

<b>STS 2000-1 MP:2009 Edition 1.1</b>
<b>Approved by STS Board .....</b>
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**STS ASSOCIATION  
POLICY  
Intellectual property rights**

## **Foreword**

This is the October 2009 and first edition of the STSA IP Policy.

This policy has been reviewed by STSA Members and other interested parties and has been endorsed by the STSA Board as the STSA IP Policy. In making this policy the STSA provides a stable policy for handling IP claims in the context of STSA standards which enhance the functionality and interoperability of STS compliant prepayment equipment and systems. This policy was produced by the STSA WG4.

Please report errors in this document to the STSA secretariat. The list of known errors is public.

The English version of this policy is the only normative version.

## **Introduction**

The development of STS Association standards is a consensus-based process in which industry players provide their time and expertise voluntarily with a view to establishing appropriate industry standards for the transfer of tokens and associated companion specifications. STS Association standards are intended to be used without encumbrance by its members. In this regard, it is intended to avoid wherever possible that STS Association standards contain IP that might require licence agreements with, or the payment of royalties to, one or more parties. Nevertheless it is recognized that the industry wide application of some technologies might only be possible through the implementation of standards that contain information which is subject to IPR.

Given that the STS Association had formal liaison with the IEC through TC 13, and expects to liaise in future with IEC TC 13 for new work items proposed by the STSA, the STS Association's approach to IP should be in harmony with that of the IEC.

The existing standards developed in 1993 contain requirements that might only be able to be implemented in certain applications through the use of PATENTS. Also the STS standard itself was conceived on behalf of Eskom, which owned the IPR associated with the STS that have been ceded to the STS Association.

The INTELLECTUAL PROPERTY RIGHTS of any new standards developed by the STSA, however developed, will be the IPR of the STSA. In the case of adoption of another entity's standards into STS, in whole or in part, cession of IPR, or license for its use will be required.

INTELLECTUAL PROPERTY RIGHTS may be assigned through the provisions of specific laws.

The major international intellectual property treaties and conventions that are relevant to the areas of technology covered by the STS are:

- a) The Berne Convention for the Protection of Literary and Artistic Works – which deals with copyright;
- b) The World Intellectual Property Organization (WIPO) Copyright Treaty (WCT) – which relates to the rights applicable to the storage and transmission of works in digital systems, the limitations on and exceptions to rights in a digital environment, technological measures of protection and rights management information;
- c) The Paris Convention for the Protection of Industrial Property – which deals with PATENTS, trade marks, industrial designs, trade names, appellations of origin and indications of source;
- d) The Patent Cooperation Treaty (PCT) – which is an agreement for international cooperation in the field of patents. It is largely a treaty for rationalization and cooperation with regard to the filing, searching and examination of PATENT applications and the dissemination of the technical information contained therein. The PCT provides a so-called "international PATENT application" but does not provide for the grant of international PATENTS, the responsibility for granting PATENTS remaining exclusively in

the hands of national PATENT Offices. The PCT does not compete with but complements the Paris Convention and is in fact a special agreement under the Paris Convention open only to States which are already party to that Convention;

- e) The World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) – which requires that specified enforcement procedures be available to permit effective action against any act of infringement of intellectual property rights covered by the Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. The procedures must be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

These conventions can be referenced in dealings with organisations in other countries and also with other associations and internationally, including the IEC.

This edition of this policy describes:

- a) Principles concerning PATENTS in STANDARDS and licensing goals (clause 4)
- b) Licensing obligations of WG members (clause 5)
- c) EXCLUSION of ESSENTIAL CLAIMS from RF LICENCING (clause 6)
- d) Royalty-Free (RF) Licensing Requirements (clause 7)
- e) Disclosure rules (clause 8)
- f) Exception handling procedures (clause 9)
- g) Limitations on the scope of definition of ESSENTIAL CLAIMS (clause 10)
- h) Warranties, indemnities and limit of liability (clause 11)

Some procedures related to implementing this policy are set out in STS Directive 1 as amended and revised.

### **Acknowledgment**

This policy has been largely influenced by and drafted using the World Wide Web Consortium (W3C) patent policy as reference. The STSA acknowledges the significant work done by the W3C in developing its patent policy and its contribution to industry through making its policy public domain.

