

There Are No IPR Issues with Open XML

Executive Summary: Microsoft Corp. has made legal commitments to Ecma International, to ISO/IEC, and to all interested vendors and users that anyone can implement and use Open XML without IPR costs imposed by Microsoft. Microsoft believes that it is in everyone's interest for this open file format to be available for easy, royalty-free implementation and use for document exchange and preservation. When Microsoft submitted and turned over control of Open XML to the international standardization process, Microsoft also provided multiple options to ensure that its essential patent claims covering Open XML can be used by anyone, including open source developers, royalty-free and without obstacles. These IPR commitments go beyond the requirements for ISO/IEC adoption of a standard, and ISO/IEC and Ecma have stated specifically that there are no outstanding IPR issues with Open XML.

- **Any Required Microsoft Patent Rights Are Available on a Royalty-Free, Perpetual Basis to All Implementers, and Both ISO/IEC and Ecma Have Publicly Declared that No IPR Issues Exist.**
 - Microsoft made a patent declaration to Ecma and agreed to make any of its patents covering Open XML available consistent with Ecma's "Code of Conduct for Patent Matters." (See http://www.ecma-international.org/news/TC45_current_work/Ecma%20responses.pdf (Sec. 2.2) and <http://www.ecma-international.org/memento/codeofconduct.htm>.)
 - Microsoft also submitted to ISO/IEC a "Patent Statement and Licensing Declaration Form." The form provides three checkboxes: (a) willing to license necessary patent claims on RAND-Z (royalty-free) terms, (b) willing to license necessary claims on RAND (royalty-bearing) terms, and (c) unwilling to license necessary claims under (a) or (b). (See http://isotc.iso.org/livelink/livelink/fetch/2000/2122/3770791/ITU_ISO_IEC_Patent_Statement_and_Licensing_Declaration_Form.pdf) Microsoft checked box (a) committing to RAND-Z terms. That means that if someone asks for a RAND-Z license to implement Open XML, we must provide such a license.
 - Microsoft also attached to its ISO/IEC patent declaration a commitment that implementers of Open XML would have the benefit of our "Open Specification Promise" ("OSP" -- available in Appendix A and at <http://www.microsoft.com/interop/osp/default.aspx>) and our "Covenant Not to Sue" ("CNS" -- available in Appendix B and at <http://office.microsoft.com/en-us/products/HA102134631033.aspx>) as an alternative, if they prefer.
 - *Microsoft thus has gone much further than what Ecma and ISO/IEC require.* Both require that a company offer to license its necessary patent claims on RAND terms (which could include a royalty). Microsoft has instead offered all implementers their choice between (a) a negotiated RAND-Z license, (b) the OSP, or (c) the CNS, **all three of which provide for royalty-free use** of Microsoft's necessary patent claims.
 - **Indeed, Ecma and ISO/IEC have stated that there are no outstanding IPR issues with Open XML.** In a document explaining the Ballot Resolution Meeting ("BRM"), ISO/IEC noted that IPR issues will *not* be discussed, because "IPR decisions have previously been delegated by all the ISO and IEC members (NBs) to the CEOs of IEC and ISO, **and they in turn have examined them and found no outstanding problems.**" <http://www.jtc1sc34.org/repository/0932.htm> (emphasis added). Ecma issued a similar statement. http://www.ecma-international.org/news/TC45_current_work/Ecma%20responses.pdf (Sec. 2.2).
 - To recap, because the BRM and comment process is designed to ensure that the specification is fully and correctly defined, and because ISO/IEC have found no outstanding IPR issues, there are no IPR issues associated with Open XML that should raise concerns about implementation, long-term document retention, preservation, or accessibility.

- **Adoption of Open XML -- Including By the Open Source Community -- is Growing Exponentially, Underscoring that Developers and Customers are Comfortable that there Are No IPR Issues with Open XML.**
 - Thousands of developers, organizations, governments, and professionals spanning 67 countries and six continents have already expressed public support for Open XML and for its approval by ISO/IEC. More than 2,000 members have joined OpenXMLCommunity.org, and hundreds of independent software vendors (“ISVs”) are developing solutions using Open XML. (See www.openxmlcommunity.com/community.aspx and <http://openxmldeveloper.org/posts.aspx>.)
 - Leading companies, such as Apple, Corel, Google, IBM, Microsoft, and Novell, have either adopted or announced support for Open XML in their products on a broad variety of platforms. Here is a representative list of Open XML implementations:
 - **Shipping:** **IBM** (Lotus Quickr, Websphere Portal, DB2 Content Manager v8.4, and DB2 9 pureXML); **Apple** (MAC OS X Leopard, iWork 08, iPhone); **Adobe** (InDesign); **Microsoft** (Office 2007, Office 2003, Office XP, Office 2000, Office 2008 Mac OS X); **Novell** (Suse Open Office); **Google** (Search / Preview); **Mindjet** (MindManager); **Intergen; Open XML/ODF Translator** (Open Source project on SourceForge.net); **Dataviz** (DocumentsToGo on Palm OS, MacLinkPlus on Mac OS X Leopard); **NeoOffice; Altova** (XMLSpy); **MarkLogic** (XML Content Server); **Datawatch** (Monarch Pro); **QuickOffice** (QuickOffice Premier 5.0 on Symbian); **Altsoft** (XML2PDF Server 2007).
 - **Under Development:** **Corel** (WordPerfect); **AbiWord; Gnome** (GNumeric); **Xandros; Linspire; Turbolinux;** and others.
 - **Many Platforms:** **Linux; Macintosh; Windows;** handheld devices (**Palm OS, Symbian, iPhone,** and **Windows Mobile**).
 - IBM’s support of Open XML in at least four of its products ([Lotus Quickr](#), [Websphere Portal](#), [DB2 Content Manager v8.4](#), and [DB2 9 pureXML](#)) is especially noteworthy (as this recent [article](#) indicates), given IBM’s vigorous opposition to Open XML and the FUD (“fear, uncertainty, doubt”) it has been spreading -- *including that Open XML lacks independent implementations!* IBM’s decision to support Open XML makes perfect sense, given the feedback it has received from its users. See, e.g., <http://symphony.lotus.com/software/lotus/symphony/supportThread.jspa?messageID=7343> (“Due to the popularity of Office, it would be absurd to not feature full compatibility, with the ability to both save and open Office files, such as the newer .docx format ... The ability to open and modify DOCX and the other Microsoft Office Open XML document formats will be critical for corporate adoption of Lotus Symphony. I cannot put it on a VP’s computer if she will not be able to open the DOCX MS Word document that the bank or company lawyer sends her.”).
- **Key Aspects of Microsoft’s OSP**
 - Any necessary Microsoft patent claims are available, royalty-free and without obstacles, to all developers and customers of Open XML in either open source software or proprietary software.
 - By stating that the covenant is “irrevocable,” Microsoft has assured users that there will not be a change in company policy at any point in the future.
 - Vendors, distributors, and users of Open XML implementations benefit from the OSP just like implementers do. Consequently, there is no need for implementers to pass the promise on to others in their distribution channel, as it is always available to everyone directly. This form of

