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CHINA

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China is the most populous nation in the world, and the fastest growing economy on the globe. It also has vivid memories of historical oppression by foreign powers that are triggered when foreign patents are included in global standards. It's in everyone's best interests to welcome China into global standard setting circles, rather than allow it to respond with protectionist standards of its own.

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China's long march to accession to the WTO resulted in the loss of its ability to impose protectionist tariffs, and limited its ability to set domestic standards. In response, it has developed one of the most formidable standard setting infrastructures in the world, and is testing its new constraints under the WTO.

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China sets its standards strategy centrally, and staffs that strategy with thousands of government employees. In the United States, the government stands aside, and hundreds of standards organizations, manned by corporate employees and volunteers, churn out what they think the market needs. Which approach is "better?" Which country will prevail?

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Consortium Standards Bulletin is a free monthly electronic Journal sponsored by the Boston law firm of Gesmer Updegrave LLP. The current issue of the **CSB** and a subscription form may be found at www.consortiuminfo.org/bulletins. Questions or comments about these articles, the **CSB** or ConsortiumInfo.org may be directed to Andrew Updegrave at updegrave@consortiuminfo.org.

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EDITOR'S NOTE

CHINA, THE UNITED STATES, AND STANDARDS

The world is awash today with news of the Peoples Republic of China, just as it is awash with that vast nation's products. In this issue, we focus on the substantial stake that China is placing on standards to achieve its commercial ambitions.

In our Editorial, we place China's standards strategy in a historical perspective, noting the Nineteenth Century origins of its understandably prickly attitude today towards Western commercial power. We also note that the world has more to gain politically than it has to lose commercially from seeking greater integration of China into the global economy.

In our Feature Article, we examine China's standards strategy in the conflicting context of its long (and eventually successful) quest to accede to the World Trade Organization – which led to its becoming subject to the restrictions that the WTO's Technical Barriers to Trade Act places on the use of standards to erect barriers to trade.

In our Trends Article, we contrast the Chinese government's centrally controlled "top down" standards policies with the laissez-faire, "bottom up" approach followed by the United States, where government stands largely apart, and a constantly morphing tapestry of accredited standards development organizations and non-accredited consortia independently create thousands of standards.

In an Update, we report on a novel meeting hosted by ConsortiumInfo.org and Gesmer Updegrove that provided an unusual opportunity for a large number of consortia and ANSI to meet – for the first time ever – to address matters of mutual concern.

Finally, in our Blog entry for this month, we reflect on a decade of periodic acts of extreme violence in United States schools, and ask why it is that modern society has sought so actively to tear down some of the most useful societal standards that governed human behavior for millennia in the past.

As always, we hope you enjoy this issue.

Best regards,

A handwritten signature in black ink, appearing to read 'Andrew Updegrove', with a long horizontal flourish extending to the right.

Andrew Updegrove
Editor and Publisher

EDITORIAL

CHINA

Andrew Updegrove

"Third-class companies make products; second-class companies develop technology; first-class companies set standards."

Popular saying among Chinese business and government leaders

"China's mobile telecom market will no longer be a playground for overseas companies in the coming 3G age"

Zhang Guobao, Deputy Minister, PRC State Development Planning Commission

China: The concept of China defies modification in a mere editorial title. With a fifth of the world's people and an exploding global share of both finished goods exports as well as raw material imports, the potential commercial influence of this behemoth can scarcely be underestimated.

But while China is emerging as a dominant commercial player on the world stage, it is more than mindful of the 150 years of political and trade exploitation it suffered at the hands of foreign powers. Those abuses of national sovereignty included the forcing of an odious drug trade on its people by the British and the French; its ultimate defeat at the hands of those same powers in the Opium Wars in 1839, after it tried to protect its citizen from exploitation; the loss of control of scores of so-called Treaty Ports such as Shanghai and Hong Kong; and the carving up of the entire country into multiple "Spheres of Influence," within which the powers that claimed them asserted further indignities, including foreign legal jurisdiction and tariff control.

It is against this backdrop that China's emergence as a great commercial power must be understood, as China's attitude towards perceived inequalities of today is informed and sensitized by the abuses of the past.

Today, of course, there are no formal spheres of influence. But there are many international trade networks, conventions, treaties and practices that have evolved in the West in modern times, largely without Chinese involvement, due to the turmoil that it experienced throughout the last century. China must deal with these realities, many of which are less susceptible to its influence than the raw markets that it can otherwise control through its substantial cost of manufacturing advantages.

These realities include the dominant position of patent portfolios owned by global corporations based in the West, as well as a global standard setting infrastructure that is already entrenched. While China's rearmament plans garner more coverage in the popular press, it is worth examining each of these more pedestrian issues in greater detail, as they are more closely linked than one might expect (on this, more below).

Turning first to standards: there are virtually no manufactured goods today that are not effectively regulated by standards compliance requirements. Those standards are set by the hundreds of accredited standards development organizations (SDOs), particularly in traditional manufacturing sectors, and the newer consortia that have sprung up in their hundreds in the information and communications technology (ICT) space. The standards output of these organizations is approved by global standards bodies such as ISO, IEC and the ITU, and global treaties such as the World Trade Organization's Technical Barriers to Trade Act related to this output as well.

The implementation of tens of thousands of these same standards necessarily infringes on patents. The vast majority of these patents are owned outside of China, and here is where current and historical frictions begin to converge.

This is because competitors based in the West and in Japan often cross license their patents, lowering the effective costs of manufacturing (for example) consumer electronics. Since few Chinese companies today have patents that would be infringed by building products to international standards, these companies are forced to pay the full royalty load on such devices – a cost that may exceed the available profit margin many times over. In a sense, foreign powers still enjoy spheres of influence over Chinese exports and internal consumption based upon intellectual property rights (IPR).

Not surprisingly, this modern economic advantage is not appreciated in China, especially as it harks back to the more overt abuses that it suffered in earlier times. So what is China to do?

Several strategies are available to it. They include ramping up China's internal patent office, setting its own standards for goods sold domestically, and increasing its participation in the existing global standards setting infrastructure – and China is pursuing all of these strategies, as examined in greater detail in this month's **Feature Article**. And unlike the United States, the government of which has traditionally offered no economic support for domestic standard setting, China is investing heavily in the creation of domestic standard setting capabilities.

Consequently, while the U.S. government is associating little strategic importance to its own standard setting infrastructure at a time of net domestic manufacturing job losses, Beijing has elevated the same topic to a high priority in its efforts to accelerate the further transfer of manufacturing jobs from America to China. With the notable example of last year's high-level agency involvement in the wireless Wi-Fi/WAPI standoff between the United States and China at the prodding of Intel, Texas Instruments and others, U.S. companies are largely on their own. (see: **Breaking Down Trade Barriers: Avoiding the China Syndrome**).

Can the United States government continue to ignore China's determined standards strategy? We think not. The reasons are not only defensive, but also opportunistic. Defensively, because U.S. industry can hardly afford to be at a further disadvantage in selling its wares to millions of increasingly affluent Chinese middle class consumers. But also opportunistically, because the more China becomes assimilated into cooperative global commerce, the less attractive to Beijing will military adventures across the Taiwan Strait and elsewhere appear to be.

What can be gained from such encouragement? In a classic scene in the brilliant but mordant 1976 cinema satire **Network**, global conglomerate CEO Arthur Jensen famously intones to the increasingly unstable Howard Beale:

There is no America. There is no democracy. There is only IBM, and ITT, and AT&T, and DuPont, Dow, Union Carbide, and Exxon - those are the nations of the world today.... The world is a business, Mr. Beale. It has been since man crawled out of the slime, and our children will live, Mr. Beale, to see that perfect world in which there's no war or famine, oppression or brutality. One vast and ecumenical holding company, for whom all men will work to serve a common profit.

One would hardly wish to live in a world as cold and sterile as this. But if we are, after all, to live increasingly in a commercial world dominated not only by IBM and Dupont, but also by Wal-Mart and China's Lenovo Group (which bought IBM's ThinkPad laptop line), we should harness at least that part of Arthur Jensen's vision that could lead to greater world stability.

In this sense, the decisions that China makes regarding its standards policy will be a bellwether for its broader commercial strategies. Will China turn to the West and become a full participant in the global standards setting infrastructure? Or will it conclude that its best interests lie in wrapping itself in the enormous power of its domestic manufacturing and consumption potential, presenting ultimata to the world instead?

China's eventual settled policies remain to be seen, but certainly they will be influenced by whether the West demonstrates understanding to issues such as China's IPR disadvantages, or is seen in Beijing to be seeking once again to establish commercial, patent-based spheres of influence at its expense.

The lessons, then, are two-fold. First, the United States needs to incorporate a more pervasive awareness of standards into its international strategies. But its goal should not be to become more influential than China in setting future product standards. Rather, it should seek a leveling of the global standards playing field that will encourage China to become more assimilated into global commerce and less protectionist in its own standards strategy. The long-term result will be not only the opening of an increasingly affluent Chinese marketplace to western goods, but reduced tensions with the most credible contender to become the world's next superpower as well.

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FEATURE ARTICLE

THE YIN AND YANG OF CHINA'S TRADE STRATEGY: DEPLOYING AN AGGRESSIVE STANDARDS STRATEGY UNDER THE WTO

Andrew Updegrove

Abstract: *Since the decision of Deng Xiaoping to subject his country's future to the effect of economic market forces, the Peoples Republic of China has made deliberate – and successful - efforts to become a force to be reckoned with on the global commercial stage. As part of that strategy, China embarked on an ultimately successful 15-year quest to be admitted to the World Trade Organization (WTO), thereby becoming bound by the Agreement on Technical Barriers to Trade (TBT). At the same time, China devised a sophisticated strategy to incorporate standard setting and compliance requirements into its economic strategy, and has invested significant resources in creating an infrastructure to support these activities. This strategy provides China with an alternative tool to replace the high tariffs barred by the WTO in order to convey advantaged to its domestic industry in key areas of technology, especially where foreign standards requiring the payment of significant patent royalties would otherwise place it at a competitive disadvantage. However, the deployment of this strategy at times has tested the boundaries established by the TBT, leading to vigorous objections from Multinational Corporations and the governments of the nations where they are headquartered. This article reviews China's efforts to become an equal partner in the global trade community, and the development in that context of its standards strategy, the infrastructure that supports it, and the status of those "home grown" standards that China is currently promoting in competition with correlative standards developed elsewhere in the world.*

Introduction: After 150 years of commercial (and sometimes political) domination by foreign interests, China's government passed into communist control in 1949. For the next three decades, the nation largely withdrew into itself. After deciding to reengage with other nations on a broad scale, China has now become the most rapidly growing economy in the world. With the combination of a vast pool of cheap labor, newly granted individual freedoms to launch commercial ventures, and continuing strong central government control, China has trade advantages that more developed nations are understandably viewing with concern.

One capability that central control and the adoption of five year plans has made available to China is the ability to rapidly conceive and execute a deliberate, coordinated and high priority standards strategy to provide advantages to domestic manufacturers. While the United States government continues to exhibit a laissez-faire attitude with regards to the creation and adoption of standards by its own industries, China

has opted to follow the lead of the European Union in integrating standards (both generally and in specific cases) into its domestic and international trade strategy.

The decision to focus on standards evolved contemporaneously with China's final negotiations directed at earning admission to the World Trade Organization (WTO). With its eventual accession to the WTO, China became subject to that organization's Agreement on Technical Barriers to Trade (TBT) and increasing international pressure to conform to international treaties relating to the protection of patent, copyright and other intellectual property rights (IPR) conventions.

With these new restrictions in place, China has increasingly found itself balanced between huge trade opportunities as well as difficult economic restrictions based upon the dominance of other countries in the standard setting arena, as well as the enormous patent portfolios amassed by multinational corporations (MNCs) in core product opportunity areas such as consumer electronics, telecommunications and computer equipment.

As a result of these restrictions, China has aggressively moved to create its own standards in areas such as semiconductors and wireless telecommunications, where its needs are greatest and its preexisting patent positions are weakest. In doing so, it has carefully chosen which treaties it will decline to sign (such as those relating to government software procurement), and has pushed the envelope of compliance with others. These efforts have already resulted in more than one intervention by other nations at the highest levels of diplomacy, when MNCs have felt themselves to be at the greatest disadvantage.

