



ITI Views on Intellectual Property Rights in Standards

There has been much discussion and debate recently over the role of Intellectual Property (IP) in information technology and communications (ICT) standards and the nexus of standards, IP and innovation in the ICT industry. There is a wide range of views on how IP should be handled in the standards development process and individual standards development organizations (SDOs) have a variety of patent policies and procedures. Depending on a number of factors, including strategic and commercial concerns, companies have differing positions on how IP should be handled in SDOs and the standardization process – there is no singular industry position.

Standards Drive Growth

- Standards can help establish the infrastructure for competing products to interoperate.
- Standards can simplify development by defining a minimum set of common requirements.
- Standards can enable new business opportunities and new markets.
- Standards can allow innovation on top of common specifications.

Standards Development Processes Respect IPR

The ICT industry recognizes the need for standards that address the global marketplace through open processes that include multiple stakeholders. Existing successful global standards development organizations (both *de jure* and consortia) have developed multiple frameworks for addressing IPR concerns. While patent owners may need to consider which body best meets their needs, the standards development processes of effective SDOs are based on recognized principles including:

- Transparent, global, industry-led, consensus-based process, with open participation, resulting in voluntary standards
- Clearly defined technical scope and objectives
- IPR policies that balance the needs of patent owners and those of implementers and other stakeholders
- IPR policies that typically seek to establish commitments from patent holders that they will license to all implementers of the standard on reasonable and non-discriminatory terms and conditions (whether for free or for a reasonable fee)
- Formal procedures that address the early disclosure of essential patents known by standards participants; however, standards bodies should not require patent holders to conduct searches of their patent portfolios.

Innovation is the lifeblood of the ICT industry. Innovation produces intellectual property and the protection of IP can provide a valuable incentive for continued innovation. In some cases inclusion of IP in standards may be necessary to provide the best solution given market requirements. Global standards development processes should seek to strike a balance among various stakeholders, while taking into account marketplace needs and incentives to innovate.