patent promise is especially convenient for open source developers, as there is no issue as to whether or not the IP is sublicensable.

- No one needs to sign anything or even reference Microsoft to take advantage of the OSP.
- The OSP applies whether a party has a full or partial implementation of Open XML. Parties get the same irrevocable promise from Microsoft either way.

- **Leaders in the Open Source Community Have Applauded Microsoft's Extensive IPR Commitments to Open XML.**

- *“Red Hat believes that the text of the OSP gives sufficient flexibility to implement the listed specifications in software licensed under free and open source licenses. We commend Microsoft's efforts to reach out to representatives from the open source community and solicit their feedback on this text, and Microsoft's willingness to make modifications in response to our comments.”* -- Mark Webbink, Deputy General Counsel Red Hat, Inc.
- *“I am [] impressed with the new covenant, and am pleased to see that Microsoft is expanding its use of what I consider to be a highly desirable tool for facilitating the implementation of open standards, in particular where those standards are of interest to the open source community. ... I think that this move should be greeted with approval, and that Microsoft deserves to be congratulated for this action. I hope that the standards affected will only be the first of many that Microsoft, and hopefully other patent owners as well, benefit with similar pledges.”* -- Andy Updegrove, Standards Expert and Industry Analyst (<http://www.consortiuminfo.org/standardsblog/article.php?story=20060912140103877>)
- *“The Microsoft open specification promise is a very positive development. In the university and open source communities, we need to know that we can implement specifications freely. This promise will make it easier for us to implement Web Services protocols and information cards and for them to be used in our communities.”* -- RL "Bob" Morgan, Chair, Middleware Architecture Committee for Education (“MACE”) Senior Technology Architect, University of Washington

- **Microsoft's OSP is Very Similar to the Patent Pledges of IBM and Sun for ODF and Other Specifications.**

- The OSP is very similar to IBM's “Interoperability Specifications Pledge” (available in Appendix C and at <http://www-03.ibm.com/linux/opensource/isplist.shtml> and applicable to ODF) and Sun's “ODF Patent Statement” (available in Appendix D and at <http://www.oasis-open.org/committees/office/ipr.php>).
- Notably, in the key areas of (1) versions of the specification covered, (2) application to required and optional portions, (3) how the promises apply to the substance that form the basis of the subject specifications, (4) limitation to conforming implementations (or portions of implementations) of the specification, (5) defensive termination/suspension, and (6) definition of “necessary claims,” the OSP is broadly similar (and in some cases identical) to the pledges offered by IBM and/or Sun. In fact, when one actually takes the time to compare the language used by Microsoft, IBM, and Sun, the strengths and attractiveness of the OSP are revealed. See the chart in Appendix E, which provides such a comprehensive comparison of the patent promises found in the OSP and in Sun's and IBM's patent pledges.
- In this regard, it is important to note that Sun's incorporation by reference of the rules of the OASIS IPR Policy (see <http://www.oasis-open.org/who/intellectualproperty.php>) complicates the analysis of certain elements of Sun's patent pledge (at least regarding future versions of the ODF

spec) beyond what is set forth in the ½ page Microsoft OSP, in that an implementer must also review the 13-page OASIS IPR Policy to understand certain of its rights under the Sun pledge. Sun uses this method to reserve its right to extend or not extend its pledge to subsequent versions of the specification based on its future decisions to join or not join in those future developments. Microsoft and IBM choose to accomplish this same objective more simply and directly, by just specifically adding subsequent versions to their promises.

- The foregoing provides further evidence that Microsoft’s IPR approach for Open XML is reasonable and common in the industry, and that attacks on it are baseless.
 - A recent [independent study](#) by the Burton Group on Open XML and ODF urges governments and customers to “discount the political FUD” that has been propagated by some about Open XML. According to the authors, such claims about IPR concerns, technical issues, and the like about Open XML, have “been influenced by broader objectives such as the desire, shared by many ODF supporters, to perform a ‘cashectomy’ on Microsoft's Office-based revenue and profit streams (*i.e.*, to significantly reduce the value of Microsoft's Office-based business). “Guilty until proven innocent” has also been a part of conventional wisdom among many Microsoft detractors” (at page 22)

- **FAQs**

- 1. Q: Why are you applying both the CNS and the OSP to Open XML?**

A: To afford greater choice to the developer, implementer, and user communities. Microsoft formulated the CNS and made it available in October 2005. After working with a number of members of the OSS community, Microsoft fine-tuned its covenant and launched its OSP in 2006. The OSP was created to facilitate easier, royalty-free access to a range of Microsoft technologies and IP, including the Open XML formats, by all developers across both proprietary and OSS platforms. We don’t know whether some will choose the OSP over the CNS, or vice versa, but again we wanted to make that an option for all rather than simply terminate the CNS when the OSP came along.