Whether China will become a skillful player within global standards bodies and opt to compete solely at that level, or will primarily pursue internal standard setting initiatives that take advantage of its massive purchasing power, will be determined over the next several years. This decision will play out across the backdrop of the WTO and the dispute resolution mechanisms provided under its charter, as well as through more direct diplomatic channels and within the processes of both accredited standards development organizations (SDOs) and consortia.

This article will briefly review the relevant historical events leading up to China's current status as a member of the WTO and the architect of a robust domestic standard setting infrastructure, as well as the elements of that infrastructure and the standards that China has recently created to challenge those developed elsewhere.

A new Long March: The commercial, educational and social disruption caused by Mao Zedong's Cultural Revolution was followed by a long rebuilding of China's academic and productive capacity. With the increasing integration of China into global commerce, China faced the decision of whether to maintain high domestic tariffs to protect domestic interests, or to seek acceptance into the trade treaty networks that facilitate free trade and provide a mechanism for resolving international disputes.

In 1986, China opted for the latter course, and began the long process of seeking admission to the General Agreement on Trade and Tariffs (GATT). A protracted process of negotiations with treaty nations (sometimes overtaken and interrupted by political events) culminated eventually with China's accession in December of 2001 to the World Trade Organization (WTO), which had replaced GATT on January 1, 1995.¹

With its newfound status as a WTO member, China became subject to a variety of obligations, including those set forth in the TBT, which prohibits the use of standards and compliance testing regulations to erect technical barriers to trade. These rules prohibit (for example) the creation of standards that unfairly benefit domestic manufacturers and the imposition of requirements that foreign goods be subjected to burdensome and unnecessary compliance testing or tariffs.

Having achieved its goal of WTO accession after a 15-year quest, China embarked upon a path of both complying with, as well as testing the limits of its new WTO obligations and constraints – particularly in

¹ For an analysis of China's motivations for seeking accession to the WTO, see: Karen Halverson, "China's WTP Accession: Economic, Legal and Political Implications," (January 2004).
<http://www.bc.edu/schools/law/lawreviews/meta-elements/journals/bciclrl/27_2/06_TXT.htm>

the area of standards. In doing so, it is hardly acting in a way different than other countries, such as the United States, which was subject to a ruling on November 10, 2003 in the WTO that steel tariffs imposed by the United States to protect domestic steel mills violated WTO regulations.²

But China is operating under much closer scrutiny than other nations, as it must comply with a myriad of commitments that it made with a variety of nations as preconditions to their agreeing to its accession to the WTO. While in the main China's efforts to remake its economy into one acceptable to its new WTO partners has been impressive, as recently as this year, the U.S. Trade Representative put China on notice that "[this] Administration will continue to be relentless in its efforts to ensure China's full compliance with its WTO commitments...."³

Creating a Standards Infrastructure: As part of its efforts to both comply with WTO obligations as well as to optimize its competitiveness, China embarked upon a deliberate and systemic effort to create an educational, industrial and governmental infrastructure to support standards creation, implementation and compliance testing in support of domestic industry. In anticipation of its accession to the WTO, China created a new agency in April of 2001 through the merger of the existing State Administration for Entry-Exit Inspection and Quarantine and the State Quality and Technical Supervision Bureau. The new agency was named the Administration for Quality Supervision, Inspection and Quarantine (AQSIQ).

The AQSIQ, in turn, created the Standards Administration of China (SAC) and the China National Regulatory Commission for Certification and Accreditation (CNCA), both of which operate under its supervision. The AQSIQ also supervises the WTO TBT Inquiry Center, which operates as a liaison between China and the WTO.⁴

China also passed a variety of regulations intended to conform to the WTO and meet its commitments made to specific WTO members. These commitments include a promise to subject both domestic and foreign goods to the same compliance testing requirements. Consequently, China unified its compliance testing marks, creating a new "CCC" certification mark to supersede the former "CCIB" mark for imported products and "Great Wall" for domestic and imported products.

But China also embarked upon a far more aggressive infrastructural program than was required merely to comply with the requirements of the WTO and the TBT. Individual ministries, such as the Ministry of Information Industry (MII), were instructed to embrace a complex standards strategy as part of their core activities. The MII and numerous other ministries in turn deployed their personnel and other resources in support of the standards directives handed down from above.

The goals of China's post-WTO accession edicts are many and varied, including achieving economic self-sufficiency for government research and development labs. But they are also intended to create a level intellectual property rights (IPR) upon which China can compete more equally with other countries. This objective was articulated by Zhang Qi, Director General of the Department of Electronics and IT (a part of MII) as follows: "Owning independent IPR and winning the initiatives in setting industrial standards should be top priorities for domestic manufacturers."⁵ The motivation for such statements arises only partly from national pride. The greater goal being pursued is avoiding the payment of foreign patent royalties.

By the beginning of 2003, China had created 260 individual technical committees, each of which report to the SAC and can be directed to undertake specific standards projects by the government. 422

² For a critical review of United States conduct under the WTO, see: Stuart Anderson, "Unclean Hands: America's Protectionist Policies," *Cato Institute* <<http://www.freetrade.org/pubs/freetrade/chap6.html>>

³ United States Trade Representative, "2004 Report to Congress on China's WTO Compliance", p. 8 <http://www.ustr.gov/assets/Document_Library/Reports_Publications/2004/asset_upload_file281_6986.pdf>

⁴ Ann Weeks and Dennis Chen, "Navigating China's Standards Regime," *China Business Review* (May-June 2003) (no pagination) <http://www.bc.edu/schools/law/lawreviews/meta-elements/journals/bciclr/27_2/06_TXT.htm>. For a ready reference to these agencies and their operations, see "Administration" under "Chinese Standard Setting at a Glance" at the end of this article.

⁵ *China Daily*, "Independent IPRs Vital to Tech Industry," (February 11, 2003), no pagination. <http://ce.cei.gov.cn/enew/new_h1/nl00hb56.htm>

subcommittees were also in existence as of the same date. In all, some 27,800 technical specialists had been deployed by early 2003 to the creation of standards.

Finally, a number of industry associations have emerged (some at the instance of government agencies) at the local, regional and national level. These associations also play a role in the promotion of products based on homegrown Chinese standards.⁶

In a related effort, China has dramatically upgraded its patent infrastructure, with the result that the number of patents applied for by Chinese inventors has grown dramatically in the new millennium, with a total of 308,487 patent applications being received by the State Intellectual Property Office in 2003 (an increase of 22.1% from the prior year).⁷ More than *one million* Chinese patents were filed by domestic inventors in 2004.⁸ Over time, this increasing patent portfolio will provide defensive as well as offensive tools, as Chinese manufacturers compete with MNCs.⁹

In, short, within a remarkably short period of time, China has constructed a formidable machine that it can deploy at will to pursue its strategic standards agenda.¹⁰

Opportunities and burdens: As China's manufacturing capacity has rapidly increased and its enormous and low-cost labor supply has attracted customers such as Wal-Mart, the impact of standards-related issues for domestic manufacturers have multiplied, particularly in the technology area. Chief among them is the wealth of patents owned by non-Chinese companies that must be licensed to build a wide variety of products. As a result of the price advantage enjoyed by the owners of these patents, China is often reduced to the level of providing cheap labor in manufacturing facilities controlled by foreign nationals (often Taiwanese), rather than having the ability to build equivalent, higher margin products under its own brands.

Under how great a disadvantage does China suffer with respect to IPR? As of August of 2004, a global accounting firm estimated that a Chinese manufacturer was required to pay US \$15 – 22 in patent royalties in order to build a DVD player with a retail value as low as \$60.¹¹ And in another report, it was estimated that a staggering 50 – 70% of the costs incurred by a Chinese company manufacturing a PC were allocable to IBM and Microsoft royalty payments instead.¹²

The result, not surprisingly, has been the development of a policy by China directed at enabling the building of products based upon standards that either do not infringe upon foreign patents, or which would in fact require foreign vendors to pay royalties to Chinese patent holders.

Such an effort would have been less constrained in pre-WTO times and in situations that did not involve technology products and services that rely upon global interoperability. But China has found that with its

⁶ Weeks and Chen, "Navigating China's Standards Regime."

⁷ *State Intellectual Property Rights Office*, "Report on the Protection of Intellectual Property Rights in China 2003 (Abstract)," (April 13, 2004), no pagination. <
http://www.sipo.gov.cn/sipo_English/gfxx/zyhd/t20040414_33974.htm>

⁸ Carl Cargill, Director of Standards, Sun Microsystems, *private communication based on MII information* (April 29, 2005).

⁹ At the same time, China's success at protecting foreign copyright and patent rights remains abysmal, with "counterfeiting and piracy rates...exceeding 90 percent for virtually every form of intellectual property." United States Trade Representative, "2004 Report to Congress on China's WTO Compliance", p. 5.

¹⁰ For a more lighthearted look at standards nationalism in Pacific Rim countries, see: Andrew Updegrave, "Soy Sauce, Kimchi and the Golden Rule," *The Standards Blog* (October 18, 2004) <
<http://www.consortiuminfo.org/blog/blog.php?ID=21>>

¹¹ Deloitte, "Technology Firms Risk Losing Advantage as China's Influence on Global Standards Reaches Critical Levels," (August 4, 2004). <
http://www.deloitte.com/dtt/press_release/0,2309,cid%253D56070%2526pre%253DY%2526lid%253D1%2526new%253DU,00.html> Not surprisingly, China has created its own video disk standard, called EVD, which was authorized for use in February of this year.

¹² Sherman So, "Low-cost Chip Is Made for China," *South China Morning Post*, (February 17, 2004). <
www.chinastudygroup.org>.

accession to the WTO generally, and in the area of technology in particular, the practical, treaty and technical difficulties presented by such a strategy are much greater.

One pre-WTO accession attempt to use a technology standard as a barrier to trade proved to be too heavy handed to succeed. That effort, in 1999, saw the creation of a standard by the State Encryption Management Commission (SEMC) requiring registration of all products with the State that included any encryption component, however incidental. The practical (and intended) impact was to provide incentives to purchase more Chinese software, mobile phones, and other types of products.

The reaction from foreign vendors (and their governments) was predictable, vigorous, and ultimately successful. The scope of the SEMC standard was eventually narrowed to “only hardware and software for which encryption is a core function.”¹³

More recently, China once again used encryption concerns in an effort to advantage its domestic manufacturers. This time, the effort involved a wireless standard for laptop computer chips. In this case, the government contended (with some justification) that the then-current generation of Wi-Fi standards created by the IEEE did not provide adequate security protection. In response to this perceived deficit, the government announced that it would require that all products sold in China must comply with its own WLAN standard, which included what it regarded as superior security protection provided by the WAPI (Wired Authentication and Privacy Infrastructure) standard included in WLAN. Not coincidentally, addressing security concerns represents an exception under the TBT justifying the creation of a domestic standard rather than employing an available, globally acceptable standard.¹⁴

In employing a domestic standard rather than adopting Wi-Fi, Chinese manufacturers hoped to avoid the necessity of paying royalties to foreign patent holders. Moreover, foreign manufacturers would be required to make arrangements with the small number of Chinese manufacturers that had been granted patent licenses by the government to implement the standard in order to manufacture products in China that would comply with the WLAN standard.

Once again, the international hue and cry was great, led in particular by Intel and several other chip vendors, which announced that they would not sell wireless enabled chips into China at all. Eventually, through the intervention of Colin Powell and other senior United States trade officials, China announced that it would “indefinitely postpone” requiring compliance with the WLAN standard.¹⁵

In part, the crisis was averted by both sides agreeing that China would pursue its concerns regarding the IEEE standard through the international standards process, and mutual statements were made on both sides announcing China’s anticipated cooperation. Though the story largely dropped out of the public press following these public statements, China’s efforts to address its original goals continued.

In 2005, relations have once again soured over this issue, with the Chinese delegation withdrawing from the ISO/IEC JTC/SC06/WG1 working group that is now considering wireless standards, after that group rejected a Chinese proposal to adopt the WAPI standard. In a written statement, the Chinese delegation alleged unspecified “unfair treatment” as the reason for its withdrawal. At a press briefing, a Chinese

¹³ *The China Business Review*, “Raising the Standard: China’s Rush to Develop Technology Standards (Part I),” (May-June 2003).

