard."

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

We have incorporated this concept into the updated definition of "Reasonable Rates."

D **Bylaws** *SC* **6.1** *P* **2** *L* **46 - 53** # 152

Workman, Helene Apple

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

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.

SuggestedRemedy

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 without reference to 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 *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* **6.1** *P* **2** *L* **46 - 53** # 153

Workman, Helene Apple

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

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, industy-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.

SuggestedRemedy

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 *Response Status* **W**

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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **46 - 53** # 154

Workman, Helene Apple

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

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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **54** # 155

Workman, Helene Apple

Comment Type **S** *Comment Status* **D** *Reason-2*

It should be clarified and reinforced that the policy does not shift burdens of proof.

SuggestedRemedy

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 Response *Response Status* **W**

PROPOSED REJECT.

We do not believe this clarification is necessary.

D **Bylaws** *SC* **6.2** *P* **3** *L* **109 - 114** # 156

Workman, Helene Apple

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

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.

SuggestedRemedy

Delete the language in lines 109 to 114.

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.

D **Bylaws** *SC* **6.2** *P* **4** *L* **166** # 157

Workman, Helene Apple

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

Explicitly indicate that the text revisions are intended to clarify existing expectations rather than define new ones.

SuggestedRemedy

Add the following text: "The policy text revisions are intended to clarify and reinforce existing expectations rather than define new ones."

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

This will be addressed in an FAQ rather than directly in the policy.

D **Bylaws** *SC* *P* **1** *L* **16** # 158

Vaario, Jari Nokia

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

"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.

SuggestedRemedy

Delete the entire definition.

Optionally:
Delete "a component, product, or service".

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.

Licensing of essential patents claims currently occurs at all levels. This text makes that current practice clear.

D **Bylaws** *SC* *P* **1** *L* **16** # 159

Vaario, Jari Nokia

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.

SuggestedRemedy

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.

D **Bylaws** *SC* *P* **1** *L* **23-24** # 160

Vaario, Jari Nokia

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

The original "a compliant implementation" (in lower cases) does not actually need a specific definition, but is sufficient as stand alone. However, the deletion of the following "of either mandatory or optional portions…" is appropriate as this only introduces more confusion than clarification.

SuggestedRemedy

Replace "Compliant Implementation" with "compliant implementation".

Proposed Response *Response Status* **W**

PROPOSED REJECT.

Compliant Implementation is used in many places in the policy. Having a definition of such a term improves understandability and consistency.

D **Bylaws** *SC* *P* **1** *L* **25** # 161

Vaario, Jari Nokia

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

The usage of 'commercially feasible' is very vague and causes uncertainties for implementers as towhether something is essential or not. It would be better to maintain and enbrace 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.

SuggestedRemedy

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.

D **Bylaws** *SC* *P* **1** *L* **25** # 162

Vaario, Jari Nokia

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.

SuggestedRemedy

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.

D **Bylaws** *SC* *P* **2** *L* **46-53** # 163
Vaario, Jari Nokia

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

The used definition rather creates more uncertainties than it solves. It is a long practice that SDOs do not take position to the bilaterial 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.

SuggestedRemedy

Delete the definition of "Reasonable Rate"

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

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.

D **Bylaws** *SC* *P* **2** *L* **46** # 164
Vaario, Jari Nokia

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

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.

SuggestedRemedy

Delete the definition of "Reasonable Rate"

Optionally:
Refrase this sentence as suggested above.

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* *P* **2** *L* **46-47** # 165
Vaario, Jari Nokia

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

One has to be more exact than "Some of the factors … should include:" as 'some' and 'should' together suggests that these are the most important, which they are not. There are several other factors that are even more important and should equally be taken into the account. The selection of the language shows that the drafters are not aware of the reality, or that they are seriously biased to applicants' side.

SuggestedRemedy

Delete the definition of "Reasonable Rate"

Optionally:
Replace the word 'should' with 'could'.

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

We have changed the text to read "… considering at least the following three factors:"

D **Bylaws** *SC* *P* **2** *L* **48-50** # 166
Vaario, Jari Nokia

Comment Type **S** *Comment Status* **X** *Reason-2*

This 'factor' is unclear, as there is no practical possibilities of comparing one technical contribution to another contribution at the time of standard creation. Any post-evaluation attempts of such factors cannot produce any relevant information to 'Reasonable Rate'.

SuggestedRemedy

Delete the definition of "Reasonable Rate"

Optionally:
Delete 48-50

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.

D **Bylaws** *SC* *P* **2** *L* **51-52** # 167

Vaario, Jari Nokia

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

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.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* **2** *L* **53** # 168

Vaario, Jari Nokia

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

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.

SuggestedRemedy

Delete the definition of "Reasonable Rate"

Optionally:
Delete 53

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.

D **Bylaws** *SC* *P* **2** *L* **53.1** # 169

Vaario, Jari Nokia

Comment Type **S** *Comment Status* **D** *Reason-2*

It is important to emphasize here, according to IEEE principles, the importance of encouraging members to make contributions to IEEE, which could be expressed by rewarding the patent holders by fair compensation for their contributed technologies.

SuggestedRemedy

Delete the definition of "Reasonable Rate"

Optionally:
Add "The technology contributers should be awarded a fair compensation for their technical contribution to the standards."

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

The text now recognizes this concept saying,

""Reasonable Rate" shall mean compensation that is based on the value contributed to the Compliant Implementation by the Essential Patent Claim and that appropriately compensates the Submitter for use of such claim in a Compliant Implementation…"

D **Bylaws** *SC* *P* **2** *L* **53.2** # 170

Vaario, Jari Nokia

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

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.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

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.

D **Bylaws** *SC* *P* **2** *L* **55-60** # 171

Vaario, Jari Nokia

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

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 contributers 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 contributers. 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 *Response Status* **W**

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."

D **Bylaws** *SC* *P* **2** *L* **55-60** # 172

Vaario, Jari Nokia

Comment Type **S** *Comment Status* **D** *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 *Response Status* **W**

PROPOSED REJECT.