- 2. Q: Is this OSP legally binding on Microsoft, and will it be available in the future to me and to others?**

A: Yes, the OSP is legally binding upon Microsoft. The OSP is a unilateral promise from Microsoft, and unilateral promises may be enforced against the party making such a promise. The OSP does not require the recipient to agree or acknowledge the promise in any way in order to ensure such enforceability. Because the OSP states that the promise is irrevocable, it may not be withdrawn by Microsoft. The OSP is, and will be, available to everyone now and in the future for the specifications to which it applies. As stated in the OSP, the only time Microsoft can withdraw its promise against a specific person or company for a specific Covered Specification is if that person or company brings (or voluntarily participates in) a patent infringement lawsuit against Microsoft regarding Microsoft’s implementation of the same Covered Specification. This type of “suspension” clause is a common industry practice.

While the OSP governs Microsoft’s future behavior, Microsoft has also chosen to give it (as well as the CNS) *retrospective* effect, applying to any past uses of the Open XML File Formats that may have been in actual or potential breach of the terms of Microsoft’s earlier patent licenses. It is also important to note that Sun’s patent pledge for ODF and IBM’s Interoperability Specifications Pledge are unilateral promises *just like Microsoft’s OSP*. Since there apparently has been no concern regarding the legally binding nature of those pledges, there should be none regarding the OSP.

Finally, the significant adoption of Open XML by the industry that has already taken place by both major players and smaller companies across the globe reinforces the fact that the marketplace has *already* embraced the OSP as an acceptable and legally binding commitment by Microsoft on which all can confidently rely.

3. Q: The OSP says that it only covers required portions of the Open XML specification that are “described in detail and not merely referenced in such Specification.” What are the technologies that are not covered by the OSP, and why doesn’t the OSP apply to things that are merely referenced in the specification?

A: The Open XML specification contains detailed language about how to implement the most comprehensive array of functionality of any internationally published document format. At the same time, it is a common practice that technology licenses focus on the specifics of what is detailed in the specification and exclude what are frequently called “enabling technologies.” For example, as explained in the chart in Appendix E, the OASIS IPR Policy expressly excludes from its patent licensing obligations specifications/technologies that are merely referenced in OASIS specs (see <http://www.oasis-open.org/who/intellectualproperty.php>, at Section 2(12)). If we included patent claims to the enabling technology, then as an extreme example, it could be argued that one needs computer and operating system patents to implement almost any information technology specification. No such broad patent licenses to referenced technologies are ever given for specific industry standards. (See Andy Updegrove Comment at <http://www.consortiuminfo.org/standardsblog/article.php?story=20060912140103877> (“[T]his is a common limitation”))

4. Q: Are Microsoft’s former binary formats (i.e., .doc, .xls, and .ppt), which are referenced in the Open XML specification, excluded from the OSP and, if so, couldn’t Microsoft use any patents it has on those proprietary technologies to impair implementations of Open XML?

A: Substantial use is already being made of Microsoft’s binary formats in the marketplace today. Many companies and public institutions have received the documentation for the binary formats (currently available on a RAND-Z basis pursuant to an e-mail request to Microsoft), are working with it at this time, and can create mappings between the binary formats and Open XML. In short, Microsoft has never intended to use any IP rights it may have in these binary formats to impair Open XML implementations. However, because it has received several questions on this topic, Microsoft has decided to undertake the following actions that will help clarify its position for the marketplace:

- Make it even easier to get access to the binary formats documentation by posting it and making it available for a direct download from the Microsoft web site no later than February 15, 2008.
- Add the binary formats to the list of specifications covered by the OSP. This also will be done by February 15, 2008.
- Initiate a Binary Format-to-ISO/IEC JTC 1 DIS 29500 Translator Project on the open source software development web site SourceForge (<http://sourceforge.net/>) in collaboration with independent software vendors. The Translator Project will create software tools, plus guidance, showing how a document written using the Microsoft binary formats can be translated to DIS 29500. The Translator will be available under the open source Berkeley Software Distribution (“BSD”) license, and anyone can use the mapping, submit bugs and feedback, or contribute to the Project. The Translator Project will start on February 15, 2008.

These new Microsoft actions and commitments will further enhance interoperability between Open XML and the binary formats and afford even greater clarity and flexibility to developers and implementers that wish to use both the old and the new formats in their implementations.

5. Q: Why does Microsoft’s patent promise apply only to its “Necessary Claims” instead of to all of Microsoft’s patents?

A: Using the terms “necessary” or “essential” to qualify patent claim commitments is commonplace in the standards licensing world. As shown in the chart in Appendix 5, IBM also focuses on necessary patent claims in its patent pledge for ODF and other specifications (as do many other companies), and such qualifications are entirely consistent with both the Ecma and ISO/IEC IPR policies, as well as with the OASIS IPR Policy. Standards organizations allow this and companies do this to make sure that the patent licensing grant does not go beyond the intended scope of the standard. So, for example, IBM would not want to license IP it has in Lotus Notes or in mainframes because it participated in a standards effort on OASIS to standardize ODF, but rather would only commit to licensing Necessary Claims covering compliant implementations of ODF. Similarly, patents that are not needed to implement Open XML -- such as Microsoft’s patents covering Windows or Xbox -- are likewise appropriately outside the scope of the Open XML standard. Since there does not seem to be any concern over this issue with the IBM patent pledge, there should likewise be none with Microsoft’s OSP.

6. Q: Why doesn’t the OSP cover possible undocumented aspects of Open XML formats that are not described in the specification?

A: This is a common industry practice. The patent promise is typically “scoped” to the actual specification that is discussed, developed, and adopted by the standards organization. Microsoft transferred control of the Open XML specification when it submitted it for standardization to Ecma and then ISO/IEC. What is included and specified in the specification is decided by consensus in the standardization process. The engineers/developers make clear what is and is not within the bounds and scope of the actual specification. Anyone can join the standards group and ask to document and consider any behavior of Open XML that may not currently be described in the specification. In fact, because this has been done so meticulously and thoroughly already, the specification is now 6,000 pages long (it was only 2,000 pages when Microsoft originally submitted it to Ecma), and, as noted above, it contains detailed language about how to implement the most comprehensive array of functionality of any internationally published document format.

