

Report Q 157

by the Irish Group

The Relationship between Technical Standards and Patent Rights

1. Basis for Technical Standards

- 1.1 The National Standards Authority is responsible for National, and International Standards, subscribed to. As part of the European Union, Ireland adheres to and continuously implements European Standards set by such bodies as CEN, CENELEC and ETSI.
- 1.2 Standards are addressed to every manufacturer and service provider in whatever industrial sector or activity to which standards apply. Apparently, there are no standards which specifically apply to Patents.
- 1.3 The enforcement of certain standards are deemed to be a matter of public safety policy. Such standards, e.g., relating to lead content of paints; electrical sockets; flammability of materials etc., are the subject of specific Statutory Instruments. There is a large degree of voluntary compliance with standards. This may be motivated by product credibility, and market acceptability of compliant products. Standards compliance may be reinforced by consumer protection legislation and the manufacturer's/service provider's civil liability. Standards, the subject of Statutory Instruments, are enforced by the responsible Government Ministry.

2. Possible conflicts between technical standards and IPR.

- 2.1 In practice, participation in formulating the national contribution towards the establishment of a standard is open. Participants are well aware of the conditions applicable to participation and problems relating to the recognition of ownership of Intellectual Property Rights seldom arise. Participants generally accept recognition of their particular contribution as being sufficient acknowledgement and there is general compliance with the IP policies of the relevant International Standards body.

Owners of contributions to which IP Rights are attached are generally satisfied to make the material available on payment of "fair and reasonable royalty". However, it is not possible to quantify the amount of royalties received by national licensors of such contributions to standards but it believed to be minimal.

- 2.2 Because of the open academic nature of the national attitude towards standards formulation, questions relating to issues such as confidentiality, filing Patent Applications and rules relating thereto, have not arisen in practice. It is recognised

that a party with a patentable invention or other IP right should independently take necessary action to secure protection but any contribution of that material towards creation of a standard should be on the basis of existing practices and procedures of the National Standards body.

2.3 There is no awareness of any adverse territorial aspect relating to the scope of protection and/or application of the standard. No difference is seen between members of the standardisation organisation and non-members in so far as Patent(s) of the former are involved in the standard.

2.4 Apart from general EU and National anti-competition provisions, there are no particular rules governing Patent pools or discrimination against non-members.

3. IPR Policies, Conflict Resolution Means

3.1 As stated, national IPR policies have not evolved in the establishment of standards as the vast majority of standards subscribed to result from participation in the EU.

Consequently no preferred conflict resolution means has emerged.

However, it is believed that the determination of the IP right "essential" or otherwise should be determined by the owner. The contribution of that IP right and/or its acceptance for the purpose of standardisation should be in accordance with existing practices and procedures relating to IP rights espoused by the Standards Organisation.

3.2. The owner of an IP right should be not be forced to let it be used for any purpose, unless such purpose is specifically authorised by law. No such legal authorisation is currently available in this territory for the purposes of standardisation.

The ambit of compulsory licensing does not presently embrace the availability of an IP right for the purposes of standardisation.

3.3 Membership or participation in the standardisation process should be conditional on an agreement or undertaking to grant licenses or to make the technology protected by IP rights otherwise available. This is the practice and experience of those engaged in the standardisation process in this territory.

4. Licence Policies, Royalties

4.1 There is little experience of determining royalties in the relevant circumstances in this territory. It is believed that "a fair and reasonable" royalty is one which may be currently applicable for such IP rights in the industry or inferred from royalties paid elsewhere in the same or similar field in which the standardisation applies.

4.2 There are currently no local guidelines for general principles for licence conditions. Such general principles should be gleaned from best and fair practices which have evolved from experience in licence questions arising and concluded in the context of International standardisation.

- 4.3 Absent formal compulsory licence proceedings, it is difficult to guess the outcome of this question. Local experience of this issue is non-existent. The position at the present time is that participants in the standardisation process have been wholly voluntary and have complied with existing rules and practices of the standardisation process. There is no known local experience of engaging a recalcitrant owner of IP in the standardisation process.
- 4.4 Any legal undertaking is enforceable against the grantor. The scope of that undertaking is determined by the parties but principally by the grantor. A licence granted pursuant to an undertaking may or may not prevent a licensee from challenging the validity of a Patent. The Patentee always retains the right of enforcing the Patent against any party acting outside the terms of the Licence Agreement

Summary

The relationship between Technical Standards, Patents and other IP rights is recognised. However, as a member of EU, most standards applicable are imported. National contributors to particular standards have not emphasised IP rights. Consequently, there has been no local policy or procedures governing the role of IP rights in the standardisation process.