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STANDARDS 2003 - THE YEAR IN REVIEW

Editorial: **IT Standards Come of Age**

IT Standards were big news in 2003. That's no surprise, given that so many areas of modern life and business are now dependent upon them.

Standards Area of the Year: **Wireless (Everywhere!)**

From Wi-Fi to Bluetooth, from GSM to RFID, wireless standards were being created, promoted and implemented everywhere, revolutionizing how we communicate, work, and conduct business.

Feature Article: **Standards 2003: The Year in Review**

Web services initiatives exploded; the courts handed down surprise rulings on standard setting misbehavior, browser patents and public ownership of standards; Europe and China used standards to erect trade barriers; and royalty-free policies proliferated - to name just a few of the standards trends of 2003.

Standards Blog: **Standards, New Frontiers, and ROI**

If you're a big seller to Wal-Mart or the Defense Department, its time to add RFID technology to your IT budget. But which technology will predominate? In standards lie economic security.

Survey: ANSI hopes to work more closely with consortia. Participate in their new survey and tell them what they can do.

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EDITORIAL:

IT STANDARDS COME OF AGE

Andrew Updegrove

If there was a Time Magazine of information technology (IT), it might well have anointed the new respectability of IT Standards as the technology story of the year. Stated another way, 2003 is the year in which the "information" part of ICT (information and communications technology) standards achieved a new legitimacy that may have been lacking even a year ago, and that certainly did not exist in the early 1990's.

Ten years ago, hardware, silicon and software information technology standards were something that many people talked about, but few really believed in. When IT standards were acknowledged as being effective, it was rarely open standards, reached through a consensual process, that people had in mind. Instead, admiring comments (made openly or grudgingly) were most often reserved for the "de facto" standards imposed by market power, innovation or good luck, or a combination of all three factors. The holy grail of a decade ago was to be the proprietary owner of the rights in a dominant technology -- to be the Microsoft of operating systems, or the Novell of network software. Open standards efforts, in contrast, were often launched in a rarely successful, Canute-like effort to turn back the tide of already established proprietary dominance.

Such is not the case today. Now, most companies compete to influence the creation of open standards, realizing that their ability to achieve proprietary dominance is either unlikely, due to competitive forces, or impossible. Why impossible? Because only open standards can enable the technology platform upon which new goods and services can be offered (think wireless phones and the Internet). Even where such cooperation is not essential, the world has changed to a point where other stakeholders in the roll out of new technology have little patience with vendors that want to have it all. Witness, for example, the unfolding drama in the DVD Forum today. Here, many of the same companies that clashed in the VHS-Betamax wars of the 1970s are being nudged by other market players towards a consensus solution, as consumers await the next generation of DVD products (see: Betamax and the Blu-Ray group: Will History Repeat Itself?)

In consequence, standards have become "news" in their own right, with more and more coverage appearing not just in the technical press addressing technical issues for a technical audience, but in the business press as well. Today, standards stories come in many flavors: they cover the jockeying between the giants in new areas of opportunity, such as web standards; the competition between standards-based products in areas like wireless (will it be Bluetooth or WiFi that dominates the marketplace?); the penetration of new standards-based products in areas such as radio frequency identification (RFID) tags; and the market fallout of the fortunes of one side or the other in court cases involving standards, such as the JEDEC standards at the core of the ongoing Rambus saga.

What is at the heart of this transition? Certainly, the reasons include the following:

• The acronym "IT Standards" has become "ICT Standards." In other words, market demand for wide area networks, and the advent of wireless and other communications-based products and services have caused the world of IT standard setting and communications technology standard setting to collide and, in many cases, merge. Standards are not an option, but a necessity, once one breaks out of the single-owner, single site network. This convergence has had not only a technical, but a psychological impact -- traditional IT players can see that consensus-based standard setting can work. Creating common standards upon which companies can offer their own competitive, value-added solutions is not just a mouthful of high-minded words, but a real opportunity.

• The Internet and the Web have created means of interconnection that eradicate the ability to exercise certain types of traditional proprietary control: not only due to technical realities, but because other stakeholders would simply deem proprietary control to be intolerable.

• 2003 is the year that Linux truly broke out into commercial legitimacy, notwithstanding the efforts of SCO to stake a claim to profit from anyone's use of the open system. With the acceptance of open source as an area of profitable opportunity by major players such as IBM, yet another blow was struck to the assumption that growth and prosperity can only be based upon proprietary solutions.

In short, standards have become a given, rather than an option, in many areas of strategic planning, as well as technical R&D. Increasingly, standards are accepted as a legitimate tool to achieve commercial ends, rather than a smokescreen to cover other stratagems.

Perhaps the greatest evidence of this new legitimacy is the degree to which companies are now seeking unfair advantages in setting otherwise-consensus based standards, rather than seeking to impose their own de facto solutions upon the marketplace. It may be tepid good news to know that even more gamesmanship has moved into the standard-setting tent, but good news it is. Why? Because the games mean that standards have arrived, and because process controls, vigilance and joint action can better restrict gamesmanship in a controlled setting than they can in a wide-open marketplace.

In some ways, 2003 marks the end of the frontier years of IT commerce, and the beginning of a more self-regulated era, when more and more commercial players acknowledge that the benefits of joint action will in many cases outweigh the risks of going it alone. The ultimate beneficiaries will be the buyers of ICT products and services, who will enjoy broader offerings of products and services, safer decisions to deploy new technologies, longer useful product lives, and more competitive pricing. All of which is welcome news, in these days of constrained spending for buyers, and narrowing margins for sellers who can scarce afford to commit to the wrong strategic direction.

So perhaps we should all look back at 2003 in a more kindly light than we may have before. With IT standards coming of age, there is greater hope for a more rational and predictable commercial future. And who wouldn't look forward to that?

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STANDARDS AREA OF THE YEAR:

WIRELESS (EVERYWHERE!)

Andrew Updegrove

It is axiomatic that the only good standard is an implemented standard -- and that (at least by this definition) there are far too many bad standards that have been created over the years. Too often, a commitment to consensus or infighting can result in watered down standards, and many times the process time has exceeded the market's patience to await the result.