7. Q: Why doesn’t the OSP apply to all versions of the standard, including future revisions?

A: The OSP applies to all existing versions of the specification designated on the public list posted at <http://www.microsoft.com/interop/osp/>, unless otherwise noted with respect to a particular specification (*see*, for example, specific notes related to web services specifications). This approach is common in standards licensing. Standards in the IT industry are generally dynamic, evolving over time through different versions to reflect the experience of implementation and deployment, as well as the changing nature of the environment. Since it is impossible for industry players to predict the future environment, they are generally unwilling to make an open-ended commitment towards such unknown matters, such as future versions of a standard. On top of that, submitting a technology to a standards body involves a number of compromises, in particular releasing control of the evolution of the standard. It is possible that the evolution could go in completely different directions, driven by participating competitors. Standards bodies don’t want to be in a position to encourage that sort of competitive activity, and technology contributors don’t want to overexpose themselves. This is typical in the industry and certainly not unique to Open XML.

- *Andy Updegrove: “As with traditional standard setting commitments, patent owners are wary about making open-ended promises, since in an extreme case a competitor could seek to extend a standard to describe part of, or all of a product of a patent owner, going far beyond what had been anticipated by the owner at the time that it made its commitment. Although there are differences from organization to organization, typically when a new version of a standard is approved, a member remains bound by so much of the standard as does not change, but is not bound by any new material that is added to it unless it is then a member, and agrees to do so.”*
<http://www.consortiuminfo.org/standardsblog/article.php?story=20060912140103877>

The Microsoft and IBM approaches on future versions are identical, applying their respective patent promises to those specifications listed in the statement, and noting that the list may be amended over time as new specifications/versions are developed. Sun, by contrast, limits the applicability of its patent pledge to subsequent versions of any specification “in which development Sun participates to the point of incurring an obligation, as defined by the rules of OASIS, to grant (or commit to grant)” a patent license or equivalent covenant. The Microsoft/IBM approach reflects standard industry practice. While Sun’s approach is similar, it also generates potentially greater uncertainty, as the inquiry that the relying party has to undertake would seem more onerous and unclear, *i.e.*, about the nature of Sun’s participation in the development of future versions of the ODF spec and whether that level of participation triggers some obligation for Sun under the OASIS rules.

8. Q: Why does the OSP cover only “required portions” of the specification?

A: This is commonplace in the standards industry and is also how IBM’s patent pledge works. *Andy Updegrove: “This is the degree to which the great majority of standards organizations require a commitment.”* But Microsoft’s and IBM’s commitments go further by extending royalty-free access to the required elements of *optional* portions of the covered specifications as well.

9. Q: If you just give away the IP, why do you even bother with filing patents that relate to Open XML?

A: IPR incentive systems and patents encourage individuals and companies to create and innovate. It is a common business practice to file patents on inventions and innovations. It also often makes business sense and is common practice for companies to license patents on royalty-free terms, and/or contribute technologies on a royalty-free basis to industry efforts such as standardization. Moreover, by holding patents on Open XML that have been made available royalty-free, Microsoft is benefiting Open XML implementers by making it harder (due to the “prior art” rules of the patent laws, as well as Microsoft’s right to rescind its royalty-free promise to those who sue it for royalties) for other parties to obtain patents around Open XML and try to profit from the specification by charging royalties to implementers. At a minimum, patents have value in defending Microsoft with regard to patent infringement claims made by others. Many patent owners use their patents defensively to protect themselves against third-party law suits when they make their patents available under reasonable and non-discriminatory (RAND or RAND-Z) terms and conditions (including promises like the OSP).

10. Q: Is the OSP intended to apply to open source developers and users of open source developed software?

A: Yes. The OSP applies directly to all persons or entities that make, use, sell, offer for sale, import, and/or distribute an implementation of a Covered Specification. It is intended to enable open source implementations, and, in fact, several parties in the open source community have specifically stated that the OSP meets their needs. Moreover, there are already a significant

number of implementations of Covered Specifications that have been created and/or distributed under a variety of open source licenses, as well as under proprietary software development models. Because open source software licenses can vary, you may want to consult with your legal counsel to understand your particular legal environment.

11. Q: Is Microsoft's IP sublicensable under the OSP and, if not, isn't the OSP inconsistent with certain open source licenses?

A: There is no need for sublicensing under the OSP, which actually *helps* OSS. The OSP is directly applicable to you and everyone else who wants to use it. Accordingly, your distributees, customers, and vendors can directly take advantage of this same promise, and have the exact same protection that you have. The direct "promise to you" language in the OSP actually is a *benefit* to OSS developers -- it alleviates any concern about sublicensability of IP rights. OSS licensees usually depend on being able to receive IP rights in a license that lets them pass on the same rights downstream to other users. Typical standards licenses using RAND terms are 1:1, and can include clauses that limit your ability to pass on the same rights to someone else. By contrast, with the OSP (and with IBM's similar patent pledge) because the patent commitment is direct to each individual/entity, it does not need to be obtained through any other licensing channel or passed on from one party to another, so these concerns over whether appropriate rights can be obtained are swept away. Likewise, a specific sublicensing right is not included in the Sun pledge, suggesting that Sun's approach is intended to be similar to the one taken by Microsoft and IBM. As such, claims by certain open source advocates that Microsoft's OSP is deficient because it does not have a sublicensing provision are misguided and ignore the fact that IBM's and Sun's patent pledges take a similar approach.

12. Q: Does MS's OSP apply only to the current implementation of Office, MS Office 2007, or, for example, will it also apply to Office 14 (Office 2009)?

A: The promise applies to *any* implementation of *any* version of the Open XML specification listed in the OSP and is not just limited to Microsoft's Office 2007 products.

13. Q: The OSP explicitly covers only the "Office Open XML 1.0 – Ecma-376" version of the standard. However, thousands of changes are being made to Open XML as part of the JTC1 comment resolution process. Are these changes covered as well?

