



GS1 Intellectual Property (IP) Policy FAQs

I INTRODUCTION

Below is a list of Frequently Asked Questions (FAQs) on the GS1 Intellectual Property (IP) Policy.

Because GS1 interacts with global industries with a reliance on collaboration, there is a need to protect GS1 and GS1 member companies using GS1 standards to the greatest extent possible.

The GS1 IP Policy supports the fair and open development of global standards within the GS1 Global Standards Management Process (GSMP) and strives to balance the interests of all participating stakeholders. GS1 requires the signing of proper documentation in order to participate in GSMP standards development. These FAQs are intended for informational purposes only and do not replace or modify provisions in the GS1 Intellectual Property (IP) Policy.

II OBJECTIVE AND SCOPE OF IP POLICY

1. WHAT IS THE OBJECTIVE OF THE GS1 IP POLICY?

The GS1 Standards development process (GSMP) is driven in part by business proposals made by prospective end users. Some standards may be written to require features or functions that encompass Necessary Claims of a patent or patent application. Necessary Claims are defined as claims in a patent or patent application that would necessarily be infringed by implementing required elements of a standard.

GS1 seeks to develop standards that can be practiced on a royalty-free basis to the greatest extent possible. The objective of the GS1 IP Policy is to obtain royalty-free or RAND (reasonable and non-discriminatory) licensing commitments from companies participating in GS1 Working Groups that have Necessary Claims relative to the required features or functions of the standard they helped to develop. The GS1 IP Policy and its signature by Working group participants aims to remove uncertainty regarding IP claims and to protect the GS1 community of users to the greatest extent possible. It ensures that those who develop the standard are not improperly influencing its development

2. WHAT ASPECTS OF THE GS1 STANDARDS DEVELOPMENT PROCESS ARE COVERED BY THE IP POLICY?

The IP Policy governs the development of GS1 Standards and Guidelines, Community Reviews, eBallots, and IP Reviews.

3. WHAT IP IS SUBJECT TO LICENSING UNDER THE IP POLICY?

The patent rights subject to licensing comprise present, pending or hereafter acquired patent claims that would be infringed by implementing the required features or functions of a standard. The licensing obligation under the IP Policy is limited to “Necessary Claims” of patents. A claim is necessary only when it is not possible to avoid infringement when implementing a standard. The IP Policy does not require licensing of patent claims covering optional features or functions in a standard.

4. IS THE IP POLICY A BLANKET LICENSE TO A COMPANY’S PATENT PORTFOLIO?

No. The IP Policy only applies to patents containing “Necessary Claims” (as defined in the IP Policy). Participants opt-in to a specific working group. The licensing of Necessary Claims only applies to the required aspects of the standard developed by a specific working group.

5. ARE ALL GS1 STANDARDS ROYALTY-FREE TO IMPLEMENT?

The license (royalty free or RAND) granted under the IP Policy is limited to GS1 members and Working Group Participants. Implementation of one or more features of a GS1 standard that does not involve a Necessary Claim may be subject to patent or other intellectual property rights which fall outside the scope of



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the IP Policy. Furthermore, third parties with Necessary Claims relative to a published standard are not subject to the IP Policy and may request licenses from implementers of the standard.

6. WHY IS THE IP POLICY LIMITED TO NECESSARY CLAIMS?

To foster adoption and use of the standards, the GS1 IP Policy only covers Necessary Claims. GS1 expects that parties will develop and benefit from exploiting proprietary and improved systems that will enhance GS1's standards.

III WHO SHOULD SIGN AND WHEN

7. WHO SHOULD SIGN THE (IP) POLICY?

A signing authority representing your company's headquarters must sign the IP Policy and relevant Working Group Opt-in Agreement on behalf of the company and all of its affiliates. The signatory will usually be a company officer or legal counsel. Once the company's signing authority has signed the Opt-in for a particular Working Group, any company employee can then join the Working Group. While the IP Policy only needs to be signed once, an Opt-in Agreement is signed each time a Participant joins a Working Group because each opt-in only applies to the work of a specific Working Group. An Automatic Opt-in Agreement exists that allows a company to be automatically opted in to all current and future Working Groups. See also question 27.