¹⁴ According to report prepared by the Patent Group of the American National Standards Institute, development of the WAPI standard was part of a systemic effort to revise international standards to avoid infringement of foreign patents, and require licensing of Chinese patents. See; *Patent Group, American National Standards Institute (ANSI)*, “Intellectual Property Rights Policies in Standards development Organizations and the Impact on Trade Issues with the People’s Republic of China,” *ANSI*, (June 10, 2004), p. 5. <
<http://public.ansi.org/ansionline/Documents/News%20and%20Publications/White%20Papers/China%20IPR%20PaperFinal.pdf>>

¹⁵ For a detailed review of the Wi-Fi/WAPI face-off, see: Andrew Updegrave, “Breaking Down Trade Barriers: Avoiding the China Syndrome,” *Consortium Standards Bulletin*, Vol III, No. 5 (May 2004) <<http://www.consortiuminfo.org/bulletins/may04.php#trends>> and United States Trade Representative, “2004 Report to Congress on China’s WTO Compliance,” pp. 42-43.

spokesperson alleged that "international monopoly forces" were blocking WAPI in order to promote the Wi-Fi standard for their own benefit.¹⁶

The perceived slight to the WAPI standard continues to rankle in China. For example, Shen Changxiang, a member of the State Informatization Advisory Committee and the Chinese Academy of Engineering, was quoted on April 8, 2005 as follows: "In order to promote its own standard, the US has manipulated the International Standardization Organization [*sic*] (ISO) to block a Chinese standard through application procedures."¹⁷

Current standards efforts: Standards-related issues are becoming, if anything, more urgent for China. Because it has largely leapfrogged the fixed-line based phase of telecommunications development, China has become the largest user (as well as the largest manufacturer, due to low labor costs) of cell phones in the world, with over 300 million currently in use. And, while some 35% of the world's cell phones are manufactured in China, the vast majority of these products bear names such as Nokia.¹⁸ As with DVD players, the royalties payable to implement existing telecommunications standards can be prohibitive for manufacturers that do not own patents of their own that can be cross-licensed to offset royalties required by other patent owners.

Chinese manufacturers are anxious to avoid a repeat of this situation as new 3G (and eventually 4G) systems are deployed. The result is the creation of the TD-SCDMA (Time Division-Synchronous Code Division Multiple Access) specification by China, which is in competition with a European-backed 3G standard, WCDMA (wideband CDMA) and a U.S. contender: CDMA 2000. Chinese manufacturers are particularly anxious that the homegrown standard be used domestically.

The high stakes surrounding Chinese standards decisions are well illustrated by the latest developments in the 3G standards competition. With billion of dollars at stake and the date for final licensing decisions by the Chinese government rapidly approaching, vendor end game moves have become increasingly frequent and dramatic: as of February 8, 2005, *Asia Times* reported that China Telecom and Netcom would bundle the technically compatible TD-SCMA and WCDMA, if technical trials of TD-SCMA did not go well.¹⁹ More recently, the proponents of two competing European approaches reached an agreement to make their standards compatible to "help speed up China's decision."²⁰ After the European companies reached détente, their U.S. vendor counterparts decided it was time to make common cause with China, and consider supporting TD-CDMA.²¹

While a detailed discussion of China's commitment to open source software is beyond the scope of this article, the Chinese government (which has always resented Microsoft's dominance in software, even while it continues to turn a blind eye to rampant piracy of the same products) is also embracing open source software. Already, local vendors have launched such products, including the Red Flag Linux distribution.²² China's government has also sought to give advantage to the development of its domestic

¹⁶ Liu Yuan, "ISO Meeting Fails to Back WAPI Standard." *China Daily* (February 25, 2005).

<http://www.chinadaily.com.cn/english/doc/2005-02/25/content_419204.htm>

¹⁷ *China.org*, "Call to Back WAPI Standard," (April 8, 2005).

<http://www.china.org.cn/english/2005/Apr/125979.htm> Interestingly, while MCNs certainly can marshal forces in the standards bodies of many nations (and regions), a frequent complaint in the U.S. is that it has negligible influence in ISO, while "block voting" (e.g., by the European Union) conveys far greater power to nations that agree upon a common standards strategy.

¹⁸ Eric Nee, "The China Syndrome," *CIO Insight* (March 1, 2004), no pagination. <

<http://www.cioinsight.com/article2/0,1397,1551757,00.asp>

¹⁹ *China Times*, "China Weighs 3G Phone Options" (February 8, 2005) <

<http://www.atimes.com/atimes/China/GB08Ad05.html>>

²⁰ *Bloomberg.COM*, "Ericsson's Svanberg Expects Four 3G Licenses in China," (March 8, 2005).

<http://www.bloomberg.com/apps/news?pid=10000085&sid=aKHs6nQ7vDfc&refer=europe> >.

²¹ *Peoples Daily*, "China Ushers in Era of 3G Cooperation" (April 9, 2005). <

http://english.people.com.cn/200504/09/eng20050409_180265.html>

²² For a detailed review of China's software strategy in general, and its anti-Windows/pro-Linux strategy in particular, see Richard P. Suttmeier and Yao Xiangkui, "China's Post-WTO Technology Policy: Standards, Software, and the Changing Nature of Techno-Nationalism," *The National Bureau of Asian*

software industry by throwing its own vast procurement weight behind domestic open source and traditional software products. While this behavior has elicited protests by MCNs, it does not violate the letter of China's WTO obligations, as China declined to become a party to the WTO Government Procurement Agreement.²³

The future: China has made admirable and impressive commercial progress in many respects, including the creation in record time of one of the most comprehensive standards infrastructures in the world. With the benefits of continuing central management, this intricate and vast network of technicians and supporting staff can be deployed to work on thousands of standards at a time.

But while creating such a structure is necessary to achieving China's commercial goals, it is not sufficient in and of itself.

One limitation that China has already experienced is its own dependence on technology. During the Wi-Fi/WAPI controversy, the Chinese government was faced with the fact that it was itself highly dependent on Intel-powered laptops; an actual refusal by Intel to sell state of the art chips to wirelessly enable this equipment would have been at minimum inconvenient. Similarly, while Chinese telecommunications vendors are clamoring for China to require compliance with the TD-CDMA 3G standard, the nation can scarcely afford to build a communications network based on that standard unless it proves to enable robust performance in field tests.

Similarly, while compliance with the WTO TBT can be stretched by any nation to a degree, there are limits to how far China can go without overplaying its hand. In consequence, it is finding it necessary to learn how to participate more fully in global standards processes within organizations such as ISO and the IEC. To date, it has (perhaps not surprisingly) found the formal hierarchies of nationally accredited organizations operating under the global umbrella of the ISO, IEC, ITU and other *de jure* organizations to be more to its liking than the more dynamic consortia that are often dominated by MCNs. Still, as demonstrated by its withdrawal from the ISO working group noted above, successful participation in even such formal international technical groups is an art that China is still acquiring.

Summary: China has made remarkable progress in designing and implementing an extensive domestic standards infrastructure. With its continuing strong central control of many aspects of its national economy, it is well situated to deploy that infrastructure to its advantage.

Whether it will be successful in doing so, however, remains to be seen. Significant challenges to achieving its goals include:

- Designing strategies that are successful in creating standards that advantage domestic manufacturers within the tolerances of the WTO TBT and the political offensive power of MNCs and national governments. China's early efforts in the areas of encryption have thus far been unsuccessful in this regard.
- Balancing the need to maintain its aggressive growth in an increasingly networked world with its desire to create and mandate standards intended to benefit domestic industry. At times, these goals will be in conflict.
- Navigating the tumultuous and complex waters of international standard setting. While executing standards strategies internally may be challenging, persuading global standards bodies to adopt the same standards to grow a larger export market for sophisticated technology products bearing the brands of Chinese manufacturers will be even more difficult.

It is likely that the future standards strategy of China will solidify in the next few years. Whether China will opt to truly integrate with the rest of the world of commerce and go toe to toe in the myriad standards bodies that already exist, or whether it will once more withdraw into its vast borders and adopt an

Research, NBR Special Report No.7 (May 2004), pp.31-42.

<<http://www.nbr.org/publications/specialreport/pdf/SR7.pdf>>

²³ *Ibid*, p. 5

isolationist standards policy leading to ongoing complaints within the WTO remains to be seen. That decision will be awaited with great interest by MNCs and governments throughout the world.

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Appendices:

I. Chinese Standard Setting at a Glance

A. Selected Comparative Statistics:

<i>Statistic</i>	<i>China</i>	<i>United States</i>
Population (2004)	1,300,000,000	293,000,000
Economic Rank (2004)	6 th - \$1.2 trillion	1 st - \$10.2 trillion
Growth Rate (1990s)	10%	3.4%
PC Rank/Sales (2003)	2 nd - 13.3 million	1 st - 52.7 million

B. A Chinese Trade and Standards Timeline:

<i>1949:</i>	First standards body organized
<i>1984:</i>	First commodity inspection procedures instituted
<i>July 1985:</i>	Applies to join the General Agreement on Tariffs and Trade (GATT)
<i>June 1989:</i>	Tiananmen Square crack-down; GATT negotiations cease
<i>December 1989:</i>	GATT negotiations resume
<i>January 1995:</i>	WTO formed; China fails to become founding member
<i>April 2001:</i>	Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) formed through merger of two predecessor agencies
<i>December 2001:</i>	Accession to the World Trade Organization
<i>May 2002:</i>	"CCC" certification mark adopted, superseding former "CCIB" mark for imported products and "Great Wall" for domestic and imported products
<i>December 2003:</i>	WAPI encryption standard becomes effective (compliance to be mandatory on June 1, 2004)
<i>March 2004:</i>	U.S. Secretary of Commerce Donald Evans, U.S. Secretary of State Colin Powell and U.S. Trade Representative Robert Zoellick send letter to Chinese Vice Premiers Wu Yi and Zeng Peiyan protesting WAPI standard requirement
<i>April 2004:</i>	China "indefinitely postpones" mandatory compliance with WAPI
<i>February 2005:</i>	Chinese delegation withdraws from ISO working group, protesting the rejection of a Chinese proposal to adopt WAPI

C. Administration:

Administration for Quality Supervision, Inspection and Quarantine (AQSIQ): Oversees standards and certification activities for both foreign and domestic products; supervises SAC and CNCA and sets their budgets; also supervises WTO TBT Inquiry Center

China National Regulatory Commission (CNRC): Administers the China Compulsory Certification (CCC) program, which tests product safety and technical conformity to standards

Standards Administration of China (SAC): Sets and oversees national standards; sets annual standards agenda; represents China in the International Organizations for Standardization (ISO) and the International Electro-technical Commission (IEC)

State Council: Oversees policy related activities of CNRC and SAC

WTO TBT Inquiry Center: Acts as the formal liaison with the WTO, responding to WTO and WTO member inquiries, disseminating WTO information domestically, and informing the WTO of new PRC standards and procedures. Also trains AQSIQ employees.

D. Chinese Technology Standards Competing with International Standards:

<i>Application</i>	<i>Chinese Standard</i>	<i>Competing Standard(s)</i>
3G Wireless Phones	TD-SCMA	CDMA2000; WCDMA
Audio and Video compression	AVS	MPEG-4; H.264
Video Disc Players	EVD	HVD; HDV
Wireless (with Encryption)	WLAN/WAPI	Wi-Fi

II. Annotated Bibliography

The following resources were particularly useful in supplying the data included in this article:

"China's Accession to the World Trade Organization (WTO)." *International Economics*. January 2000. <<http://intl.econ.cuhk.edu.hk/topic/index.php?did=17>> An exhaustive review of the history of the accession of the Peoples Republic of China to the World Trade Organization, the details of the accession process, and the specific commitments made by China to gain entry to the treaty.

"Monitoring China's WTO Compliance: U.S. Government Reports, Hearings, and Other Resources on China's WTO Compliance." *Congressional-Executive Commission on China Virtual Academy*. <<http://www.cecc.gov/pages/virtualAcad/commercial/wtochinacompl.php>> This site aggregates key government information from the U.S. Trade Representative, including links to the full text of the Representative's "Annual Reports to Congress on China's WTO Compliance" and "National Trade Estimate Reports and Special 301 Reports on Intellectual Property Protection;" the text of Congressional hearings on China; and white papers and other relevant material from a variety of non-governmental sources. Of particular relevance are the Annual Reports to Congress.

Halverson, Karen. "China's WTO Accession: Economic, Legal, and Political Implications." *January 2004*. This Article discusses the challenges that confronted China during WTO accession, and suggests that WTO accession has acted as a lever for economic and legal reform by locking in reform and making it irrevocable.