A: Yes. Microsoft has made a commitment to ISO/IEC to apply the OSP to DIS 29500.

14. Q: Is there a specific list of Microsoft patents covered by the OSP with respect to Open XML? If so, can Microsoft make this list public to reduce any concerns that it may use its IPR to impede competition with office suite applications?

A: As noted above, Microsoft has submitted to ISO/IEC IPR declarations related to DIS 29500. These are on file in their database and ISO/IEC may be queried about them by any interested party. The more important point, however, that Microsoft has made clear through its OSP and in its public statements, is that it will not use any necessary patent claims it may have covering the Open XML specification to block competing implementations of Open XML or to impede competition among office suite applications. Indeed, the marketplace facts show that industry has heard this Microsoft commitment and believes it, as both major companies (like IBM, Apple, Novell, Corel, and Google, among others) and smaller companies have already implemented Open XML in their products.

15. Q: What is the difference between copyrights and patent rights, and why doesn't the OSP include copyrights?

A: Patents protect the creation or improvement of a novel and useful method, device, process, or material. By contrast, copyrights protect a particular expression or implementation of an invention but not the underlying invention itself. For example, copyright protects the intellectual property rights associated with owning or distributing a copy of the specification *as a document*. In the particular case of the OSP, copyrights in the Covered Specifications are made available by the publisher of the particular specification. When specifications are published by standards-setting organizations, those organizations provide the copyright license. When Microsoft is the publisher of the Covered Specification, a copyright license is provided either as a part of the text of the Covered Specification itself, or in a separate document. Copyrights in the Covered Specifications are not provided through the OSP because, in the instances where the standards organization owns the copyright in the Covered Specifications, Microsoft does not have the ability to provide such rights. More specifically with respect to Open XML, since Ecma owns the copyright in the Open XML specification and makes the specification freely available under copyright, a copyright license from Microsoft is not needed for Open XML. Likewise, since the ISO/IEC JTC1 Directives (*see <http://www.jtc1sc34.org/repository/0856rev.pdf>*, Section 10.2) make clear that DIS copyrights are owned by ISO and IEC, no copyright license will be needed from Microsoft upon adoption as an ISO standard, since all necessary copyright licenses will be provided by ISO.

16. Q: What if a third party steps forward and asserts that implementations of Open XML infringe its necessary patent claims?

A: This is always a possibility with *all* standards and specifications, including ODF. In all cases, when the parties involved in the production of a specification make their patent declarations, they can only speak for themselves. There is always a risk that others might have claims against the specification. However, this does not constitute an issue for Open XML any more so than it does for every other specification or standard in the marketplace -- again, including ODF -- and for the IBM and Sun patent pledges as well.

17. Q: You note that Open XML can be and is being implemented by open source developers under the OSP. But then why is Microsoft's FAQ on the OSP web site so vague regarding whether or not the OSP is compatible with the GPL?

A: We consulted with OSS lawyers, such as the Deputy General Counsel of Red Hat, in advance to ensure that the OSP could be used by OSS developers. We do not distribute products under the GPL and are not in a position to give legal analysis of it to others. However, we are confident that OSS developers are using, and will continue to use, Open XML and the dozens of other standards covered by the OSP. Finally, this is the same approach that Sun and IBM take with their patent pledges described in the chart in Appendix E. Since there apparently has been no concern within the OSS community about the Sun or IBM patent pledges, there should be none regarding the OSP either.

APPENDIX A

Microsoft Open Specification Promise

Available at <http://www.microsoft.com/interop/osp/default.aspx>

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Microsoft irrevocably promises not to assert any Microsoft Necessary Claims against you for making, using, selling, offering for sale, importing or distributing any implementation to the extent it conforms to a Covered Specification (“Covered Implementation”), subject to the following. This is a personal promise directly from Microsoft to you, and you acknowledge as a condition of benefiting from it that no Microsoft rights are received from suppliers, distributors, or otherwise in connection with this promise. If you file, maintain or voluntarily participate in a patent infringement lawsuit against a Microsoft implementation of such Covered Specification, then this personal promise does not apply with respect to any Covered Implementation of the same Covered Specification made or used by you. To clarify, “Microsoft Necessary Claims” are those claims of Microsoft-owned or Microsoft-controlled patents that are necessary to implement only the required portions of the Covered Specification that are described in detail and not merely referenced in such Specification. “Covered Specifications” are listed below.

This promise is not an assurance either (i) that any of Microsoft’s issued patent claims covers a Covered Implementation or are enforceable or (ii) that a Covered Implementation would not infringe patents or other intellectual property rights of any third party. No other rights except those expressly stated in this promise shall be deemed granted, waived or received by implication, exhaustion, estoppel, or otherwise.

Covered Specifications (the promise applies individually to each of these specifications)

This promise applies to the identified version of the following specifications. New versions of previously covered specifications will be separately considered for addition to the list. In connection with the specifications listed below, this Promise also applies to the required elements of optional portions of such specifications.

(NOTE: The list of specifications covered by the OSP is omitted here but is available at the above web site.)

APPENDIX B

Microsoft Covenant Regarding Microsoft Office 2003 XML Reference Schemas and Ecma Office Open XML File Formats

Available at <http://office.microsoft.com/en-us/products/HA102134631033.aspx>

Microsoft irrevocably covenants that it will not seek to enforce any of its patent claims necessary to conform to the technical specifications for the Microsoft Office 2003 XML Reference Schemas or the [Ecma Office Open XML standard \(Ecma 376\)](#) (the "Specifications") against those conforming parts of software products. This covenant shall not apply with respect to any person or entity that asserts, threatens, or seeks at any time to enforce a patent right or rights against Microsoft or any of its affiliates relating to any conforming implementation of the same Specification.

This statement is not an assurance either (i) that any of the Microsoft issued patent claims cover a conforming implementation of the Specifications or are enforceable, or (ii) that such an implementation would not infringe patents or other intellectual property rights of any third party.