The commenter is correct in that the IEEE Patent policy only addresses reciprocity for the referenced IEEE Standard. Essential Patent Claims for non-IEEE standards are outside the scope of this policy.

D **Bylaws** *SC* *P* **2** *L* **55-60** # 173

Vaario, Jari Nokia

Comment Type **S** *Comment Status* **X** *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 *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* **2** *L* **80** # 174

Vaario, Jari Nokia

Comment Type **E** *Comment Status* **D** *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 *Response Status* **W**

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.

D **Bylaws** *SC* *P* **2** *L* **83** # 175

Vaario, Jari Nokia

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 *Response Status* **W**

PROPOSED REJECT.

We believe "any" is correct.

D **Bylaws** *SC* *P* **2** *L* **85** # 176

Vaario, Jari Nokia

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

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.

SuggestedRemedy

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

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.

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

D **Bylaws** *SC* *P* **2-3** *L* **85-86** # 177

Vaario, Jari Nokia

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

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 wothwhile 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.

SuggestedRemedy

Replace "Essential Patent Claims to unrestricted number of applicants on a wordlwide 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 commiment has been provided)".

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* **3** *L* **95-98** # 178

Vaario, Jari Nokia

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

This is a duplicated definition for Reciprocal Licensing. Not only is it confusing, but also not identical to the other definition 55-60. As such it is best to delete.

SuggestedRemedy

Delete from "The Submitter shall not require … for the referenced IEEE standard."

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We disagree with the commenter's assertion that this is a duplicative definition of Reciprocal Licensing. We note, however, that both the definition of Reciprocal Licensing and this instance of its usage have been revised.

D **Bylaws** *SC* **6.2** *P* **3** *L* **106-107** # 179

Kallay, Dina Ericsson, Inc.

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

Today's dynamic business environment leads to frequent acquisitions and significant changes. Members cannot predict who their affiliates will be in the future. It is impossible to make a commitment whose nature is unclear.

Furthermore, given the new proposed text in lines 115-124 makes it clear that a RAND encumbrance is appurtenant to the patent itself and therefore conveys with the patent – it is unclear what the purpose of this proposed new text is.

SuggestedRemedy

Proposed new text is unnecessary and should not be adopted.

If left in, add the following red font text:

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 Response *Response Status* **W**

PROPOSED REJECT.

This policy for affiliates is unchanged from the existing policy.

D **00** *SC* *P* **3** *L* **95-98** # 179
Vaario, Jari Nokia

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

We strongly advice 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.

SuggestedRemedy

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 Response *Response Status* **W**

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.

D **Bylaws** *SC* *P* **3** *L* **97-98** # 180
Vaario, Jari Nokia

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

The requirement that "The Submitter shall not require the applicant to take a license to any of the Submitter's Patent Claims that are not Essential Patent Claims for the referenced IEEE standard." is an akward 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.

SuggestedRemedy

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."

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* *P* **3** *L* **115-124** # 181
Vaario, Jari Nokia

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

This has been debated at length in other SDOs with an end-result that might provide much better definition.

SuggestedRemedy

Replace with "RAND licensing undertakings made by LoAs shall be interpreted as encumbrances that bind all successors-in-interest. Recognizing that this interpretation may not apply in all legal jurisdictions, any Submitter who has submitted a RAND undertaking according to the policy who transfers ownership of patents having one or more Essential Patent Claims that is subject to such undertaking shall include appropriate provisions in the relevant transfer documents to ensure that the undertaking is binding on the transferee. The undertaking shall be interpreted as binding on successors-in-interest regardless of whether such provisions are included in the relevant transfer documents."

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

We deleted the opening phrase, which we believe substantially addresses this comment. Please review the updated recommended text.

D **Bylaws** *SC* *P* **3** *L* **126-128** # 182
Vaario, Jari Nokia

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.

SuggestedRemedy

Delete the entire 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."

D **Bylaws** *SC* *P* **3-4** *L* **129-136** # 183

Vaario, Jari Nokia

Comment Type **S** *Comment Status* **D** *Prohib-3*

The contest of this chapter has been depated 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.

SuggestedRemedy

Delete the entire paragraph.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

Thank you for your information about ETSI and ITU.

D **Bylaws** *SC* *P* **3** *L* **129-130** # 184

Vaario, Jari Nokia

Comment Type **S** *Comment Status* **D** *Prohib-3*

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.

SuggestedRemedy

Delete the entire paragraph.

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* *P* **4** *L* **131-133** # 185

Vaario, Jari Nokia

Comment Type **S** *Comment Status* **D** *Prohib-2*

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.

SuggestedRemedy

Delete the entire paragraph.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* **4** *L* **131-136** # 186

Vaario, Jari Nokia

Comment Type **S** *Comment Status* **D** *Prohib-2*

Not for SDOs to define strictly the adjudication process.

SuggestedRemedy

Delete the entire paragraph.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We disagree with the commenter's implicit characterization of the recommended text and the patent policy.

D **Bylaws** *SC* **6.2** *P* **4** *L* **131** # 187

Nagata, Kengo Nippon Telegraph and Telephone Corporation

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

"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.

SuggestedRemedy

unless ~~such alleged infrnger 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 dameges***. 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 *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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.

D **Bylaws** *SC* **6.2** *P* **3** *L* **129** # 188

Nagata, Kengo Nippon Telegraph and Telephone Corporation

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

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.

SuggestedRemedy

-

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* **2** *L* **58-60** # 189

Gordon, Latonia Microsoft

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

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

SuggestedRemedy

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, SBBylaws_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 *Response Status* **W**

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.

D **Bylaws** *SC* *P* **3 and 4** *L* **129-136** # 190

Gordon, Latonia Microsoft

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

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.

SuggestedRemedy

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 wll 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 infringe 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."