Suttmeier, Richard P. and Yao, Xiangkui. "China's Post-WTO Technology Policy: Standards, Software, and the Changing Nature of Techno-Nationalism." *National Bureau of Asian Research*. May 2004. <<http://www.nbr.org/publications/specialreport/pdf/SR7.pdf>> The authors explore China's development of a new technology policy based on the promotion of its own technical standards "best understood in terms of a 'neo-techno-nationalism' in which technological development in support of national economic and security interests is pursued through leveraging the opportunities presented by globalization for national advantage."

Updegrove, Andrew. "Breaking Down Trade Barriers: Avoiding the China Syndrome." The ConsortiumInfo.org *Consortium Standards Bulletin*, Vol. III, No. 5. May 2004. Reviews the context, development and resolution of the US-China face-off over the WAPI wireless encryption standard.

Weeks, Ann and Dennis Chen. "Navigating China's Standards Regime." *China Business Review*. May 2003. This article provides a detailed and practical overview of the internal organization and operation of China's standard setting infrastructure, as well as an in-depth assessment of the efficiency and fairness of this system in operation as of the date of its publication. Of particular interest is an enumeration of specific issues encountered by foreign vendors and the origins of these issues.

For much more material on the subject matter of this article and all other standards-related topics, see the ConsortiumInfo.org Standards MetaLibrary: <http://www.consortiuminfo.org/metallibrary/>

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TRENDS

TOP DOWN OR BOTTOM UP? A TALE OF TWO STANDARDS SYSTEMS

Andrew Updegrove

Introduction: National standards systems typically echo the political methodologies of the countries in which they operate. This is hardly surprising, in that the consensus-based process of developing standards is in many respects political in nature. As a result, those countries that exercise the most centralized federal control are more likely to have a single national standards organization, while those that have political systems that are more locally responsive are apt to have distributed infrastructures that evolve more organically and dynamically.

The two countries that perhaps most dramatically exemplify this observation are the Peoples Republic of China and the United States. In the nomenclature most often used in American standards circles, the two countries have adopted "top down" and "bottom up" approaches, respectively.

The question of which system (if either) is "better" than the other is an interesting one. Equally significant are the related questions of whether, if one system indeed is better, when is that the case, and why? Examining these questions is the subject of this article.

In this corner, China: While private enterprise now flourishes in China, the invisible hand of capitalism has hardly succeeded in replacing centralized direction of the national economy by China's communist leadership. Nor have private companies been encouraged by that government to engage in standards activities, other than in a manner consistent with and supportive of national standards policies.

As examined in some detail in the previous article (*The Yin and Yang of China's Trade Strategy: Developing a Standards Strategy in Compliance with the WTO*), China has created an enormous, centrally-managed standards infrastructure employing (in 2003) an astonishing 27,800 government employees in 260 technical committees and 422 subcommittees. This vast apparatus is directed at achieving the goals of the current PRC five year plan, which has a focus on research and development in order to transform China from a low-cost, low margin workshop building products to foreign orders into a global manufacturer of its own high margin, domestically branded goods.

The strategy for achieving this goal tasks the Chinese standards infrastructure with:

- The creation of a list of technologies in areas such as telecommunications and consumer electronics that are vital to building a national infrastructure and a higher-margin manufacturing base.
- Identifying those standards in place or under development elsewhere in these areas that would require the payment of significant royalties by Chinese manufacturers.
- Deploying technical staff in relevant ministries (such as the Ministry of Information Industry, or MII) to create new standards, either in whole or in part, to avoid the need to pay such royalties, and filing domestic patents under these standards when possible.
- Approving these standards when completed; requiring their implementation in domestic products; and licensing patent rights under these standards on a limited basis that favors domestic manufacturers.

While implementing all elements of this grand strategy is difficult to accomplish under the World Trade Organizations' (WTO) Agreement on Technical Barriers to Trade (TBT), China appears to be pursuing this goal to the maximum extent possible.

And in this corner, the United States: The standard setting system in the United States could scarcely be more different. Instead of government tasking its employees to create standards, private citizens create them (and other commonalities, such as open source software), either at the behest of their employers through consortia, accredited standards development organizations (SDOs), and (more recently) open source projects, or of their own volition as individual members of SDOs and open source projects.

Moreover, there is no central direction of the standard setting process whatsoever by Federal or state governments, nor is there any systemic, direct economic support from public sources. Such benefits as the U.S. government does provide are instead indirect, and include:

- Pre-standardization funded research (e.g., through the National Institute of Science and Technology and grants to fund test bed projects in certain consortia).
- Direction of government procurement (through the passage of the Technology Transfer and Advancement Act of 1995 (TTA), which requires government agencies to participate in standard setting organizations, as well as to purchase products that conform to open industry, rather than government-unique, standards whenever possible).
- Legislation to lessen the antitrust risks of collaboration (through the National Cooperative Research and Production Act, as from time to time amended).
- Voicing objections and filing complaints against violations by other countries of rules against erecting technical barriers to trade through abuse of standard setting and conformance testing.

While each of these efforts (and most particularly the passage of the TTA) is significant and helpful, they collectively demonstrate a "hands off" approach to standard setting that allows the marketplace to determine what types of standards are needed, and what types of organizations may best be employed to create them.

Top Down vs. Bottom Up: Superficially, each strategy has its advantages and disadvantages, which may be summarized as follows, beginning with China:

Advantages:

- National goals can be identified, and a powerful and highly targeted approach can be designed to achieve those goals.
- Strategies can be designed that benefit identified stakeholders (e.g., citizens as consumers) and not just vendors.
- Central authority can deploy resources and enforce goals in a coordinated fashion.
- The same authority can defend against retaliatory actions, using ad hoc diplomatic as well established treaty mechanisms.
- Finely calibrated strategies can be devised that push trade treaty restrictions to maximum permissible limits.
- Alliances can be formed with other national standards bodies on a peer-to-peer basis.

Disadvantages:

- While building a battleship creates a formidable weapon, it is difficult to turn such a structure once under way, and even harder to re-design once it has been launched.
- Unitary strategies create blunt weapons that will, if successful, achieve large goals, but may be poor at optimizing results across the board in all situations.
- Battleships make large and visible targets that attract the attention – and retaliation – of all that feel threatened by them.
- Diplomatic capital that may be sorely needed elsewhere may need to be expended mending trade treaty fences when the strategic hand is overplayed.
- The goal of avoiding foreign royalties may result in the inclusion of “less than best” elements in standards.

The United States system, on the other hand, measures up as follows:

Advantages:

- With an infinite number of actors, each actor (or group of actors) can pursue a strategy that is optimized to achieve the success of its individual objectives.
- With no central planning, each actor (or group) can be more nimble, adapting in real time to changed circumstances and taking advantage of opportunities as they become visible.
- Multinational Corporations (MNCs) headquartered in the United States can pursue a global, rather than a national, strategy intended to maximize sales based on a global market.
- All available approaches can – and will be – aggressively pursued (e.g., in accredited standards development organizations, consortia, open source projects, etc.)
- Initiatives can be launched quickly and opportunistically, without the need to clear action through a central bureaucracy.
- Multiple standards efforts may be launched simultaneously, with the market choosing the best solution from the completed offerings.

Disadvantages:

- Except as a result of market consensus, there is little coordination in disparate efforts (often, even by the representatives of the same company acting in different standard setting venues).
- Waste of resources may result from competing, needlessly redundant initiatives.
- The assistance of government is difficult to recruit, either in a given case or in support of broad objectives.
- MNCs headquartered in the U.S. may have less influence abroad (e.g., in Europe) while receiving little support from the United States government to offset this disadvantage.
- Consumers have little influence on outcomes.

As can be expected, each system will be more advantageous in some circumstances, and less so in others.

The right tool for the job? With the above as prelude, it is possible to ask whether China has designed the right infrastructure to achieve its goals, and whether it has devised a strategy that is optimized to take advantage of that infrastructure? And finally, how skillfully is China playing its hand globally?

China's new strategies are still being deployed, and the jury's verdict therefore remains to be heard. But a preliminary score card might look something like this, based on the outcomes of several instances in which China has tried most visibly to deploy its standards strategy to domestic advantage:

Structure: The infrastructure that China has designed is formidable, and its ability to identify goals and commission standards has been demonstrated. Finally, the enormity of its resources permits a broad work program to be maintained, as well as the integration of that program into both research and development as well as final productization. It is still too early, however, to know whether this potential will be realized, or whether bureaucratic or other issues will lead to centralization being more of a curse than a blessing.

Technical effectiveness: There is as yet not much data upon which to judge China's technical prowess in creating robust standards, but some interesting data will become available soon. Of particular interest will be China's own decision on granting 3G telephone licenses, and specifically whether its homegrown TD-CDMA standard will be chosen. Field-testing of TD-CDMA is scheduled to be completed in June.

Diplomatic effectiveness: To date, China has not been successful in holding the line on enforcing its domestic WAPI wireless security standard. Instead, an international hue and cry of vendors, backed up by direct intervention by the United States at the highest diplomatic levels, resulted in the "indefinite postponement" of the required application of that standard.

Standards body participation: China has failed thus far to prevail in persuading the relevant ISO working group to incorporate the Chinese WAPI proposal into the wireless standard under study. And, while China is beginning to engage in global *de jure* standards bodies, it has not yet begun broadly participating in consortia. On the other hand, a number of consortia have recently scheduled large meetings in China, indicating a recognition of the need to accommodate Chinese views and encourage Chinese participation.

In summary, it is still premature to form firm judgments on how successful China will be in deploying its recently devised standards strategy. But it is clear that if its substantial investment in infrastructure is to pay off, its political skills as they relate to the highly competitive world of standards will need to be further refined.

Effectiveness of United States Response: It is also interesting to ask how successful the United States has been to date, and will be in the future, in responding to China's new standards initiatives, using the same measures:

Structure: American's highly distributed standards infrastructure will have the advantage of speed and responsiveness to evolving market conditions, but will suffer when it comes to coordination, since every company, and every standards development organization, is a free agent in devising its own standards strategies. While such a structure can be quite effective in addressing a particular standards challenge, it is not well equipped to confront the coordinated initiatives of powerful national governments abroad.

Technical Effectiveness: The rough and tumble of commercial competition is notoriously apt to lead to the success of the best marketed, rather than the best technical, results. Also, standards development organizations that put the greatest emphasis on consensus may be slow to market with watered down standards, and game playing in any type of organization can result in delays.

Diplomatic effectiveness: As regards China, United States vendors and U.S. headquartered MNCs are in far better field position than would ordinarily be the case, due to the fact that the U.S. is entitled to monitor (and is in fact very strictly monitoring) China's compliance with its WTO and TBT obligations. This scrutiny is not likely to be relaxed even after China's WTO accession probation period expires, due to the magnitude of China's impact on the U.S. economy as both an exporter and an importer of goods, and due to its increasing role in exacerbating America's ever-widening balance of trade deficit. Still, it is unlikely that the U.S. government will become actively involved in every case, leaving China with the opportunity to probe for weaknesses across a broad front.

Standards body effectiveness: While China is still learning how to play the game, the United States may expect to hold the upper hand. However, given the fact that there is no current mechanism in place to coordinate the actions, positions and strategies of consortia (which are disproportionately responsible for the development of the information and communications technology standards that are most at issue), this situation may reverse as China forms closer ties with other nations and regions, such as Europe.

In summary, the United States is well positioned in the short run, but unless it embarks upon a conscious effort to craft and deploy a systemic response to China's standards strategy, it may be overtaken in the future.

Conclusions: The ongoing deployment of China's new standards strategy will provide a textbook test of the efficacy of "top down" standards regimes vs. their "bottom up" peers. Currently, China is in many ways still on a learning curve, as it tests its strategy in the trenches of global commerce. As a result, its early forays into standards politics would at best be expected to result in mixed success. But as its skills increase, its formidable infrastructural commitment may be expected to raise its rate of success.

Similarly, given China's manufacturing power, it may be expected that other countries that also have national strategies will (as Europe already has) make overtures that may lead to alliances that may work to U.S. disadvantage. Moreover, individual multinational corporations may opt to adopt China's domestic standards regardless of their adoption of different standards in other markets, if that is the price of admission to so vast a market.

But perhaps most tellingly, the mere fact that China has incorporated standards into its national policies and interwoven a standards-based strategy into its five year plan will be likely to put United States economic interests at a disadvantage, if there is no conscious effort to craft a responsive coordinated strategy. Unfortunately for the United States, a "bottom up" system has few mechanisms in its tool kit to devise and deploy such a strategy.

Ultimately, it is likely that there will be many variables that go beyond a simplistic evaluation of standard setting approaches that will affect final outcomes. But United States industry would be unwise to ignore the challenge that China's coordinated approach may present to the more casual and chaotic approach to standards that the United States has traditionally adopted.