No other rights except those expressly stated in this covenant shall be deemed granted, waived or received by implication, or estoppel, or otherwise. In particular, no rights in the Microsoft Office product, including its features and capabilities, are hereby granted except as expressly set forth in the Specifications.

Any Microsoft essential patent claims in connection with the Microsoft Office 2003 XML Reference Schemas and Ecma 376 are also available under the [Microsoft Open Specification Promise](#). Ecma 376 has been submitted to ISO/IEC JTC-1 for approval under the fast-track process as ISO/IEC DIS 29500, and Microsoft's promises under this covenant and the Open Specification Promise apply to that document as well.

APPENDIX C

IBM's Interoperability Specifications Pledge

Available at <http://www-03.ibm.com/linux/opensource/isplist.shtml>

IBM wants to encourage broad adoption of the Covered Specifications listed below. Therefore, IBM irrevocably covenants to you that it will not assert any Necessary Claims¹ against you for your making, using, importing, selling, or offering for sale Covered Implementations². However, this covenant will become void, and IBM reserves the right to assert its Necessary Claims against you, if you (or anyone acting in concert with you) assert any Necessary Claims against any Covered Implementations of IBM or of any third party. This covenant is available to everyone directly from IBM, and does not flow from you to your suppliers, business partners, distributors, customers or others. So, if your supplier, business partner, distributor, customer or other party independently takes an action that voids the covenant as to itself, IBM reserves the right to assert its Necessary Claims against that party, even though this covenant will remain in effect for you.

By making this irrevocable patent covenant with regard to the Specifications listed below, IBM does not represent that it holds any or all Necessary Claims regarding the Open Specifications you choose to implement.

Definitions

¹"Necessary Claims" are those patent claims that can not be avoided by any commercially reasonable, compliant implementation of the Required Portions of a Covered Specification. "Required Portions" are those portions of a specification that must be implemented to comply with such specification. If the specification prescribes discretionary extensions, Required Portions include those portions of the discretionary extensions that must be implemented to comply with such discretionary extensions.

²"Covered Implementations" are those specific portions of a product (hardware, software, services or combinations thereof) that implement and comply with a Covered Specification and are included in a fully compliant implementation of that Covered Specification. Reference to IBM (or you) includes entities controlled by, controlling, and under common control with IBM (or you), based on majority control.

(NOTE: The list of specifications covered by the ISP is omitted here but is available at the above web site.)

APPENDIX D

Sun's ODF Patent Statement

Available at <http://www.oasis-open.org/committees/office/ipr.php>

Sun irrevocably covenants that, subject solely to the reciprocity requirement described below, it will not seek to enforce any of its enforceable U.S. or foreign patents against any implementation of the [Open Document Format for Office Applications \(OpenDocument\) v1.0 Specification](#), or of any subsequent version thereof ("OpenDocument Implementation") in which development Sun participates to the point of incurring an obligation, as defined by the rules of OASIS, to grant (or commit to grant) patent licenses or make equivalent non-assertion covenants. Notwithstanding the commitment above, Sun's covenant shall not apply and Sun makes no assurance, covenant or commitment not to assert or enforce any or all of its patent rights against any individual, corporation or other entity that asserts, threatens or seeks at any time to enforce its own or another party's U.S. or foreign patents or patent rights against any OpenDocument Implementation.

This statement is not an assurance either (i) that any of Sun's issued patents cover an OpenDocument Implementation or are enforceable, or (ii) that an OpenDocument Implementation would not infringe patents or other intellectual property rights of any third party.

No other rights except those expressly stated in this Patent Statement shall be deemed granted, waived, or received by implication, or estoppel, or otherwise.

Similarly, nothing in this statement is intended to relieve Sun of its obligations, if any, under the applicable rules of OASIS.

Link to OASIS's IPR Policy referenced above: <http://www.oasis-open.org/who/intellectualproperty.php>.

Appendix E

Comparison of Microsoft’s OSP, IBM’s ISP, and Sun’s ODF Patent Statement

| Topic | <u>Microsoft’s Open Specification Promise (“OSP”)</u> | <u>IBM’s Interoperability Specifications Pledge (“ISP”)</u> | <u>Sun’s ODF Patent Statement</u> | Comments |
|-------------------------------|--|--|---|---|
| Grant Language | “Microsoft irrevocably promises not to assert any Microsoft Necessary Claims against you for making, using, selling, offering for sale, importing or distributing any implementation” | “IBM irrevocably covenants to you that it will not assert any Necessary Claims against you for your making, using, importing, selling, or offering for sale Covered Implementations.” | “Sun irrevocably covenants that . . . it will not seek to enforce any of its enforceable U.S. or foreign patents against any implementation of the Open Document Format for Office Applications, or of any subsequent version thereof (“OpenDocument Implementation”) in which development Sun participates to the point of incurring an obligation, as defined by the rules of OASIS, to grant (or commit to grant) patent licenses or make equivalent non-assertion covenants.” | <p>Very similar approaches by all three companies.</p> <p>However, it is important to note that Sun’s incorporation by reference of the rules of the OASIS IPR Policy (<i>see</i> http://www.oasis-open.org/who/intellectualproperty.php) complicates the analysis of certain elements of Sun’s pledge (at least regarding future versions of the ODF spec) beyond what is set forth in the ½ page Microsoft OSP, in that an implementer must also review the 13-page OASIS IPR Policy to understand certain of its rights (<i>e.g.</i>, whether the Sun pledge applies to a particular future version of the ODF spec).</p> <p>(Note: While the OASIS Technical Committee (“TC”) that adopted ODF v1.0 at one point was governed by the Legacy OASIS IPR Policy (http://www.oasis-open.org/who/ipr/intellectual_property_2000-1-13.php), this TC is currently governed by the revised OASIS IPR Policy adopted in 2005. The references below are to the revised OASIS IPR Policy.)</p> |
| Conformity Requirement | Microsoft’s promise covers “any implementation to the extent it conforms to a Covered Specification (‘Covered Implementation’)...” | “‘Covered Implementations’ are those specific portions of a product (hardware, software, services or combinations thereof) that implement and comply with a Covered Specification and are included in a fully compliant implementation of that Covered Specification.” | Sun’s pledge covers “any implementation of the Open Document Format for Office Applications (OpenDocument) v1.0 Specification” | <p>Very similar approaches by all three companies.</p> <p>A requirement that implementations conform/comply with the specification is a reasonable condition and commonplace in the standards and licensing arenas, since non-conforming implementations potentially undermine the integrity of the specification or standard. Non-conforming or non-compliant implementations may</p> |