## **STS ASSOCIATION POLICY – INTELLECTUAL PROPERTY RIGHTS**

### **1 Scope**

This policy sets out the STS Association's (STSA's) stance on intellectual property rights (IPR)

This first edition of the policy is limited to setting out the STSA's policy that governs handling of patents in the process of developing STSA STANDARDS. The goal of this policy is to assure that STANDARDS produced under this policy can be implemented on a Royalty-Free (RF) basis. It is intended that future editions might include other aspects of IP: copyright, registered designs, and trademarks.

This policy will apply to the process of developing STANDARDS for and on behalf of the STSA and, in particular, the contribution of INTELLECTUAL PROPERTY RIGHTS by members of the Working Groups that develop the STANDARDS and the use of such INTELLECTUAL PROPERTY RIGHTS in the implementation of the STANDARDS.

### **2 Normative references**

[1] STS2100-1, *Management directive procedure for the development of standards and codes of practice*

[2] STS2100-1 – Annex B, *Working Group Charter for Working Groups engaged in the development of STANDARDS and codes of practice* –All references in this policy to “Working Group Charter” or “WG Charter” are to this charter document.

### **3 Terms, definitions and abbreviations**

For the purposes of this policy, the following definitions and abbreviations are used:

#### **3.1 Definitions**

NOTE Where terms defined in 3.1 are used in the body of this policy, the text is capitalized to emphasise the usage of a defined term.

#### **CALL FOR PARTICIPATION**

notice to all STSA members issued by the STSA secretariat on instruction from the STSA Board, inviting participation in a WG See [1].

#### **CALL FOR EXCLUSION**

STANDARD compiled and issued by the WG convenor to all WG members, requiring them to indicate which PATENTS containing ESSENTIAL CLAIMS are being excluded from RF licensing

#### **DISCLOSURE REQUEST**

document issued by the WG convenor to all WG members calling for disclosure of any PATENTS, provisional PATENTS and PATENT applications relevant to the scope of work of the WG

#### **DISCLOSURE STATEMENT**

document submitted by a WG member in response to a DISCLOSURE REQUEST stating any PATENTS, provisional PATENTS and PATENT applications relevant to the scope of work of the WG known to that WG member

#### **ESSENTIAL CLAIM/S**

all claims in any PATENT or PATENT application in any jurisdiction in the world that would necessarily be infringed by implementation of the STANDARD. A claim is necessarily infringed hereunder only when it is not possible to avoid infringing it because there is no non-infringing alternative for implementing the NORMATIVE portions of the STANDARD. Existence of a non-infringing alternative shall be judged based on the state of the art at the

time the draft STANDARD becomes an approved STANDARD.

NOTE for limitation on the scope of definition of ESSENTIAL CLAIMS see clause 10.

**EXCLUSION STATEMENT**

document submitted by a WG member in response to a CALL FOR EXCLUSION, setting out:

- a) the numbers and publication details (if available) of all PATENTS containing ESSENTIAL CLAIMS of the WG member that are to be excluded from RF LICENSING, supplemented by a copy of each listed PATENT; and
- b) in respect of each PATENT, the specific section or sections of the draft STANDARD cited as relevant by the CALL FOR EXCLUSION to which that PATENT applies;
- c) the term PATENT, in this definition, including a reference to an unpublished patent application where appropriate.

**INTELLECTUAL PROPERTY RIGHTS**

rights in and to the intellectual property of a person, such as a WG member, including rights to confidentiality, copyright, patent rights, design rights and trade mark rights.

**PATENT**

set of exclusive rights granted by a government to an inventor for a stated period of years from the filing date. The invention can be any new and non-obvious product, device or the like. Exclusions are for example, methods of doing business, scientific calculations and theories, computer programs and methods of presenting information. This exclusion acts only against the excluded technology in itself (*per se*).

NOTE Patent authorities worldwide now grant PATENTS for commercial and industrial applications of these excluded technologies and the courts in many jurisdictions are upholding such PATENTS. These PATENTS are of particular relevance in the field of this Policy. PATENTS can exist for up to 20 years.

**NORMATIVE, OPTIONAL AND INFORMATIVE**

normative portions of any STSA STANDARD shall be deemed to include only architectural and interoperability requirements. Optional features are also considered NORMATIVE unless they are specifically identified as informative. Implementation examples or any other material that merely illustrate the requirements of the STANDARD are informative, rather than NORMATIVE.