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From the Standards Blog

‡ ‡ ‡ **April 29, 2005**

#27 Social Standards, School Violence and Taboos: In respect of Red Lake

Perhaps the most pervasive type of standard to be found throughout human existence is the kind intended to regulate social actions. Indeed, as demonstrated by the many formal behaviors observed in chimpanzees and other primates, social standards predate even the evolution of hominids.

There must be something, therefore, that is particularly useful in such a persistent type of standard. What might that be, and what might sophisticated, freethinking inhabitants of the modern networked world learn from such quaint tools?

Simply stated, social behavior standards fall into two types: things you know that you should do, and things you know you should not do. In each case, these directions and proscriptions help societies avoid conflict, foster collaboration, and establish hierarchies. Collectively, they allow each member of a group to understand his or her obligations to the rest of the community, and hence allow us to manage to live in contact with each other with a minimum of friction and a maximum of cooperation.

While closely related to morals, behavioral standards are less theoretical and to the point. They are the Ten Commandments, and not the principals that lie behind them. Behavioral standards are therefore easier to understand and to obey (what's not to get in "Thou Shalt Not Kill?")

Social standards are remarkably economical in another way as well: they are literally learned at our parents' knees. We may not even remember how or when we learned them, but we know what is expected of us for the rest of our lives (whether we actually conform to such standards, of course, is something else – especially when no one is looking).

Social standards, as a result, can be uniquely useful and essential to society, and perhaps more so now than ever as the world becomes a more crowded and contentious place.

Today, however, social standards are perhaps the least appreciated of all types of commonalities. Indeed, they are often denigrated as anachronistic and claustrophobic – as being inimical to freedom and a drag upon the joys of self-expression. All of which, of course, may be true, especially in small towns and other settings where everyone knows what everyone else is (and isn't) doing.

Given how liberated and educated we all are today, does this mean that it is time for social standards to be consigned to the ash heap of history?

Well, perhaps they deserve a bit more consideration before we turn our backs upon them for good.

Consider this:

For thousands of years, many societies have employed the concept of the “taboo” - a prohibition placed upon an act that is deemed to be so evil as to be unthinkable. To violate a taboo is to knowingly offend the gods, and to literally expel oneself from society. In early cultures, the result of such an expulsion could be expected to lead to starvation or violent death. In consequence, taboos have often supplied the front line of defense to protect the societies that employ them from the most threatening types of behavior.

The concept of the unthinkable is as clever as it is powerful, because (acts of rage aside) one must contemplate an act before one can commit it. If society can successfully instill the idea that a given act is truly “unthinkable,” then those who might otherwise be disposed to performing the same act will recoil from even considering the forbidden behavior. Problem solved.

The taboo can therefore be a very useful societal tool indeed. But in the United States (especially) today, we have decided not only to abandon the concept of the taboo, but also to aggressively destroy any vestiges of its power that might have survived in our collective unconsciousness. And all to serve the higher values of profit and entertainment.

I find it very strange that modern western society has chosen to embrace the fictionalized performance of the most horrific acts of violence as entertainment, first in television and cinema, and now in video games. Why is it that we find watching (and watching, and watching and watching) abhorrent behavior to be so worthwhile?

Strangely, we seem never to have considered the possibility that watching the fictionally unthinkable might eventually make actually doing the unthinkable more thinkable for some people.

One of the latest examples of behavior that American society professes to find “unthinkable” is school violence. An almost universal cry of “Why?” greets each new instance of carnage, whether by an adult, or by a child (as at Columbine ten years ago this month, and at the Red Lake Indian Reservation only a few weeks ago). Each time such an event bursts once again into the headlines, we throw up our hands and profess an inability to plumb the depths of such “inconceivable” behavior.

But what justification, after all, have we to regard violent behavior by adolescents as unthinkable? In fact, our society barrages children with a flood of images -- some fictional, and some in the news, that make drawing, aiming and firing a gun at another human being very conceivable indeed. Most tellingly, we even regard adolescent Laser Tag and paintball parties as being nothing other than good, clean American fun. Why not dress children up in faux flak jackets, hand them realistic looking weapons, and invite them to stalk and “kill” their peers?

Why not indeed? Perhaps because we have not only thrown out the concept of the taboo, but even encouraged adolescents to “try out” what it feels like to waste someone who may have bullied them. The trigger gets pulled, the “bullet” hits, and the shooter “wins”, with no immediate consequences.

What are we thinking (if indeed we are thinking at all)?

We all know that suicide is disturbingly prevalent among adolescents. Hence, we know that many children can face with equanimity the taking of an action that represents the ultimate act of violence to the perpetrator himself. If this act of detachment or rationalization - the taking of one's own life - is so thinkable to an adolescent, why are we surprised if the same child instead chooses to resolve differences by doing what they did or saw on Saturday at the paint ball party - and this time using Dad's gun?

Society needs to express moral indignation in a consistent and clear fashion. If we truly profess to believe that certain behaviors are inconceivable, then society should not demonstrate ambivalence on the subject. Moreover, we should recognize (and even respect) the inexperience and confusion of adolescents, and not impose a burden of discernment upon them that some, demonstrably, are not able to bear. Each of us owes it to our own children to give all children every tool at society's disposal to demarcate clear boundaries between what is right and what is wrong.

Perhaps, then, taboos do have a place in modern society. We have truly and gratuitously abandoned this useful tool when we give adolescents the opportunity to rehearse unthinkable behavior with "play" stations and video screens, or with paint ball gun in hand, and schoolmates in their sights.

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EVENTS

LANDMARK MEETING OF ANSI AND CONSORTIUM LEADERS HELD IN BOSTON

On March 23, Gesmer Updegrove LLP hosted an unusual meeting in Boston. The purpose was to brief the leaders of the consortium community on current efforts to revise the United States Standards Strategy, and to solicit their views on what that strategy should seek to accomplish. But perhaps more significantly, this was the first formal meeting between the American National Standards Institute (ANSI) and the parallel universe of consortia.

ANSI represents U.S. interests in a number of important global standards organizations, and accredits those traditional standards development organizations (SDOs) that are formed to primarily benefit U.S. interests. Consortia, on the other hand, are not accredited by any national or international authority, and seek to set global standards. Many, however, are headquartered in the United States, and include a substantial number of U.S. headquartered companies in their memberships. Since SDOs are formed to represent national interests, while consortia are created to serve the interests of an international membership, the paths of these two communities cross constantly in the trenches, but almost never in a formal fashion, except through the many one-on-one liaison relationships established between those SDOs and consortia that address the same or adjacent technical areas.

But in fact, the interests of the members of each type of organization have much in common besides technical interests. For one, their memberships heavily overlap. Second, the United States is the largest technology consumer in the world, and its government asserts the influence of the world's only current superpower. Hence, all members of consortia, wherever located, will be influenced by what the final revision draft of the United States Standards Strategy promotes. At the same time, that strategy, in its revised form, will have a new recognition that United States interests are best served not by narrow,

national strategies, but by the continuing evolution of an open and effective global standard setting infrastructure.

Leaders of 21 consortia (including W3C, OASIS, WS-I, IETF, OMG and many others) attended the meeting, representing many of the most influential standard setting organizations in the world. Members of the revision committee represented not only ANSI institutionally, but corporate, SDO and governmental members of ANSI as well.

The meeting was also significant from another respect: while leaders of SDOs meet regularly under the ANSI umbrella, there is no similar organization that brings consortium leaders together to address matters of common concern, and to make common cause when coordinated action would be beneficial. In consequence, the meeting was one of the largest face-to-face meetings of consortium leaders ever held as well. A side benefit of the meeting for those consortium leaders that attended was the realization that there are areas of common interest (e.g., consistent political messaging and more effective expression of interests to foreign governments) that SDOs can address through ANSI that consortia cannot, through lack of any existing mechanism.

The day was marked by an active and interesting exchange of ideas, and a recognition that these two worlds have far more in common than either community may previously have realized. The consensus of those present was that future meetings should be held to continue this exchange of ideas to mutual benefit.

The full text of the ANSI post-meeting news announcement is as follows:

U.S. Standards Strategy on the Road: Reaching Out to Consortia
First of a series of informational forums on the revision of the Strategy held in Boston

New York March 29, 2005 -- A landmark event occurred in Boston, Massachusetts, today as representatives from 21 consortia convened with members of the voluntary consensus standards community for the largest known meeting of the two constituencies.

Hosted by Gesmer Updegrove LLP and organized by the [U.S. Standards Strategy](#) (USSS) Committee, the session was held specifically for the purpose of information sharing and soliciting input from consortia on the draft revision of the Strategy that is currently underway. The USSS (formerly known as the [National Standards Strategy](#)) serves as a strategic framework to help guide standards-related activities impacting trade, market-access, emerging national priorities and more.

"The United States Standards Strategy is being developed for U.S. stakeholders by U.S. stakeholders," explained S. Joe Bhatia, chairman of USSS Committee, and executive vice president, international, for Underwriters Laboratories Inc. (UL). "Because this Strategy addresses critical issues such as market access, global relevancy, coherence, inclusivity, education, public awareness and acceptance, it is imperative to have the input of as many members of standards community as possible."

The first edition of the Strategy was issued in 2000. In mid-2004, the Board of Directors of the American National Standards Institute convened the committee under Mr. Bhatia's leadership to determine whether the NSS needed to be revised to reflect current issues and anticipated trends.

During the past year, more than 100 members of the standards and conformity assessment community - representing a broad cross-section of diverse interests including industry sectors, small, medium and large organizations, federal and state government, and more - have participated in the review process. The caucus for consortia is the first in a series of sector-specific forums to promote dialogue and input as the committee nears its target date for completion of the Strategy.

"We were very pleased with the large turnout from the consortia representatives and their active participation," added Bhatia. "I think many of us came away with a newfound respect for the commonality of our various organizations. This meeting may well be the stepping stone for forging a new relationship between consortia and the developers of voluntary consensus standards."

"Whether focused on Information and Communications Technology, financial services, or other industries, consortia play a vital role in the global standards-setting infrastructure," explained Andrew Updegrove, a USSS Committee member and partner of Gesmer Updegrove LLP. "While these organizations have a global membership, United States companies participate in them extensively. The standards consortia create are particularly important to the technology sector, which contributes strongly to the United States economy. It is important that the voice of consortia be heard during the development of the USSS and that the Strategy addresses national priorities from a global perspective."

A draft of the revised strategy was released for public review and comment earlier this month; comments are due by April 18, 2005. A [public forum](#) is planned for April 15 in Washington, DC, and will provide an opportunity for the public at large to hold a dialogue on the revised draft of the Strategy.

For more information on the U.S. Standards Strategy, visit www.ansi.org/uss.

THE REST OF THE NEWS

Every day, we scan the web for all of the news and press releases that relate to standards, and aggregate that content at the [News Section](#) of ConsortiumInfo.org. For up to date information, bookmark our News page, or take advantage of our RSS feed: www.consortiuminfo.org/news/rss. Updates are posted Monday through Friday. The following is a selection of the many stories from the past month that you may find digested at ConsortiumInfo.org.

Standards and Society

We are one; we are the Web: *As the World Wide Web begins its second decade of promise of global accessibility of information for all, there are ever more frequent examples of that promise being fulfilled. The first two stories below symbolize the increasing equality of access to the Internet in both the third and the first world, while the third gives evidence of the World Wide Web Consortium's continuing commitment to give equal access and influence to countries large and small, rich and poor. The last story indicates a different type of maturation taking place: the increasing interest being taken by global governance bodies (i.e., the United Nations and the venerable International Telecommunications Union) in the Internet – and more particularly, who should “govern” it.*

Africa: Internet Advances

AllAfrica.com, April 22, 2005 -- As of April 2005, the African continent now has its own regional internet registry, AfriNic, with responsibility for assignment of internet addresses within the continent. This long-awaited development has the potential to save some \$500 million in fees paid outside the continent each year to registries in Europe and North America. The agency, which received formal approval at an international meeting in Argentina on April 8, is headquartered in Mauritius, with an operations center in South Africa and back-up facilities in Egypt. The launch of AfriNic is one sign of the emerging maturity of internet operations in Africa, as advances at many levels move beyond conference talk about information technology to practical applications. While gaps in infrastructure and equipment are still substantial, more and more advances now depend on the human capacity to take cost-effective advantage of those opportunities already available....[Full Story](#)



Europe has its own Internet domain

softpedia.com March 26, 2005 -- The organization internationally entitled to grant and administrate web domains, ICAAN (Internet Corporation for Assigned Names and Numbers) approved the release of an European web domain characterized by the .eu extension. During an ICAAN recent meeting, the president of this organization, Vint Cerf, signed the agreement with Eurid (the consortium assigned by the European Commission to regulate the new web domain) through which the .eu domain was born.