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 wll 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 infringe 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 *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **6.1** *P* **1** *L* **16-17** # 191

Freedman, Barry Alcatel-Lucent

Comment Type **S** *Comment Status* **D** *Compliant-3*

new definition of Compliant Implementation mentioning "a component, product or service" appears to imply that Submitter is not a master of its own licensing program

SuggestedRemedy

"Compliant Implementation" shall mean an implementation conforming to mandatory or optional portions of the normative clauses of an IEEE Standard.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We prefer not to use the term "implementation" within the definition of "Compliant Implementation."

The new definition 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.

D **Bylaws** *SC* **0** *P* **1** *L* **34-36** # 192

Freedman, Barry Alcatel-Lucent

Comment Type **S** *Comment Status* **D** *Prohib-2*

"Prohibitive Order" is a new term going beyond what DoJ and EC recommending SDOs to consider

SuggestedRemedy

delete proposed changes

Proposed Response *Response Status* **W**

PROPOSED REJECT.

Prohibitive Order" is a defined term within the recommended text, which has been revised in response to other comments received. Please see the recommended text. If the commenter believes that the text is over-inclusive, please suggest a remedy for consideration.

D **Bylaws** *SC* **6.1** *P* **2** *L* **46-53** # 193

Freedman, Barry Alcatel-Lucent

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

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

SuggestedRemedy

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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **55-60** # 194

Freedman, Barry Alcatel-Lucent

Comment Type **S** *Comment Status* **X** *Recip-2*

definition of reciprocity should be subject to a comprehensive discussion; cf. also comment on lines 95-98

SuggestedRemedy

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **6.2** *P* **2 and 3** *L* **85-88** # 195

Freedman, Barry Alcatel-Lucent

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

"distribute" and "implement" are not used by 35 USC § 271 or foreign patent acts; in any case not necessary to recount the infringing acts; further it is not realistic to define "Reasonable Rates" (cf. comment to lines 46-53)

SuggestedRemedy

delete proposed changes

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.,

D **Bylaws** *SC* *P* **3** *L* **95-98** # 196

Freedman, Barry Alcatel-Lucent

Comment Type **S** *Comment Status* **X** *Recip-2*

while pretending to elaborate on Reciprocal Licensing, the 2nd sentence creates additional duties for Submitter: must refrain from including non Essential Patent Claims in the offer, and from requesting licenses under non Essential Patent Claims. Such addditional duties should be subject to a comprehensive discussion.

SuggestedRemedy

if Reciprocal Licensing is defined on lines 55-60, then the first sentence can be left in. In any case, the proposed second sentence to be deleted.

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 a license voluntarily agreed by a licensee. If an applicant wants a license only to Essential Patent Claims, however, Submitter must make such a license available.

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."

D **Bylaws** *SC* *P* **3** *L* **99-100** # 197

Freedman, Barry Alcatel-Lucent

Comment Type **S** *Comment Status* **D** *Recip-3*

disclaimer dependent on lines 95-98

SuggestedRemedy

Proposed Response *Response Status* **W**

PROPOSED REJECT.

No remedy offered.

D **Bylaws** *SC* *P* **3** *L* **109-114** # 198

Freedman, Barry Alcatel-Lucent

Comment Type **S** *Comment Status* **D** *Affiliates-3*

not clear why the language must be amended

SuggestedRemedy

delete proposed changes

Proposed Response *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.

D **Bylaws** *SC* **6.2** *P* **3** *L* **126-128** # 199

Freedman, Barry Alcatel-Lucent

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

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

SuggestedRemedy

delete proposed changes

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."

D **Bylaws** *SC* *P* **3** *L* **129-132** # 200

Freedman, Barry Alcatel-Lucent

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

excludes the opportunity to seek an injunction while refraining from enforcing it; "final and non-appealable judgement" could takes years to reach during which the LOA Submitter has no recourse, hence is tilted in favor of unwilling licensee

SuggestedRemedy

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 ereferenced in such LOA.

Proposed Response *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.

D **Bylaws** *SC* **6.1.** *P* **1** *L* **16** # 201

Borgström, Markus NSN

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

Definition of "compliant implementation" is not sufficient.

SuggestedRemedy

Either to delete the definition completely or clarify by including following: "For the avoidance of doubt, “Compliant Implementation” shall include end-user products such as consumer electronics, as well as infrastructure equipment."

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.

D **Bylaws** *SC* **6.1.** *P* **2** *L* **46** # 202

Borgström, Markus NSN

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

Trying to give definition to reasonable is inappropriate and should be left to the parties to negotiate and determine what are the relevant factors that are appropriate and specific to their particular private negotiations.

SuggestedRemedy

Delete section "Reasonable rate" completely

Proposed Response *Response Status* **W**

PROPOSED REJECT.

IEEE stakeholders and global competition authorities have suggested that standards bodies might want to provide guidelines on what constitutes a FRAND rate. We believe it is appropriate to address those suggestions.

D **Bylaws** *SC* **6.2.** *P* **2** *L* **85** # 203

Borgström, Markus NSN

Comment Type **S** *Comment Status* **D** *License-2*

There are, and remain, legitimate reasons for the Submitter to be able to manage and control the licensing of its patents in a way that it sees fit and in particular in a way that it believes best meets the needs of its business, provided that the Submitter remains compliant with the requirement of non-discrimination.

SuggestedRemedy

Keep original wording

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.

D **Bylaws** *SC* **6.2.** *P* **3** *L* **96** # 204

Borgström, Markus NSN

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

Subparaph (a) presents an unjustified and unacceptable restriction on a Submitter. Submitter shall be allowed to make a license offer for multiple essential IPRs together which all are required to implement the same compliant implementation.

SuggestedRemedy

Delete condition (a)

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."

D **Bylaws** *SC* **6.2.** *P* **3** *L* **126** # 205

Borgström, Markus NSN

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.

SuggestedRemedy

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."

D **Bylaws** *SC* **6.2.** *P* **3** *L* **129** # 206

Borgström, Markus NSN

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.