**RF LICENCE**

licence as defined in clause 7 and all terminology including or referring to the term “RF” or “royalty free” (including terms such as “RF licensing”, “royalty free licensing”, “RF licensing obligations” or “royalty free licensing obligations”) will have commensurate meanings.

**STANDARD/S**

document prepared by or for the STSA setting out one or more of the required characteristics of a product, the conditions under which a product, process or service is to be produced or implemented or the characteristics of a management system or systems, for interaction or interoperability of such a product, process, service or system with the STS, including codes of practice and documents setting out a standard or standards supplementary to the STS.

**SUBMISSION**

formal communication from a WG member to the STSA containing technical documentation for consideration to be included in an STSA STANDARD, with a statement of known PATENTS pertaining to the technology described in the SUBMISSION and a declaration of whether the submitter intends to make any one or more of the ESSENTIAL CLAIMS of such PATENTS available RF or not.

**STSA LICENSING AGREEMENT**

agreement between a holder of a PATENT containing ESSENTIAL CLAIMS (licensor) and the STSA setting out the conditions for an RF LICENCE between licensor and licensees

## **STSA REPRESENTATIVE**

individual assigned by an STSA member organization to represent that organization in its interaction with the STSA

NOTE Such individuals would be required to obtain the commitment of the organization to any licensing conditions for PATENT rights held by the organization and relevant to STSA STANDARDS.

### **3.2 Abbreviations**

**CDV:** committee draft (STANDARD) for vote

**IP(R):** intellectual property (rights)

**RF:** royalty free

**STSA:** STS Association

**WG:** Working Group of the STS Association

## **4 Principles concerning PATENTS in STANDARDS and licensing goals**

**4.1** If technology subject to PATENT rights is essential to the application or implementation of a STANDARD published by the STS Association, the STS Association endeavours to make such PATENT rights available on a RF basis in the manner determined in clause 7.

**4.2** Subject to the conditions of this policy, STSA will not approve a STANDARD if it is aware that ESSENTIAL CLAIMS exist which are not available on RF terms. To this end, working group (WG) members will commit to adhering to this policy through the signing of the WG Charter.

**4.3** The STSA obliges all members of a WG that develops a STSA STANDARD to disclose known PATENTS relevant to the STANDARD under development throughout the process of developing the STANDARD.

**4.4** The STSA endeavours to provide members of WGs that develop STSA STANDARDS equal opportunity to exclude specific PATENT rights from being available RF.

**4.5** The STSA endeavours to provide all WGs with reasonable opportunity to consider excluding from the STANDARD under development those PATENT rights that are declared as not being made available RF.

## **5 Licensing obligations of WG members**

### **5.1 STSA RF Licensing requirements for all working group members**

As a condition of participating in a WG, each WG member (STSA Members, STSA Team members, invited experts, and members of the public) shall agree to make available under STSA RF licensing requirements any ESSENTIAL CLAIMS related to the work of that particular WG. This requirement includes ESSENTIAL CLAIMS that the member owns and any that the WG member has the right to license without obligation of payment or other consideration to an unrelated third party. With the exception of the provisions of clause 6 below, STSA RF licensing obligations made concerning the work of the particular working group and described in this policy are binding on the parties represented in WGs for the life of the PATENTS in question and encumber the PATENTS containing ESSENTIAL CLAIMS, regardless of changes in WG membership status or STSA membership status.

### **5.2 Limitation on licensing requirement for non-participating STSA members**

Only the affirmative act of joining a working group, or otherwise agreeing to the licensing terms described here, will obligate a WG member to the RF LICENSING commitments of clause 7. Membership of the STSA alone, without other factors, does not in itself give rise to the licensing obligation under this policy.

**5.3 Licensing commitments in SUBMISSIONS**

At the time a SUBMISSION is made, all submitters and any others who provide PATENT licenses associated with the submitted document must indicate whether or not each entity (Submitters and other licensors) will offer a license according to the RF licensing requirements for any portion of the SUBMISSION that is subsequently incorporated in an STSA STANDARD. The STSA must acknowledge the SUBMISSION if the answer to the licensing commitment is either affirmative or negative. In the case that a SUBMISSION is made with no declaration from the submitter, the STSA will not acknowledge the SUBMISSION. If a SUBMISSION is received which contains no or an incomplete declaration as to whether the submitter will make its technology, PATENTS or ESSENTIAL CLAIMS available under RF LICENSING or not, the STSA through the WG Convenor (if appropriate) will invite the submitter to submit a more complete declaration. Should the submitter fail or refuse to submit declaration that meets the requirements of this Policy, the STSA will record such refusal or failure as an exclusion from RF LICENSING and notify the submitter accordingly.

