

Option Patent and Copyright Reciprocal Royalty Free with Opt-Out to (RAND)

Reference Notice

This excerpt comes directly from the Kantara Initiative IPR Policies. In the case that there is any discrepancy between this page and the policy the authority always rests with the approved policy [HERE](#)

Option: Patent & Copyright: Reciprocal Royalty Free with Opt-Out to Reasonable And Non discriminatory (RAND)

(Can be used for development of Technical Specifications or other output of a Work Group)

ARTICLE 1: DEFINITIONS

"Circulation Draft Technical Specification" shall mean a draft or release of a Draft Technical Specification circulated to the Participants after the Initial Draft Technical Specification and before the Final Draft Technical Specification. No IPR Review Period is associated with a Circulation Draft Technical Specification.

"Draft Technical Specification" shall mean a document in draft or non-final form being worked on by a Group prior to adoption by the Members as a Corporation Recommendation Technical Specification that contains a set of technical criteria (including reference to existing specifications and protocols).

"Final Draft Technical Specification" shall mean a Draft Technical Specification formally submitted to the Membership for adoption. An IPR Review Period is associated with a Final Draft Technical Specification.

"Fully Compliant Implementation" shall mean: (a) an implementation of a Corporation Recommendation Technical Specification which supports or implements all of the portions of that Corporation Recommendation Technical Specification defined by that Corporation Recommendation Technical Specification as being "Required"; or (b) an implementation of an optional portion of a Corporation Recommendation Technical Specification or optional Corporation Recommendation Technical Specification which supports all portions defined by that optional portion of the Corporation Recommendation Technical Specification or that optional Corporation Recommendation Technical Specification as being "Required"; and, in each instance, (c) an implementation of all portions of a Corporation Recommendation Technical Specification required for a specific type of product or component thereof.

"Initial Draft Technical Specification" shall mean the first draft or release of a Draft Technical Specification circulated to the Participants. An IPR Review Period is associated with an Initial Draft Technical Specification.

"IPR Review Period" shall have the meaning set forth in Section 5.1.

"Necessary Claims" shall mean those claims of all patents, pending patent applications and utility models, regardless of when issued or effective, under which a party, or its Subsidiaries has the right to grant licenses of the scope contemplated herein, all to the extent and only to the extent that the party, or its Subsidiaries, has the right to grant such licenses as of the date of any license to be entered into with the other party(ies) as contemplated in Section 4.1, and which are necessarily infringed by a Fully Compliant Implementation of a specific Corporation Recommendation Technical Specification approved by the Members, where such infringement could not have been avoided by another technically feasible non-infringing implementation of such Corporation Recommendation Technical Specification. Notwithstanding the foregoing sentence, Necessary Claims do not include any claims other than those set forth above even if contained in the same patent as Necessary Claims.

"Review Draft Technical Specification" shall mean a draft or release of a Draft Technical Specification circulated to the Participants after the Initial Draft Technical Specification and before the Final Draft Technical Specification. An IPR Review Period is associated with a Review Draft Technical Specification.

"Subsidiary" of a party hereto or of a third party shall mean a corporation, company or other entity:

- (a) more than fifty percent (50%) of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, now or hereafter, owned or controlled, directly or indirectly, by a party hereto or such third party, but such corporation, company or other entity shall be deemed to be a Subsidiary only so long as such ownership or control exists; or
- (b) which does not have outstanding shares or securities, as may be the case in a partnership, joint venture or unincorporated association, but more than fifty percent (50%) of whose ownership interest representing the right to make the decisions for such corporation, company or other entity is now or hereafter, owned or controlled, directly or indirectly, by a party hereto or such third party, but such corporation, company or other entity shall be deemed to be a Subsidiary only so long as such ownership or control exists.

ARTICLE 2: DEVELOPMENT LICENSES

Each Participant hereby grants to each other Participant a limited, irrevocable, non-exclusive, worldwide, no-fee, royalty-free right and license of such Participant's Licensed Materials and under any of the Participant's claims that would be Necessary Claims if the Licensed Materials were included in an Corporation Recommendation Technical Specification solely to conduct the work of the Group up to the point at which the Members approve (or reject) a Final Draft Technical Specification recommended by the Group in question.

ARTICLE 3: COPYRIGHT

Each Participant hereby grants to all other Participants an irrevocable, perpetual, non-exclusive, worldwide, paid-up copyright license to reproduce, display, perform, prepare and have prepared derivative works based upon, distribute and sublicense its Licensed Materials included in the specific Corporation Recommendation and derivative works thereof, including the right to authorize Subsidiaries to do any, some or all of the foregoing, and including under any copyright interest such Participant holds in the Corporation Recommendation that is distinct from its copyright interest(s) in the Licensed Materials included in such Corporation Recommendation; provided, however, that each Participant acknowledges that the Kantara Initiative seeks to act as the steward for defining and revising Corporation Recommendations, and no Participant shall take any actions under the foregoing license, including but not limited to granting sublicenses to third parties, that would be inconsistent with this intention.