| Topic | <u>Microsoft’s Open Specification Promise (“OSP”)</u> | <u>IBM’s Interoperability Specifications Pledge (“ISP”)</u> | <u>Sun’s ODF Patent Statement</u> | Comments |
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| | | | | also give rise to unpredictable consequences that the parties promulgating the standard or specification may want or need to take action to prevent. |
| Versions of the Standard Covered | “This promise applies to the identified version of the following specifications [public list posted at http://www.microsoft.com/introp/osp/]. New versions of previously covered specifications will be separately considered for addition to the list.” | “[IBM makes] this irrevocable patent covenant with regard to the Specifications listed below.” From the IBM FAQ: “IBM will evaluate new versions or additional specifications for inclusion based on their consistency with the objectives of this pledge which is to support widespread adoption of open specifications that enable software interoperability for our customers, and may, from time to time, make additional pledges.” | Sun’s Patent Statement applies to “any implementation of the Open Document Format for Office Applications (OpenDocument) v1.0 Specification , or of any subsequent version thereof (‘OpenDocument Implementation’) in which development Sun participates to the point of incurring an obligation, as defined by the rules of OASIS, to grant (or commit to grant) patent licenses or make equivalent non-assertion covenants.” | The Microsoft and IBM approaches are identical, applying their respective promises to those specifications listed in the statement, and noting that the list may be amended over time as new specifications/versions are developed. As noted, Sun, by contrast, limits the applicability of its statement to subsequent versions of any specification “in which development Sun participates to the point of incurring an obligation, as defined by the rules of OASIS, to grant (or commit to grant)” a patent license or equivalent non-assertion covenant. The Microsoft/IBM approach reflects standard industry practice. While Sun’s approach is similar, it also generates potentially greater uncertainty, as the inquiry that the relying party has to undertake would seem more onerous and unclear, <i>i.e.</i> , about the nature of Sun’s participation in the development of future versions of the ODF spec and whether that level of participation triggers some obligation for Sun under the OASIS rules. |
| Permissibility of Partial Implementations | The OSP’s promise refers to “any implementation” (which includes both whole <i>or partial</i> implementations) “to the extent it conforms to a Covered Specification.” From the Microsoft FAQ: “You can choose to implement all or part of the specification(s). ... The OSP applies whether you have a full or partial implementation. | IBM’s ISP extends expressly to “specific portions of a product (hardware, software, services or combinations thereof),” but requires that the implementation be “fully compliant.” | The Sun pledge does not directly address the issue of partial implementations, although the fact that it applies to “any implementation” arguably means it extends to partial implementations as well. | The extension of Microsoft’s and Sun’s patent pledges to partial implementations benefits the vendor and user community by allowing for greater flexibility in use of the specifications, which leads to greater variety, innovation, and choice in product development/offerings. The limitation of IBM’s pledge to “fully compliant” specifications can lead to some types of special purpose implementations being unable to take advantage of the pledge, and many attempted conforming implementations that for trivial reasons, such as software coding errors, also are not able to qualify for the IBM pledge. |

| Topic | <u>Microsoft’s Open Specification Promise (“OSP”)</u> | <u>IBM’s Interoperability Specifications Pledge (“ISP”)</u> | <u>Sun’s ODF Patent Statement</u> | Comments |
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| | You get the same irrevocable promise from us either way. In all cases, the OSP covers only your implementation of the parts of the specification(s) that you decide to use.” | | | Limiting the applicability of the promise only to compliant portions of implementations is reasonable for partial implementations. The objective is to provide effective coverage for all parties that make conforming implementations, at least to the extent that they actually do conform to the specification. |
| Scope of Patent Claims Covered | Microsoft’s promise extends to “Necessary Claims,” defined as “those claims of Microsoft-owned or Microsoft-controlled patents that are necessary to implement only the required portions of the Covered Specification that are described in detail and not merely referenced in such Specification.” | IBM’s pledge extends to “Necessary Claims,” defined as “those patent claims that can not be avoided by any commercially reasonable, compliant implementation of the Required Portions of a Covered Specification.” | Sun’s pledge (at least for future versions of the ODF spec) is tied to its “obligation, as defined by the rules of OASIS, to grant (or commit to grant) patent licenses or make equivalent non-assertion covenants.” It is not clear whether Sun intended by this reference to the OASIS IPR Policy to limit its pledge for future versions of the ODF spec to its “Essential Claims” as defined by the OASIS IPR Policy (<i>see</i> Section 2(7)). In any event, OASIS’s definition of “Essential Claims” is similar to the definition of Necessary Claims in the Microsoft and IBM patent pledges. | The concept of “necessary “or “essential” patent claims has been an ingredient of standards patent licenses and of many IPR policies adopted by standards-setting bodies for many years. In a similar fashion, Microsoft and IBM each apply their respective patent pledges to such necessary/essential claims. As such, the terms of Microsoft’s OSP reflect common industry terminology and practice. |
| Application to “Required Portions” and “Optional Portions” | Microsoft’s promise applies to all “required portions” of the Open XML specification and to “the required elements of optional portions” of the spec as well. | IBM’s pledge applies to all “Required Portions of a Covered Specification.” “Required Portions” are defined as “those portions of a specification that must be implemented to comply with such specification. If the specification prescribes discretionary extensions, Required Portions include those portions of the discretionary extensions that must be implemented to comply | The Sun pledge, on its face, does not distinguish between required and optional portions of the ODF spec (although the OASIS IPR Policy expressly does -- see comments). | The Microsoft and IBM approaches are virtually identical, and the “Normative Portion” language of the OASIS IPR Policy (<i>see</i> Section 2(12)) further highlights the reasonableness of this approach in the OSP. |