8. WHEN SHOULD SOMEONE SIGN THE IP POLICY?

It is important to sign the IP Policy as early as possible to become a Working group participant. Organisations can then opt-in to a GSMP work initiative. Working group participants must sign both the IP Policy and the Opt-in agreement.

9. HAVE LARGE COMPANIES (WITH AFFILIATES) SIGNED THE GS1 IP POLICY?

Yes. Many large corporations with extensive patent portfolios have signed the IP Policy on behalf of the company and its affiliates and have become Working Group participants.

IV BENEFITS OF IP POLICY

10. WHAT IS THE BENEFIT OF SIGNING THE GS1 IP POLICY?

Working group participants who sign the IP Policy:

- Receive a royalty-free license, or a license under RAND terms, to Necessary Claims of other working group participants which cover required features or functions of the standard
- Receive a measure of protection from law suits and unreasonable licensing claims from other companies involved in the development of the standard
- Can participate in the standards development process to help shape and contribute to the standards.

V SCOPE OF THE LICENSE UNDER THE IP POLICY

11. WHO RECEIVES THE LICENSE UNDER THE IP POLICY?

The license of patent rights extends to any GS1 member (even non Working Group participants) and to the participants who were in the Working Group that developed the standard. Participants are



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obligated to license their patent rights with Necessary Claims to other GS1 members to implement the mandatory features and functions of the standard under development. There is no requirement or obligation under the IP Policy to grant a license to non-GS1 members who are not Participants of the Working Group.

12. AM I GIVING AWAY MY COMPANY'S INTELLECTUAL PROPERTY IF I SIGN THE IP POLICY?

No. If a participant does not wish to provide a royalty-free license, it must declare the IP that it holds with Necessary Claim(s) and the RAND licensing terms. If GS1 determines that a participant's IP contains a Necessary Claim(s) for a standard, it will decide whether to accept the RAND terms or request the Working Group to rework relevant portions of the standard to eliminate the features or function covered by the Necessary Claim(s).

VI DECLARATION OF IP

13. HOW DO I MAKE AN IP DECLARATION FOR A STANDARD BEING MODIFIED?

Participants in a Working Group requesting RAND licensing for their Necessary Claims are required to submit an IP Declaration during the subsequent IP review period for the modified standard. Generally, GS1 will not consider an IP Declaration filed against a modified standard unless the participant previously filed one against the original standard. When a participant files an IP Declaration only against the modified standard, GS1 will evaluate the legitimacy of any reasons given for not having filed an IP Declaration against the original standard, taking into account such factors as:

- whether the participant was a member of the Working Group during the IP review of the original standard
- whether the modified standard is materially different from the previous version
- whether the modified standard would require a participant to file an IP Declaration when one was not filed against the original standard
- other justifications the participant has for not previously filing an IP Declaration relative to the original standard

14. MUST A PARTICIPATING COMPANY DECLARE ALL OF ITS IP?

There is no requirement for a participant to declare all of its IP. A participant must only declare IP when it contains Necessary Claims relative to the standard under development and does not want to license its Necessary Claims royalty-free.

15. IS THERE AN OBLIGATION TO SEARCH FOR OR IDENTIFY THIRD-PARTY IP?

There is no obligation to search for patents owned by others. However, to avoid the discovery of Necessary Claims during the late stages of the development of a standard and uncertainty and unnecessary delays, GS1 strongly encourages Participants to disclose knowledge of relevant third-party patent rights to the Working Group facilitator as soon as possible following the formation of the Working Group. A call for IP will be made at the beginning of every meeting of the Working Group. Participants should not submit content for a standard that they know is covered by third-party patent rights.