The parties hereto acknowledge that works created by employees of the Federal Government are not subject to copyright protection within the United States and may be copied or used by interested parties.

ARTICLE 4: PATENT

4.1 If and to the extent a specific Corporation Recommendation Technical Specification includes any Licensed Materials or is subject to any Necessary Claims of a Participant, the Participants grant licenses as follows:

- Except as otherwise provided in Article 6, each Participant (on behalf of itself and its Subsidiaries) hereby covenants to grant to any other person or legal entity (whether or not such person or entity is also a Participant) a no-fee, royalty-free, nonexclusive, nontransferable, license under its Necessary Claims to implement the specific Corporation Recommendation Technical Specification from a Group of which the Participant was a member when the Corporation Recommendation Technical Specification was released by the Group, but only to the extent needed to be a Fully Compliant Implementation, and to make, use, import, sell, promote or otherwise distribute, directly and indirectly, the resulting implementation, which license may be made subject to the condition that those who seek licenses under this Section 4.1(a) agree to grant reciprocal, no-fee, royalty-free, non-exclusive, nontransferable licenses under their Necessary Claims to such Participant and all other parties necessary to implement the specific Corporation Recommendation Technical Specification as a Fully Compliant Implementation. Except as set forth herein, the negotiation of licenses pursuant to this Section 4.1(a) shall be left to the parties concerned. Notwithstanding the foregoing, no Participant shall be required to grant a license pursuant to this Section 4.1(a) with respect to: (i) any enabling technologies that may be necessary to make or use any product or portion thereof that complies with a Corporation recommendation. Technical Specification, but are not themselves expressly set forth in that Corporation Recommendation Technical Specification (e.g. semiconductor manufacturing technology, compiler technology, object oriented technology, basic operating system technology, database technology, etc.); (ii) the implementation of other Recommendations, even if referred to in a Corporation Recommendation Technical Specification; or (iii) any portion of any product and any combinations thereof the sole purpose or function of which is not required in order to be a Fully Compliant Implementation of an Corporation Recommendation Technical Specification.
- (b) With respect to Necessary Claims that pertain to a specific Corporation Recommendation Technical Specification from a Group of which the Participant was not a member when the Corporation Recommendation Technical Specification was released by the Group, but where an individual acting on Participant's behalf Contributed Licensed Materials, any Necessary Claims relevant to such Contributed Licensed Materials are to be licensed under Section 4.1(a) above.
- (c) With respect to Necessary Claims that pertain to a specific Corporation Recommendation Technical Specification from a Group of which the Participant was not a member when the Corporation Recommendation Technical Specification was released by the Group, where a draft of the Corporation Recommendation Technical Specification had completed an IPR Review Period while such Participant was a member of the respective Group and where Necessary Claims were present in such draft of the Corporation Recommendation Technical Specification, such Necessary Claims are to be licensed under Section 4.1(a) above.
- (d) Notwithstanding any provision to the contrary in this Article 4, including Section 4.1, use and license rights to the United States Government's interest in any applicable patent rights developed in whole or part by its employees or contractors are subject to and governed by Federal law and regulation. Terms of this Option are applicable to Federal employees, agencies, or contractors to the extent that they do not conflict with Federal law or regulation, and if Participant is a Federal agency or contractor it agrees to use its best efforts to exercise whatever discretion granted to it by Federal law and regulation to make such patent rights available on terms consistent with the principles of this Option.

ARTICLE 5: DISCLOSURE OF PATENTS

5.1 During the IPR Review Period, each Participant shall disclose to the Leadership Council, in writing, the existence of any of its patent claims that it has determined would likely be Necessary Claims if the Draft Technical Specification were to become final and that are personally known to the individuals acting on behalf of such Participant with respect to the Draft Technical Specification, provided that it is understood and agreed that such individuals do not represent that they personally know of all potentially pertinent claims of patents and patent applications owned or claimed by the Participant they represent or any third parties.

5.2 The obligation set forth in Section 5.1 above does not, however, imply any obligations on Participants (collectively or individually) to perform or conduct patent searches. Further, nothing in this Policy nor the act of a Participant submitting, supporting, or approving a proposal for a Technical Specification shall be construed or otherwise interpreted as any kind of express or implied representation that such Participant does or does not hold any patents or patent applications which contain claims that cover such Technical Specification.

