

ISA100 WIRELESS COMPLIANCE INSTITUTE

INTELLECTUAL PROPERTY RIGHTS POLICY

As approved on **21 January 2016**

1. Introduction and General

1.1 Purpose

The ISA100 Wireless Compliance Institute (the "Institute") has adopted this Intellectual Property Rights Policy (the "Policy") in order to address intellectual property matters relating to the Institute's Specifications and Other Work Product. This Policy sets forth the rights and obligations of Members and any Invited Experts (and their Affiliates) relating to intellectual property in connection with the creation, licensing and use of Specifications and Other Work Product.

1.2 Applicability and Interpretation

- (a) All Members are subject to this Policy. All Members shall have their respective Representatives be subject to this Policy. In addition, all Invited Experts that attend any Institute in-person or telephonic technical process meeting, or that participate electronically in any the Institute technical process activity, shall be required to agree in writing in advance to be bound by the terms of this Policy.
- (b) This Policy applies to all written material of any type contributed to the Institute or collaboratively created by Members or Invited Experts for potential incorporation into any Specification or Other Work Products, and to all Specifications and Other Work Products.
- (c) All Members and Invited Experts involved in Institute activities are required to act in good faith at all times, to understand and comply with the rules and obligations of this Policy.
- (d) All Members and their Affiliates are expressly deemed to be intended third-party beneficiaries of the licensing and other obligations provided for under this Policy.

1.3 Amendment

This Policy may only be amended as follows:

- (a) Notice in writing (which may include electronic notice) of the proposed amendments shall be given to the principal Representative of each Member, as reflected in the records of the Institute, and all Members shall have not less than ninety (90) days from the date of such notice to suggest modifications to such proposed amendments.
- (b) After the ninety (90) day period set forth in 1.3 (a) herein above, the Institute Governing Board shall review the modifications so suggested as set forth in 1.3 (a) hereinabove. If the Institute Governing Board should deem any of the suggested modifications appropriate for deliberation,

the Institute Governing Board shall deliberate such suggested modification and reflect such appropriate suggestion, if any, into modification and shall finalize the amendment by not less than two-thirds approval of the then-serving Institute Governing Board.

- (c) Notice in writing (which may include electronic notice) of such approved amendments shall be given to all Representatives, and the amendments shall not become binding less than ninety (90) days after the date of such electronic notice. Amendments to this Policy shall only have prospective effect.

2. Definitions

2.1 “Affiliate” means any person, company, or institution that directly or indirectly controls, is controlled by, or is under common control with, a Member or Invited Expert. For purposes of this definition control means direct or indirect ownership of or the right to exercise (a) greater than fifty percent (50%) of the outstanding shares or securities entitled to vote for the election of directors or similar managing authority of the subject entity; or (b) greater than fifty percent (50%) of the ownership interest representing the right to make decisions for the subject entity. In the case of less than fifty percent (50%) of the shares or ownership interest, if such Member or Invited Expert has a right, by contractual arrangement or through supply of resources, to make decisions for the subject entity, or the subject entity has a right, by contractual arrangement or through supply resources, to make decisions for such Member or Invited Expert, “control” shall exist.

2.2 “Contribution” means any material, concept, data, suggestion, or other submission made to a Working Group in the process of developing a Specification or Other Work Product, for the purpose of proposing a new Draft Specification or Other Work Product, or proposing an addition to or modification of an existing Draft Specification, Specification, or Other Work Product, regardless of where or how meetings are convened or work is conducted, provided that the submission is in writing or other tangible form of expression (including in an e-mail or other electronic medium).

2.3 “Contributor” means any Member, Representative, or Invited Expert making a Contribution.

2.4 “Draft Specification” means any technical specification, specification enhancement, or other technical standard developed by a Working Group as it exists at any stage in its development prior to approval as a Specification.

2.5 “Implementer” means a Member and its Affiliates that desires to implement, use or distribute, or who does implement, use or distribute, a Specification, as the context requires.

2.6 “Invited Expert” means any non-Member person, participating in a Working Group.

2.7 “Member” means any company or institution that has been approved for membership by the Institute and has signed the ISA100 Wireless Compliance Institute Membership Agreement (“Membership Agreement”).

2.8 “Necessarily Infringed” means unavoidable infringement by an implementation of a Specification, there being no commercially reasonable alternative way to implement the

Specification without resulting in such infringement, as judged based on the state of the art at the time that a Draft Specification is posted for review.