16. HOW DOES MY ORGANISATION RESERVE IP WITH NECESSARY CLAIMS NOT AVAILABLE FOR ROYALTY FREE LICENSING?

Participants not desiring to license Necessary Claims in patent rights on a royalty-free basis should file an IP Declaration. This identifies (a) the patent document(s) that cover the required subject matter, (b) the portion(s) of the standard that requires use of the subject matter in the Necessary Claim, and (c)



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the RAND licensing terms. A determination will be made by GS1 as to whether the cited patent rights contain Necessary Claims, and if so, whether the standard can be altered to avoid the features covered by the Necessary Claims or if RAND licensing is acceptable.

17. WHAT IF THERE IS IP MY ORGANISATION IS NOT WILLING TO LICENSE?

To participate in a GS1 Working Group, the IP Policy desires and requires participants to agree to license their IP with Necessary Claims on a royalty-free basis or on RAND licensing terms. If an organisation does not wish to license its IP containing Necessary Claims on a royalty-free or on RAND licensing terms, the organisation should not join (opt into) a GS1 Working Group.

18. DOES THE IP POLICY PERMIT DEFENSIVE REVOCATION AS A RAND LICENSING TERM?

Under the IP Policy, a participant may request RAND terms, which may include monetary or non-monetary based licensing terms, and defensive revocation may be one of the RAND terms. It is then the decision of GS1 whether or not to accept the requested RAND terms as reasonable and non-discriminatory.

19. WHAT DOES THE RECIPROCITY CLAUSE IN THE IP POLICY MEAN?

The reciprocity clause under sections 3.1 and 3.2 of the IP Policy means that if a Participant does not grant a royalty-free license to its Necessary Claims, then that Participant will not receive a royalty-free license from other Participants owning Necessary Claims

20. IS AN ELECTRONIC SIGNATURE OF THE IP POLICY LEGALLY BINDING?

The eSignature capability GS1 provides for signing the IP Policy is globally recognized and legally binding. You also have the option to print and fax the signed IP Policy to GS1. You can download a copy from the following link: [GS1 Intellectual Property \(IP\) Policy](#).

VII GSMP PARTICIPATION AND THE IP POLICY

21. HOW DOES PARTICIPATION IN THE GSMP RELATE TO THE IP POLICY?

Companies “opt-in” to specific working groups under the GS1 Global Standards Management Process (GSMP), after signing the IP Policy. The charter of the Working Group, which is approved by the appropriate GS1 Governance Committee, governs the scope of work for the standard. In order for someone to join a Working Group, a company must opt in to that Working Group. This allows GS1 to know which companies are working on what standard.

22. WHY ARE GS1 GSMP WORKING GROUP PARTICIPANTS REQUIRED TO SIGN THE IP POLICY?

The GS1 Standards Design Process is driven in part by business proposals made by prospective end users. Some standards may be written to require features or functions that encompass Necessary Claims of a patent or patent application. Necessary Claims are defined as claims in a patent or patent application that would necessarily be infringed by implementing required elements of a standard. The IP Policy and its signature by working group participants ensures that those who develop the standard are not improperly influencing its development.

23. WHY MUST I SIGN AN OPT-IN AGREEMENT AFTER SIGNING THE IP POLICY?

Signing the IP policy does not acknowledge working group membership. Every Working Group has its own opt-in agreement. This limits the scope of the IP Policy to each standard being developed. An



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opt-in agreement confirms a participant's commitment to join in the development of a specific standard and the IP Policy's application to that standard. The opt-in reconfirms the terms contained in the IP Policy.

24. HOW CAN COMPANIES MANAGE THE GROUPS THEY OPT-IN TO?

Each company may view the Working Groups it has opted in to on the GS1 website. Each company should track the developments in those Working Groups. A company's representative is free to work with its in-house counsel to keep him/her apprised about relevant patent rights pertinent to the standards under development.

