ITU Kaleidoscope 2013
Building Sustainable Communities

Open Standards: A Shrinking Public Space in the Future Network Economy

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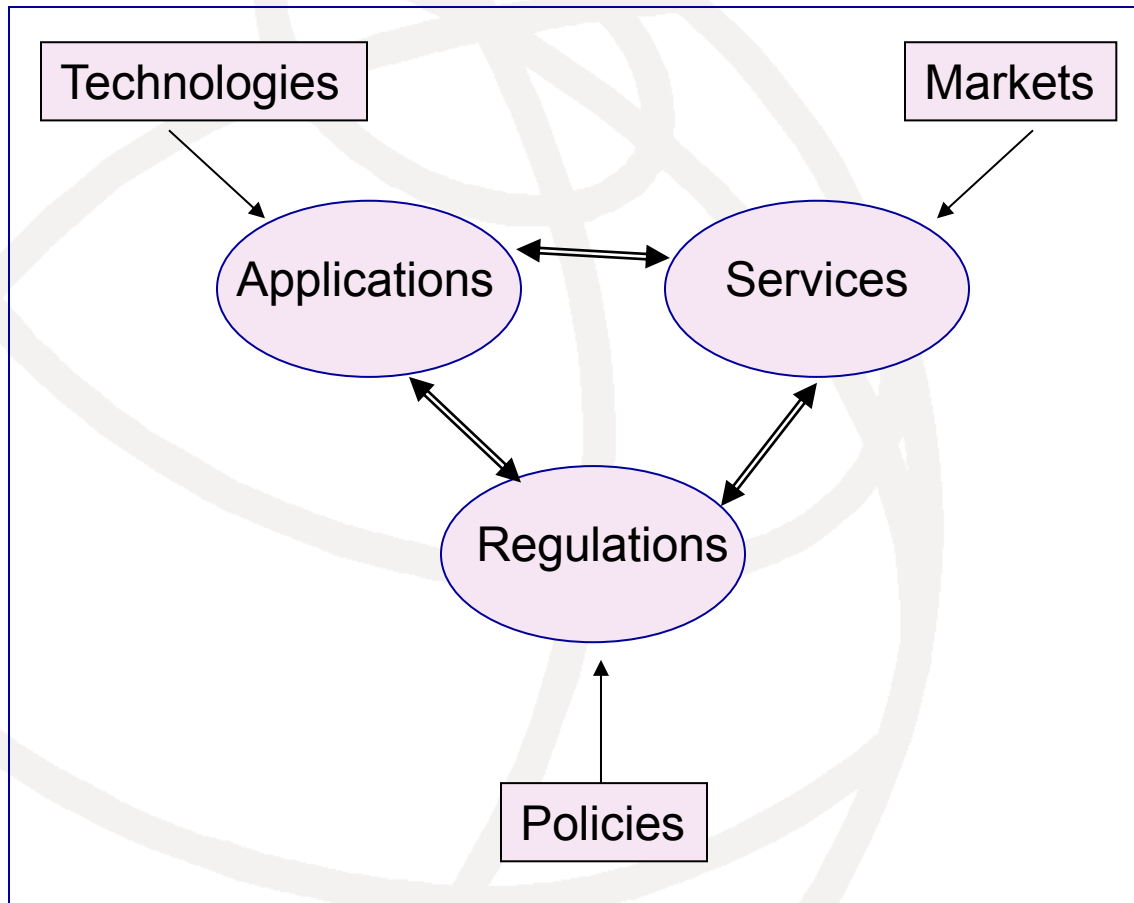### melody@lirne.net

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The ICT Revolution: Three Waves of Reform

- ❑ Telecom reform – industry specific

- ❑ ICT Convergence – a new larger industry sector

- ❑ Information Economy/Society – NGN applications everywhere

Primary Forces Shaping the Telecom/ICT Development Path

Wave 1: Telecom Reform

- National monopolies – ITU open standards within a closed club
- Policies changed – liberalization
- Opened standards development to wider participation – terminals, networks, mobile
- Explosive market growth – especially in equipment markets

Wave 2: ICT Convergence

- Penetration of IT standards into telecom terminals, networks & services
- IT technologies and standards now drive telecom development
- Telecom policies and practices are prominent in shaping the ICT sector convergence process

Wave 3: Information Economy/Society

- *NGN applications for sustainable communities – Kaleidoscope 2013*

- New convergences – ICT and applications sector standards

- A fundamental shift in policy priorities

- Now it is policies shaping the environment for innovation & standards development associated with these new ICT applications

Building Sustainable Communities

❑ ***Depends on new NGN applications***

❑ Which require an open standards innovation environment

❑ Which require supportive IPR (especially patent) policies

❑ But patent policies are permitting unlimited expansion of patents– encouraging private de facto standards

US Patent Policies Inappropriate for NGN Applications Innovation

- ❑ US awards influence global markets
- ❑ Award criteria dramatically weakened
- ❑ 15-20 year awards in ICT create incentives for opportunism, secrecy, ambush licensing, etc.
- ❑ It has led to patent wars and war chests, trolls and expanding litigation
- ❑ Some firms spending more on patent lawsuits than R&D

The Future of Telecom/ICT Standardization

❑ The weakening of US ICT patent policies seriously threatens the open standards development process needed for NGN applications for building sustainable communities

❑ Restoring a synergetic relation between patents and open standards will require greater advocacy of the merits of open standards development in all aspects of NGN applications.

Some Needed Research Contributions from the Open Standards Community

- ❑ Critical analysis of the benefits and costs of current patent policy in specific NGN applications

- ❑ Demonstrations of the market benefits of open standards in NGN applications

- ❑ Evidence of the public interest benefits and costs associated with open and proprietary standards for NGN applications