It is by this measure that we acclaim wireless technologies to be the standard setting area of the year. From wireless phones to Wi-Fi enabled laptops to RFID tags for everything, there are a host of wireless standards that are already implemented, or are in the process of being added to purchasing requirements. These standards come in all stages of development, refinement and sophistication, and have been developed by all types of standard setting organizations (SSOs). Moreover, there were few areas of commercial and consumer life that have been unaffected by the implementation of these standards, from road warriors connecting to the mother ship to third-world people gaining their first direct access to the outside world.

But great as this impact may have been, it is certain to be only a suggestion of what is to come, as geospatial information systems (GIS) standards enable more and more location based services, RFID tags are used to track ever-more pedestrian items, more and more wireless-enabled devices find their way into cars, products, kiosks, and a host of other as-yet unanticipated wireless products and services are conceived and implemented.

Highlights of the year were many. Here are but a few:

To Wi-Fi or not to Wi-Fi? In a sometimes chaotic, but ultimately productive, example of multiple standard setting processes setting competing solutions against each other, the market narrowed down to just two: the IEEE-developed 802.11 family of standards popularly referred to by the short hand name of "Wi-Fi", and the beguilingly named, competing "Bluetooth" standard. The press enjoyed covering the two standards as if they were a horse race, as well as the further development of new standards flavors within the Wi-Fi family. Meanwhile, vendors scrambled to decide which standard (or standards, for those that wished to hedge their bets in such a fast-moving situation) to deploy in their products.

In truth, Wi-Fi and Bluetooth were each largely targeted at different markets (the former, with a significantly larger range, being most appropriate for effortlessly deploying a home network, and the latter being a good choice for eliminating the wires connecting a PC to its printer and mouse in a single office). By year's end, Wi-Fi seemed the clear choice for home users and large office installations, while Bluetooth's best hopes appeared to be in more limited and particular types of usage. At the same time, some early commercial bets paid off, while others did not: home Wi-Fi use exploded, while investments in public-space Wi-Fi "hot spots" proved (so far) to find few paid users.

On the horizon, there are other wireless standards in contemplation, as vendors look for the best cost and technical solution to each set of problems. Some may cost just pennies to deploy, in contrast to the more substantial costs for both Bluetooth and wireless.

Here is a sampling of the wireless news we covered in this application area this year:

Selected CSB Stories, Comments and News Shorts:

Trends : WIRELESS (WHO'S ON FIRST?)
The press has made much of the competition of BlueTooth and Wi-Fi for the hearts and minds of the industry. Are competing standards good or bad?
http://www.consortiuminfo.org/bulletins/jan2003.php#trends

Market Uncertain Whether to Embrace 802.11a Wi-Fi Standard
CNET News.com, January 8, 2003 **-** *http://news.com.com/2100-1033-979748.html?tag=cd_mh*

Wi-Fi "Hot Spot" Seal of Approval Program Launched to Identify Compliant Sites
CNET News.com, January 9, 2003 *http://news.com.com/2100-1033-979959.html*

Bluetooth SIG Unveils Mobile Operators Strategy
3GSM World Congress 2003, Cannes, France, February 18, 2003 **–**
http://www.bluetooth.com/news/releases.asp?A=2&PID=549&ARC=1&ofs=

Standards: Truce pays off for rivals
CNET News.com, February 7, 2003, 4:00 AM PT – *http://news.com.com/2009-1033-982341.html?tag=cd_mh*

New Wireless 11g 'Standard' Ends in Tears
Newswireless.net, February 2, 2003 (08:43 GMT) **-** *http://212.100.234.54/content/59/29250.html*

IEEE Advances Wireless MAN Standard
Internetnews.com, January 31, 2003 - *http://www.internetnews.com/xSP/article.php/1577591*

RFID Tags: The Customer Speaks: Standards usually represent a forward-looking strategy by vendors, whereby the investment in setting standards is intended to lower the risk of product introduction. Hopefully, creation of a standard will enable the near-simultaneous introduction of a broad array of products and services that can interoperate. This, in turn, is intended to tempt customers into making their own investment in the newly introduced product or service that the standard makes possible. Sometimes the investment pays off, and sometimes it does not.

In the case of RFID tags, there were many who said that the technology and the standards might not pay off, and their doubts were not without foundation. After all, early R&D efforts could only produce tags at certain size and price, and the tags required an antenna to boot (albeit a small one). Anyone who decided to deploy the new technology would need to make a substantial investment in the readers and other related infrastructure, as well as buy a tag for every item that they wished to track. Add to this the risk that, absent common agreement among vendors on the standards that they would support, an early adopter might find that it had made a big investment in technology, only to find that its investment quickly became obsolete (at which time the same adopter might see its more conservative competitors make safer, cheaper purchasing decisions). Small wonder that many analysts thought that the day when RFID tags became ubiquitous might be later rather than sooner, if ever.

All that changed when Wal-Mart, the 900-pound gorilla of global retail, decided to require its largest suppliers to deploy RFID technology if they wished to continue to do business with what was often their largest customer. Not long after, the U.S. Department of Defense made the same decision.

As a result, the standards investment calculus was turned on its head almost overnight: First, a vendor had no choice but to implement, if Wal-Mart or the DOD was a large customer. Second, a vendor would know that its competitors would need to make a contemporaneous investment, lowering the risk of loss of business to competitors based on price. Third, whatever technology Wal-Mart blessed would be likely to become a de facto standard, ensuring at least a near-term return on the immediate technology investment. Fourth, the potential business and volumes resulting from the guaranteed market for RFID products would cause per-tag prices to drop, and ensure rewards to those technology vendors that made the investment in miniaturization and other necessary advancements. Fifth, once vendors make the necessary investment to serve these two customers, they will have a strong incentive to capitalize on their investment by providing incentives to other customers to adopt the same technology.

And finally, the existence of a robust standard-setting process gave confidence that the standards would be effective, adopted, and durable.

The result? As great assurance as it is possible to have that adopting a new standards-based technology will be a sound investment. One can only assume that, as a result of the requirements decisions of these

two huge customers, that the utilization of RFID technology has been accelerated by a factor of years. And after the initial pain, even the vendors required to be the first implementers may prove to be the long-term beneficiaries, as their experience and capabilities will exceed that of their later-adopting competitors. A happy story for all.

Well, perhaps not all. The concept of being able to attach a hidden, traceable tag to everything from a car to a tube of toothpaste leaves many privacy advocates uneasy. The impact of these concerns even caused Wal-Mart to engage in some public repositioning. But standards efforts are being applied to address privacy fears as well, with new features being designed that can, for example, deactivate an RFID tag when it passes by a reader at a store's front door.