2.9 “Necessary Claims” means those claims under patents and/or patent applications anywhere in the world Owned by a Member or Invited Expert (or their Affiliates) that would be Necessarily Infringed by the implementation of a Specification. Necessary Claims do not include (i) claims covering reference implementations or implementation examples, (ii) claims relating to enabling technologies that may be necessary to make or use any product or portion thereof that conforms with a Specification (e.g., semiconductor manufacturing technology, compiler technology, object oriented technology, operating system technology, and the like) that are not expressly set forth in such Specification, (iii) claims relating to the implementation or use of technology, specifications or standards that are normatively referenced in the Specification, or (iv) claims under design patents and design registrations.

2.10 “Other Work Product” means any Working Group deliverable that is not a Draft Specification or Specification.

2.11 “Owned” means registered in the name of the person or entity, or controlled by such person or entity where the person or entity is entitled to sublicense without the consent of, and without incurring an obligation to pay any royalty or other compensation to a third party.

2.12 “RAND” means reasonable and non-discriminatory.

2.13 “Representative” means any person authorized to act on behalf of a Member.

2.14 “Specification” means a Draft Specification that has been formally adopted by the Institute. Unless the context otherwise requires, any reference to the adoption of a Specification shall also be deemed to apply to the adoption of an amendment to a Specification as well.

2.15 “Working Group” means a group formally chartered by the Institute for technical process that is intended to produce a Specification or Other Work Product.

2.16 “Institute Governing Board” means the governing board of the Institute as defined in the ASCI Policies and Procedures, which may be called as “ISA100 Wireless Compliance Institute Board of Directors” or others.

2.17 “Effective Date” means the date upon which this IPR Policy goes into force. The effective date is located in the heading of this document after the words ‘As approved on’.

3. Patent License Commitments and Disclosure Obligations

3.1 Commitments with Respect to Contributions.

- (a) Subject to Sections 3.4 and 3.5, each Contributor hereby grants to the Institute a perpetual, worldwide, nonexclusive, nontransferable (except to a successor to substantially all of the Institute’s business), royalty-free and irrevocable license (“**Contributor Patent License**”) under such Contributor’s and its Affiliates’ Necessary Claims in any patent that

are embodied in Contributor's Contribution and cover any Specification (including Specifications adopted before the Effective Date) or Other Work Product, with the right for the Institute to grant sublicenses to Implementers of such Specification(s) solely to allow such Implementers to make, have made, use, import, offer to sell, sell, lease, market, and otherwise distribute and dispose of products that implement such Specification(s). The Institute shall have each Invited Expert agree in writing in advance with the immediately preceding Contributor Patent License obligation. The obligation of an Invited Expert and its Affiliates to license under this Section 3.1 shall be limited to the particular Specification(s) or Other Work Product developed by the Working Group(s) in which such Invited Expert takes part.

- (b) Contributors are prohibited from working together to contribute one or the other of such Contributors' patented technology to a Specification in an attempt to allow either of such parties to avoid the Contributor Patent License obligation; any such behavior is a violation of this Policy and grounds for termination of Contributor's membership in the Institute, in addition to any other remedies that may be available at law or in equity.

3.2 Commitments with Respect to Necessary Claims not included in Contribution.

- (a) Subject to Sections 3.3, 3.4 and 3.5, each Member hereby grants to the Institute a perpetual, worldwide, nonexclusive, nontransferable (except to a successor to substantially all of the Institute's business), royalty-free and irrevocable license ("Non-Contributor Patent License") under such Member's and its Affiliates' Necessary Claims (other than those included in Contribution and covered by Section 3.1 above) in any patent covering any Specification (including Specifications adopted before the Effective Date), with the right for the Institute to grant sublicenses to Implementers of such Specification(s), solely to allow such Implementers to make, have made, use, import, offer to sell, sell, lease, market, and otherwise distribute and dispose of products that implement such Specification(s).
- (b) The obligation to license under this Section 3.2 also shall apply to each Invited Expert and its Affiliates, but solely with respect to the particular Specification(s) or Other Work Product developed by the Working Group(s) in which such Invited Expert takes part.
- (c) Subject to Section 3.5, each new Member that joins the Institute at any point in time hereby grants to the Institute a perpetual, worldwide, nonexclusive, nontransferable (except to a successor to substantially all of the Institute's business), royalty-free and irrevocable license under such new Member's and its Affiliates' Necessary Claims in any patent that cover any Specification (including Specifications adopted before the Effective Date, with the right for the Institute to grant sublicenses to Implementers of such Specification(s), solely to allow such Implementers to make, have made, use, import, offer to sell, sell, lease, market, and otherwise distribute and dispose of products that implement such Specification(s). Such license shall be considered and treated as a "Non-Contributor Patent License" for the purposes of this Policy.