ARTICLE 6: WITHDRAWAL

6.1 Notwithstanding Section 4.1(a), (b) and (c), each Participant member of a Group shall have until 45 days after a specific Initial, Review or Final Draft Technical Specification is released by a Group for review by all Members (the "IPR Review Period") to withdraw Necessary Claims.

- (a) Such withdrawal shall be made by notifying the Group Chair in writing ("Necessary Claims Disclosure Notice") on a good faith basis, setting forth:
 - (i) that it claims to be the sole owner of certain Necessary Claims pertaining to such specific Draft Technical Specification and that the notifying Participant elects to withdraw such Necessary Claims from the license grant set forth in Section 4.1(a) and instead to utilize the license grant set forth in Section 6.2 below; and
 - (ii) For each Necessary Claim identified in the Necessary Claims Disclosure Notice pertaining to such specific Draft Technical Specification, the following information shall be provided:
 - (A) the countries in which the patent(s) or application(s) in which they are contained was issued or is pending;
 - (B) the patent number for such patent (or serial number of such patent application, including a copy of the patent application as filed if the patent application has not yet been published, where such serial number and patent application may be declared as Necessary Claims Confidential Information ("NCCI") of the withdrawing Participant as described in Section 6.3); and
 - (C) the portion of such specific Draft Technical Specification where the withdrawing Participant believes an infringement would arise and the Necessary Claim or Claims relevant to such portion; and

- (iii) subject to any limitations imposed by antitrust or other laws, and to the extent that the notifying Participant deems it appropriate, the specific terms of license to be provided pursuant to Section 6.2.
- (b) The Necessary Claims Disclosure Notice shall be effective on the date it is received by the Group Chair, provided that it contains the information required by Section 6.1(a). The Group Chair will promptly provide the Necessary Claims Disclosure Notice, less any NCCI, to the Leadership Council.
- (c) The Leadership Council shall promptly evaluate any Necessary Claims Disclosure Notice received hereunder. This evaluation may include soliciting advice from members of the relevant Group, legal counsel and/or other expert advisors. Based on such evaluation, the Leadership Council shall then give guidance to the Group in question as to how it should proceed.
- (d) If a Draft Technical Specification is modified in response to a Necessary Claims Disclosure Notice, then the notifying Participant shall have 45 days from the date on which the modified Technical Specification is provided to that Participant to again submit a Necessary Claims Disclosure Notice to the Group Chair.
- (e) A Participant cannot withdraw from the Section 4.1(a) grant any Necessary Claims that were relevant to a previously circulated Draft Technical Specification that were not identified in a Necessary Claims Disclosure Notice during the applicable IPR Review Period.
- (f) A Participant also cannot exercise its rights under this Section 6.1 with respect to Necessary Claims that pertain to Licensed Materials where any individual acting on the Participant's behalf Contributed such Licensed Materials, except when the Participant's Necessary Claims have been declared with specificity required by Section 6.1(a)(ii) by the Participant upon the Contribution of such Licensed Materials.

6.2 For each Necessary Claim withdrawn according to Section 6.1, each Participant (on behalf of itself and its Subsidiaries) hereby covenants to grant to any other person or legal entity (whether or not such person or entity is also a Participant) a fair, reasonable, non-discriminatory, nonexclusive, nontransferable, license under such Necessary Claims to implement the specific Corporation Recommendation Technical Specification from a Group, but only to the extent needed to be a Fully Compliant Implementation, and to make, use, import, sell, promote or otherwise distribute the resulting implementation, which license may be made subject to the condition that those who seek licenses under this Section 6.2 agree to grant reciprocal, fair, reasonable, non-discriminatory, non-exclusive, nontransferable licenses under their Necessary Claims to such Participant and all other parties necessary to implement the specific Corporation Recommendation Technical Specification as a Fully Compliant Implementation. Except as set forth herein, the negotiation of licenses pursuant to this Section 6.2 shall be left to the parties concerned.

Notwithstanding the foregoing, no Participant shall be required to grant a license pursuant to this Section 6.2 with respect to; (i) any enabling technologies that may be necessary to make or use any product or portion thereof that complies with an Corporation Recommendation Technical Specification, but are not themselves expressly set forth in that Corporation Recommendation Technical Specification (e.g. semiconductor manufacturing technology, compiler technology, object oriented technology, basic operating system technology, database technology, etc.); (ii) the implementation of other Recommendations, even if referred to in an Corporation Recommendation Technical Specification; or (iii) any portion of any product and any combinations thereof the sole purpose or function of which is not required in order to be a Fully Compliant Implementation of an Corporation Recommendation Technical Specification.

