



## Patent Impending

When hardware and software adhere to standards-based protocols, networks come up smelling like roses. But all roses have thorns, which for standards organizations come in the form of patents.

Most standards bodies, such as the IEEE, the IETF and the JEDEC Solid State Technology Association (formerly Joint Electron Device Engineering Council), have policies that call for patent holders to disclose intellectual property relevant to a proposed standard. They are like gun checks at the door where peace talks are being held—it's difficult to focus on peace until you're sure that no one's carrying a concealed weapon. Likewise, it's difficult to develop open standards with technology that may include undisclosed patents. But these policies come up short in spelling out the specifics of disclosure duties.

Patents facilitate the adoption of new technology. They protect investments in research and development and provide a reasonable time for ROI. Their full disclosure and adoption in standards like MPEG-2 video, IEEE 1394 (FireWire) and WAP (Wireless Access Protocol) can lead to widespread use while providing patent holders a reasonable royalty. Without full patent disclosure, standards bodies may inadvertently peddle a patent that will increase the costs to implement a standard. This can lead to costly litigation, reduce a long standards process to a bitter end, and deprive both the patent holder and the industry of a widely adopted working standard.

### Rambus Forces Reality Check

In January, the U.S. Court of Appeals for the Federal Circuit gave standards organizations a patent-policy reality check. In *Rambus v. Infineon*, the court found that Rambus did not commit fraud by failing to disclose pending patents until after they had been incorporated into an EIA/JEDEC standard for SDRAM. The court did not find substantial evidence that Rambus breached its duty to members of the SDRAM committee under the joint EIA and JEDEC policies.

Rambus, which develops and licenses memory and logic interfaces for microchip manufacturers, was a member of that committee from December 1991 to December 1995. In 1993, JEDEC adopted a standard for SDRAM to increase the speed a CPU can read or write memory by synchronizing with the CPU's clock speed. The EIA/JEDEC patent policy required members to disclose any knowledge of relevant patents or pending patents related to its committees' work. But Rambus disregarded the committee policy.

In late 2000, Rambus sued Infineon, a manufacturer of semiconductor memory devices (and a member of JEDEC), for patent infringement based on four patent applications filed between 1997 and 1999. These claims were substantially identical to Rambus' patent application for DRAM or RDRAM filed in 1990 with the U.S. Patent and Trademark Office and a 1991 application under the Patent Cooperation Treaty. Although the trial court did not find Infineon guilty of infringement, it did find Rambus guilty of fraud under Virginia state law for not disclosing to JEDEC its patents and patent applications related to SDRAM.

On appeal, the Court of Appeals sided with Rambus. The court found that the patent policy lacked sufficient detail to conclude that Rambus breached a duty to confess prior patents. In other words, Rambus' silence wasn't fraud because the duty to disclose patent information was never made clear.

Hiding relevant patent information during the standardization process, only to produce it after the fact to collect royalties when the standard is implemented, is the thorn that pierces right to the heart of standards organizations. So how do the standards bodies get rid of the thorns? They should draft patent policies with broad disclosure duties, specifying the what, when, how and to whom of disclosing patents and patent applications relevant to a committee's ongoing work. If they fail to do so, the standards process will have too many thorns and very few roses. **NWC**



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