**5.4 Licensing commitments for invited experts**

Invited experts participate in working groups in their individual capacity. Invited experts are only obliged to license those claims over which they exercise control.

**5.5 Licensing commitments in respect of new WGs**

Where a STANDARD has been developed by a WG (the “earlier WG”) and published by the STSA and the STSA wishes to form a WG (the “new WG”) to develop the STANDARD (by addition to, reduction of or improvement of the published STANDARD), then:

- a) the new WG will, as one of its first tasks, review the scope of work of the new WG and prepare a report, recording its findings as to whether or not the proposed development:
  - i) will make any material difference to the STANDARD prior to development; or
  - ii) will bring about any material change in the implementation of the STANDARD prior to development; or
  - iii) will have any material effect on the RF Licensing of RF IPR recorded in the STANDARD prior to development.
- b) The convenor of the new WG will notify the owners of the RF IPR recorded in the STANDARD of the findings of the new WG by sending them a copy of the report, if necessary by transmitting a copy of the report to the patent attorneys of record in respect of the RF IPR.
- c) Any owner of RF IPR recorded in the STANDARD, if it wishes to dispute the findings of the new WG, as set out in the report, particularly if it wishes to exclude intellectual property recorded as RF IPR in the STANDARD from being recorded as RF IPR in the developed STANDARD, must deliver to the STSA , within 60 days from the date on which the report is sent out, a written objection to the findings, setting out:
  - i) the changes, if any, proposed in respect of the STANDARD prior to development, the prejudice anticipated by the objector if these changes are made and the reasons why such changes and prejudice are considered material;
  - ii) the changes, if any, proposed in the implementation of the STANDARD prior to development, the prejudice anticipated by the objector if these changes are made and the reasons why such changes and prejudice are considered material;
  - iii) the intellectual property, if any, recorded as RF IPR in the STANDARD that the objector wishes to exclude from being recorded as RF IPR in the developed STANDARD;
  - iv) the effect on the intellectual property of the objector, particularly intellectual property recorded as RF IPR in the STANDARD, and the RF licensing thereof and the reasons why the effect is considered material;

- v) the reasonable commercial prejudice anticipated by the objector if the STANDARD is developed as proposed.
- d) If the new WG is unable to reach agreement with the objector regarding the proposed development of the STANDARD or the RF licensing of the objector's intellectual property recorded as RF IPR in the STANDARD, whether before or after development, the Working Group Convenor will declare a dispute, which will be resolved in the manner set out in the section headed "Dispute Resolution" in the WG Charter.

## **6 Exclusion of ESSENTIAL CLAIMS from RF LICENCING**

### **6.1 Exclusion with continued participation**

Subject strictly to the conditions set out in 6.2 to 6.5, WG members may exclude specifically identified and disclosed ESSENTIAL CLAIMS from RF LICENSING requirements, in which event the excluded ESSENTIAL CLAIMS will be excluded from the RF LICENSING obligations imposed by this policy and the obligations of clause 5.2 in particular:

At inception of a WG and thereafter, each time the WG issues a draft STANDARD (whether a first or subsequent draft of that STANDARD), the WG convenor will issue a CALL FOR EXCLUSION in respect of the work to be undertaken by that WG or if the CALL FOR EXCLUSION is issued in conjunction with a draft STANDARD, the CALL FOR EXCLUSION will cite that draft as a relevant document.

A WG member who joins the WG at or after inception of the WG and who wishes to participate or continue participating in that WG and who wishes to notify the STSA of ESSENTIAL CLAIMS, must, within the stipulated exclusion period, submit an EXCLUSION STATEMENT to the STSA setting out ESSENTIAL CLAIMS of the WG member that are to be excluded from RF LICENSING.