The following selection of news stories and ***CSB*** comments shows how quickly this story moved during the year, taking RFID tags from an interesting new technology to projected rapid commercial deployment.

Selected CSB Comments and News Stories:

Wal-Mart to Throw Its Weight Behind RFID
CNET News.com, June 5, 2003 - CNET News.com, June 5, 2003 -- *http://news.com.com/2100-1022-1013767.html*

Microsoft Identifies with RFID Tag Organization
InfoWorld, June 17, 2003 - *http://www.infoworld.com/article/03/06/17/HNmsrfid_1.html*

How Smart is that Smart Shelf? In our last issue, we noted that Wal-Mart had urged its top 100 suppliers to attach radio frequency ID (RFID) tags to the products that they delivered to the retailing giant. Since then, privacy advocates have increasingly focused on the feared potential for tagged products to continue to supply information after they leave the store. Despite the pledge of RFID manufacturers to install "kill switches" to disable RFID tags as they leave the store, concerns remain - and Wal-Mart has cancelled its RFID-based "smart shelf" pilot program.

Wal-Mart Cancels 'Smart Shelf' Trial
CNET News, July 9, 2003 - *http://news.com.com/2102-1019_3-1023934.html?tag=ni_print*

No more lines (or privacy?) For the last several issues, we have been including news on the bleeding edge of adoption of radio frequency identification (RFID) tags. Some see these tiny transmitters on a chip as the ultimate tool for inventory tracking and end-to-end supply chain management, while others see a threat to privacy. Our guess is that they will eventually be ubiquitous (unless they are leapfrogged by some new, yet-to-be-released technology), with the greater question being how soon prices and antenna sizes both reduce to the point where the broad incorporation of RFID tags becomes inevitable. The first two articles below report on efforts being launched in Las Vegas and Chicago to familiarize the marketplace with the joys of RFID, both within and without the four walls of commercial establishments, while the third article focuses on efforts to quell the fears of those who feel that there are enough eyes looking over their shoulders already.

SAP to show off RFID's potential
IDG News Service, September 5, 2003 - *http://www.infoworld.com/article/03/09/05/HNsaprfid_1.html*

Chicago show heralds new 'Internet of things'
InfoWorld, September 15, 2003 - *http://www.infoworld.com/article/03/09/15/HNchicagoshow_1.html*

RSA Seeks to Fix RFID Worries
eWeek, August 25, 2003 - *http://www.eweek.com/article2/0,3959,1229567,00.asp*

Another link in the chain: We have been following RFID tag specifications and market testing for all of 2003, and the news in this area continues to issue rapidly. The following two stories show both sides of the buy/sell equation in this rapidly evolving area: a new standard from the Auto-ID Center has been released to enable the supply side, and another 900 pound gorilla is joining Wal-Mart on the demand side: the Department of Defense.

Physical Markup Language (PML) Core Specification Version 1.0 for EPC Objects
The Cover Pages, November 10, 2003 -- *http://xml.coverpages.org/ni2003-11-10-b.html*

Feds, Wal-Mart Drive RFID Adoption
eWEEK, October 28, 2003 - *http://www.eweek.com/article2/0,4149,1365701,00.asp*

From the Standards Blog:

***#8* Standards, New Frontiers and ROI, December 1, 2003 -** … As we have previously reported, both Wal-Mart, and now the Department of Defense have announced that they will require vendors to adopt RFID technology, which will have a dramatic impact on driving down RFID unit prices. But the more expensive elements of RFID-based systems will be evolving rapidly for some time, thus offering the risk for early obsolescence for early adopter/purchasers of such systems. What to do, if you're a defense contractor or a major supplier to Wal-Mart? One analyst identifies the following as a key element of any early-adopter deployment strategy:

"Invest in open standards, such as XML, as much as possible. If a company ties an RFID system to proprietary software processes, it will be locked into out-of-date technology almost as soon as its deployment is complete. An RFID project is an excellent opportunity to revamp proprietary systems and invest in open standards . [RFID: An ROI Black Hole, Barry Mason, Nucleus Research]

For the full entry, see: ***#8* Standards, New Frontiers and ROI**

Mobile Standards and Products Explode: The year also saw an explosion of activity along the entire spectrum of mobile telephone enablers and services, with mobile phone use based on GSM standards sweeping the globe. Indeed, GSM telephones passed the ***billion-user*** mark and membership in the GSM Association surpassed the ***200-country member*** mark. At the same time, there was increasing global cooperation among nations and regions to allocate and agree upon radio frequencies for new services - an imperative given greater urgency by the addition of wireless features to medical devices, such as pacemakers. And on May 16, Iraq became the newest member of the GSMA, as the American reconstruction force sought to restore the communications infrastructure of the defeated country.

Indeed, during 2003, it became clear that pervasive mobile-only phone use will not remain a third-world phenomenon, as many first world users transferred their home phone numbers to their mobile accounts -- and sometimes terminated their land line accounts as well. In 2004, the big news may turn back to land-line based services, as independents force even the major carriers to offer flat-fee, unlimited Voice Over IP (VoIP) services -- based on yet another set of standards. But the appeal of VoIP includes its emerging capacity to handle instantaneous delivery of huge amounts of data, such as video streams -- services that are not (yet) in great demand for deployment on a tiny mobile phone screen.

At the same time, a wealth of standards have been developed to enable mobile phone users to handle everything from financial transactions to text messages while on the go. Indeed, mobile phone owners in the U.K. alone sent over ***1.3 billion text messages*** in a single month.

Selected CSB Comments and News Stories:

GSM Europe calls on Telecom Council to support Rollout of new mobile services
Brussels, Belgium, March 27, 2003 **-** *http://www.gsmworld.com/news/press_2003/press_10.shtml*

Iraq Connects To The World With GSM Mobile Network
London, UK, 16 May 2003 **-** *http://www.gsmworld.com/news/press_2003/press_14.shtml*

Industry Specifications and Road Map Ready for Secure Mobile Transactions
Mobiletransaction.org June 2003 **-** *http://www.mobiletransaction.org/pressreleases/january220103.html*

What's a mile for wireless? The infamous "last mile" issue has plagued high-speed data exchange for years. The issue is particularly acute for those in rural areas, where that metaphorical last mile is a lot longer than for an urban customer. Wireless technologies offer one solution, and 3G Americas tracks the penetration of wireless technologies in the western hemisphere.