SuggestedRemedy

Delete paragraph

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **6.1** *P* **1** *L* **35** # 207

Tierney, Michael Intel Corporation

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

"Prohibitive Orders" do not normally "condition" the making using or selling or products or services and therefore the term may not be appropriate.

SuggestedRemedy

Remove the word "condition" and repharse "...limits or prevents…"

Proposed Response *Response Status* **W**

PROPOSED ACCEPT.

D **Bylaws** *SC* **6.2** *P* **3** *L* **131-132** # 208

Tierney, Michael Intel Corporation

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

The limitation not to seek or enforce should apply to individual encumbered patents.

SuggestedRemedy

Substitute "of an Essential Patent Claim" for "of the Essential Patent Claims"

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

The recommended text now says "any Essential Patent Claim"

D **Bylaws** *SC* **6.2** *P* **4** *L* **132-133** # 209

Tierney, Michael Intel Corporation

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-appearable judgement" because of the potential for excessive delays.

SuggestedRemedy

Remove "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" 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.

D **Bylaws** *SC* **6.2** *P* **4** *L* **133-136** # 210

Tierney, Michael Intel Corporation

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

The sentence beginning "an appropiate court" is confusing.

SuggestedRemedy

Replace the sentence that begins "An approriate court…" in its entirity 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 *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* **6.2** *P* **4** *L* **132** # 211

Tierney, Michael Intel Corporation

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

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

SuggestedRemedy

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 *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* **6.2** *P* **4** *L* **137** # 212

Tierney, Michael Intel Corporation

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

The following statement would be helpful here or in explanatory text.

SuggestedRemedy

Suggest inserting "The IEEE Patent Policy does not create or expand any right to injunctive relief, nor (except for the express limitations on injunctive relief) does the Policy preclude either party from raising any claims and defences in any proceeding."

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* *P* **Intro note** *L* # 234

Block, Marc Sandy IBM Corporation

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

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

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

The transmittal email to which this comment apparently refers is not a policy document.

D **Bylaws** *SC* *P* **1** *L* **34** # 235

Block, Marc Sandy IBM Corporation

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

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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* **1** *L* **36** # 236
Block, Marc Sandy IBM Corporation

Comment Type **E** *Comment Status* **D** *Prohib-2*

SuggestedRemedy

after Compliant Implementation" insert "under patents."

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* **2** *L* **47+** # 237
Block, Marc Sandy IBM Corporation

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

Why these three factors? Are they always appropriate? "should" may impose some kind of expectation or obligation. Should policy include "maybe's"? Substantively, suppose there are a dozen arms-length licenses with the same negotiated royalty rate, does the court still have to look at these three complicated factors? A court has numerous Georgia Pacific factors to consider -- why single out only limiting ones and not other factors? Cases, in fact, typically look at an "established royalty" as the best measure of reasonableness, a factor not included in the list here. Specific issues outlined below.

SuggestedRemedy

Delete from "Some of the factors…product, or service."

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.

D **Bylaws** *SC* *P* **2** *L* **48** # 238
Block, Marc Sandy IBM Corporation

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

The first factor would require a court to look back in time to first determine alternatives and then retroactively assess relative value of alternatives that are not productized. Not easy to do, but can be expensive on both sides to verify. How many participants will agree on why one technology was chosen over another? Will IEEE keep track of the alternatives proposed for each feature in a spec and their risks/advantages?

SuggestedRemedy

Delete bullet

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* **2** *L* **51** # 239
Block, Marc Sandy IBM Corporation

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

For bullet 2, in *Microsoft v Motorola* ["MvM"], the judge concluded a fixed value for the patents regardless of box price. Without expressing a view on that opinion, which is subject to appeal, should IEEE advance a view that does not track that recent case? The proposal in column G gets the right point across.

SuggestedRemedy

Delete bullet 2 and insert "The economic value of the EPC invention, as opposed to any value derived merely from inclusion in the standard."

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

We have updated factor 1 to include this concept.

D **Bylaws** *SC* *P* **2** *L* **53** # 240

Block, Marc Sandy IBM Corporation

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

According to the IEEE draft revision, the court "should" look not just at value of the invention at issue but determine all patent claims and what they are all worth. For each case, the court must determine all of the infringed patent claims! Even in *MvM*, the court only considered EPC patents identified for the standard and that involved substantial fudging. This IEEE draft change would require a "landscape" search of all patent claims [not just patents] reading on a product. Who will do that work? The patentee is likely not interested in making that determination. And will the implementer be interested in specifying all the patents of other parties that implementer is infringing -- opening it up to infringement claims by those parties! Does the court do it? What precedential value does the determination have on other implementing product makers? Forcing this measure will significantly add to uncertain royalties, uncertain litigation costs, and litigation time.

(cont'd from prior cell) The IEEE draft change has some initial appeal, but IEEE "should" consider how it works. If IEEE wants to get into the RAND determination business, there may be better algorithms that can be considered than the arbitrary and problematic triplet in the draft.

SuggestedRemedy

Delete bullet 3

Proposed Response *Response Status* **W**

PROPOSED REJECT.

While we don't agree with the proposed remedy, we would point out that the recommended text for "Reasonable Rates" has been updated, including factor 3.

D **Bylaws** *SC* *P* **2** *L* **53** # 241

Block, Marc Sandy IBM Corporation

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

Determining an "aggregate royalty" has been proposed in some SDOs and rejected. Has IEEE considered the objections raised in other SDOs? Also, aggregate royalty could be used to depress what an EPC owner receives and can result in a windfall for the implementer. Suppose there are 10 EPCs each separately owned and the aggregate royalty [for all EPCs] is set at 2%. But only one owner asserts its EPC which, itself, is vital enough to warrant a 2% fee. Is s/he limited to 2/10 % ?

SuggestedRemedy

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 commentor's interpretation of the recommended text. The commenter has not suggested a remedy.