The stipulated exclusion periods are:

- a) 60 days from the date of the CALL FOR EXCLUSION issued at inception of the WG;
- b) 150 days from the date of the CALL FOR EXCLUSION issued in conjunction with the first draft STANDARD by the WG; and
- c) 60 days from the date of the CALL FOR EXCLUSION issued in conjunction with the second or subsequent draft of the STANDARD by the WG; or
- d) in the case of a WG member who join the WG after its inception, the earlier of 60 days from the date on which the WG member joins the WG or the date on which the then current exclusion period in respect of a CALL FOR EXCLUSION issued by that WG (if any) expires.

### **6.2 Exclusion and resignation from a working group**

A WG member may resign from the WG at any time after joining the WG and be excused from the licensing commitments arising out of WG membership with the exception of RF LICENSING commitments made by the WG member before resigning, provided that the resigning WG member will be entitled to exclude ESSENTIAL CLAIMS from RF LICENSING by notifying the STSA of such ESSENTIAL CLAIMS, but then only if:

- a) the resigning WG member, within 60 days from the date of resigning, submits an EXCLUSION STATEMENT to the STSA setting out ESSENTIAL CLAIMS of the WG member that are to be excluded from RF LICENSING; and
- b) the ESSENTIAL CLAIMS sought to be excluded from RF LICENSING do not apply to any specific section or sections of a draft STANDARD cited as relevant by a CALL FOR EXCLUSION issued in conjunction with any draft issued prior to the latest WG draft issued before the WG member resigns.

### **6.3 Exclusion procedures for pending, unpublished patent applications**

An unpublished patent application is an application for patent or similar intellectual property



right protection in any country which application has not yet been published officially by any patent filing, prosecuting or issuing authority (such as a national patent office or the PCT International Bureau), whether as a first priority application or any application equivalent thereto, including an application that claims the priority of the first application.

Exclusion of ESSENTIAL CLAIMS in pending, unpublished patent applications follows the procedures for exclusion of issued claims and claims in published applications in clauses 6.1 to 6.3, except that the final deadline for exclusion of unpublished claims is the date of publication of the previously unpublished patent application plus 60 days for any material, regardless of whether or not it was contained in the documents referenced in the CALL FOR EXCLUSION document. Nevertheless, members have a good faith obligation to make such exclusions as soon as is practical after the publication of the first WG draft relevant to ESSENTIAL CLAIMS in pending, unpublished patent applications.

Any exclusion of an ESSENTIAL CLAIM in an unpublished application for intellectual property rights, including unpublished patent applications must provide either:

- a) the text of the patent application as filed; or
- b) identification of the specific part(s) of the STANDARD whose implementation makes the excluded claim essential.

If option b) is chosen, the effect of the exclusion will be limited to the identified part(s) of the STANDARD.

An unpublished patent application or information pertaining to an unpublished patent application submitted to a WG will be subject to reasonable requirements of confidential disclosure, as the WG member and the STSA might agree, provided that public domain information and information subsequently published will not be subject to confidentiality.

#### **6.4 Exclusion mechanics**

A CALL FOR EXCLUSION will be issued by the WG Convenor indicating the relevant draft STANDARD against which members must make EXCLUSION STATEMENTS as well as precise dates and deadlines for making exclusions. In case there is any dispute about the dates for exclusion, the dates indicated in the CALL FOR EXCLUSION are controlling. The CALL FOR EXCLUSION will be sent to all WG members.

In the event that a WG issues more than one STANDARD or it issues one or more drafts of a STANDARD, the exclusion procedure set out above may be employed for each STANDARD or draft of the STANDARD individually.

### **7 Royalty-Free (RF) Licensing Requirements**

With respect to a STANDARD developed under this policy, a RF LICENCE shall mean a non-exclusive, normally non-assignable and non-sub-licensable licence to make or have made; to use or permit the use of; to sell, offer to sell, let or otherwise dispose of; to import or to distribute any permitted implementation of the STANDARD and/or products, processes or services that implement, embody or apply the STANDARD, which RF LICENCE:

- a) shall be available, on terms no more onerous than the terms and conditions of the model STSA RF LICENCE (which is no more than a guide of the minimum licensing provisions that any RF LICENCE should contain), to all STSA members on application to the licensor, worldwide, provided that in the event of an undue and unreasonable delay on the part of the licensor to grant a RF LICENCE, the STS Association will be obliged to declare a dispute, which will be resolved in the manner set out in the section headed "Dispute Resolution" in the WG Charter.
- b) shall extend to all ESSENTIAL CLAIMS subject to RF licensing obligations in respect of the STANDARD in issue, owned or controlled by the licensor;
- c) may be limited to implementations of the STANDARD in issue and to the specific requirements of the STANDARD;
- d) may be made sub-licensable and/or assignable and/or extendable to other parties, by agreement with the licensor or be made conditional on the grant of a reciprocal RF licence