3.3 Review of Draft Specifications; Disclosure.

- (a) **Review Period.** In order to ensure that all Members have the opportunity to review each Draft Specification, the Institute shall provide a patent review period prior to its adoption as a Specification. The period shall run for a minimum of ninety (90) days, and the Institute shall provide written notice of this review period to all Members to the addresses on file with the Institute. If at any time during or prior to the review period; (i) a Member becomes aware of a new change to the Draft Specification that would, if included in the finally adopted Specification, cause a patent claim Owned by it or one of its Affiliates to become a Necessary Claim, and (ii) such Member, or its Affiliate, is not willing to provide the Non-Contributor Patent License with respect to such claim(s), then such Member may only avoid such an obligation by promptly identifying those potential Necessary Claim(s) Owned by it and/or its Affiliate under the proposed changes, and the changes that would be Necessarily Infringed; provided, however, that in the case of potential Necessary Claims under non-public patent applications, the disclosure of such claims need not be in such detail as would disclose any trade secrets. (For the avoidance of doubt, such Member may not include in such identification any potential Necessary Claim(s) that are subject to the Contributor Patent License obligation under Section 3.1, or which became potential Necessary Claims under a prior version of the same Draft Specification.) If a Member fails to review the Draft Specification or fails to disclose one or more of its or its Affiliates' Necessary Claims prior to the end of the review period, then the Non-Contributor Patent License will apply to such undisclosed claim(s).
- (b) **Effect of Disclosure.** Upon receiving a disclosure permitted by Section 3.3(a), the Institute may, in its sole discretion, discuss the possibility of the Member committing to grant a RAND license under this Section for such Necessary Claims and/or attempt to have the Working Group work around such claims by changing the Draft Specification and commencing a new review period. A Member that elects to exercise its rights under Section 3.3(a) shall be required, within sixty (60) days following its disclosure, to commit to grant to all Implementers a RAND license of the scope and subject to all of the applicable requirements and provisions for Non-Contributor Patent Licenses hereunder, except that the Member may include a reasonable and non-discriminatory royalty/fee. If the Member fails to submit such commitment, the Member will be deemed to have resigned as a Member, without refund of any fees for any past or current membership year.
- (c) **Invited Experts.** The provisions of this Section 3.3 also shall apply to each Invited Expert and its Affiliates, but solely with respect to the particular Specification(s) or Other Work Product developed by the Working Group(s) in which such Invited Expert takes part.

3.4 License Negotiation and Reciprocal Rights. The license to be granted pursuant to Section 3.3(b) shall be negotiated directly between the Member and each Implementer. Any Implementer that is required to enter into such license with respect to implementation of a Specification shall have the right to use a reciprocal RAND license and charge a royalty/fee back to the Member for such Member's past and future use of the Implementer's (or its Affiliates') own Necessary Claims covering the same Specification, in lieu of any Contributor Patent License and/or Non-Contributor Patent License with respect to such claims.

3.5 Defensive Suspension. If an Implementer of a Specification initiates or threatens to initiate a lawsuit against the Institute or any Member (or the Member's Affiliate) relating to the Implementer's (or its Affiliate's) Necessary Claim(s) covering such Specification, the Member may, at its discretion: (i) revoke the patent license granted by the Institute to such Implementer pursuant to Sections 3.1 and/or 3.2 with respect to the Member's (or its Affiliates') Necessary Claims covering such Specification, or (ii) retroactively convert a Contributor Patent License or Non-Contributor Patent License for Member's Necessary Claims to a royalty/fee-bearing RAND license for past and/or future use of the Member's or its Affiliates' Necessary Claims by such Implementer.

3.6 Ownership of Collaborative Work Product. As regards any portion of a Draft Specification that is collaboratively created in a Working Group (i.e., a portion that was not a formal Contribution), each Member agrees that if (i) the Draft Specification becomes a Specification while it is a Member, and (ii) any Representative of such Member is named as an inventor of a Necessary Claim(s) under such Specification and the invention reflected in such claim was discovered in connection with the development of, or as a result of having access to, such Draft Specification, then such invention shall be treated as a Contribution and shall be subject to the Contributor Patent License.