D **Bylaws** *SC* *P* **2** *L* **53** # 242

Block, Marc Sandy IBM Corporation

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

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 Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* **2** *L* **56** # 243

Block, Marc Sandy IBM Corporation

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

The proposal in column G recognizes the licensee opportunity to license less than all EPCs asserted by the LOA Submitter. It also recognizes the interests of the LOA Submitter who has offered a license to all its EPCs.

SuggestedRemedy

After "for all", insert "or some, at licensee's request,)"

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

We have deleted "all of" and suggest the recommended text on the definition of Reciprocal Licensing be reviewed.

D **Bylaws** *SC* *P* **2** *L* **57** # 244

Block, Marc Sandy IBM Corporation

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

"*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.

SuggestedRemedy

after "referenced IEEE standard" insert "(and any other IEEE standard mentioned by specification number in the referenced standard, provided that the LOA Submitter has offered a RAND license under such mentioned standard(s).)"

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* *P* **3** *L* **107** # 245

Block, Marc Sandy IBM Corporation

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

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.

SuggestedRemedy

After "Letter of Assurance." insert “If an LOA submitter commits all of its Affiliates’ EPCs, the submitter can expect the licensee to license back EPCs of all its Affiliates under reciprocity. If, however, a member excludes Affiliate(s), the licensee may similarly exclude patents of its Affiliates or separately identified business divisions that are listed. Of course, excluded Affiliates or divisions receive no licenses from the other party.”

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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."

D **Bylaws** *SC* *P* **3** *L* **120-123** # 246

Block, Marc Sandy IBM Corporation

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

I rewrote text, but have sent red-line with transmittal note. I couldn't red-line here. To the extent the IEEE draft ["jurisdiction" language] could result in unwarranted FUD and less usage of the Statement of Encumbrance ("S/E") option, that would be unfortunate. It is unclear why the draft policy states an intent that license assurances 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.

(cont'd) But even if the provision is omitted, there is a property law rule called "nemo dat..." that says a buyer can't sell more than s/he owned, so future buyers take subject to the carve-out. A German court followed this notion in Infineon v Qimonda where a bankrupt transferee could not terminate licenses and assign patents free of those licenses where there was a property encumbrance carved out from the original transfer. [Such carve-out encumbrances are typical in the patent field, including a recent assignment of patents between Qualcomm and Broadcom.] IEEE had it right to offer SEP owners a fair choice between a contract option [preferred by some] and a property option which some may see as effective for SEP owner, implementers, and patent transfers. So first, do no harm and follow the changes in G.

(cont'd) But even if the provision is omitted, there is a property law rule called "nemo dat..." that says a buyer can't sell more than s/he owned, so future buyers take subject to the carve-out. A German court followed this notion in Infineon v Qimonda where a bankrupt transferee could not terminate licenses and assign patents free of those licenses where there was a property encumbrance carved out from the original transfer. [Such carve-out encumbrances are typical in the patent field, including a recent assignment of patents between Qualcomm and Broadcom.] IEEE had it right to offer SEP owners a fair choice between a contract option [preferred by some] and a property option which some may see as effective for SEP owner, implementers, and patent transfers. So first, do no harm and follow the changes in G.

On another point, while flowdown of the licensing assurance is appropriate, I question whether transferees must be subject to the disclosure requirement "terms" in the last paragraph of the LOA form. Ergo, the change in G proposes flowing down the "licensing assurance terms".

SuggestedRemedy

Delete text "The IEEE intends that...by a Statement of Encumbrance." and insert: "The IEEE intends that any terms related to licensing assurances contained in an Accepted Letter of Assurance shall be binding upon any and all assignees and transferees of any Essential Patent Claim covered by such LOA. The Submitter of an Accepted Letter of Assurance providing licensing assurance therefor shall (i) contractually bind any assignee

or transferee to such terms of such Accepted Letter of Assurance; or (ii) provide a Statement of Encumbrance to which successors are subject, and the Submitter shall contractually require each successor to flow the licensing assurance to their successor(s) in accordance with (i) or (ii), respectively."

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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.

D **Bylaws** *SC* *P* **3** *L* **126-128** # 247

Block, Marc Sandy IBM Corporation

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

This IEEE draft revision could be interpreted as an EPC owner admission that, in effect, s/he cannot be awarded an injunction. Where the eBay decision includes a "money is adequate" gating factor, this revision would disallow injunction in all instances, regardless of implementer conduct or other circumstances. Limiting access to injunctive relief is one thing, an admission by an IEEE participant of remedy preclusion is another. It is not clear whether this provision could possibly trump the next provision in the revision that allows for injunction in exceptional circumstances. The provision is subtle and could surprise IEEE members+F29 who joins a standards effort.

ALTERNATIVELY, PERHAPS EVEN MORE UNTENABLE, THE PROVISION MAY BE VIEWED AS PRECLUDING EPC OWNERS FROM SEEKING A RECIPROCAL LICENSE UNDER LICENSEE'S EPCS! AFTER ALL, ROYALTIES ARE ADEQUATE. THIS MAY BE ACCEPTABLE FOR NON-PRACTICING ENTITIES, BUT NOT FOR COMPANIES INTENDING TO IMPLEMENT THE STANDARD. THIS COULD SERIOUSLY IMPACT PARTICIPATION IN IEEE STANDARDS. If this is the intent and the provision remains, then participants should be clearly apprised of its effect.

SuggestedRemedy

Delete

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."

See also our responses to similar comments on injunctions.

D **00** *SC* *P* **3,4** *L* **129-136** # 248

Block, Marc Sandy IBM Corporation

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

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.

SuggestedRemedy

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* *P* **3,4** *L* **129-136** # 249

Block, Marc Sandy IBM Corporation

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

Suppose the EPC owner prevails at the district court on all issues and defenses. The original offer may even be found to be RAND. Still, under the IEEE draft, the owner cannot seek injunctive relief until the Supreme Court denies cert or the case is no longer appealable. THE COST AND DELAY AND POTENTIAL FOR REPEATED ACTIONS IS UNBALANCED.