Negotiations between the two organizations lasted almost six months, although the European consortium was hoping to establish quickly the domain functioning conditions and rules. No explanation was given on why the adopting and approving of the domain was delayed. So far, the technical details haven't been solved and they will take another two weeks. ...[Full Story](#)



W3C cuts member fees to help developing countries

By: Paul Festa

CNETNews.com, April 20, 2005 -- Claiming that its existing fee schedule discouraged such groups from joining, the Web's main standards body on Wednesday said it had given small companies and nonprofits in lower-income countries a 15 percent to 60 percent fee reduction. "We want interests and needs of a larger community to be represented in the work that we do," said W3C representative Ian Jacobs, who added that the fee reductions were part of a larger international outreach effort. "The World Wide Web requires input from the whole world." The W3C's new fee schedule, effective April 1, groups nations into four categories established by the World Bank: high-income, upper-middle income, lower-middle income and low-income. ...[Full Story](#)



The U.N. thinks about tomorrow's cyberspace

By: Declan McCullagh

ZDNet, April 6, 2005 -- The International Telecommunication Union is one of the most venerable of bureaucracies. Created in 1865 to facilitate telegraph transmissions, its mandate has expanded to include radio and telephone communications. But the ITU enjoys virtually no influence over the Internet. That remains the province of specialized organizations such as the Internet Corporation for Assigned Names and Numbers, or ICANN; the Internet Engineering Task Force; the World Wide Web Consortium; and regional address registries. The ITU, a United Nations agency, would like to change that. "The whole world is looking for a better solution for Internet governance, unwilling to maintain the current situation," Houlin Zhao, director of the ITU's Telecommunication Standardization Bureau, said last year. Zhao, a former government official in China's Ministry of Posts and Telecommunications, has been in his current job since 1999. ...[Full Story](#)



Somber lessons learned: *It has now been three and a half years since the collapse of the Twin Towers. The National Institute of Science and Technology (NIST) has used that time to analyze what structurally worked, and what did not, on that fateful day, and now the International Code Council plans to put its data to good use.*

World Trade Center 9/11 investigation could result in new

ICC Press Release, April 5, 2005 -- The nation's leading developer of building safety and fire prevention codes will use findings from an investigation into the World Trade Center attack to better understand what led to the towers' collapse and develop construction guidelines to better protect lives and property. The International Code Council will use its code development process to address building safety and fire prevention code issues raised in the National Institute of Standards and Technology (NIST) findings from its World Trade Center investigation. "NIST has done an important public service by conducting this comprehensive study," said International Code Council CEO James Lee Witt. "The International Code Council intends to fully review its findings as it strives to continue to improve building safety and protect lives and property." International Code Council members last year approved a change to the International Building Code (IBC) related to the World Trade Center collapse. The IBC now requires that buildings 420 feet and higher have a minimum three-hour structural fire-resistance rating. The previous requirement was two hours. ...[Full Story](#)

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Medical Standards Update

Data and methodological convergence: *What are genes other than data recorded on a different medium, and (also) what better way to study them than with computers? With the increasing sophistication of biomedical knowledge has come not only greater dependence on information technology analytical tools, but also the adoption of consortium techniques, standards and open source to further that knowledge. In the first piece below, NIST reports on an upcoming meeting to explore the formation of a consortium to study gene expression, while the second reports on the use of a dialect of the ever versatile XML (in this case, "Systems Biology Markup Language", or SBML) to create an open source, online database to study biological models.*

Meeting to Explore Possible Gene Expression Consortium

NIST Tech Beat, April 21, 2005 -- The National Institute of Standards and Technology (NIST) will host a meeting on May 16, 2005, in Boulder, Colo., to explore the possibility of creating a NIST-industry consortium focused on gene expression metrology. Parallel and closely related advances over the last few years in the sequencing of whole genomes and the development of so-called gene microarrays have fueled an explosive growth in data on genes and their functions. Gene microarrays use thousands or tens of thousands of short lengths of single-strand DNA, fixed in a grid about the size of a postage stamp, to rapidly measure gene activity. It's a powerful technology, but one that has evolved rapidly, and in advance of any underlying scientific infrastructure to quantitatively evaluate the quality of individual experimental results. ...[Full Story](#)



SBML and the BioModel Database

WorldChanging, April 11, 2005 -- Today sees the opening of BioModels, an online database of annotated open biological models. BioModels is a collaborative effort of the UK's European Bioinformatics Institute, the Keck Graduate Institute in the US, Japan's Systems Biology Institute and Stellenbosch University in South Africa, along with the Systems Biology Markup Language (SBML) team. SBML is a standardized, open source language for describing the behavior of biological systems, allowing biologists to share models and results easily. Even the simplest living organisms perform a mind-boggling array of different processes, which are interconnected in complex ways to ensure that the organism responds appropriately to its environment. One of the best ways of ensuring that we really understand how these processes fit together is to build computer models of them. If a computer model behaves differently than the real organism, we know that we've neglected an important component of the system....[Full Story](#)



Web Services Update

Painting in the picture: For the last two years, we have been reporting on the fleshing out of the Web Services Roadmap. Initially, the stories focused on the submission of new draft specifications to OASIS and the W3C, and then on the release of finished standards. Now the process is in a more mature phase, with more news releases dealing with the refinement of already released standards, as in the first two articles below. In another type of evidence of a maturing market, criticism is leveled at two of the three companies that created the Roadmap. In this case, the criticism comes from a knowledgeable source: a former executive of the third company: BEA Systems.

OASIS Approves First International Dictionary for UBL

By: John K. Waters

ADTmag.com, April 21, 2005 -- The Universal Business Language (UBL) is on its way to becoming truer to its name. The English-only standard for XML business documents in B2B applications, approved last November by the OASIS standards consortium, has been translated into four new languages. OASIS last week approved the first edition of the UBL 1.0 International Data Dictionary (IDD), which comprises over 600 business data definitions from the UBL 1.0 schema, combined with translations of the definitions into Chinese, Japanese, Korean and Spanish. The purpose of UBL is to unify the various business "dialects" of XML used in electronic commerce. UBL standardizes the XML format of basic business documents, making purchase orders, invoices and other business forms--the docs used in the "order-to-invoice process"--readable by compliant XML applications for e-business transactions. ...[Full Story](#)

OASIS TC to Finalize WS-ReliableMessaging and WS-RM Policy Assertion Specifications.

The Cover Pages, April 19, 2005 -- Twenty-five months after the first public announcement for the Web Services Reliable Messaging Protocol (WS-ReliableMessaging), the co-authors BEA Systems, IBM, Microsoft, and TIBCO have announced that the WS-ReliableMessaging and WS-RM Policy specifications will be submitted to OASIS for further refinement and finalization as a Web services standard. In February 2005, WS-RM was re-published as two separate specifications: one for the core protocol elements and one for the related policy assertion. WS-ReliableMessaging "describes a protocol and SOAP binding that allows messages to be delivered reliably between distributed applications in the presence of software component, system, or network failures. The protocol is described in this specification in a transport-independent manner allowing it to be implemented using different network technologies. ...[Full Story](#)



Web services standards efforts controlled, says Bosworth

By: Paul Krill

InfoWorld, Santa Clara, CA April 21, 2005 -- Former BEA Systems (Profile, Products, Articles) executive Adam Bosworth on Thursday criticized what he called the control of Web services standards development by companies such as IBM (Profile, Products, Articles) and Microsoft (Profile, Products, Articles), who collaborated with BEA on these standards during Bosworth's tenure. Control of the standards by the large vendors has prevented Web services from enabling a Web that is far more able to mine, filter, and transform data than what is happening now, according to Bosworth, who is now a vice president at Google (Profile, Products, Articles). He made his comments while serving as a keynote speaker at the MySQL Users Conference 2005 show. ...[Full Story](#)



Intellectual Property

Department of "What are they thinking?" Those that think that the U.S. patent system is in need of a serious overhaul are legion - including the FTC and Department of Justice, which recommended a number of significant changes after holding public hearings on the topic. The complaints are particularly heated as

regards the patenting of software, which is not currently permitted in Europe. Thus it is that the debate has been quite heated for the last year (as noted in the first item below), during which Europe has been considering extending patent protection to software – a move advocated by many large corporations. But not, perhaps, all – as indicated by the second article, in which an IBM executive expresses the opinion that the U.S. system is “lousy” – and that the U.S. should be emulating European practices, rather than the other way around. Meanwhile, the last item shows why the issue is of special interest to IT standard setting.

European Parliament Debates IT Patent Proposal

By: Matthew Broersma

eWeek.com April 23, 2005 -- The European Parliament on Thursday held a major debate on the European Union's proposed IT patenting legislation, exposing divisions that will make it difficult for Members of European Parliament to make changes to the controversial proposal....At stake is whether the EU will bring in more permissive rules on software patents, bringing it into line with patent practices in the United States and Japan. Currently, patents on pure software and business processes are not enforceable, making it impossible for large companies to bring their patent arsenals into play in the region...."There is really an incredible amount of lobbying going on, and most MEPs don't know who to believe anymore," Maebe said. "Everyone is claiming to represent SMEs [small and midsize enterprises], and everyone is saying that if their side fails it will kill innovation." He said the FFII wants the parliament to either pass amendments similar to those that came out of the first reading or to kill the directive. ...[Full Story](#)



IBM exec: U.S. could learn from EU, China patent policy

By: Robert McMillan

IDG News Service April 9, 2005 -- The U.S. should look to regions like China and the E.U. for ways to improve intellectual property (IP) policy, or it runs the risk of driving business out of the country, an IBM (Profile, Products, Articles) executive said Wednesday during a keynote address at the Open Source Business Conference in San Francisco. Describing the U.S. patent policy as "lousy," IBM Vice President of Technology and Strategy Irving Wladawsky-Berger said that the U.S. Patent Office has been simply too lax in granting patents. "Any idiot can get a patent for something that should never be granted a patent," he said. ...[Full Story](#)



Patent Office Chief Endorses Legal Reform

By: Declan McCullagh

CNET News.com, April 26, 2005 -- The head of the U.S. Patent and Trademark Office has endorsed some key reforms that Congress is scheduled to consider this year. Patent Office chief Jon Dudas said Monday that federal law should be changed to award a patent to the first person to file a claim and to permit review of a patent after it is granted. Currently patents are awarded to the first person who concocted the invention, a timeframe that can be difficult to prove. The Patent Office already has a backlog of 490,000 applications and is planning to hire 800 more patent examiners, bringing its total to 4,400. It approves more than 500 patents per day. Monday's hearing before a Senate Judiciary subcommittee kicked off a process that's expected to end in new legislation being drafted by the end of the year. ...[Full Story](#)



Patent Claims Are a Red Herring, Microsoft Says

By: Lisa Vaas

eWeek.com, March 25, 2005 -- Microsoft says an anti-patent agenda is behind groups questioning the legitimacy of Redmond's patent on automatic IP address generation. "This isn't the first time we've seen

these groups [the Public Patent Foundation and the Software Freedom Law Center] make accusations about Microsoft patents," said David Kaefer, Microsoft's director of intellectual property licensing. At the crux of the matter are allegations that Microsoft failed to disclose prior work done by the IETF (Internet Engineering Task Force) on the technology in question when it applied for the patent in April 1998. PubPat's investigations have uncovered several references to the technology that count as prior art to the patent, Ravicher said, including several RFCs (requests for consensus) from the IETF's IPv6 working group. Several Microsoft engineers who were involved in the IETF working group also show up as inventors listed on the patent, Ravicher said -- a circumstance that may rule out the possibility that Microsoft's left hand didn't know what its right hand was doing. Because Microsoft is not, apparently, asserting its patent, PubPat is not pursuing a remedy at this time, Ravicher said. That does not mean, however, that companies have not been intimidated by the patent. ...[Full Story](#)



Learning how to share nicely: *Further to the same thought, IBM (which annually files more patents than any other company in the U.S.) continues to take other actions reflective of a more nuanced approach to intellectual property value, as indicated by the following two articles, each of which addresses broader thinking over how such rights can best be employed in today's networked, interoperable, open source world.*

