



VIDEO SERVICES FORUM IPR POLICY

FREQUENTLY ASKED QUESTIONS

January 17, 2017

NOTE: THIS FAQ IS PROVIDED TO ASSIST YOU IN UNDERSTANDING THE VSF IPR POLICY. NONE OF THE CONTENTS OF THIS FAQ ARE TO BE CONSTRUED AS BEING PART OF THE VSF IPR POLICY. THE AUTHORITATIVE TEXT IS CONTAINED IN THE VSF IPR POLICY ITSELF.

Q: The current policy is different from the old one. Why did the VSF change its policy?

A: The VSF found that its old policy, while adequate, did not follow current best practices in the industry. It also did not provide adequate notice to everyone involved in creating Recommendations that they were under an ongoing obligation to disclose IPR. Finally, the old policy was not as clear as it could be regarding the steps VSF Activity Group chairs and staff should take regarding IPR matters.

Q: When does the new policy take effect?

A: The new policy is scheduled to go into effect on May 2nd, 2017.

Q: What if I am unwilling to be bound by the new VSF IPR Policy?

A: Then you may notify the VSF Operations Manager that you wish to terminate your membership prior to May 2nd, 2017.

Q: Why does the VSF have an IPR policy?

A: The VSF has an IPR policy to inform our members and the industry of our position regarding contributed intellectual property, copyrights and trademarks.

The VSF and its members wish to ensure that when someone implements an VSF Recommendation, it does not knowingly infringe upon patent rights of any member or, to the extent possible, any non-member. All formal standards bodies and trade associations have IPR policies for these reasons, although the exact terms of a given organization's IPR policy will vary somewhat depending upon the conventions of the industry it serves, the composition of its membership, the technologies involved, and other factors.

The VSF is an organization that develops and maintains Recommendations and other deliverables. By definition, this means that the VSF needs to have the legal right to distribute these materials without violating the copyrights of its members. In some cases, it is also possible that a Recommendation or other material

developed by the VSF and its members might, if used as intended, result in the infringement of a patent claim by the user of that material.

Q: Are the VSF's concerns different from other standards and Recommendations organizations?

A: No. The VSF's IPR policy addresses common concerns of organizations that create Recommendations.

Q: To whom does the VSF IPR Policy apply?

A: It applies to every VSF member, and to every individual that represents a member in connection with the VSF technical process when they are serving in that role. When we use the word "you" below, we are referring to all of these individuals and entities. The policy also applies to non-member guests attending Activity Group meetings as if they were members, as well as non-members who receive copies of VSF Draft Recommendations, but only if those non-members comment on the draft.

Q: If I fail to disclose IPR, I can be forced to issue a free license, and my VSF membership may be terminated. (More specifically, if I fail to disclose a patent claim that I or my employer own, and that patent claim that would be unavoidably infringed by a Recommendation an Activity Group I'm participating in is developing (an "Essential Claim"), I am forced to grant a RAND-Z license to the Essential Claims under that patent, and my VSF membership may be terminated without any refund of fees.) This seems extreme. What if I simply made a mistake?

A: You are correct – the consequences are severe. However, if you read the policy closely, the actions required to trigger these results are equally extreme, and frankly, are behaviors we want to discourage. Specifically, in order to enforce the penalties you describe, you have to have done a number of very specific things.

1) You have to have sued an implementer of a VSF Recommendation for infringement of the Essential Claim(s) in question; AND

2) You have to have been in a situation that required disclosure of your Essential Claim(s) per the policy; AND

3) Others have to show that you or your representative knowingly and willingly withheld disclosure of your IPR at the time it was required.

If you have done all of these things, then there are severe consequences – you are deemed to have granted a RAND-Z license to your IPR, and you may be terminated as a member of the VSF. You will not receive a refund of your membership fees. However, imposing these consequences is at the discretion of the VSF Board.

Q: What does RAND-Z mean?

A: RAND-Z means Reasonable and Non-Discriminatory with Zero cost. RAND means Reasonable and Non-Discriminatory. See the Definitions section of the IPR Policy for the precise legal definitions.

Q: Does the new policy allow both RAND and RAND-Z Activity Groups?

A: Yes; this is a change from the old policy. The old policy allowed only RAND-Z Activity Groups. The new policy requires that each Activity Group be declared, at the outset, as being either "RAND" or "RAND-Z".

RAND-Z Activity Groups require licensing free of charge. RAND Activity Groups allow both RAND and RAND-Z declarations, where an owner can agree to license technology on RAND terms either with or without charge. The VSF anticipates that its Activity Groups will continue to be RAND-Z, but the board wanted the option to create RAND Activity Groups if it desired to do so.

