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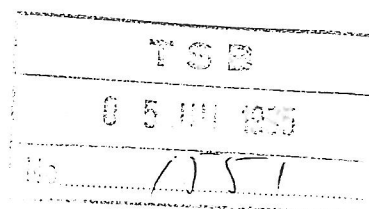
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Your Ref:

Our Ref: S30046

Dr T Irmer
 Union Internationale des Telecommunications
 Secretariat General
 Service des Ventes
 Place des Nations
 CH-1211
 Geneve 20
 Switzerland



05 July 1995

Dear Mr Irmer

**ITU - Telecommunication Standardisation Sector -
 Study Group 13 - Report R33 - ITU-T Recommendations I.150-I.361**

Under TSB patent policy, I write to advise you of the position of British Telecommunications plc regarding the licensing of patents potentially relevant to I.150 and I.361.

British Telecommunications plc owns European patents numbers 0168265B1 and 0297629B1, and corresponding patents in other territories, which may be potentially relevant to implementation of the ITU-T Recommendations I.150 and I.361.

In accordance with the TSB Code of Practice, British Telecommunications plc will be willing to make licences available in respect of the above identified patents, and their equivalents, where these patents are essential to implementation of the Recommendations, in accordance with the terms and conditions identified in paragraph 2.2 of the TSB Code of Practice (copy enclosed for reference).

I believe that British Telecommunications plc has fully complied with the TSB Code of Practice on patents, but if any clarification is required, please do not hesitate to contact me.

Yours sincerely

RICHARD BUTTRICK
 Intellectual Property Department

cc: Phil Davidson, BTL

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BT Group Legal Services
 Intellectual Property Department
 151 Gower Street LONDON WC1E 6BA
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Appendix 1
(to ANNEX 13)

STATEMENT ON TSB PATENT POLICY

Over the years, the TSB has developed a "code of practice" regarding intellectual property rights (patents) covering, in varying degrees, the subject matters of ITU-T Recommendations*. The rules of this "code of practice" are simple and straightforward - Recommendations are drawn up by telecommunications and not patent experts; thus, they may not necessarily be very familiar with the complex international legal situation of intellectual property rights such as patents, etc.

ITU-T Recommendations are non-binding international standards. Their objective is to ensure compatibility of international telecommunications on a world-wide basis. To meet this objective, which is in the common interests of all those participating in international telecommunications (network and service providers, suppliers, users) it must be ensured that Recommendations, their applications, use, etc. are accessible to everybody. It follows therefore that a commercial (monopolistic) abuse by a holder of a patent embodied fully or partly in a Recommendation must be excluded. To meet this requirement in general is the sole objective of the TSB code of practice. The detailed arrangements arising from patents (licensing, royalties, etc.) are being left to the parties concerned, as these arrangements might differ from case to case.

This code of practice may be summarized as follows (it should be noted that ISO operates in a very similar way):

1. The TSB is not in a position to give authoritative or comprehensive information about evidence, validity or scope of patents or similar rights, but it is desirable that the fullest available information should be disclosed. Therefore, any ITU-T member organization putting forward a standardization proposal should, from the outset, draw the TSB attention to any known patent or to any known pending patent application, either their own or of other organizations, although the TSB is unable to verify the validity of any such information.
2. If an ITU-T Recommendation is developed and such information as referred to in paragraph 1 has been disclosed, three different situations may arise:
 - 2.1 The patent holder waives his rights; hence, the Recommendation is freely accessible to everybody, subject to no particular conditions, no royalties are due, etc.
 - 2.2 The patent holder is not prepared to waive his rights but would be willing to negotiate licenses with other parties on a non-discriminatory basis on reasonable terms and conditions. Such negotiations are left to the parties concerned and are performed outside the ITU-T.
 - 2.3 The patent holder is not willing to comply with the provisions of either paragraph 2.1 or paragraph 2.2; in such case, no Recommendation can be established.
3. Whatever case applies (2.1, 2.2 or 2.3), the patent holder has to provide a written statement to be filed at the TSB. This statement must not include additional provisions, conditions, or any other exclusion clauses in excess of what is provided for each case in paragraphs 2.1, 2.2 and 2.3.

* Formerly CCITT Recommendations.