

CCITT Study Group XV  
Working Party XV/1  
Specialists Group on Coding  
for Visual Telephony

Document # 176

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Title: Intellectual Property

## 1. General

Core members were asked to search in their own country patents which are covered by the hardware specification (s. item 10 of Doc. #140). For the time it is not possible to get access to a data bank on german patents.

Therefore a number of german institutes and firms were contacted and asked whether there do exist patents which could be covered by the hardware specification and if so, what are the conditions to make use of them.

Up to now we received 3 answers.

## 2. List of patents

In the letter of ANT the following patents are mentioned.

1. P 2131083 ANT/Musmann  
"Transmission system using DPCM" in german
2. P 3542484 ANT  
"Method for recognition of edge structures in a picture signal" in german
3. P 3608491 ANT  
"Method for Bitratereduction for picture coding using discrete transform" in german

There are a number of patents which are not yet published, on others there is discussion on the owners and so on. So these can not be mentioned for this time.

Other firms are not in the position to give a list of patents right. Between others the following reasons are mentioned:

- it would be very time consuming to prepare such a list
- there are doubts whether it would be complete
- it could cause misunderstandings

But it is said that the lack of having a complete list does not matter so much, if the general readiness to grant the licences is existent.

### 3. Statements concerning patent rights

Questioning for statements from patents holders we received answers as follows:

#### 3.1 ANT Nachrichtentechnik:

In case of a recommendation ANT is willing to grant licences on a non discriminatory basis and reasonable terms for those patents which are in the hands of ANT.

#### 3.2 SIEMENS raised the point that one has to distinguish between patents rights and copy rights. An extract of the SIEMENS-letter is given in annex 1. Summarizing also SIEMENS is willing to grant licences at reasonable terms and conditions.

#### 3.3 Philips Kommunikations Industrie's statement is reproduced in annex 2. Readyness to allow use of existing rights is also given.

It is hoped that these 3 statements cover the main firms involved in the field of 384 kbit/s picture coding in the FRG.

It might be possible to add at the next meeting statements by some other firms. From discussions we are sure that they would have the same content as those mentioned above.

## Extract of a letter from SIEMENS AG

" In 1975/76, the matter of patents was raised within CCITT. Those sections of German industry which were affected by this question were asked by the Fernmeldetechnisches Zentralamt to present their views. The industry pointed out that the right of gratuitous use, as demanded by various parties, of those patents which have become the subject of a CCITT Recommendation implies expropriation and is already for this very reason not feasible. The industry also noted that the difference in the legal systems in the various member countries of CCITT should be taken into account.

In the right of the recommendations given by the industry, the CCITT adopted the following approach as regards common carriers:

- (a) Manufacturers are expected to grant licences to other manufacturers on all those industrial property rights which directly concern the CCITT Recommendation and therefore have to be used.
- (b) The licence is not issued free of charge but is granted by the patentee on reasonable and not prohibitive terms and conditions upon request by the manufacturer.
- (c) The licence only needs to be granted by the patentee if the manufacturer is prepared to grant licences on any of his industrial property rights which fall into the same category (clause (a)).
- (d) If a patentee refuses to grant a licence, the CCITT Recommendation is modified accordingly.

N.B. The term "industrial property rights" as used here covers patents, utility models and design patents.

The case discussed in your letter, as is indicated by the enclosures attached to it, differs from the cases on which the CCITT's strategy is based in that an additional factor is involved. The present case includes aspects relating to the algorithm of relevant software (cf. e.g. Annex 4 of Doc. # 140 R, items 1.2 and 1.3). It should be noted that the legal systems in the countries involved here do not provide for the protection of software of this type by patent. On the other hand, limited protection by copyright is possible in some countries. However, such copyrights are not subject to compulsory registration. This means that it is practically impossible to determine whether such rights exist, and their existence generally only becomes known when disputes arise.

In view of the above situation, we are not in a position to provide definitive lists of industrial property rights. Furthermore, incorrect or incomplete information may lead to liability suits. We also feel that the absence of such lists as far as the common carriers are concerned is not really critical, since practically all relevant countries have established legal regulations pursuant to which the manufacturer is responsible for examining the patents situation and for ensuring that his products do not incorporate patents of third parties. "

General statement

The undersigned, Philips Kommunikations Industrie AG Nürnberg,  
declares the following:

If the new recommendations on the  $n \times 384$  kbit/s video codec (for videoconferences) are made the subject of an international standard, we and our affiliates (meaning any business entity which controls us or is controlled by us) are willing to grant to other manufacturers non-exclusive, non-transferable licences on reasonable and non-discriminatory terms and conditions on any of our patents, as far as we and our affiliates are entitled to do so,

1. only to the extent to which the patents cover essential features contained in the aforementioned standard, and
2. only for the use in equipment which fully complies with the above standard.

The willingness to grant such licences is limited to such manufacturers of relevant equipment which have made an identical declaration with respect to the subject of the aforementioned standard.

The term "patent" is meant to include patent applications, issued patents and utility models.

Nuremberg, 28 October 1986

Philips Kommunikations Industrie AG  
Kommunikationssysteme

Signed by:

Dr. Brandis

Peuckert