3G Americas Documents Next-Generation Transition for Rural and Regional Mobile Operators
Bellevue, WA, June 09, 2003 -
http://www.3gamericas.org/English/pressreleases/DisplayPressRelease.cfm?id=491

So Many Transmitters, So Few Frequencies: Not that long ago, radio frequencies were the concern of a limited set of commercial interests. Today, with the proliferation of standards-based services intended to free printers from cables and laptops from hardwire network connections, not to mention enable building-wide wireless networks, the allocation of radio frequencies has become a matter of broad and urgent concern. Equally important is agreeing upon global conformity of allocations and standards, in order to permit seamless services on a worldwide basis…

World Radiocommunication Conference Concludes: Agreements Define Future of Radiocommunications
Geneva, 4 July 2003 - *http://www.itu.int/newsroom/press_releases/2003/19.html*

Was that a cell phone I heard? One reason that standards have a higher profile today is because standards-enabled consumer products have become so ubiquitous and noticeable. Today, there are well over one billion mobile phone users - a fantastic number by any measure. In the following press release, the GSM Association, which promotes the interests of operators offering services based on GSM, GPRS (General Packet Radio Services), EDGE (Enhanced Data for GSM Evolution) and 3GSM wireless communications platforms, announces the arrival of its 200th member: Djibouti. Other recent arrivals include the Bahamas, Kiribati, Comoros, Guatemala, Timor Leste, Honduras, and Guyana. The reach and breadth of the GSM membership also underlines the way that standards-enabled technology can help emerging countries avoid capital intensive infrastructural investments (in this case, to enable wire-line transmission of voice and data) to bring first world services to third world countries.

GSM Celebrates 200 Country Milestone
London, UK: 2nd September 2003 - *http://www.gsmworld.com/news/press_2003/press_25.shtml*

Another British Invasion? While US mobile phone owners continue to be largely oblivious to text messaging, use in countries such as Great Britain continues to grow exponentially. With the offering of additional services designed to wed owners ever more tightly to their cell phones (such as popular polls and voting), the adoption of text messaging in the US may be even more rapid once the craze begins to take serious hold.

RECORD FIGURES FOR U.K. TEXT MESSAGING (1.8 billion)
The Mobile Data Association (MDA), November 25, 2003 -
http://www.text.it/mediacentre/default.asp?intPageId=598

WORLD STANDARDS DAY - GSM APPROACHES BILLIONTH USER
ETSI, Sophia, Antipolis, France, 14 October 2003 -
http://www.etsi.org/pressroom/Previous/2003/2003_world_standards.htm

Europe and adaptors: You already know that you have to take a grab bag of adaptors with you if you travel to Europe with a hair dryer. But what if you have a pacemaker? That would be rather awkward. In response, ETSI is tackling the necessary work to permit new, more advanced, wireless controlled medical devices to be used without regard to border crossings.

ETSI STANDARDS FOR ULTRA LOW POWER ACTIVE MEDICAL IMPLANTS NEAR
Sophia-Antipolis, France, 15th October 2003 -
http://www.etsi.org/pressroom/Previous/2003/2003_10_lpra1.htm

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FEATURE ARTICLE:

STANDARDS 2003: THE YEAR IN REVIEW

Andrew Updegrove

Summarizing the depth, as well as the breadth, of standards activity in 2003 in any sort of concise fashion is a tall order. Where does one begin, with a year that saw events as diverse as the surprise court victory of Rambus, the JEDEC process bad boy; the launch of a bewildering (and sometimes competitive) array of Web Services initiatives, sometimes at the rate of more than one a week; the increasing use of standards as national and regional trade barriers by Europe and China; and, just for good measure, the announcement on New Year's Eve that Tim Berners-Lee would receive a knighthood?

While this litany suggests the diversity of standards news in the year just ended, it still leaves out many important topics, such as the growing global focus on standards as a way to achieve equality of opportunity, or the coming into its own of the open source movement, or the ongoing clash between the legitimate rights of patent holders and the needs of standards implementers. Or the encouraging fact that the U.S. Federal government is showing increasing interest in facilitating the development and employment of standards.

This article therefore necessarily focuses on only some of the highpoints and trends of 2003, with the goal of providing a perspective on a very active year indeed. Happily, it was a year that saw every aspect of standards and standard setting enjoy more respect in both the business as well as the technical press, and in the eyes of governments (both local and national) as well as corporations.

Herewith, then, is a sampling of what we found to be most important and intriguing in the world of standards in 2003. In each case, links are provided to the stories referenced.

I. Emerging Standard Area of the Year: Web Services:

If wireless standards implementations were everywhere, heavy bets were placed by all of the big IT players that Web services implementations would not be far behind. Indeed, while other emerging standards areas -- such as grid computing -- gained attention, it sometimes seemed as if more initiatives were launched by more organizations in the area of Web services than in all other IT areas combined. The question was, whether the much-touted promises of this new technical approach would be realized, or whether it would prove to under deliver, as have so many other grand designs in the past.

Another area of attention was the politicking and maneuvering that surrounded the choice of venues for particular standards initiatives. With a number of well respected organizations already active in this area, some were displeased when a number of companies led by Microsoft and IBM crafted a new specification (BPEL4WS 1.1) and offered it not to the W3C, which many regarded as the appropriate home for this particular standard, but OASIS instead. Some saw this decision as the sign of a fragmenting industry, while others found a segmentation among standard setting organizations to be healthy and appropriate, with the W3C continuing to manage foundational standards, and other organizations (such as OASIS) focusing on higher level standards.

Similarly, the formation of the Web Services Interoperability Organization (WS-I) in February of 2002 by Accenture, BEA Systems, Fujitsu, HP, IBM, Intel, Microsoft, Oracle and SAP could be taken in two ways. Officially, its founders announced that they had identified a new set of tasks that needed attention in order to facilitate the launch of the web services model, including the development of deliverables such as profiles of web services standards suites, the use of which could facilitate the rapid deployment of web services. Rather than seeking to interest an existing standards organization in achieving this goal, they elected to found a new entity charged with creating profiles and related tools, and promoting the pervasive implementation of web services. In effect, WS-I would sit "upstream" of the standards process by letting existing organizations know what they hoped to see produced, and also "downstream" from the same process, blessing those suites of standards that they believed best addressed their goals.