25. WILL GS1 ACCEPT A VERSION OF THE IP POLICY IN ANOTHER LANGUAGE?

No. GS1 only accepts the official agreement in English as provided by the GS1 Global Office.

26. HOW DO I ACCESS THE GS1 IP POLICY AND OPT-IN AGREEMENTS?

GS1 provides all agreements on its public website at [www: http://www.gs1.org/gsmip/forms](http://www.gs1.org/gsmip/forms) GS1 Member Organisations can assist their members with accessing the agreements. Current Working Group opt-in agreements are located at the following link:
http://www.gs1.org/gsmip/community/working_groups/gsmip.

27. WHAT IS MY COMPANY'S OBLIGATION IF AN AUTOMATIC OPT-IN IS SUBMITTED?

Automatic opt-in serves to opt a company into all current and future GSMP Working Groups, as well as license its necessary IP royalty-free or under RAND terms. A company may opt out of a specific Working Group anytime. If a company opts out of a Working Group once work has commenced, there may be continuing licensing obligations. (See next FAQ.) Further, a company may switch from an automatic opt-in to specific opt-ins for selected Working Groups.

28. CAN A COMPANY WITHDRAW FROM PARTICIPATING IN A WORKING GROUP?

Yes. A participant may terminate its participation in a Working Group by giving written notice that it wishes to opt-out. However, for subject matter included in a draft standard more than 60 days before the date of termination from the Working Group, even if the standard is approved after the date of termination, and for contributions made by the terminating participant prior to the date of termination, the licensing commitment under the IP Policy remains.

29. WHO DO I CONTACT WITH QUESTIONS ABOUT THE IP POLICY OR OPT-IN AGREEMENTS?

Organisations that are GS1 members should contact their local GS1 Member Organisation for assistance. Working Group participants are also free to submit questions to GSMP@GS1.org.

VIII GLOSSARY

AFFILIATE

Any entity that directly or indirectly controls another entity via beneficial ownership of more than fifty percent of the voting power or equity in another entity ("Control"), or is controlled by another entity, or is under common Control with another entity, so long as such Control exists.

CONTRIBUTION

This is any submission of concepts, data, suggestions, or revisions to a draft standard, whether in written, electronic or oral form, made with the intention of inclusion thereof into the standard.



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CERTIFIED COMPLIANT SYSTEM

Any system certified in a manner established by the Trustee to comply with a standard and subject to compliance certification conditions established by Trustee. Such conditions shall include licensing obligations by the party seeking certification commensurate with those set forth herein in Section 3.1. “Candidate Certified Compliant System” means any system developed or under development solely for the purpose of obtaining compliance certification.

PATENT LICENSE

A patent license is an agreement between the patent owner and a licensee that grants to the licensee certain rights relative to the patent.

MEMBER

This means an entity or individual that is a member of a GS1 Member Organisation.

MEMBER IN GOOD STANDING

A member in good standing is someone who is a member of a GS1 Member Organisation with membership fees that have not lapsed.

NECESSARY CLAIM

A Necessary Claim is a patent claim that would be necessarily infringed by implementing the mandatory functions and features of a standard. A claim is necessarily infringed only when it is not possible to avoid such infringement because there is no non-infringing alternative for implementing the standard.

PARTICIPANT

A participant is an individual, organisation or company bound by the IP Policy and has opted in to a Working group.

RAND TERMS

RAND terms mean licensing terms that require the patent rights holder to grant licenses on a reasonable and non-discriminatory (RAND) basis. The offer of the license as non-discriminatory means, generally, that the license offered will be granted to parties on materially similar terms.

REPRESENTATIVES

Representatives are individual(s) authorized by the Participant to represent the Participant in the activities of a Work Group. Representatives shall be specifically identified upon enrollment in a Work Group.

STANDARD

Standard means a technical standard approved by a Working Group and ratified by GS1.

WORKING GROUP

Is a Group constituted by GS1 for the purpose of developing a useful standard.