SuggestedRemedy

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.

D **Bylaws** *SC* *P* **3,4** *L* **129-136** # 250

Block, Marc Sandy IBM Corporation

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

In that ITC cannot set royalties, the IEEE draft provision would preclude exclusion orders and other ITC action, again regardless of parties respective conduct or actions. If such a result is intended, it should be clear in its statement. IN THE DRAFT, IF A SEP OWNER GOES TO THE ITC WHO DETERMINES CLAIM ESSENTIALITY AND THAT RAND WAS OFFERED AND REJECTED (AND OF COURSE THAT THE CLAIM IS VALID AND INFRINGED WHICH THE ITC ALWAYS DETERMINES), THERE IS STILL NO EXCLUSION ORDER BECAUSE THE ITC CANNOT ***SET*** THE RAND RATE. Unbalanced.

SuggestedRemedy

Proposed Response *Response Status* **W**

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.

D **Bylaws** *SC* *P* **3,4** *L* **129-136** # 251

Block, Marc Sandy IBM Corporation

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.

SuggestedRemedy

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.

D **Bylaws** *SC* *P* **3,4** *L* **129-136** # 252

Block, Marc Sandy IBM Corporation

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.

SuggestedRemedy

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.

D **Bylaws** *SC* *P* **4** *L* **136** # 253

Block, Marc Sandy IBM Corporation

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

To promote innovation for IEEE standards, the limits on injunction should not depress the invention value. Royalty rate should not drop the day after an EPC owner joins IEEE standards effort. This provision will help ensure innovativeness and participation in IEEE standards.

SuggestedRemedy

After line 136, insert: "The foregoing limits on injunctive relief do not affect the evaluation of RAND royalty terms."

Proposed Response *Response Status* **W**

PROPOSED REJECT.

While we do not agree with the comment, please see the new definition of Reasonable Rates, especially bullet 1.

D **Bylaws** *SC* **6.1** *P* **2** *L* **46** # 254

Peterson, Scott Google Inc.

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.

SuggestedRemedy

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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **83** # 255

Peterson, Scott Google Inc.

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

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.

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaws** *SC* **6.2** *P* **3** *L* **95** # 256

Peterson, Scott Google Inc.

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

As discussed at the PatCom meeting, it is desirable to permit patent owners to offer an RF license with RF reciprocity while offering a RAND license with RAND reciprocity. Of course, this could be accomplished on the LOA by selecting RAND and adding specific terms that additionally offer RF for RF; however, as this could be a common pattern, it should be more straightforward for a patent owner to provide this information.

SuggestedRemedy

Insert the following at the sentence break on line 95: “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.”

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

Please see the new text which incorporates this concept.

D **Bylaws** *SC* **6.2** *P* **3** *L* **126** # 257

Peterson, Scott Google Inc.

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

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.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

We have deleted the word "implicit."

D **Bylaws** *SC* **6.2** *P* **3** *L* **129** # 258

Peterson, Scott Google Inc.

Comment Type **S** *Comment Status* **D** *Prohib-2*

If the IEEE is going to inject views on the topic of how disputes are resolved, it ought to do more to encourage the parties to work out their differences using negotiation and then to fall back to dispute resolution processes that are more efficient than litigation through the courts. Also, resolution of licensing disputes has two sides; the policy should recognize that a licensee needs to be willing to take a license in order to benefit from any shield against injunction that the policy might provide.

SuggestedRemedy

[no specific text offered at this time]

Proposed Response *Response Status* **W**

PROPOSED REJECT.

Comment lacks a remedy.

We would note that additional text about arbitration has been added in the draft. Please review.

D **Bylaws** *SC* **6.1** *P* **1** *L* **17** # 259

RAES, Serge Orange

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

IEEE Standard is capitalized, but not defined.

SuggestedRemedy

Define IEEE Standard among the definitions.

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

"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.

D **Bylaws** *SC* **6.1** *P* **1** *L* **19, 20** # 260

RAES, Serge Orange

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

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 Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* **6.1** *P* **1** *L* **24, 40** # 261

RAES, Serge Orange

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 Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* **6.1** *P* **2** *L* **44, 50, 69,** # 262

RAES, Serge Orange

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 Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* **6.1** *P* **4** *L* **147, 149** # 263

RAES, Serge Orange

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 Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* **6.1** *P* **1** *L* **34-36** # 264

RAES, Serge Orange

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

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, rubish, faulty or incompatible products would possibly be added to or remain on the market place forever. That is not possibly intended.

SuggestedRemedy

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 *Response Status* **W**

PROPOSED REJECT.

The policy only addresses Prohibitive Orders against Compliant Implementations. It is silent on Prohibitive Orders in regard to implementations that are not Compliant Implementations.

D **Bylaws** *SC* **6.1** *P* **2** *L* **46-53** # 265

RAES, Serge Orange

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

Definition of "Reasonable Rate". Partial definition limited to only the rate in an attempt to cover the existing "license fee or rate" as used in the current Bylaws on Page 3, line 93.

SuggestedRemedy

Expand the definition to "Reasonable Fee or Rate".

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **46-53** # 266

RAES, Serge Orange

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

Use of the word "rate" is 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?

SuggestedRemedy

The highligted 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 *Response Status* **W**

PROPOSED REJECT.

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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **46** # 267

RAES, Serge Orange

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

"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 dos 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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **46-53** # 268

RAES, Serge Orange

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

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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **48-50** # 269

RAES, Serge Orange

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

It is unknown in what proportion the value of an invention can be compared to the value of any existing competing alternatives, unless there are all small improvements made to a base technology (incremental improvements). How may this deal adequatley with technological breakthrough ?

SuggestedRemedy

Item 1 may deal with incremental improvements: so, it should be limited to such cases by definition. Another item should be added to deal with technological breakthrough.

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.