IBM: Proprietary technology not enough

By: Stephen Shankland

CNET News.com, San Francisco, CA, April 6, 2005 -- IBM, the company with more intellectual property than any of its competitors, believes it's time to learn how to share. Irving Wladawsky-Berger, vice president of technology and strategy at IBM, said the days are gone when a company could get by on its own. Now, cooperation is the order of the day, he said at the Open Source Business Conference here. "In the old days, maybe 10 years ago, a business thought everything they did had to be proprietary and intellectual property (IP) had to be protected against all comers," Wladawsky-Berger said. Now, though, "if you really want to tap into the energy of communities out there, you need to balance your proprietary approach to IP with a much more open, collaborative approach." ...[Full Story](#)



IBM opens lid on its treasure chest

By: Steve Lohr

International Herald Tribune, April 11, 2005 -- IBM is renowned for its big, rich storehouse of patented inventions. It once again led the research sweepstakes in the United States last year, collecting 3,248 patents, more than any other company. And it earned more than \$1 billion last year from licensing and selling its ideas. So why has IBM shifted course recently, giving away some of the fruits of its research instead of charging others to use it? The answer is: self-interest. International Business Machines has calculated that sharing technology can sometimes be more profitable than jealously guarding its property rights on patents, copyrights and trade secrets. The moves by the world's largest supplier of information technology services and computers, as well as its embrace of European Union proposals aimed at greater openness, are being closely watched throughout the business world. ...[Full Story](#)



Story Updates

1209 Brinksmanship (up to a point): *For years, Sony and Matsushita et al., on the one hand (through the Blu-Ray standard they created), and Toshiba, NEC and their allies, on the other hand (through the competing HD DVD standard that they developed) have been in a high-stakes, winner take all replay of the Betamax/VHS consumer debacle that most of the same parties put the market through some thirty years ago. Now, it seems, each side has decided to call it a draw - under pressure from the content owners and other that would have borne the brunt of a continuation of the battle into the actual*

marketplace for next-gen players and discs.

Sony, Toshiba to develop common next-generation DVD format

Japan Today, Tokyo, April 21, 2005 -- Sony Corp and Toshiba Corp have started talks toward an agreement to jointly develop a new unified standard for next-generation DVDs, after battling three years to push for separate rival standards, company sources said Thursday. Sony and Matsushita Electric Industrial Co introduced the Blu-ray standard in February 2002, and Toshiba and NEC Corp followed with the HD DVD standard. The two camps are expected to agree as early as next week to unify their next-generation DVD formats into a common standard to cut costs and benefit consumers. ...[Full Story](#)



Stop me before I tag again(?) *As EPC Global prepares to submit its first-generation, passive RFID tag to ISO for global approval, the press is rife with stories of massive security breaches of consumer credit information in the U.S. Soon, RFID tags are expected to make the jump from bulk palette shipments to individual tubes of toothpaste. Not everyone is happy about that, as reported in the following article. It seems certain that you and I will be carrying tagged items home with us at some point in the future. What's not yet known is whether legislative action will be taken to regulate what can be done with the data that these tags will supply.*

RFID policy panel raises privacy concerns

By: Grant Gross

InfoWorld, April 6, 2005 -- Radio frequency identification (RFID) technology has many current and future benefits, but U.S. policymakers need to be aware of potential privacy and security problems of the rapidly evolving technology, a privacy advocate and a security expert said Wednesday. A parade of RFID vendors and users championed the potential of the technology at a U.S. Department of Commerce workshop on RFID and its policy implications, but Paula Bruening, staff counsel at advocacy group the Center for Democracy and Technology, warned that RFID is one example of a growing trend toward businesses collecting and using their customers' personal data. ...[Full Story](#)



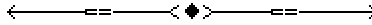
Wireless Update

The Wild, Wild, Wireless West: *Everyone knows that the commercial world is x parts reality and y parts hype (test your personal cynicism quotient by supplying the value of y), and standards are a part of that game. This has been particularly true in the wireless connectivity world, as varying standards have been promoted by those that have staked a claim on one standard or the other, and gun jumpers have claimed that they are selling compliant products before standards have been completed and compliance testing begun. In this month's sampling of wireless news we note the ongoing WiMAX certification, the need for switching standards, and the convergence of television signals and wireless connectivity.*

iMAX Forum Certified Products Will Ship In 2005

By: Patrick Norton

ExtremeTech, April 19, 2005 -- It's a sign that WiMAX might be more than just hype. The WiMAX Forum has announced that WiMAX products will be on the market by the end of 2005, and the WiMAX Certification program will be testing products by July. That's the word from the quarterly WiMAX Forum members meeting held last week in Málaga, Spain. "Based on a recent survey of our members regarding their plans to submit products for Certification when the lab opens in July, we expect to see multiple vendors offering WiMAX Forum Certified product in the marketplace before the end of the year," said Ron Resnick, president of the WiMAX Forum. ...[Full Story](#)



Wi-Fi switch makers search for standard

By: Marguerite Reardon

ZDNet.com, April 8, 2005 -- As large companies install Wi-Fi in their offices, equipment suppliers are challenged to come up with a new standard that will allow gear from different companies to work together. Interoperability between radio access points used to transmit signals throughout offices and a new breed of wireless LAN (local area network) switches that centrally control these switches has been an issue for some time. Companies that want the ease and security benefits of using a centrally managed wireless switch have been forced to buy access points from the same supplier. Now, makers of this wireless gear are getting together to come up with a new standard that will ultimately allow switches to operate with any radio frequency access point. "It all comes down to customer choice," said Pat Calhoun, CTO of Cisco Systems' wireless business unit. "There are a lot of companies coming out with innovative RF (radio frequency) technology, so we want to give the customers the freedom to mix and match." ...[Full Story](#)



16 vs. 22: Which Will Get the TV Spectrum?

By: Ed Sutherland

Wi-Fi Planet, April 4, 2005 -- With the IEEE Atlanta Plenary Session over, news of progress on UWB and the high-speed 802.11n could overshadow a potential civil war between two factions scrambling to control what has been described as the nirvana of wireless spectrum. It's almost fitting that a war of words between the somewhat beleaguered 802.16 (WiMax) proposal and the newly-developed IEEE 802.22 spec has taken on the proportions of a television drama. At stake is a swath of sub-900 MHz TV bandwidth the FCC proposes to open to unlicensed wireless use. ...[Full Story](#)



Who's Doing What to Whom

Do unto others (before they do unto you): Standards, as we are wont to observe, matter. And as with all things that matter, they often lead to less than ideal social behavior. This month's selection of articles in this subject area show the various plays involving standards (or the advantages that others gain from standards) that competitors adopt to further their game.

Adobe-Macromedia alliance takes fight to Microsoft

By: Paul Festa

Silicon.com, April 19, 2005 -- With its \$3.4bn acquisition of Macromedia, Adobe Systems is buying into a crucial battle to shape the next generation of web application development. Adobe, which built its name on the PDF format for printable digital documents, has long struggled to make an impact in the purely digital realm, where Macromedia has its roots. Now, with Macromedia's Flash animation and application-development software in its portfolio, Adobe has positioned itself as a primary competitor against Microsoft on the one hand and open standards on the other in building new platforms for web applications. ...[Full Story](#)



Anti-spyware group Coast hits an iceberg

By: Stefanie Olsen

ZDNet.com, April 12, 2005 -- The Consortium of Anti-Spyware Technology vendors, or Coast, was founded in 2003 as a nonprofit group of anti-spyware companies to help establish industry-binding guidelines defining spyware and a code of ethics surrounding the distribution of desktop software. But in February, co-founder Webroot Software dissented when, according to its vice president of research, the

group sought to reform adware developers by helping them change and become certified Coast members. Two months later, the group has been dissolved. "Coast has ceased operations, and this Web site will be taken down permanently on April 15, 2005," according to a notice posted to the group's Web site. A representative from Coast could not immediately be reached for comment. In early February, Aluria Software and Computer Associates International's PestPatrol successively announced their departures from Coast, following Webroot's exit. ...[Full Story](#)



Ethernet forum plots death of SONET

By: John Leyden

The Register, April 12, 2005 -- Cheaper bandwidth at higher speeds is promised with the introduction Tuesday of a new telco standard 'Carrier Ethernet'. The standard is backed up by an international certification programme from trade association the Metro Ethernet Forum (MEF). Carrier Ethernet promises wide area networking scalable beyond 10Gbps using ubiquitous Ethernet technology as an alternative to traditional SONET (Synchronous Optical Network) telephony infrastructures. The Metro Ethernet Forum (MEF) said Carrier Ethernet could deliver business connectivity at tens of Gbps as well as broadcast-quality video on demand as a fraction of the cost of traditional telco technologies such as ATM (Asynchronous Transfer Mode) and SONET. "Carrier Ethernet will kill SONET," Ethernet inventor Bob Metcalfe told *El Reg.* ...[Full Story](#)



Open Source

***Being more open than thou:** With the openness sweepstakes between large technology companies continuing to rage at a torrid pace, it's hard to remember that just a few years ago GNU creator Richard Stallman was the Great Satan of corporate software America, and open source was an absurd concept upon which to base a business. Well, that was then and this, as the saying goes, is now. While it's still unlikely that Richard Stallman will be elected President of the U.S. Chamber of Commerce, the following articles on Sun's current open source stratagems demonstrate just how integral an open source strategy has become to many of the largest software companies. The last piece, for counterpoint, notes that one prominent software company remains – emphatically and unsurprisingly – among the unconverted.*

SCO Gives Sun Blessings to Open-Source Solaris

By: Steven J. Vaughan-Nichols

eWeek, April 13, 2005 -- During SCO's earning teleconference on Tuesday, CEO Darl McBride revealed that Sun had discussed with SCO its plans to open-source the Solaris operating system and that SCO has no problems with them. "We have seen what Sun plans to do with OpenSolaris and we have no problem with it," McBride said. "What they're doing protects our Unix intellectual property rights." Sun has slowly moved towards open- sourcing Solaris 10, or OpenSolaris, for over a year. To date, though, the only released components of OpenSolaris are programs, such as DTrace, which aren't parts of the operating system. Recently, Sun appointed the OpenSolaris Community Advisory Board. While this move may have sustained interest in OpenSolaris, insiders said, it still left unanswered the critical question of how Sun could open-source an operating system built around SCO's guarded Unix code. CEO McBride on Tuesday declined to say at what level discussions had taken place between SCO and Sun -- whether they were between the corporate in-house counsels or the companies' executives. "SCO is now comfortable that its rights are being protected." ...[Full Story](#)



Open-Source Future For Java Enterprise System?

By: Darrell Dunn

InformationWeek, March 29, 2005 -- Sun announced Monday that it has distributed more than a million registered licenses for the Solaris 10 operating system since Jan. 31, when the software became available for free on Sun's Web site. Now it plans to follow up that move by making Java Enterprise System available as an open-source product as well. "That will define us as a company truly committed to open source," Jonathan Schwartz, president and chief operating officer of Sun, told InformationWeek. The company aims to cement itself as a long-term industry-cornerstone provider of operating-system software, increasing its overall position in mainstream computing environments. Schwartz sees an "epic battle" ahead among Microsoft, Sun, and Red Hat. "Going forward, the dominate operating systems will be Microsoft Windows, Sun Solaris, and Red Hat Linux," Schwartz says. "Those are certainly the two targets we're focused on." ...[Full Story](#)



Sun Names OpenSolaris Board

By: Peter Galli

eWeek, April 6, 2005 -- Sun Microsystems Inc. on Monday announced the five members of its OpenSolaris Community Advisory Board to steward the evolution of that community and its governance model, including open-source luminary Roy Fielding, the co-founder of The Apache Software Foundation. The board will have five members initially, two of which have been selected from the pilot OpenSolaris community, two from Sun itself and one from the greater open-source community. In a media teleconference late Monday afternoon, Sun officials announced that they had recruited Fielding, chief scientist at Day Software, as the board member elected from the greater open-source community. Fielding is also a co-founder and member of The Apache Software Foundation and the primary architect of current HTTP protocol. ..[Full Story](#)