(as defined in this policy) to all ESSENTIAL CLAIMS owned or controlled by the licensee - a reciprocal license may be required to be available to all prospective licensees and a reciprocal license may itself be made conditional on a further reciprocal license from all prospective licensees;

- e) may not be made conditional on payment of royalties, fees or other consideration other than provided for in point 4.(above);
- f) may be suspended with respect to any licensee if the licensee institutes legal proceedings against the licensor for infringement of claims essential to implement any STSA STANDARD;
- g) may not, without the approval of the PAG of clause 9, impose any further conditions or restrictions on the use of any technology, intellectual property rights or other restrictions on behaviour of the licensee, but may include reasonable, customary terms relating to operation or maintenance of the license relationship such as the following: choice of law and dispute resolution;
- h) shall not be considered accepted by an implementer who manifests intent not to accept the terms of the RF LICENCE as offered by the licensor;
- i) shall be made available by the licensor as long as the STANDARD is in effect. The term of such license shall be for the life of the PATENTS in question, subject to the limitations of 7(10); and
- j) if the STANDARD is rescinded by STSA, then no new licenses need be granted, but any licenses granted before the STANDARD was rescinded shall remain in effect.

All WG members are encouraged to provide a contact from which licensing information can be obtained and other relevant licensing information. Any such information will be made publicly available along with the PATENT disclosures for the relevant WG.

## **8 Disclosure rules**

### **8.1 Disclosure requirements**

Disclosure is required when both of the following are true:

- a) an STSA member or an individual in a member organization receives a DISCLOSURE REQUEST as described in clause 8.3; and
- b) that STSA member or that individual has actual knowledge of a PATENT which the individual believes contains ESSENTIAL CLAIM(s) with respect to the STANDARD for which disclosure is requested.

Anyone in a member organization who receives a DISCLOSURE REQUEST and who has such knowledge must inform that STSA REPRESENTATIVE of the member organisation. The STSA member (through its STSA REPRESENTATIVE) will make the disclosure required in accordance with this clause (8).

### **8.2 Disclosure exemption**

The disclosure obligation as to a particular claim is satisfied if the holder of the claim has made a commitment to license that claim under RF licensing terms and the claim is no longer subject to exclusion under clause 6. An ESSENTIAL CLAIM is no longer subject to exclusion if a PATENT holder has affirmatively agreed to license the ESSENTIAL CLAIM (effectively waiving its right to exclude such PATENT under clause 6 or if the relevant exclusion period under clause 6 has lapsed)

### **8.3 DISCLOSURE REQUESTS**

DISCLOSURE REQUESTS will be included with each draft STANDARD at each new maturity level (WG draft, committee draft for vote (CDV)). Separate REQUESTS may be issued by the WG convenor to any party suspected of having knowledge of ESSENTIAL CLAIMS. Such DISCLOSURE REQUESTS will advise the recipient to respond through their STSA representative (in the case of members) or direct to the WG convenor (in the case of non-members). DISCLOSURE REQUESTS will provide administrative details for making

disclosures.

#### **8.4 Content of DISCLOSURE STATEMENTS**

DISCLOSURE STATEMENTS must include:

- a) the PATENT number, but need not mention specific claims, and
- b) the WG or STANDARD (or both) to which it applies.

#### **8.5 Disclosure of application of PATENTS not yet granted**

In the case of unpublished PATENT applications, the member's good faith disclosure obligation extends to unpublished amended and/or added claims that have been allowed by relevant legal authorities and that the member believes to be ESSENTIAL CLAIMS. To satisfy the disclosure obligation for such claims, the member shall either:

- a) disclose such claims, or
- b) identify those portions of the STSA STANDARD likely to be covered by such claims.

#### **8.6 Good faith disclosure**

Satisfaction of the disclosure requirement does not require that the discloser perform a PATENT search or any analysis of the relationship between the PATENTS that the member organization holds and the STANDARD in question.

Disclosure of third party PATENTS is only required where the STSA representative or WG member has been made aware that the third party PATENT holder or applicant has asserted that its PATENT contains ESSENTIAL CLAIMS, unless such disclosure would breach a pre-existing non-disclosure obligation.