3.7 Restrictions on the Transfer of Patent Rights. No Member or Affiliate of a Member shall assign or otherwise transfer a patent or patent application that includes a Necessary Claim or potential Necessary Claim for the purpose of circumventing this Policy. Without limiting the foregoing, no person or entity bound by this Policy shall transfer or assign any Necessary Claim unless it promptly notifies the Institute of the name and address of the transferee or assignee and places the transferee or assignee ("First Transferee") under a written obligation to: (i) assume all of the transferor's license obligations hereunder with respect to such Necessary Claim, and (ii) bind any entity to which the First Transferee may transfer the same Necessary Claim to the same obligations assumed by the First Transferee.

3.8 General Disclosure Obligations.

- (a) **Ongoing Duty to Disclose Necessary Claims.** All Members have an ongoing obligation to disclose in good faith the patent rights described in this Section 3.8(a) that are held by them or their Affiliates. Specifically, if a Member's Representative personally knows or becomes aware of a patent or filed patent application that he or she believes contains a Necessary Claim covering a Draft Specification or Specification and that is owned, controlled, or licensable by the Representative, the Member, or the Member's Affiliate, then the Member or the Representative must disclose the patent or patent application, in writing to the Institute as soon as reasonably possible after the Representative becomes aware of it. No collective or aggregate knowledge of the Member or its Affiliates will be imputed to such Representative, provided Member shall not intentionally isolate a Representative from potentially relevant patent information within the Member or Affiliate organization to avoid this patent disclosure obligation.
- (b) **Disclosure Exemptions.** A Member will be exempt from the ongoing disclosure obligation described in this Section if it irrevocably commits in writing to the Institute to grant the Non-Contributor Patent License specified in Section 3.2 for all of its and its Affiliates' Necessary Claims covering any Specification.

- (c) **Duty to Update Disclosures.** If an unpublished patent application previously disclosed by a Member under Section 3.3 or 3.8 becomes a published patent application, or if a published patent application previously disclosed by a Member under Section 3.3 or 3.8 becomes an issued patent, then the Member shall, within a reasonable period of time, update its prior disclosure to provide the Institute with the application number of such patent and any additional information that would have been required to be disclosed had such patent been issued and public at the time of initial disclosure.
- (d) **Disclosure of Third-Party Patent Rights.** Members, their Representatives and Invited Experts have no obligation to disclose to the Institute potentially relevant third-party patents or published patent applications, although such disclosure is strongly encouraged. If a Member's (or its Affiliate's) Necessary Claims are independently disclosed by another Member (or its Representative) or Invited Experts, such independently disclosed claims will continue to be treated as if they were prior to such disclosure either as the Member's Necessary Claims not included in Contribution or as Necessary Claims that the Member itself contributed. If Necessary Claims of a third party that is neither a Member, Invited Expert nor their Affiliates are disclosed, the relevant chairperson of the Working Group or the Institute Executive Director will attempt to have the third party confirm whether it has Necessary Claims covering the Specification and, if so, that it will commit to providing a license in the form of the Non-Contributor Patent License for such Necessary Claims.
- (e) **Patent Searches.** In no event shall the Institute or any Member or Invited Expert be obligated to conduct any patent searches regarding potential Necessary Claims under a Draft Specification or Specification.

4. Copyrights

4.1 Copyright in Specifications. The copyright for all Draft Specifications, Specifications and Other Work Product shall belong to the Institute, subject to the underlying copyright rights of Contributors in their Contributions.

4.2 Contributions of Copyrighted Materials. Each Contributor who submits copyrighted materials to the Institute shall retain copyright ownership of its original work, while at the same time granting the Institute a non-exclusive, irrevocable, worldwide, perpetual, fully paid, royalty-free and non-transferable (except to a successor to the Institute) license under the Contributor's copyrights in its Contribution to use, reproduce, create derivative works of, distribute, publish, display, execute and perform the Contribution, solely for the purpose of developing, publishing, documenting, explaining, distributing, implementing, and testing a Specification(s) and/or Other Work Product, which license includes the right by the Institute to sublicense some or all the foregoing rights to third parties for the purpose of creating and distributing products or services that implement such Specifications and any accompanying documentation.