It's important to note that in a RAND-Z Activity Group, the RAND-Z obligation only applies, as to any given Participant, to the parts of the final Recommendation that the same Participant submitted. If another Participant in the same Activity Group owns a patent that would be infringed by the same section of the Recommendation, it must disclose its non-contributed Essential Claims, but it has three choices: it can agree to RAND-Z terms, RAND terms, or even inform the Activity Group that it is not willing to provide a RAND license at all. A form attached to the IPR Policy must be used for this purpose.

If a Member participating in a RAND-Z Activity Group is only willing to license their non-contributed Essential Claims under RAND terms, or if that Member is not willing to grant a license at all, then the VSF may decide to take steps to rewrite the Recommendation to avoid the Essential Claim, or take other appropriate action.

Q: I liked the fact that all VSF Recommendations were RAND-Z.

A: The VSF will still have RAND-Z Activity Groups – in fact, all existing Activity Groups, and all existing VSF Recommendations will remain RAND-Z. It is only new Activity Groups that may be declared at the outset to be RAND, where implementers of VSF Recommendations might be charged a licensing fee.

Q: Can you explain how the policy works for RAND-Z and RAND projects?

A: Participants in Activity Groups are under an ongoing obligation, from the outset, to draw the attention of the VSF to any known Essential Claims relating to any Draft Recommendation they are helping develop or in any Submission they make. Activity Group chairpersons are required to present a Patent Call at the beginning of each Activity Group activity reminding members of this obligation. For RAND-Z Activity Groups, Submitters are required to provide a RAND-Z license for any Essential Claims inherent in their Submissions.

If a Participant Owns Essential Claims contained in a Submission presented by someone else (a non-contributed Essential Claim), then as soon as possible, that

Participant must disclose that they Own a non-contributed Essential Claim, and they must fill out an Intellectual Property Rights Election Form found in Appendix B of the IPR Policy. In this case, this Participant may choose to grant a RAND-Z license, a RAND license, or they may choose to withhold a license altogether. Of course, since this occurs in a RAND-Z group, the Draft Recommendation may be re-drafted to avoid the Essential Claim altogether.

This differs from RAND Activity Groups, where a Participant making a Submission may agree to provide either a RAND license or a RAND-Z license for any Owned IPR. As in the RAND-Z case, other Participants are required to disclose any non-contributed Essential Claims and fill out an Intellectual Property Rights Election Form. And, as in the RAND-Z Activity Group, the Participants would try to re-draft around the issue if anyone disclosed an Essential Claim it was not willing to license on a RAND or RAND-Z basis.

Q: How do I know at the beginning of an Activity Group, whether I am willing to license any Essential Claims I have under the IPR terms of the Activity Group?

A: Every Activity Group will have an Approved Activity Group Proposal, which provides a detailed description of the scope and nature of the deliverable(s) that the Activity Group has been chartered to develop. Any member should be able to use this document as a way to assess whether it does or does not have patented technology that might be useful in creating that deliverable. If it would not want to make that technology available, it can avoid all obligations by not joining the Activity Group, and by not commenting on a draft of the deliverable. Additionally, there is a "free look" period during the first sixty days of the Activity Group (more below). If the member determines that the direction of the Activity Group is problematic, it may withdraw from the Activity Group before the "free look" period expires without incurring any IPR licensing obligations.

Q: How will I know if I need to worry about patents at all when I consider joining an Activity Group?

A: The Activity Group Proposal must also designate whether the Activity Group expects to produce a Recommendation or "Other Work Product." Other Work Product means material such as a white paper, guidance document or other material that is highly unlikely to have the potential to infringe a patent.

Q: Can I look at Activity Group documents without becoming a Participant?

A: The new policy contains a "free look" period of sixty days from the launch date of each Activity Group. Members may attend meetings and look over any Activity Group documents within that period without becoming a Participant. However, once the initial sixty-day period is over, all members who remain in the Activity Group will become Participants and the obligations of a Participant will apply. In addition, a member that makes a Submission during the "free look" period cannot withdraw that Submission, and will be bound by its licensing obligations under the IPR Policy with respect to that Submission to the extent that it is incorporated into the final Recommendation. If you join an Activity Group later than sixty days after

the launch date, you become a Participant immediately; the “free look” period does not apply.

Q: If I make a Submission to an Activity Group, do I give up ownership of that Submission?

