

There Are No IPR Issues with Open XML

Executive Summary: Microsoft has made legal commitments to Ecma International, to ISO/IEC, and to all interested users and vendors that anyone can use and implement Open XML without IPR burdens. Microsoft believes that it is in everyone's interest for this open file format to be available freely and easily 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 patents can be used by anyone, including OSS developers. 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 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 ISO/IEC 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 the first box. 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.msp>) 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 publicly stated that there are no IPR concerns with Open XML.*** In a document explaining the upcoming 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/IEC and IEC members (NBs) to the CEOs of IEC and ISO/IEC, ***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).
 - Thus, to recap, because the BRM and comment process is designed to ensure that the specification is fully and correctly defined, and because ISO/IEC has found no outstanding IP 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. (See www.openxmlcommunity.com/community.aspx and <http://openxmldeveloper.org/posts.aspx>) More than 2,000 members have joined OpenXMLCommunity.org, and hundreds of independent software vendors are developing solutions using Open XML.
- A growing number of implementations of Open XML -- **including from open source developers** -- are becoming available, including those released by Apple (Mac OS X Leopard, iWork 08, iPhone), Adobe (InDesign), Novell (SUSE Open Office), Microsoft (Office 2007, Office 2003, Office XP, Office 2000), Mindjet (MindManager), Palm Intergen, OpenText (LiveLink), Dataviz (DocumentsToGo on Palm OS), NeoOffice, and Altova (XMLSpy), as well as those under development by Corel (WordPerfect), Gnome (GNumeric), Xandros, Linspire, Turbolinux, and others. These implementations are now available on many platforms, including Linux, Macintosh, Windows, Java, .NET, and handheld devices (PalmOS, Symbian, Windows Mobile).
- **Key Aspects Of Microsoft's OSP**
 - Any required Microsoft patent rights are freely available 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.
 - No one needs to sign anything or even reference Microsoft to take advantage of the OSP.
 - This form of patent non-assert enables open source software implementations. It is especially convenient for open source software developers as there is no issue as to whether or not the IP is sub-licenseable.
 - The OSP applies whether a party has a full or partial implementation. 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 and CNS are Very Similar to the IPR Commitments of IBM and Sun for ODF and Other Specifications.**

- The OSP and CNS are very similar to IBM's Interoperability Specification 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 standard covered, (2) application to required and optional portions, (3) non-application to referenced technologies, (4) limitation to conforming implementations (or portions of implementations) of the specification, and (5) definition of "necessary claims," the OSP is broadly similar (and in many cases identical) to the IBM and Sun IPR commitments.
- This is further evidence that Microsoft's IPR approach for Open XML is reasonable and common in the industry, and that attacks on it are baseless.

- **FAQs**

- **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.

- **Q: Why doesn't the OSP apply to things that are merely referenced in the specification?**

A: 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." 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").

- **Q: Why doesn't the OSP apply to all versions of the standard, including future revisions?**

A: The Open Specification Promise applies to all existing versions of the specification(s) 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. Microsoft's OSP, and IBM's pledge, and Sun's covenants address the issue of the applicability of the covenant or promise to future versions of their list of specifications. Microsoft and IBM limit the applicability to those specifications listed in the statement, which will be amended over time as new versions are developed. 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" a licence or issue a covenant. While the former approach reflects standard industry practice, there is obviously potential uncertainty in respect of future versions, until they have been incorporated into the list. The latter approach, however, also generates uncertainty, as the inquiry that the relying party has to undertake would seem onerous, *i.e.*, about the nature of Sun's participation under OASIS rules.

- *Andy Updegrave: “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>

○ **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 commitment works. *Andy Updegrave: “This is the degree to which the great majority of standards organizations require a commitment.”* But Microsoft’s commitment goes further by extending royalty-free access to the required elements of *optional* portions of the Open XML specification as well.

○ **Q: Why doesn’t the OSP also contain a royalty-free copyright commitment?**

A: Since Ecma owns the copyright in the Open XML standard and makes the standard freely available under copyright, a copyright license from Microsoft is not needed for Open XML.

○ **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 provide individuals and companies with incentives to create and innovate. It is a common business practice to file patents on inventions and innovations. It often makes business sense and is common practice for companies to license patents on royalty-free terms, and/or contribute technologies on royalty-free terms to industry efforts such as standardization. Often such patents and royalty-free contributions can ensure the standards specifications are available on royalty-free terms, and “protect” implementers from individuals or companies not participating in the standards process who may wish to profit from the standard by charging a royalty.

○ **Q: Is this OSP sub-licenseable?**

A: 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.

○ **Can Microsoft revoke the OSP and does it ever expire?**

A: No, Microsoft’s promise is an irrevocable promise. It is subject to some minimal restrictions that are industry standard.

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.

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.

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.