6.3 NCCI shall be governed by the following provisions.

- (a) Unless and until NCCI is made available to the public through the processes set forth herein or established by the Leadership Council, each Participant (except the owner or authorized licensor) shall use the same degree of care and discretion it uses to avoid disclosure of its own confidential information not to disclose such NCCI to any entity or person who is not a Participant engaged in the activities for which such NCCI was provided.
- (b) The obligation of confidentiality set forth in this Section 6.3 shall expire three (3) years from the date the NCCI is first disclosed to the Participant, and shall not apply to any information which: (i) is or becomes publicly available other than by the Participant's breach of a duty; (ii) is rightfully received from a third party without any obligation of confidentiality; (iii) is rightfully known by the Participant without any limitation on disclosure prior to its receipt; (iv) is independently developed by the Participant without use of the NCCI; or (v) is released for disclosure by the Participant with the disclosing party's written consent.
- (c) Disclosure of NCCI is not prohibited if prior notice is given to its owner and if such disclosure is (a) compelled pursuant to a legal proceeding or (b) otherwise required by law; provided, however, that the party proposing to make such disclosure will first have made a reasonable effort to obtain a protective order or to have informed the owner of the NCCI so as to allow it a reasonable opportunity to seek such an order.
- (d) Notwithstanding anything to the contrary herein, any Participant shall be free to use the residuals of NCCI for any purpose including use in the development, manufacture, marketing and maintenance of its products and services, subject only to the obligations herein with respect to disclosure of such NCCI. The term "residuals" means that NCCI in non-tangible form, which may be retained in the memories of individuals who have had rightful access to such NCCI under this Article 6. It is understood that receipt of NCCI under this Article 6 shall not create any obligation in any way limiting or restricting the assignment and/or reassignment of any employees of a Participant within Participant's organization. However, this Section 6.3(d) shall not be deemed to grant to any party a license under the other party's copyrights or patents.
- (e) Any NCCI disclosed to the Group Chair shall not be further disclosed except on a need-to-know basis, for example, to other select members (or their agents) of the Group responsible for the Draft Technical Specification in question or legal counsel in order to assess the feasibility and prudence of revising a Draft Technical Specification to avoid Necessary Claims identified in a Necessary Claims Disclosure Notice. This Agreement is not intended to prevent a party receiving NCCI from using NCCI Residual Knowledge, subject to any valid patents and copyrights of the owner of such NCCI. NCCI Residual Knowledge means NCCI that is retained in the unaided memories of the receiving party's employees or agents who have had access to NCCI.

ARTICLE 7: DISTRIBUTION OF DRAFT SPECIFICATIONS

7.1 A Group may decide by Group vote to circulate interim drafts or releases of Draft Technical Specifications to Participants for review and comment. Such Draft Technical Specifications shall be designated Initial, Circulation, Review or Final by the Group.

7.2 In addition, a Group may request that a Draft Technical Specification be circulated for review by and comment from non-Participants. This request, along with the associated Draft Technical Specification, shall be formally submitted to the Leadership Council and upon a Simple Majority vote by the Leadership Council, shall be published.

7.3 The primary deliverable of a Group may be a Final Draft Technical Specification on the subject matter or undertaking assigned to such Group, which drafts or proposals shall be formally submitted to the Leadership Team. When the Group, by a Supermajority vote of the members, reports to the Leadership Council that a Final Draft Technical Specification proposed for final approval is complete, or at any other time upon a Simple Majority vote of the Leadership Council, the Board will take steps to have the Members vote to accept or reject the Final Draft Technical Specification as set forth herein, non-substantial editorial changes notwithstanding. To adopt the Final Draft Technical Specification, written notice (which shall include a copy of the Final Draft Technical Specification) shall be sent to all Members advising that a vote will be held for the purposes of adopting such Final Draft Technical Specification. Such vote shall take place no sooner than forty-five (45) days after submission to the Members of the Final Draft Specification. Adoption of the Final Draft Technical Specification, or any update to a Corporation Recommendation Technical Specification, requires approval by a Supermajority of those Voting of the Members. Such Corporation Recommendation Technical Specification shall be made publicly available by the Members upon adoption.

7.4 After any Corporation Recommendation Technical Specification has been approved in accordance with Section 7.3 above, any updates or alterations thereto shall be treated as a proposal to develop a new Technical Specification and shall be subject to the same processes and procedures used for development as set forth above. The adoption of new Corporation Recommendation Technical Specifications shall not terminate any right or obligation of any Participant, including any licenses or covenants granted or received by a Participant with respect to any earlier adopted Corporation Recommendation Technical Specifications.