5. Trade Secrets

Members and Invited Experts will not be expected to reveal trade secret information in the course of participation in any Institute activity. The Institute will not be held responsible for the disclosure of

any Member or non-Member's trade secrets, regardless of the circumstances.

6. Trademarks

Trademarks created by the Institute, registered or otherwise, are the property of the Institute. Use of Institute trademarks shall be governed by such policies, procedures and guidelines as may be established and approved by the Institute from time to time, and applicable law. The Institute's use of third-party trademarks, registered or otherwise, shall be governed by such policies, procedures and guidelines as may be established and approved by the owners of such trademarks, and applicable law.

7. Withdrawal and Termination

7.1 Process. A Member may withdraw in accordance with this Policy, the Membership Agreement and/or ASCI Bylaws (the "Bylaws"). Withdrawal shall be effective upon receipt of such written notice by the Institute. In addition, violation by a Member, or by any Representative of such Member, of the Membership Agreement, or of any of its policies, including without limitation the Bylaws and this Policy, may result, in the discretion of the Institute Governing Board, in the Member being removed from membership subject to the cure period set forth in the Membership Agreement.

7.2 Effect of Withdrawal or Termination. Notwithstanding a Member's withdrawal or termination, and except (as applicable) as provided in Section 3.3, the Member's obligation to grant a patent license under section 3.1 and 3.2 (as applicable) shall remain in full force and effect for:

- a) Necessary Claims covering a Contribution made by the withdrawing or terminating Member that is incorporated into any Specification (even if such Specification is adopted after such Member's withdrawal or termination); or
- b) Necessary Claims covering a Specification that does not incorporate a Contribution by the withdrawing or terminating Member, but only as such Specification (or the Draft Specification from which it arose) existed on the date of the withdrawal or termination (even if such Specification is adopted after such Member's withdrawal or termination); and
- c) Necessary Claims covering a Specification adopted by the Institute after the effective date of the Member's withdrawal or termination that: (i) are necessary for the later adopted Specification to be backwards compatible with a prior Specification for which the Member or its Affiliate is obligated to grant licenses; and (ii) are used in a substantially similar manner, extent, and result as such Necessary Claims were used in such prior Specification.

All right and obligations of the withdrawn or terminated Member other than those referenced in Sections 3.7, 4.2 or 7 shall cease upon such withdrawal or termination.

8. No Warranties

ALL CONTRIBUTIONS, DRAFT SPECIFICATIONS, SPECIFICATIONS, OTHER WORK PRODUCT AND OTHER INSTITUTE MATERIAL ARE PROVIDED "AS IS" WITH NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, AND ALL MEMBERS, CONTRIBUTORS AND THE INSTITUTE EXPRESSLY

DISCLAIM ANY WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF OR RELATING TO ANY CONTRIBUTION, SPECIFICATION, DRAFT SPECIFICATION, OTHER WORK PRODUCT OR OTHER INSTITUTE MATERIAL.

9. Governing Law, Jurisdiction and Arbitration

This Policy shall be construed and controlled by the laws of the State of North Carolina, without giving effect to conflict-of-law principles. All disputes arising in any way out of this Policy, including all disputes with Implementers relating to license obligations assumed under this Policy, that cannot be resolved by good faith discussion will be settled by final and binding arbitration in Research Triangle Park, North Carolina (or such other location as agreed by the parties), under the then-current Commercial Arbitration Rules of the American Arbitration Association with the reasonable costs of such arbitration split equally between such parties and, unless otherwise decided by the arbitrator(s), with the prevailing party therein entitled to recover its reasonable legal fees and costs thereby incurred, including attorneys' and experts' fees. Any arbitral award may be enforced in a court of competent jurisdiction. Every Implementer shall be deemed to be an intended third party beneficiary of the foregoing obligations.

10. General

10.1 Any license obligations and other obligations that a Member incurs under this Policy shall continue in force after the Member ceases to be a Member for any reason. However, no Member shall become subject to any new license obligations or other obligations after it ceases to be a Member.

10.2 The Institute shall have the right to assign all of its rights under this Policy, and the right to enforce all obligations incurred under this Policy, to any successor to the mission of the Institute.

10.3 All persons and entities that are intended third party beneficiaries of rights and obligations incurred under this Policy shall remain entitled to enforce the same, notwithstanding any termination, dissolution or winding up of the Institute.

10.4 This Policy shall not preclude the Institute Governing Board from entering into any agreement with a Member separately or differently from this Policy.