A: Absolutely not. You remain the owner of the copyright, and any underlying patent rights, in all Submissions made to the VSF. However, you do grant the VSF the right to make a Recommendation or Other Work Product, as appropriate, from your Submission, and to copyright that work.

Q: I am a consultant and am under a Non-Disclosure Agreement (NDA) with one of my clients. What are my obligations under the VSF’s IPR policy if I’m aware of a patent owned by the client that might be infringed by a draft VSF Recommendation?

A: As long as you have not entered the NDA in order to avoid having to make disclosures under the IPR Policy, then you are only obligated to make a disclosure that does not violate the terms of the NDA. However, at a minimum you will still be required to disclose the fact that you have knowledge of what may be an Essential Claim, and you would be required to identify the portion of the Draft Recommendation that would result in infringement of the Essential Claim.

Q: Is it the case that every Submission be accompanied by a written, standardized Submission form?

A: Yes – all Submissions made to any Activity Group that are not part of an Activity Group collaborative discussion require a standardized written Submission form. This form requires the disclosure of any Essential Claims contained in the Submission, and the terms under which the Submission is made. The Submission form may be found in the appendix of the VSF IPR policy.

Q: When do I have to complete a Submission form?

A: Whenever, during the development of a Draft Recommendation, you become aware that you own IPR that may be required to implement the recommendation, if the Draft Recommendation were to be adopted in its current form.

Q: What is the basis for making an IPR disclosure?

A: Any member Participating in an Activity Group should, from the outset, draw the attention of the VSF to any known IPR contained in any Draft Recommendation or Submission. The information shall be provided in good faith and on a best-effort bases, based upon the personal knowledge of the member’s Representative.

Q: Does the VSF require a patent search?

A: No.

Q: You keep referring to Participating in an Activity Group and a Participant. This seems like an important concept. Who, exactly, is a Participant? What is meant by Participating?

A: You are Participating if a) you remain in an Activity Group after the initial sixty-day "free look" period, or b) if you join an Activity Group after the initial sixty-day period, or c) if you are a non-member attending an Activity Group, and d) regardless of whether you are a member or non-member, if you submit comments on a Draft Recommendation prior to its becoming a VSF Recommendation.

Let's look at each of these cases. If you remain in an Activity Group after the "free look" period, or if you join an Activity Group after the "free look" period has ended, then you are a Participant. If you attend an Activity Group meeting, even if you are a non-member, then you are a Participant.

Finally, if a member or non-member submits a comment on a Draft Recommendation as part of an IPR Review, then they are Participating by virtue of their submission. Allow us to explain the reasoning behind these terms of the IPR Policy.

We believe, if you can influence the content of an VSF Recommendation, then you should be subject to the obligations of a Participant. Without this general philosophy, any non-Activity Group member could submit an addition to a Draft Recommendation containing their IPR, wait until significant implementations exist, and then begin sending Cease and Desist letters demanding payment. Furthermore, the terms of any licenses granted, and any settlements, could be on a discriminatory basis.

However, if you have no interest in the activities of a particular VSF Activity Group and you are not in a position to have influenced the content of the Draft Recommendation, then you should not be subject to any default declarations for Owned IPR.

Member Obligations (copyrights and trademarks)

Q: What are my obligations regarding copyrights?

A: Members continue to own the copyright in any Submissions Submission they make. However, by making a Submission, they grant the VSF a license to make derivative works from the Submission and to copyright the final VSF Recommendation or Other Work Product.

Q: That leaves trademarks. What are the rules there?

A: The VSF can't use the trademark of a member (other than to indicate that it is a member) without its permission, and a member can't use a trademark owned by the VSF (except to indicate its membership in VSF) except with the permission of the VSF. In particular, members cannot use the VSF name, the name of an VSF Recommendation, any VSF Mark, or the title of any Other Work Product in a

member product or service name (except under a trademark license agreement provided by the VSF, where appropriate), as this could destroy the VSF's ability to use its trademarks to maintain the quality of its Recommendations and Other Work Products in the marketplace. For the rules applicable to using the VSF mark to indicate membership in VSF, please see the Trademark Usage Guidelines posted at the VSF website.

Q: What if we have a patent with Essential Claims, but don't want to bother with licenses?

A: It's fine to simply commit not to sue an implementer.

Q: It is difficult to keep up with all these Activity Groups and election forms. Can I simply make a blanket RAND-Z election that applies to any Submissions I might make in this Activity Group?

A: Yes – blanket RAND-Z elections are allowed – and encouraged!

Q: If I have any other questions, who can I contact?

A: Send inquiries to ipr@videoservicesforum.org.