So was the formation of WS-I a novel and admirable evolution of the standard setting art, or a clever effort by a subset of companies to have greater influence through creating WS-I than they could achieve working through the existing organizations? Opinions, of course, differed, with conspiracy theories providing more titillating story lines than sober analyses of causes and effects.

As a result of the explosion of interest, we dedicated the May issue of the Consortium Standards Bulletin to the topic of "Who Should Set the Standards for Web Services?" The issue profiled WS-I and included a survey of three of the main Web services standards bodies -- W3C, OASIS and WS-I -- giving them a chance to describe how each saw its role and its relationship with the other standard setting organizations in the field ("The Role of Standards Bodies: In Their Own Words")

Selected CSB Comments and News Stories:

Editorial : WHO SHOULD SET THE STANDARDS FOR WEB SERVICES?
For web services to impact the market as expected, standards must be of high technical quality, trusted and widely adopted. The best standards bodies to create them will ultimately be decided by the marketplace itself. Read More

Feature Story : THE ROLE OF WEB SERVICES STANDARDS BODIES: IN THEIR OWN WORDS
Representatives of OASIS and W3C, as well as the Web Services Interoperability Organization, respond to questions which allow each organization to present its view of its own role, and the role of other bodies, in the setting and support of web services standards. Read More

Trends : NEW WINE - OLD BOTTLES: WS-I BRINGS A NEW DIMENSION TO THE ART OF MAKING STANDARDS SUCCEED
When new and complex interoperability opportunities evolve, the availability of the consortium process permits rapid, responsive and creative adaptation by the marketplace to meet the challenge of these new opportunities. WS-I provides an example of this dynamic in action. Read More

OASIS Members Collaborate to Define Web Services Management
Boston, MA, USA, 10 March 2003 - *http://www.oasis-open.org/news/oasis_news_03_10_03.php*

WS-I Charters Basic Security Profile Working Group
PALO ALTO, Calif., April 1, 2003 - *http://www.ws-i.org/docs/20030401wsipr.htm*
For related stories, see: http://www.eweek.com/article2/0,3959,988799,00.asp

OASIS Members Collaborate to Address Security Vulnerabilities for Web Services and Web Applications
San Francisco, CA (RSA Security Conference), April 14, 2003 - *http://www.oasis-open.org/committees/tc_home.php?wg_abbrev=avdl*
For additional information on application security, see: http://xml.coverpages.org/appSecurity.html

Liberty Alliance Submits New Web Services Specification to OASIS
http://www.infoworld.com/, April 15, 2003 -
http://infoworld.com/article/03/04/15/HNbpel_1.html
For a related story, see: http://www.infoworld.com/article/03/04/11/HNlibert_1.html

OASIS Members Form Web Services Business Process Execution Language (WSBPEL) Technical Committee
Boston, MA, USA; 29 April -- *http://www.oasis-open.org/news/oasis_news_04_29_03.php*
For a related story, see: http://www.cbdiforum.com/public/news/index.php3?id=1232

W3C Comes Clean with SOAP 1.2 Standards
May 7, 2003 -: http://www.masshightech.com/displayarticledetail.asp?Art_ID=62508

WS-I Issues First Interoperability Tests
May 6, 2003 -: http://idevnews.com/IntegrationNews.asp?ID=65

UDDI v2 Ratified as OASIS Open Standard: Building Block for Web Services Advances Within Open Process
Boston, MA, May 20, 2003 - http://www.oasis-open.org/news/oasis_news_05_20_03.php
For a related article, see: http://news.com.com/2100-1012_3-1008085.html?tag=cd_mh

W3C issues key Web services standard
CNET News.com, June 25, 2003 - http://news.com.com/2100-1013_3-1020996.html

Opinion: Shakeout looms in Web services management
ComputerWorld Australia, September 25, 2003
http://www.computerworld.com.au/pp.php?id=971618132&taxid=2078095612

Why can't we be friends? Beginning with our May issue (*Who should set the Standards for Web Services?*), we have repeatedly focused on the jockeying between companies and standard setting bodies for primacy in setting the standards permitting the deployment of web services. Unfortunately, efforts to create winners inevitably create losers, and those losers inevitably include the end users that a standard is ultimately intended to serve. In the following Special Report, CIO magazine sees things getting worse before they get better.

The Battle for Web Services
CIO Magazine, October 1, 2003 **-** http://www.cio.com/archive/100103/standards.html

Department of Strange Bedfellows: In our past several issues we have highlighted the scrambling going on Web Services standard setting. The following stories highlight two unusual dynamics at work in this area, each a product of the perceived size of the opportunity and the speed believed by the major players to be necessary to secure the greatest advantage. While historically, companies sought either to set proprietary standards or work through SDOs or consortia to create open industry standards, those two techniques are now merging as ad hoc coalitions of companies race to create draft specifications, and then persuade existing bodies to take them up, complete them and endorse them. The second story highlights a different sort of ad hoc coalition, in this case one that hopes to convince customers that Web Services are real enough to buy. In both of these processes, some strange bedfellows are coming together.

Web Services Management Heats Up
CNET News.com, September 17, 2003 -- http://news.com.com/2100-7345_3-5077906.html

Microsoft, IBM Toast Next Era of Web Services
CRN.Com, September 17, 2003 --
http://www.channelweb.com/sections/Newscenters/Article.asp?newscenterID=88&ArticleID=44591

II. Homeland Security, Wireless Security, All Kinds of Security: With increasing concerns over terrorism, ubiquitous links between networks and the Internet, and the burgeoning of wireless devices of all types, standards have become ever more important in the area of security.

In the area of Homeland Security, standards bodies and their allies not only set new standards, but assessed technologies, convened plenaries to address security issues, and issued warnings where compliance with available standards was poor. For example, NIST, the American National Institute of Standards and Technology, issued a study on the advancing state of the art in facial recognition systems and proposed performance standards by which deployed equipment should be judged, while BSI, the British Standards Institute sounded the alarm, when it learned that only 85% of UK companies were adhering to its security standards. ANSI, the American National Standards Institute, for its part launched its new Security Standards Panel, bringing over 200 experts together for a two day meeting to address Homeland Security issues.