#### **8.7 Timing of disclosure obligations**

The disclosure obligation is an ongoing obligation that begins with the call for participation. Full satisfaction of the disclosure obligation may not be possible until later in the process when the design is more complete. In any case, disclosure as soon as practically possible is required.

#### **8.8 Termination of disclosure obligations**

The disclosure obligation terminates when the STANDARD is published or when the WG terminates.

#### **8.9 Disclosure obligations of invited experts**

Invited experts or members of the public participating in a WG must comply with disclosure obligations to the extent of their own personal knowledge.

#### **8.10 Disclosures to be circulated to all members**

PATENT disclosure information for each STANDARD under development will be circulated along with each WG draft and CDV issued.

### **9 Exception handling procedures**

#### **9.1. Patent advisory group (PAG) formation**

In the event a PATENT has been disclosed that may be essential, but is not available under STSA RF licensing requirements, a Patent Advisory Group (PAG) will be established to resolve the conflict. The PAG is an ad-hoc group constituted specifically in relation to the WG with the conflict. A PAG may also be formed without such a disclosure if a PAG could help avoid anticipated PATENT problems. During the time that the PAG is operating, the WG may continue its technical work within the bounds of its charter/scope of work.

#### **9.2 PAG formation after a STANDARD is published**

A PAG may also be convened in the event ESSENTIAL CLAIMS are discovered after a

STANDARD is published. In this case the PAG will be open to any interested STSA member, though the PAG may choose to meet without the holder of the ESSENTIAL CLAIMS in question.

### **9.3 PAG composition**

The PAG is composed of:

- a) A representative of each STSA member organization participating in the WG
- b) The STSA Board member accountable for the WG or the Chairman of the STSA Board
- c) STSA legal counsel
- d) WG convenor, *ex officio*
- e) Others suggested by the WG convenor with the approval of the STSA Board.

STSA members participating in the PAG should be authorized to represent their organization's views on PATENT licensing issues. Any participant in the PAG may also be represented by legal counsel, though this is not required. Invited experts are not entitled to participate in the PAG, though the PAG may choose to invite any qualified experts who would be able to assist the PAG in its determinations.

STSA legal counsel will represent the interests of the STSA as a whole.

### **9.4 PAG procedures**

#### **9.4.1. PAG formation timing**

The PAG will be convened by the responsible STSA Board member or STSA Board Chairman, based on a charter developed initially by the WG. The timing for convening the PAG is at the discretion of the STSA Board, based on consultation with the convenor of the WG. In some cases, convening a PAG before a specific PATENT disclosure is made may be useful. In other cases, it may be that the PAG can better resolve the licensing problems when the STANDARD is at the final WG draft maturity level.

#### **9.4.2. PAG Charter Requirements**

The charter should include:

- a) clear goals for the PAG, especially a statement of the question(s) the PAG is to answer.
- b) duration.
- c) confidentiality status, which must follow the associated WG's status

The PAG charter must specify deadlines for completion of individual work items it takes on. The PAG, once convened, may propose changes to its charter as appropriate, to be accepted based on consensus of the PAG members. The members of the PAG will choose a member to serve as Chair. A single PAG may exist for the duration of the WG with which it is associated if needed.

In order to obtain input from the membership at large, as soon as the PAG is convened, the PAG charter will be made circulated to all members, along with all of the PATENT disclosure and licensing STATEMENTS applicable to the WG in question.

### **9.5 PAG conclusion**

#### **9.5.1 Possible PAG conclusions**

After appropriate consultation, the PAG may conclude:

- a) The initial concern has been resolved, enabling the WG to continue.

- b) The WG should be instructed to consider designing around the identified claims.
- c) The PAG should seek further information and evaluation, including and not limited to evaluation of the PATENTS in question or the terms under which RF licensing requirements may be met.
- d) The WG should be terminated.
- e) The STANDARD (if it has already been published) should be rescinded.
- f) Alternative licensing terms should be considered, in which event the procedure in clause 9.5.3 must be followed.

### **9.5.2 PAG outcome**

Outcomes in points d), e) or f) of 9.5.1 require an STSA Board decision. In any case, the PAG must state its proposal and reasons in a public STSA document.