D **Bylaws** *SC* **6.1** *P* **2** *L* **51-53** # 270

RAES, Serge Orange

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

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 contrinute to the same.".

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

We have added "Essential" to the third factor.

D **Bylaws** *SC* **6.1** *P* **2** *L* **51-53** # 271
RAES, Serge Orange

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

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 *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* **6.2** *P* **2** *L* **80** # 272
RAES, Serge Orange

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

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 *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* **6.2** *P* **2** *L* **85** # 273
RAES, Serge Orange

Comment Type **S** *Comment Status* **D** *License-2*

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 *Response Status* **W**

PROPOSED REJECT.

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.

D **Bylaws** *SC* **6.2** *P* **3** *L* **86** # 274
RAES, Serge Orange

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

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

SuggestedRemedy

Verify that the new defintion of "Reasaonable Rates" fits in this place.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We believe this is correct.

D **Bylaws** *SC* **6.2** *P* **3** *L* **88** # 275
RAES, Serge Orange

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

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

SuggestedRemedy

Verify that the new defintion of "Reasaonable Rates" fits in this place.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We believe the text is correct.

D **Bylaws** *SC* **6.2** *P* **3** *L* **92** # 276

RAES, Serge Orange

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

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

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

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaws** *SC* **6.2** *P* **3** *L* **112-113** # 277

RAES, Serge Orange

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

"and for which licensing assurance was provided on an Accepted Letter of Assurance" is redundant with "the representations and commitments made in the Accepted Letter of Assurance" on lines 112-113 above. Otherwise, same comment relating to the use of "licensing assurance" instead of "Letter of Assurance".

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We believe the text as written is correct.

D **Bylaws** *SC* **6.2** *P* **3** *L* **115-116** # 278

RAES, Serge Orange

Comment Type **S** *Comment Status* **D** *Transfer-2*

"covered by such LOA." does not mean an Accepted LOA. What is binding is the Accepted LOA.

SuggestedRemedy

Change to "covered by such Accepted LOA.".

Proposed Response *Response Status* **W**

PROPOSED REJECT.

"such" refers back to the previous mention of an LOA which says "Accepted LOA"

D **Bylaws** *SC* **6.2** *P* **3** *L* **117** # 279

RAES, Serge Orange

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

"providing licensing assurance therefore" is redundant/ambiguous with "Accepted Leeter of Assurance".

SuggestedRemedy

Remove "providing licensing assurance therefore".

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We note that on rare occasions, a Letter of Assurance does not provide licensing assurance. They state an intent not to license or an intent not to enforce.

D **Bylaws** *SC* **6.2** *P* **3** *L* **126-128** # 280

RAES, Serge Orange

Comment Type **S** *Comment Status* **X** *Royalty-2*

The statement that "a royalty is sufficient compensation for a license to use those Essential Patent Claims" is an interpretation that is possibly not in-line with the existing Bylaws.

SuggestedRemedy

This point has been considerably debated in both ETSI IPR SC and ITU IRP HG meetings and there is no agreement on this interpretation. It is not supported by the Regulators either. Remove the interpretation in lines 126-128.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

Although we disagree with the suggested remedy, and we believe that this is an appropriate clarification, please note that 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."

D **Bylaws** *SC* **6.2** *P* **3, 4** *L* **129-136** # 281

RAES, Serge Orange

Comment Type **S** *Comment Status* **D** *Prohib-2*

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.

SuggestedRemedy

Postpone this definition until the ITU IPR AHG has come to a consensus on a text, targetted 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 Response *Response Status* **W**

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."

D **Bylaws** *SC* **6.2** *P* **4** *L* **134** # 282

RAES, Serge Orange

Comment Type **S** *Comment Status* **D** *Prohib-2*

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

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

Please see the updated definition of "Reasonable Rate"

D **Bylaws** *SC* **6.2** *P* **4** *L* **135** # 283

RAES, Serge Orange

Comment Type **S** *Comment Status* **D** *Prohib-2*

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

SuggestedRemedy

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

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaw** *SC* **6.1** *P* **1** *L* **34** # 284

Willingmyre, George GTW Associates

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

The term "regulatory directive" may be read to include an action by some goverment agency to protect safety health or the environment or national security. It is my understanding that is not the meaning the authors had in mind.

SuggestedRemedy

delete the words "or regulatory"

Proposed Response *Response Status* **W**

PROPOSED ACCEPT IN PRINCIPLE.

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

D **Bylaw** *SC* **6.1** *P* **2** *L* **46** # 285

Willingmyre, George GTW Associates

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 constitues a "reasonable rate" in license negotiation or dispute resolution.

SuggestedRemedy

This text should be considered as rationale and moved to a seperate 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.

The recommended to text is a definition, not a rationale.

D **Bylaw** *SC* **6.1** *P* **2** *L* **48** # 286

Willingmyre, George GTW Associates

Comment Type **E** *Comment Status* **X** *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 comparision 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 "ecomonic and technical" before first use of term "value" Add "economic and technical values of" before the term "alteratives" in line 49

Proposed Response *Response Status* **W**

PROPOSED REJECT.

We believe economic and technical value are understood in this context. The recommended text for "Reasonable Rates" has been revised in response to other comments received.

D **Bylaw** *SC* **6.2** *P* **2** *L* **72** # 287

Willingmyre, George GTW Associates

Comment Type **E** *Comment Status* **D** *O-Defs-3*

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.

D **Bylaw** *SC* **6.2** *P* **3** *L* **115** # 288

Willingmyre, George GTW Associates

Comment Type **E** *Comment Status* **D** *Proc-3*

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 seperate 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 clarifiations 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.

D **Bylaw** *SC* **All** *P* **1** *L* **1** # 289

Willingmyre, George GTW Associates

Comment Type **S** *Comment Status* **D** *Proc-3*

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.

SuggestedRemedy

The membership of groups that will have a primary role in shaping a patent policy should strive for "balance" between the interests of holders of ECs and the interests of implementors. If a review of the membership of current such groups indicates there is "imbalance" in this regard then some corrective action will help promote a "balanced" patent policy

Proposed Response *Response Status* **W**

PROPOSED REJECT.