Congress recognized the role of standards in addressing Homeland Security issues as well. On October 2, the National Preparedness Standards Act (H.R. 3227) was introduced in the House of Representatives. The bill directs the Secretary of Homeland Security to establish clearly defined standards and guidelines: "in consultation with other Federal agencies, State and local emergency responder agencies and officials, and standard-setting bodies from the emergency responder community,...for Federal, State, and local government emergency preparedness and response capability, including for training, interoperable communication systems, and response equipment."

The full range of standards efforts were applied to this cause, as new consortia were formed, existing consortia launched new initiatives, and accredited SDOs formed new standards working groups. Examples include the Open Security Exchange (http://www.opensecurityexchange.org/), a new consortium formed in April by four leading security solutions providers to define best practices and promote standards for integrating the management of security devices and policies across the enterprise. Similarly, OASIS, the well-established consortium that is a leader in the area of XML and related standards, completed work on its Security Assertion Markup Language. And INCITS, the broad-based SDO launched, launched four new task groups to develop biometrics standards to identify IT users.

Selected CSB Comments and News Stories:

Standards and Preparedness: While few in the non-technology world would be aware of the fact, standards efforts have become central to many anti-terror initiatives over the past year and a half. For example, standards-enabled technologies are essential to ensure an immediate and coordinated response to terror threats by emergency workers, hospitals, and the military. Communication, GIS and other standards become particularly important when coordinated responses are required by multiple, otherwise unrelated resources. Standards organizations are actively cooperating to help develop the type of coherent standards infrastructure that is required to meet the recommendations and needs of the Department of Homeland Security.

First Plenary Meeting of the ANSI Homeland Security Standards Panel
New York, June 17, 2003 - *http://ansi.org/news_publications/news_story.aspx?menuid=7&articleid=430*

Commerce's NIST Reports Significant Advances Made in Facial Recognition Technology
Washington, D.C., March 13, 2002 **-** *http://www.nist.gov/public_affairs/releases/n03-04.htm*

BSI Warns UK Business Ignoring Terrorist Threat to Information Security
BSI, April 28, 2003 **- :** http://www.bsi-global.com/News/Releases/2003/April/n3f02f679eb280.xalter

Standards and Security: One of the many sobering lessons of 911 was the degree to which standards failures can lead to loss of life. From lax and poorly adhered-to screening standards at the airports from which the fateful flights departed, to ineffective wireless communications between emergency workers in the Twin Towers, it wsas a day of realization of what proper standards, carefully adhered to, might have prevented. A new, bipartisan bill has been introduced in the House that would augment the work that has already been done to plug this gap.

New Legislation Would Amend Homeland Security Act to Create Preparedness Standards
ANSI, New York October 3, 2003 **-**
http://www.ansi.org/news_publications/news_story.aspx?menuid=7&articleid=516

Physical and IT Security Leaders Collaborate
SAN FRANCISCO, CA, RSA Conference, April 14, 2003 **-**
http://www.smartcardalliance.org/industry_news/industry_news_item.cfm?itemID=759
For a related story, see: *http://www.informationweek.com/story/showArticle.jhtml?articleID=8800116*

OASIS TC Approves Version 1.1 Specifications for Security Assertion Markup Language (SAML)
The Cover Pages, May 27, 2003 - *http://xml.coverpages.org/ni2003-05-27-b.html*

INCITS Biometrics Workload Drives Formation of Four New Groups: Demand for Biometrics Standards Soars Due to Heightened Security, ID Theft Concerns
Washington, D.C., April 3, 2003 **-** *http://www.incits.org/press/2003/pr200304m1tgs.htm*

III. Intellectual Property Rights: 2003 saw perhaps the most intense level of activity ever in the area of intellectual property rights (IPR). While many of the events that sparked this activity received ample press coverage, the responses of scores of SSOs to those events went almost totally unreported. In each case, the efforts of these SSOs involved a reexamination of the proper balance between the rights of intellectual property owners and the needs of standard setting. A subtext was whether or not the U.S. patent laws made sense in the world of ICT, and whether these same laws are being properly applied.

The first event that captured the attention of the standards community was the upset victory in January of Rambus over Infineon in its appeal to the Federal Circuit Court (*see "Litigation", below, for a detailed review of the substance and process of this case*) in January. While day traders in Rambus stock were stridently of the opinion that Rambus was the innocent victim of a cabal of chip manufacturers, actual participants in the standard setting world were largely of the opinion that Rambus had "gamed" the system, and had been relieved when a Virginia court had earlier ruled decisively in favor of Infineon, which Rambus had claimed owed it royalties for implementing a JEDEC semiconductor standard.

While a few earlier cases had raised awareness of the importance of SSO intellectual property rights (IPR) policies, no ruling caught the attention of companies large and small as did the Rambus decision -- not least because the royalties at issue have been estimated to exceed $1 billion. Suddenly, IPR policies were elevated from the status of dry, difficult to agree upon, dull policies to dry, difficult to agree upon -- but vitally important policies. Having an industrial strength IPR policy became a precondition for new consortia to gather needed members, and existing organizations were forced to review their own policies to see if they would fare better than JEDEC's. Many came to the uncomfortable conclusion that their policies were out of date and, perhaps, just as vague as that of JEDEC. Most bit the bullet and embarked upon the sometimes painful process of amending and updating both their IPR policies, as well as their procedural rules.

The second event that commanded attention was the successful culmination of the three-year marathon effort of the World Wide Web Consortium to revise its IPR rules. Here, the focus was on the battle between those that favored creating a royalty-free zone within which all Web and Internet standards would reside, and those that owned extensive IPR portfolios. The resulting "Patent Policy", announced in final draft form in March and later taking put into effect, made it virtually (but not absolutely) impossible for the W3C to knowingly approve a standard that might involve a payment of some nature to an IPR owner. The fact that this conclusion could be reached, notwithstanding the involvement of some of the largest IPR owners in the ICT world, heartened champions of open standards without price tags.

The third event that caught the attention of all was the surprise patent litigation victory by a tiny (one employee) company named Eolas Technologies over Microsoft, the largest software company in the world *(see "Litigation", below, for more on this case)* . The patent involved some important Web browsing features, and offered a sober reminder to all that the best laid plans of IPR policy draftspersons are effective, at best, only against SSO members.

