

Basic Guidelines on the Handling of Intellectual Property Rights

Article 1 (Purpose)

1 The activities of the ECHONET Consortium shall have the purpose of making the ECHONET Specification widely supported and adopted and promoting its penetration throughout the industry. As such, it is considered desirable to ensure that persons who wish to adopt the Specification are able to use the intellectual property rights needed in order to commercialize products in accordance with the Specification on reasonable and non-discriminatory terms. Of such intellectual property rights, the purpose of these Basic Guidelines shall be to specify Regulations concerning the handling of patent rights and utility model rights, which are technically essential in order to satisfy the Specification.

Article 2 (Definition of Terms)

1 The terms used in these Basic Guidelines shall be defined as set forth below, provided, however, that definitions already specified in the Member Code and elsewhere shall take precedence.

- (1) ECHONET Specification: Written specifications specified by the ECHONET Consortium (hereinafter “the Specification”).
- (2) Enrollment procedures: The three procedures set forth below (for more details, see Regulation No. 2 and Regulation No. 3).
 - i) Compliance with the ECHONET Consortium Code (hereinafter “the Code”).
 - ii) The application procedure for membership enrollment.
 - iii) Payment of the Membership fee.
- (3) Members: Persons who have completed the enrollment procedures and comply with the Code.
- (4) Essential patents: Patent rights and utility model rights that are essential and unavoidable in order to implement the Specification.
- (5) Certified essential patents: Registered patent rights and utility model rights that have substantively examined by the Japan Patent Office, and which an appraiser evaluates to be technically essential and unavoidable in order to satisfy the Specification, based on the Essential Patent Certification Guidelines in Table 1 of separately stipulated Regulation No. 8.
- (6) Patent pool management organization: An organization independent of the ECHONET Consortium, which evaluates the certified essential patents, administrates non-exclusive sublicenses and collects and distributes royalties.
- (7) RAND (Reasonable And Non-Discriminatory terms): Grant under reasonable and

non-discriminatory terms.

Article 3 (Scope of Application)

1 The scope of application of these Regulations shall be all Members of the ECHONET Consortium.

Article 4 (Review and Disclosure of Specifications)

1 Review of the Specification by new Members

- (1) Persons who wish to become a new Member shall complete the Enrollment procedures.
- (2) The new Member may review the Specification.
- (3) The review period by the new Member shall be 60 days after enrollment.
- (4) The new Member shall confirm, during the above-mentioned review period, whether the Specification includes or infringes any essential patents' claims owned by themselves for which they cannot grant under royalty free nor RAND, or any essential patent for which they themselves are granted the exclusive licenses (hereinafter referred to collectively as "essential patents, etc.").
- (5) If the Specification includes or infringes any essential patents' claims, etc., for which they cannot grant under royalty free nor RAND, the new Member may disclose said essential patents and terminate the membership, with full reimbursement of the Membership fee.

2 Members' review of the draft Specification

- (1) A review process shall be included in the process of formulating the Specification.
- (2) The review process included in the process of formulating the Specification shall be as set forth below, provided, however, that the English translation of the Specification shall be outside the scope of said review.
 - i) Review by 'A' Members: 14 days
 - ii) Review by Members: 60 days
 - iii) Aggregation of results
 - iv) New Specification approved by the Technical Committee
 - v) Specification disclosed to Members
- (3) Members shall confirm, during the period of the above-mentioned review process, that the (draft) Specification does not include nor infringe any essential patents' claim, etc., owned by themselves for which they cannot grant under royalty free nor RAND.
- (4) An obligation to disclose essential patents (when the infringing portion of the draft

was proposed by other Members)

If the (draft) Specification includes or infringes any essential patents' claims, etc., for which the Member cannot grant under royalty free nor RAND, the Member shall invoke the procedure set forth below. If the Member does not invoke the procedure, it shall be interpreted that the said essential patents, etc., are to be granted under royalty free nor RAND.

- i) Disclose the essential patents, etc., for which they cannot grant under royalty free nor RAND.
- ii) Specifically indicate which parts of the (draft) Specification include or infringe the essential patents' claims, etc., for which they cannot grant under royalty free nor RAND.

3 An obligation to grant the essential patents (when proposed by themselves)
Members shall grant for the essential patents, etc., that are included in their own company's proposal to Members under royalty free or RAND.

4 The ECHONET Consortium shall delete or amend the infringing portion of the (draft) specifications of the essential patents' claims, etc., for which license cannot be granted under royalty free nor RAND.

Article 5 (Grant of the Essential Patents, etc. License)

1 Conditions for grant of the essential patents, etc. license, "to Members"
The conditions for grant of the essential patents, etc. license, shall be in accordance with one of the following.

- i) Grant under royalty free.
- ii) Grant under RAND.

2 Grant of the essential patents, etc. license, shall basically be administrated by a patent pool management organization that has collected the certified essential patents' sublicense rights of Members.

3 License agreements

(1) License agreements between persons who are to grant the essential patents license (hereinafter "the essential patent licensors") and Members who are to receive licenses shall be in accordance with one of the methods set forth below.

- i) Grant under a patent pool license administrated by the patent pool management organization.
- ii) Grant under a license direct between the essential patent licensors and Members who are to receive grant of license.

(2) License agreements shall be concluded directly between the essential patent

licensors or the patent pool management organization and Members who are to receive grant of license, and shall not be mediated by the ECHONET Consortium.

Article 6 (Certification of the Essential Patents)

1 Shall be in accordance with separately stipulated Regulations No. 8 (Regulations Concerning the Authorization of Essential Patents).

Article 7 (Principle of Reciprocity)

1 Members shall bear no obligation to grant licenses to Members who do not grant licenses under the grant conditions of the essential patents, etc. licenses, specified in Article 5.

Article 8 (Other Obligations)

1 Members shall bear no obligation to grant of licenses other than to grant the licenses specified in these Regulations.

Article 9 (Transfer or Acquisition of the Essential Patents)

1 The obligations specified in these Regulations shall remain in force even if the essential patents or an exclusive license rights of the essential patents has been assigned or transferred to a third party.

2 If Members newly acquire an essential patent or are assigned an exclusive license to an essential patent from a third party, the obligations specified in these Regulations to grant to Members under royalty free or RAND shall be applied..

Article 10 (Survival of obligation)

1 The obligation of Members with respect to the essential patents in the Specification formulated during the period of their membership shall remain in force even after they terminate their membership, and shall survive for the period of validity of said essential patent rights.

Supplementary Regulations

Article 11 (Effectuation, Amendment and Abolition)

1 These Regulations shall come into force on February 27th, 2007.

2 The amendment or abolition of these Regulations shall be subject to a resolution by the Steering Committee.

3 **This English version document is provided for use as reference. The Japanese**

version is the official document of the Articles of the ECHONET Consortium, Rule, or Regulation.

(History of Amendment)

Date	Content of Amendment
February 27th, 2007	Enacted as Regulations