| Topic | <u>Microsoft’s Open Specification Promise (“OSP”)</u> | <u>IBM’s Interoperability Specifications Pledge (“ISP”)</u> | <u>Sun’s ODF Patent Statement</u> | Comments |
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| | | <p>with such discretionary extensions.”</p> <p>From the IBM FAQ:</p> <p>“Discretionary extensions are sections of a specification that are optional. Within these optional sections, are elements that are required to be implemented in order to be fully compliant with the extension. These are sometimes called ‘normative portions’ of optional extensions.”</p> | | |
| Application to Referenced Standards and Technologies | OSP extends to all “required portions of the Covered Specification that are described in detail and not merely referenced in such Specification.” | IBM’s approach is likely also intended to carve out enabling technologies, even though it does not expressly state this in the ISP. | Sun’s pledge does not directly address this issue (although the OASIS IPR Policy expressly does - see comments). | It is a common practice that technology licenses focus on the specifics of what is detailed in the specification(s) and exclude what are frequently called “enabling technologies.” For example, patent rights covering referenced specifications and technologies are expressly excluded under the OASIS IPR Policy (<i>see</i> Section 2(12)) (“Examples and/or reference implementations and other specifications or standards that were developed outside the TC and which are referenced in the body of a particular OASIS Committee Specification or OASIS Standard that may be included in such specification are not Normative Portions.”). If patent claims to enabling technologies were included, then, as an extreme example, it could be argued that one needs computer and operating system patents to implement almost any information technology specification. No such broad patent licenses to referenced technologies are ever given for specific industry standards. (<i>See</i> Andy Updegrove Comment at http://www.consortiuminfo.org/standardsblog/article.php?story=20060912140103877 (“[T]his is a common limitation”)) |

| Topic | <u>Microsoft's Open Specification Promise ("OSP")</u> | <u>IBM's Interoperability Specifications Pledge ("ISP")</u> | <u>Sun's ODF Patent Statement</u> | Comments |
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| Transfer of Promise to Others | <p>“This is a personal promise directly from Microsoft to you”</p> <p>From the Microsoft FAQs:</p> <p>“There is no need for sublicensing. This promise is directly applicable to you and everyone else who wants to use it. Accordingly, your distributees, customers and vendors can directly take advantage of this same promise, and have the exact same protection that you have.”</p> | <p>“This covenant is available to everyone directly from IBM, and does not flow from you to your suppliers, business partners, distributors, customers or others.”</p> <p>From the IBM FAQ:</p> <p>“Open source software distributors will find the Interoperability Specifications Pledge much friendlier to their needs since all of the downstream recipients of their implementations will be able to benefit from the Interoperability Specifications Pledge, individually, without having to depend on the distributor for a license, or needing to contact IBM to obtain one. ... This Pledge applies to each implementer personally; it does not flow through the process of distribution, ensuring that each of your customers benefits from it, even if there is a problem upstream or downstream in the chain.”</p> | <p>A specific sublicensing or transferability right is not included in the Sun pledge, suggesting that Sun’s approach is intended to be similar to the one taken by Microsoft and IBM.</p> | <p>The approaches by Microsoft, IBM, and Sun are virtually identical in making the promise directly available to everyone, thereby obviating the need to provide a sublicensing right to anyone. As such, claims by certain parties that Microsoft’s OSP is deficient because it does not have a sublicensing provision are misguided and ignore the fact that IBM and Sun take a similar approach.</p> |
| Defensive Termination or Suspension of the Promise | <p>“If you file, maintain or voluntarily participate in a patent infringement lawsuit against a Microsoft implementation of such Covered Specification, then this personal promise does not apply with respect to any Covered Implementation of</p> | <p>“However, this covenant will become void, and IBM reserves the right to assert its Necessary Claims against you, if you (or anyone acting in concert with you) assert any Necessary Claims against any Covered Implementations of IBM or of any third party.”</p> | <p>“Sun's covenant shall not apply and Sun makes no assurance, covenant or commitment not to assert or enforce any or all of its patent rights against any individual, corporation or other entity that asserts, threatens or seeks at any time to enforce its own or another party's U.S. or foreign patents or</p> | <p>Very similar approaches by all three companies, differing mainly in how many situations can lead to such defensive termination of the promise.</p> <p>IBM and Sun have termination options that extend beyond just the situation where some party is accusing them of patent infringement for their implementations of a particular specification. They include (in the case of IBM) suspension for making</p> |

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| | the same Covered Specification made or used by you." | | patent rights against any OpenDocument Implementation." | <p>claims over any one of a large number of specifications, and both IBM and Sun allow suspension of their promise in the case where they are not otherwise a party to an infringement action at all (switching from defensive to offensive suspension of the promise).</p> <p>Microsoft's OSP is the most limited in terms of when it can terminate or suspend its promise as compared with IBM and Sun's pledges. Specifically, Microsoft can only suspend a promise with regard to a specific party if that party sues Microsoft over Microsoft's implementation of the <i>same</i> specification, whereas IBM can suspend its entire promise if a party makes a claim on <i>any</i> of the 150+ specifications IBM lists; the more specifications IBM lists, the weaker the promise becomes with respect to ODF.</p> <p>Finally, Microsoft can only terminate its promise if a patent suit is <i>actually filed</i> against Microsoft, whereas IBM and Sun can do so based on a mere <i>threat</i> of such a suit.</p> |
| Reservation of Rights | "No other rights except those expressly stated in this promise shall be deemed granted, waived or received by implication, exhaustion, estoppel, or otherwise." | IBM's ISP does not expressly address this issue. | "No other rights except those expressly stated in this Patent Statement shall be deemed granted, waived, or received by implication, or estoppel, or otherwise." | Microsoft and Sun's language is virtually identical, and such a clause is commonplace in the standards and licensing arenas. |