A final, and barely noticed, story was the release by the FTC of a report on certain aspects of the extensive hearings that it had held in 2002 jointly with the Department of Justice. The FTC report was strongly critical of a number of aspects of the U.S. patent process, and advocated a number of reforms, based on the testimony of multiple industry experts. These reforms would address many of the most severe critiques of the patent system as it affects the ICT industry today.

Ultimately, it was a year that was not only eventful, but productive as well, as SSOs and their members all vastly increased their collective and individual knowledge of best practices in the area of IPR process and rights balancing. The resulting upgrading of IPR policies to state-of-the-art standards by consortia many

will benefit the industry for many years to come. Most SDOs, on the other hand, are awaiting revision by ANSI, the organization to which SSOs turn to seek formal accreditation, of its recommended IPR policy before taking individual action.

Selected CSB Comments and News Stories: *The above, and other IPR matters were are covered extensively in the CSB, culminating in the November issue ("Do IT Patents Work?"), which focused exclusively on this topic.*

Editorial: Do IT Patents Work?
From the days of VisiCalc until today, software -- and software patents -- have come a long way. The patent system itself, on the other hand, is still where it was before the PC was invented. Its time for a change.

Infineon v. Rambus: See the comments and stories under "Litigation" below

W3C Patent Policy:

Comment on Final Draft of Royalty-Free Patent Policy
W3C.org -March 19, 2003 - *http://www.w3.org/2003/03/patentpolicy-pressrelease*

Alliance Urges Royalty-Free H.264 Video Standard
San Ramon, CA, February 20, 2003 - *http://www.imtc.org/press/pressrel/press022003.asp*

Eolas v. Microsoft

News Cluster: Patents: Too Easy to Get, Too Hard to Challenge?
When Eolas defeated Microsoft in a suit that involved HTML, even hard-core Microsoft critics found themselves rallying around their opponent. The W3C appealed for relief, and the PTO agreed to review the offending patent. Less noticed was the release of a major report by the Federal Trade Commission, in which the FTC recommends major patent reforms.

Eolas V. Microsoft and the FTC Report:
W3C Investigation Begins on HTML Standard
eWEEK September 23, 2003 - *http://www.eweek.com/article2/0,4149,1277713,00.asp*

World Wide Web Consortium Presents US Patent Office with Evidence Invalidating Eolas Patent
W3C, 29 October 2003 - *http://www.xmlmania.com/news_article_507.php*

PTO Director Orders Re-Exam for '906 Patent
O'Reilly Network, November 11, 2003 - *http://www.oreillynet.com/lpt/wlg/3969*

IV. International: Standards have always comprised a sort of "Chinese box" reality: local standards coexist with national standards, which in turn must (ideally) coordinate with international standards. And at the same time, different national initiatives may be pursuing the same challenges at the same time, and competing consortia and/or SDOs may similarly be addressing the same goals at the same time. Under the best conditions of good will and cooperation, this presents a logistical challenge, as efforts need to be reconciled, and (where appropriate) global standards eventually endorsed by the appropriate international bodies.

In 2003, some of the most significant news did not involve how things worked well, or even how the process broke down, but how globalism was deliberately thwarted as countries like China sought to ensure that the high tech products that its citizens purchased were manufactured at home. Major technology corporations, in turn, concluded that it was better to play the game by China's rules rather

than risk being shut out of this mammoth market, and announced plans to build to the new local standards.

Similarly, Europe continued to be proactive in setting standards for the members of the EC, as well as in rationalizing patent, copyright and trademark laws and requirements throughout the region. Belatedly, the United States began to take official notice of this trend, and legislation that is in part responsive has been introduced in Congress (*see "Legislation" below*).

But not all of the news was about going separate ways. For example, ISO/IEC issued a new guide intended to increase the efficiency of international trade by lowering the cost and effort of "conformity assessment" activities (i.e., verification that goods that crossed borders conform to locally mandated standards). The new guides provide for one-time testing, with internationally acceptance of the resulting certification of conformance.

Similarly, within months of the cessation of initial hostilities, the United States was calling for partners to help reestablish testing and certification services within Iraq, and a Department of Commerce employee was deployed to help revive the Central Organization for Standardization and Quality Control of Iraq.

Selected CSB Comments and News Stories:

What, me Western? It is not always appreciated in the United States that standards can be used to national or regional advantage -- a fact that Europe has known, and exploited, for quite some time. Now China, in an effort to avoid MPEG licensing fees that would primarily benefit western companies, is promoting its own standard, one that would bear a lower royalty. And guess who's signed up to help? Major occidental companies like IBM, Microsoft, and Phillips.

China to Snub MPEG Standard for Own Format
CNETAsia, August 1, 2003 - *http://asia.cnet.com/newstech/applications/0,39001094,39144293,00.htm*

New ISO/IEC Guide Aims to Improve Efficiency of International Trade
February 18, 2003 - *http://www.iso.ch/iso/en/commcentre/pressreleases/2003/Ref845.html*

Bombs, Lights and Standards: Rebuilding the critical infrastructure of an entire country has many challenging aspects. The fact that the U.S. Department of Commerce placed the re-establishment of the Iraqi standards system on its action list literally before all of the lights were back on in Baghdad is another indication of the essential role that standards play in society.

Need for Testing and Certification Services in Iraq
ANSI, Washington, DC August 8, 2003 -
http://www.ansi.org/news_publications/news_story.aspx?menuid=7&articleid=471

Putting things back together: In an earlier CSB, we noted that the US government was putting the reestablishment of a standards infrastructure in Iraq on a high priority. The following press release shows how standards-based telecommunications systems can restore communications much more rapidly than wire-line based systems.

GSM - The Global Mobile System to Lead Iraq's Reconstruction
London, UK: 06 th October 200 -- *http://www.gsmworld.com/news/press_2003/press_27.shtml*

V. *Litigation*: It was, indeed, a busy year in the Lake Wobegon of standards. Several cases rocked the standards community at large, or particular segments of that community. Here is a review of two of the cases that garnered the greatest attention:

Infineon v. Rambus: Almost everyone was shocked by the upset victory of Rambus over Infineon in its appeal to the Federal Circuit Court in January. Rambus had previously been soundly punished by a Virginia jury, which found its conduct in the JEDEC standard setting process to have been willfully deceptive. That jury awarded substantial damages and attorneys fees to Infineon, an implementer of the JEDEC standards in question. But in January of 2003, a three-judge panel of the Federal Circuit Court, which hears all appeals of patent cases, found that the JEDEC process was too vague to be enforceable.

