

The following document is intended to help companies understand the changes that have been made in the XII IPR Policy. We welcome your feedback and suggestions for additions or clarifications to this document. Please address your enquiries to either Hugh Wallis hughwallis@xbrl.org or Tony Fragnito tonyf@xbrl.org.

XBRL REVISED IPR POLICY (2009-08-01) FAQ

Q: Why is XBRL revising its IPR policy at this time?

A: XBRL's original policy was drafted many years ago. Since then, IPR policy "best practices" have changed considerably, and the world has changed as well. There have been a number of disputes in other organisations where vagueness in terms made enforcement difficult. In addition, certain bad practices have arisen for which traditional policies proved to be less than adequate to the task. As a result, the expectations of participants in standards bodies have become more demanding. They want a state of the art policy that gives adequate protection, to ensure certainty of result. The XBRL Board feels that it is important for the organisation to have the type of policy that ensures that the good work of its members will be rewarded with certainty of results, and that potential members will be willing to lend their support as well.

Q: What has changed in the new policy?

A: The new policy, with very few exceptions (noted below) simply tries to do the same job as the old policy, only better.

Q: How does the new policy do that?

A: The first thing you may notice is that the new policy uses a variety of carefully defined terms. These definitions make the rest of the policy more concise, and should make members feel more comfortable that the commitments that they are making when they are involved in XBRL activities are the same as the commitments that they make when they send representatives to other leading standards organisations. The same approach continues throughout the policy on a section by section basis.

Q: What are my obligations under the policy if I offer something for inclusion in a Recommendation?

A: If you submit material, XBRL of course needs to know that anyone, anywhere in the world, can still implement the resulting Recommendation if we decide to take you up on your offer. As a result, the policy requires you to commit to make any of your "Necessary Claims" under patents (i.e., patent claims that an implementer couldn't help infringing) available to implementers for free, and on terms that are otherwise reasonable and non-discriminatory (a/k/a "RAND terms"). What that means is basically that you won't give a better deal to one implementer over

another, and that you won't ask for anything unreasonable in return. It also means that XBRL Recommendations can be widely implemented.

Q: What if I'm just part of the Working Group that is developing the Recommendation?

A: Our concern there is a little different. You may have heard of "submarine patents" being asserted against standards. What that means is that someone either has a patent, and doesn't speak up, or files a patent application, based on what it knows about a standard as it is being developed. Only after the standard is approved and widely implemented does the owner of the submarine patent "surface," at which point it charges above-market royalties from implementers, who have no choice but to pay up, because the market has now become "locked in."

To avoid that happening in XBRL, as in other standards organisations, we require Working Group participants to make commitments regarding their patents as well, since they can influence the final text of a Recommendation, and also have access to information that could permit them to file, or amend, patent applications. So while the policy allows anyone to "kick the tires" of a new Working Group to see if it is interested in helping out, after 60 days the same requirements will apply as apply to a submitter: to the extent that you, or your employer, owns a Necessary Claim under the final Recommendation, you or it must provide a free license on RAND terms.

Q: You said that some things were new. What were you referring to?

A: Under the old policy, someone could "opt out" of their licensing obligations up until a later point in the adoption process. For the reasons given above, we are tightening that part up, to lessen the risk of submarine patents.

The only other significant change is more of a clarification than a new obligation. One of the things that is concerning the standards community today is the situation where a patent owner makes a commitment, and then sells or assigns the patent in question to someone else, who then claims that they are not bound by the original commitment. The Federal Trade Commission in the United States, for example, recently entered into a consent decree with a patent assignee in just such a situation. The assignee agreed to honour the original promise, but it took government intervention to reach that result. As a result, we've added a new section that requires those bound by the policy not to transfer any Necessary Claims unless the assignee agrees to live by the assignor's promises. That seems only fair to us.

Q: So far you've talked only about patents. What about other forms of intellectual property?

A: No changes there. As before, Working Group participants continue to own the copyright in their original contributions, while XBRL owns the copyright in the final Recommendation. Members continue to own their trademarks, and XBRL continues to own its trademarks.

Q: Can you explain the section 3.2.2 about "Withdrawals"?

A: What this is really saying is that if you made a contribution, once it's in, it's in. But if you are in and become aware of a patent that you don't want to be committed to licensing for free, then for the first sixty days you can drop out, so long as you let everyone know about the patent so that they can design around it. The "other obligations" in addition to 3.1(a) refers to the copyright and trademark rules included in the IPR Policy

Q: Anything else we should know?

A: In order to put the new policy into effect, we are making a few changes regarding how you sign up for participation in a Working Group and how your employer will confirm its agreement with the policy. A new form on the website is available to ease this process. We are also making minor revisions to the existing process documents in order to make sure that they are in harmony with the new IPR policy.

Q: When does the new IPR policy take effect?

A: The revised IPR Policy was adopted by the International Steering Committee as a governing document of the corporation to take effect at 0001 UTC, 1st August, 2009 under transitional arrangements as follows:

1. Individuals who join a Working Group (WG) on or after 1st August, 2009 will be required to accept the new policy upon joining WGs with notification to their employer that this has been done. Confirmation of their employer's acceptance of the policy will also be required.
2. Existing WG members will be required to have their employers agree to the new policy by 1st October, 2009 in order to continue their membership.
3. All existing RECOMMENDATIONS are still subject to the old policy. Subsequent modifications to such RECOMMENDATIONS will be subject to the new policy.
4. Any work in progress as of 1st August, 2009 will be subject to the new policy.
5. Contributors to work that is currently in progress will be given the opportunity to withdraw their contribution by 1st August, 2009 if they cannot accept the new policy otherwise they will be deemed to have accepted that their previous contributions are subject to the new policy.