The process for filling positions on the SASB and its committees is defined by the IEEE SA Ops Man. That process is not being revised.

D **Bylaw** *SC* **All** *P* **1** *L* **1** # 290

Willingmyre, George GTW Associates

Comment Type **S** *Comment Status* **D** *Clarity-2*

The proposed patent policy contains requirements new and different from those in the present patent policy. A reviewer of the proposed policy may have different points of view and comments depending upon whether the proposed new text is to apply only prospectively from some date of implementation or both retrospectively to LOAs that have been made previously and prospectively to participation from some date of implementation

SuggestedRemedy

State whatever it is is the intention for a new patent policy to be applied prospectively from some date of implementation or both prospectively and retrospectively.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaw** *SC* **All** *P* **1** *L* **1** # 291

Willingmyre, George GTW Associates

Comment Type **S** *Comment Status* **D** *Proc-3*

The patent policy needs a seperate rationale statement explaining why the policy is needed and what is the result or objective the policy is expected to achieve. In addition the specific rationale for all (or at the minimum key) requirements of the patent policy needs to be documented. Both the overall and specific rationales capture the thinking of the authors what the policy and its elements are supposed to achieve and how specific requirements came to be what they are. These dont have to be overly complicated ... whatever is the reasoning is what should be there. These rationales are critical for reviewers 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 ratioale for requirements and sometimes not.

SuggestedRemedy

A rationale statement why the patent policy is needed and what is the result or objective the patent policy is expected to achieve needs to be created. Presumably such a statement would include a recognition of the positive contributions patents can make to the standards process, followed by some observation that implementors need access to such patents on some reasonable basis and an obervation of the hold up problems that can occur on either side. This followed by an obervation of the need to establish some equitable balance of the interests of patent holder participants in the standards process and potential implementors who may need access to such intellectual property and that the patent policy of an organization has significant implications for the attractiveness of membership and participation of an organizations Then the data on which the authors set specific requirements or the thinking process that lead the authors to set specific requirements should be documented. All text in the proposed policy should be reviewed with the objective to segrgate the rationale for requirements from the requirements themselves and for the patent policy to be internally consistent with itself in this regard so that the proposed policy does not sometimes contain the rationale for a requirement and sometimes not.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

The IEEE Patent Committee already has a set of FAQs that provide additional information and rationale. These FAQs will be updated after the clarifiations 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 definiton 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* **6.1** *P* **2** *L* **56** # 293

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. Substitue 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.

D **Bylaw** *SC* **6.2** *P* **3** *L* **86** # 294

Willingmyre, George GTW Associates

Comment Type **S** *Comment Status* **D** *License-3*

the phrase "on a worldwide basis" sets up possibility of requiring a submitter of an LOA to grant a license in geographies where the submitter of an LOA has no protected IP to license.

SuggestedRemedy

delete the term "on a worldwide basis" or clarify it is not the intention of the policy to require granting of a license in parts of the world where it is not possible for the submitter of an LOA to grant such

Proposed Response *Response Status* **W**

PROPOSED REJECT.

The requirement is for the submitter to licenses a specific essential patent claim (or all of its essential patent claims in the case of a blanket LOA) to all implementers no matter the implementer's geographic location.

D **Bylaw** *SC* **6.2** *P* **3** *L* **101** # 295

Willingmyre, George GTW Associates

Comment Type **S** *Comment Status* **D** *Proc-3*

In the interests of transparency IEEE-SA should make accepted LOAs available to the public on the internet. I understand this to be current IEEE-SA practice.

SuggestedRemedy

add the clause "IEEE-SA shall make text of accepted LOAs publically available on the internet" at the beginning of line 101

Proposed Response *Response Status* **W**

PROPOSED REJECT.

That is the current process. No change is required.

D **Bylaw** *SC* **6.2** *P* **3** *L* **126** # 296

Willingmyre, George GTW Associates

Comment Type **S** *Comment Status* **X** *Royalty-3*

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 ambuity needs to be something explicit. The authors should take in to consideration that the statement that the scknowledgement means that "a royalty is sufficent 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 patentially 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 *Response Status* **W**

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."

D **Bylaw** *SC* **6.2** *P* **3** *L* **129** # 297

Willingmyre, George GTW Associates

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

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. 5.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 particpants 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 transation costs" in that it describes just a lenthy 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 absense of text describing the results of arbitration proceedings that merit at least the same treatement the draft presently limits to final and non appealable judicial decisons 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 licensee 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) 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 appoaches 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 and describe the conditions for which the making of such a voluntary committment is required for some purpose. For example instead of the text that parties "shall neither seek or nor

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 abritration procedures mutually agreed by the parties but which have not been met in a fashion that paralells the description of the "final and non appealable judgements" presently described.

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaw** *SC* **6.2** *P* **4** *L* **159** # 298

Willingmyre, George GTW Associates

Comment Type **S** *Comment Status* **D** *Proc-3*

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 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?

SuggestedRemedy

The phrase "in order for IEEE's patent policy to function efficiently" should be transfered from the patent policy to a seperate document as a statement of rationale for the requiements that follow. Create a defined term for "particpants" and substitute "particpants" for the words "individuals particpating in the standards development process"

Proposed Response *Response Status* **W**

PROPOSED REJECT.

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

D **Bylaw** *SC* **6.1** *P* **2** *L* **53** # 299

Willingmyre, George GTW Associates

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

The text refers to aggregate value of all patent claims when the patent policy applies to "essential patent claims" There is no rationale why the aggregate value for "all patent claims" should be considered in what is a reasonble rate rather than "essential patent claims"

SuggestedRemedy

Add the word "essential" before the words patent claims or prepare a rationale for the use of the term "all patent claims" in this clause

Proposed Response *Response Status* **W**

PROPOSED ACCEPT.