Kicking it up a notch: Microsoft's open source message gains subtlety

By: Bruce Byfield

NewsForge, Vancouver, B.C., April 7, 2005 -- Barnaby Jeans, an IT Pro Advisor at Microsoft Canada, has a new approach to Microsoft advocacy. In the past, Microsoft executives have been reported as describing GNU/Linux as a cancer or communism. Other reports include warnings that corporate users risk being sued, and that the "Pac-Man-like nature" of its licenses may make interoperability between applications harder. The Get the Facts Web site continues these direct attacks, although with greater detail. However, Jeans has a subtler message for corporate customers. In fact, his message is less in what he says than how he says it. I attended Jean's presentation, "Windows in an Open Source World" at the TechVibes Massive 2005 event on March 30 in Vancouver, and interviewed him afterward. His approach does contain traces of older Microsoft messages, including references to the Get the Fact site. Overall, though, he gives an impression of not being against anything at all and of being interested only in open exploration of the differences between Microsoft and open source software. ...[Full Story](#)



What price ideological purity?: *What do you do when ideological purity is, well, an article of faith, but you've got a global open source project to manage? The result, unfortunately, is that when you're also Linus Torvalds, the keeper of the Linux flame, you may have to violate a fundamental principle laid down by another icon: R. Crumb's venerable Mr. Natural, who first laid down the following edict some thirty years ago: "Always use the right tool for the job." That still leaves the definition of "right" open, of course, and in Linux, "right" means "open," whether there's an adequate technical alternative available or not.*

Torvalds looking for new Linux home

By: Stephen Shankland

ZDNet.com, April 8, 2005 -- Linux leader Linus Torvalds has begun looking for a new electronic home for his project's source code after a conflict involving the current management system, BitKeeper. The move could slow Linux development as Torvalds reverts to a less automated system based on e-mail, he said Wednesday in postings to the Linux kernel mailing list. But it's better to start shifting away sooner rather than later, he said. "I've decided to not use BK (BitKeeper) mainly because I need to figure out the alternatives," Torvalds said in a posting. "Rather than continuing 'things as normal,' I decided to bite the bullet and just see what life without BK looks like." ...[Full Story](#)



Open source rules! (but who sets the rules?) *As open source continues its inexorable march from its late night, virtual world of engineers origins onto corporate desktops and into the sacrosanct server rooms of multinational companies, the question of who controls the rules is becoming more interesting, and more crucial, not only to vendors, but to end users as well, as demonstrated by the following selection of articles dealing with the control of one aspect or another of the open source environment. The last item reports on a setting where such questions are less troubling: when you are the developer, the employer, and the end user, you have less to worry about over who sets the rules: you do.*

Who should maintain open source projects?

By: Neil McAllister

InfoWorld, April 11, 2005 -- When making procurement decisions, it often all comes down to whom you trust. If you're buying a copier or a forklift, a strong brand name can give you confidence in your purchase. The same is true for big-name commercial software. But when it comes to open source, things aren't that simple. One argument says that the open source model itself is your best assurance of quality. The combined resources of the open source community can potentially far outweigh those of a single, traditional software vendor. If you buy into this thinking, then the broader market for open source software becomes either a meritocracy or a popularity contest, depending on your point of view. ...[Full Story](#)



Open-Source Referees Change the Rules

By: Steven J. Vaughan-Nichols

eWeek, April 7, 2005 -- The Open Source Initiative board on Wednesday adopted a new way of approving open-source licenses, as well as a new classification system for existing licensees, at its meeting at the Open Source Business Conference in San Francisco. The OSI (Open Source Initiative) is the organization that approves open-source licenses. While its blessing is not necessary in any legalistic way, few if any companies or developers would use a so-called open-source license without the OSI's blessing. "License proliferation has become a significant barrier to open-source deployment," the group declares in its "License Proliferation" document, a copy of which was obtained by eWEEK.com prior to its publication. ...[Full Story](#)



GPL 3 not expected to split free-software world

By: Ingrid Marson

CNET News.com, March 25, 2005 -- Over the last few weeks, free-software developers from various projects have expressed concerns about the next version of the GNU General Public License (GPL). In a posting to the legal mailing list for the Debian Linux distribution, OpenOffice.org volunteer Daniel Carrera pointed out that as Linux is currently only distributed under GPL 2, it could face problems when GPL version 3 is released. The FSF has denied that there is a risk that free-software projects could fork when the next version of GPL, becomes available. Eben Moglen, general counsel of the Free Software Foundation, said Thursday that there shouldn't be a problem in persuading Linux developers to migrate to GPL 3, as the license will be developed with their input. GPL 3 is likely to include changes that take into account international copyright law and patent threats, according to Moglen. It is not surprising that the

next version of the GPL has attracted a lot of interest as it is the basis for a 'multibillion-dollar industry,' according to Moglen. He was unable to say when GPL 3 would be released, though he suggested that it would be available in the next year or two. He is confident that when GPL 3 is released, people will be pleased with the outcome. ...[Full Story](#)



IBM Adopts Open Development Internally

By: Darryl K. Taft

eWeek, April 4, 2005 -- Following on the success of its Eclipse open-source development platform, IBM has quietly been using a form of open-source development internally to create technology the company will sell commercially. IBM calls its model Community Source, which it defines as a collaborative, internal, open-source-style environment for developing and testing new technology. Danny Sabbah, vice president of strategy and technology for the IBM Software Group, in Armonk, N.Y., said IBM is using its Community Source model across 100 projects and 2,000 developers in the company. These projects span the IBM Software Group, Systems Group, Research and Global Services, he said. ...[Full Story](#)



Standards and Your Business

Where did all that money go? Standards manage everything – including how your money is recorded and transferred, and how corporations are expected today to report to regulators. The following items provide a sampling of current standards efforts in this area

Architecting XML for Finance

By: Vance McCarthy

Integration Developers News, April 13, 2005 -- The country's largest brokerage firms took XML standards into their own hands, and over the last two years have expanded them to define a new open and standard markup language for financial services. FpML (Financial Products Markup Language) provides developers in the financial sectors important new guidelines for building B2B web services. FpML also provides an overall template for execs in other vertical industries how they might map XML (schema and transmission) concerns to their needs for dataflow, business rules and access control. The FpML standard, which is freely licensed (under the FpML public license), is intended to automate the flow of information across the entire derivatives partner and client network, independent of the underlying software or hardware infrastructure supporting the activities related to these transactions. ...[Full Story](#)



Industry Associations Create MiFID Compliance Working Group

SecurityIndustryNews, April 4, 2005 -- Four major industry associations - FIX Protocol Ltd, ISITC Europe, the Reference Data User Group (RDUG) and SIIA/FISD - today announced their creation of a Joint Working Group to address the compliance requirements created by the European Union (EU) Markets in Financial Instruments Directive (MiFID). MiFID was issued in April 2004, and will affect participants in the financial services industry in all 25 member states of the EU across their activities in almost all asset classes. MiFID aims to create greater market transparency and to ensure "best execution" for investors, whether trading occurs on-exchange or off-exchange. Investment firms, exchanges, trading platforms and market data vendors will all have to adapt their business processes and their IT systems in order to comply with MiFID. This EU Directive is due to be implemented in the national law of all EU member states in early 2007, leaving only two years for market participants to analyse what needs to be done and implement the necessary changes. ...[Full Story](#)



ILPF working group to tackle compliance

By: Kim Thomas

ITWeek, April 6, 2005 -- A new working group has been created by information management vendors and internet organisations to develop a cross-industry framework for managing electronic information to meet compliance requirements. The new Compliance and Management of Electronic Information (CMEI) working group has been formed by the Internet Law & Policy Forum (ILPF), a global not for profit company that develops internet policy, in response to the increasingly complex compliance requirements such as Sarbanes-Oxley and Basel II. The working group, which has eight members including OpenText, Hewlett-Packard and Sun, will provide guidance on how companies can best store and maintain data to conform to these regulations. ...[Full Story](#)



Standards of the Future

R2D2 phone home: Well, why wouldn't there be standards for robotics? As the next item notes, robotic technologies are finally emerging into a wider field of societally-significant operations after decades of relegation largely to science fiction stories and automotive assembly lines. The story below also demonstrates a pervasive theme in standards setting activities today: convergence. What is being addressed at this meeting will not be robotic intelligence or other robotic-applications unique standards, but rather how a host of other standardized technologies (e.g., GIS services and standards) should be integrated into robotic platforms so that remotely managed robotic devices can perform essential tasks.

NIST to Host Public Forum on Robot Standards

NIST Tech Beat, April 12, 2005 -- Urban search and rescue robots capable of locating victims at disaster sites are entering the marketplace. To hasten development and deployment of this life-saving technology, the National Institute of Standards and Technology (NIST) and the Department of Homeland Security (DHS) will host a public forum on robot standards from 9 a.m. to 4 p.m., May 13, at NIST's Gaithersburg, Md., campus. The meeting will explore ideas and timelines for standards related to urban rescue robot development, testing and certification. Penrose Albright, DHS Assistant Secretary for Homeland Security for Plans, Programs, and Budgets, will provide the keynote address. Participants will consider urban search and rescue robotic performance standards for sensing, mobility, navigation, planning, integration and operator control. Discussions also will address ways emergency responders, robot vendors and technology developers can collaborate to advance consensus standards for task specific robot capabilities and interoperability of components. ...[Full Story](#)



Security Update

New kid on the block: One advantage to the consortium approach is that anyone that sees an unmet need can elect itself to meet it. So long as the organization attracts a critical mass of talent and adopts appropriate rules of openness, everyone can be a winner, including society at large. This month's example of that dynamic in action highlights the fact that such efforts can arise not just from corporate founders, but from any other interested and motivated source – such as the academic community.

UC- Berkeley Leads Cybersecurity Consortium

By: Michelle Locke

CRM News, April 12, 2005 -- Experts from a consortium of colleges will lead a far-reaching effort to keep the nation's computer data safe from cyberattack, the National Science Foundation announced yesterday. The effort comes after a flurry of security breaches have dramatized the vulnerability of a society that increasingly entrusts its secrets to computers. The idea is to look at ways to build more secure systems

before a disaster along the lines of an "electronic Pearl Harbor," said S. Shankar Sastry, the University of California, Berkeley professor who will be principal investigator and director of the new center. [..Full Story](#)



Keeping up with the competition: Meanwhile, the force/counterforce world of phishers, hackers and other assorted Bad People, on the one hand, as well as defensive efforts by the Guys in the White Hats, continued apace, as demonstrated by the next two items.

Swedish banks and mobile operators develop e-ID standard

finextra.com, March 31, 2005 -- Sweden's Bank-ID consortium has teamed with mobile operators in the country to develop a common standard for electronic identification using mobile handsets. BankID is an electronic identification and signature service owned by Danske Bank Sweden, FöreningsSparbanken, Handelsbanken, Ikanobanken, Länsförsäkringar Bank and SkandiaBanken. The service is run by Finansiell ID-Teknik. The consortium has been working with mobile operators TeliaSonera Sweden and Ericsson to develop the new standard, called e-ID, which stores ID information on a Sim card in a mobile phone. Finansiell ID-Teknik says e-ID will be issued by banks and could be used for services such as banking, tax submissions or even voting. [...Full Story](#)



IM threats rising sharply, reports confirm

By: Matt Hines

ZDNet, April 6, 2005 -- According to a report issued Tuesday by the IMlogic Threat Center--an industry consortium led by security software maker IMlogic--the quantity of instant messaging threats increased 250 percent in the first quarter of 2005, compared with the same period last year. The research, which tracks viruses, worms, spam and phishing attacks sent over public IM networks, also contends that reported incidents of newly discovered IM threats have grown by a whopping 271 percent this year. In addition, the study found that more than 50 percent of the incidents reported to the Threat Center during the first quarter of 2005 involved attacks at workplaces where freely available IM software such as AOL Instant Messenger, MSN Messenger, Windows Messenger, and Yahoo Messenger is used. Based on that data, the consortium advises that companies take a closer look at managing IM security issues. [...Full Story](#)



Department of Better Late than Never

A standard for this and a standard for that: *It's difficult to know what to say about a story that includes the statement: "Brain surgery was suspended on November 2 last year by the ministry because of disputes over its unidentified side effects among medical experts." That's bad enough; just think what it must do to the patients.*

China bans brain surgery to treat drug addicts

The Hindu, Beijing, April 18, 2005 -- China has banned brain surgery by its hospitals as a treatment to cure drug addicts, Ministry of Health has said. The ministry will not permit the surgery (for drug addicts) until a comprehensive and scientific evaluation is given to the safety and effectiveness of the practice and a technical standard is established, the ministry's spokesman Mao Qun'an said. According to Mao, brain surgery to curb drug cravings is a special medical practice. Hospitals and doctors who perform the operation, as well as the equipment, environment and post-surgery observation, must be qualified and standardised.....[Full Story](#)