### **9.5.3. Procedure for considering alternate licensing terms**

**9.5.3.1** After having made every effort to resolve the conflict through options in points a), b), and c) under 9.5.1, the PAG, by consensus, may propose that specifically identified patented technology be included in the STANDARD even though such claims are not available according to the RF licensing requirements of this policy. The PAG proposal must explain:

- a) why the chartered goals/agreed scope of work of the WG cannot be met without inclusion of the identified technology;
- b) how the proposed licensing terms will be consistent with widespread adoption.

**9.5.3.2** The PAG proposal must include:

- a) a complete list of claims and licensing terms of the proposed alternative arrangements; and,
- b) a proposed charter for the WG, unless the STANDARD has been published and no new work is required.

The PAG proposal shall indicate why it is the best alternative consistent with the STSA mission, the interests of the STSA members, and is clearly justified despite the expressed preference of the STSA membership for RF licensing. The PAG proposal shall be circulated for comment and review by the membership. Should the PAG proposal be rejected, then either points d) or e) of clause 9.5.1 will apply as appropriate, without further action of the membership. Members of the WG who are bound to RF terms are not released from their obligations by virtue of the PAG proposal alone. As with any newly formed/chartered WG, new commitments must be made, along with possible exclusions. In order to expedite the process, the PAG proposal should consider whether additional claims would be excluded under the new charter and include such information in the PAG proposal.

## **10 Limitations on the scope of definition of ESSENTIAL CLAIMS**

The following are expressly excluded from and shall not be deemed to constitute ESSENTIAL CLAIMS:

- a) any claims other than as defined in clause 3.1 even if contained in the same PATENT as ESSENTIAL CLAIMS; and
- b) claims which would be infringed only by:
  - i) portions of an implementation that are not specified in the NORMATIVE portions of the STANDARD, or
  - ii) enabling technologies that may be necessary to make or use any product or portion thereof that complies with the STANDARD and are not themselves expressly set forth in the STANDARD (e.g., semiconductor manufacturing technology, compiler technology, object-oriented technology, basic operating

system technology, and the like); or

- iii) the implementation of technology developed elsewhere and merely incorporated by reference in the body of the STANDARD.
- c) registered designs (as defined in SA law) [also known as design patents and design registrations in other countries].

## **11 Warranties, indemnities and limitation of liability**

- a) The STSA makes no warranty to any person, including any Working Group Member, that the acceptance or implementation of any STANDARD or the exercise of the rights granted under any RF Licence in terms of this policy or the use of any RF IPR will not infringe patent rights or other intellectual property rights of a third party (herein referred to as “third party intellectual property rights”).
- b) In this regard any person wishing to implement a STANDARD or avail itself of any RF IPR must make its own investigations and take all necessary precautions to ensure that it does not infringe third party intellectual property rights in using, manufacturing or selling any product, process or service that incorporates, utilises or implements a STANDARD or RF IPR, the STSA assuming no liability or obligation to make or assist in any such investigation, except that the STSA will, upon the written request of the person concerned, make available such information as the STSA may have in its possession or under its control regarding third party intellectual property rights relevant to the STANDARDS or the RF IPR, without thereby accepting any responsibility or liability as to the completeness or accuracy of such information.
- c) The STSA does not and will not indemnify any person against claims or threats of any nature that may be made by any third party arising out of the alleged use or abuse of third party intellectual property rights arising out of the manufacture or sale of any product, process or service that incorporates, utilises or implements a STANDARD or the RF IPR.
- d) The STSA makes no warranties of any kind whatsoever regarding the STS, a STANDARD, RF IPR or any part thereof and in particular, makes no warranties of any kind:
  - i) in respect of the accuracy, completeness, fitness for a particular purpose or intended use or the merchantability of the STS, a STANDARD, RF IPR or any part thereof;
  - ii) in respect of the functionality and technical or other characteristics of any product, process or service that incorporates, utilises or implements the STS, a STANDARD, RF IPR or any part thereof; or
  - iii) that the use or manufacture of any product, process or service that incorporates, utilises or implements the STS, a STANDARD, RF IPR or any part thereof will be error-free.
- e) The STSA will not be liable for any loss or damage, including lost profits or consequential damages, suffered by any person as a result of this policy or the use of the RF IPR or the adoption, use, application and/or implementation and/or incorporation into products and/or services of any STANDARD or RF IPR.