The full court refused to rehear the case, and the Supreme Court also subsequently refused to intervene. In each case, the refusals came notwithstanding the strong support for Infineon given in a number of "friend of the court" briefs filed by multiple parties (including by the author of this story, on behalf multiple SSOs representing thousands of companies, government agencies and universities). The case now returns to the Virginia court for further consideration, consistent with the rulings of the Federal Circuit Court.

Rambus also stood trial before an Administrative Judge in 2003, involving an action brought by the Federal Trade Commission based on the same course of conduct. However, the Administrative Judge in that action has given himself several extensions to file his decision. Many observers feel that the judge did not fully absorb the FTC's arguments, and are pessimistic about the decision that is now expected to issue in January or February of 2004. Regardless of the party that the Administrative Judge decides to favor, an appeal to the next level of review within the FTC is almost inevitable.

Southern Building Code Congress International v. Veeck: The U.S. Court of Appeals for the Fifth Circuit handed down the second legal decision in 2003 that caused a disturbance in the standard setting force. In what has come to be simply referred to as "the Veeck case", the subject was a Texas building code that referenced a standard. The plaintiff objected to the practical necessity of purchasing a copy of a standard to which he was legally bound to conform, and sought a declaration that the standard must be provided for free.

This seemingly innocuous holding captured the immediate attention of the SDO community. The problem arises from the fact that most accredited standard setting bodies have low membership fees, and derive a significant amount of their operating budgets from the sale of copies of the standards that they create and maintain. Hence, any requirement to give away their standards would force them to adjust their business model. Although the holding in the Veeck case would not impact all standards even if it was applied nation-wide, the potential for another court to further expand the Veeck doctrine placed the case in the limelight.

Following the decision, the defendant SDO sought the intercession of the Supreme Court, which declined to hear an appeal. The holding of the lower court therefore remains binding in the Fifth Circuit - as well as a precedent that courts in other circuits may decide to follow, even if they are not legally bound to do so. As a result of the Supreme Court deciding not to hear the appeal, uncertainty will reign for the indefinite future. As noted in the brief filed by the defending SDO in the case, "Does the government's decision to make the copyrighted proposals binding place the copyrighted material in the public domain? The First Circuit said maybe. The Second and Ninth Circuits said no. And nine of fifteen Fifth Circuit judges said yes."

It may or may not have been a coincidence that ISO, the global standards organization, released a trial balloon involving a possible new revenue model for SDOs. Although it was not widely known (and not reported at all in the press), ISO began thinking in mid-Summer about charging for the use of the ubiquitous two letter country codes that it maintains. These codes have become as pervasively used as they are simplistic. Moreover, their initial development hardly required a doctoral decree in computer science. Later in the year, the news leaked out, and the hue and cry over "another threatened tax on the Internet" was great, resulting in the release of several "clarifications" by ISO of its intent.

Eolas Technologies v. Microsoft: The third case that galvanized not only the standards community but the on-line world at large also involved the prospect of the much-dreaded "tax on the Internet." One of the truly remarkable things about the World Wide Web is that it has thus far avoided running afoul of blocking (or almost as seriously) royalty-bearing patents directly affecting Web users. Thus it was that when a

verdict was handed down in a long running-patent suit involving the technology underlying Web page embedded applets, it was headline news in the technology press. The damages ($521 million) awarded to the one-person company that sued the industry giant -- as well as the implications -- of this verdict caught everyone's attention. In the months that followed, the industry tried to unravel the implications of the decision for vendors and end-users alike.

While Microsoft marshaled its own response, the W3C leapt into action, seeking the intercession of the Patent and Trademark Office. Not long after, the PTO agreed to review the patent in question to determine whether in fact it should have been issued in the first place. The entire situation exemplified many of the aspects of the current patent system that many in the IT community hate the most -- patents which are often regarded as being too easy too get, but which nonetheless are hugely difficult and expensive to contest. Meanwhile, if the verdict stands, even industry-giant Microsoft will feel the impact of the $512 million award on its legendarily enormous cash balances.

Selected CSB Comments and News Stories:

Infineon v. Rambus:

Editorial : Rambus - Hard Cases Make Bad Law
LawLast year, the standard setting world took comfort when the FTC opened an investigation against Rambus relating to its conduct in the JEDEC standard setting process. The government also issued a warning to all not to "game" the standard setting process. Now, the court that handles all patent case appeals has overturned a lower court's finding of fraud on the part of Rambus - because it found the JEDEC policy to be too vague. Now what happens?
Featured News Story :WHAT DOES RAMBUS MEAN TO YOU?
What does the Rambus decision mean to you, as a standards process participant? As a standard-setting organization? What should an IPR Policy provide for, post-Rambus, in order to be upheld? Does this change the rules of the game, and if so, which ones? And more.

Rambus : UPDATE: THE STAGE SHIFTS TO THE FTC
Infineon has petitioned the Supreme Court to intervene, and today the Federal Trade Commission brings its suit against Rambus to trial for alleged federal antitrust violations.

Such Good Friends: *The author of this article filed "friend of the court" briefs with both the Federal Circuit Court that heard the Rambus case, and later the Supreme Court (the latter on behalf of 10 standard setting organizations representing over 8,000 companies, universities and government agencies). The following articles describe the (unsuccessful) efforts of multiple constituencies to persuade the full Federal Circuit Court, and then the Supreme Court, to intercede:*

Rambus : UPDATE: IT MAY NOT BE OVER YET
Last issue, we reported on a surprising decision by the Appeals court in the Rambus v. Infineon case, and the possible consequences. We also invited consortia to join in a "Friend of the Court" brief we planned to file in support of Infineon's motion for a rehearing. Six major consortia responded. It may not be over yet.

Rambus Update: States, SDOs, Consortia all Unite to Support Infineon
Five different "friend of the court" briefs have been filed in support of Infineon's bid to gain Supreme Court review of the recent Federal Circuit ruling favoring Rambus. One brief was filed by a group of 15 States and Puerto Rico; Lucash, Gesmer & Updegrove filed another on behalf of parties including five SDOs and five Consortia, collectively representing over 8,600 corporate and institutional members. Will it be enough to sway the Court?

Rambus Update : Supreme court says “No Dice” to Infineon
Standards experts were disappointed, but not surprised that the Supreme Court didn't take the Rambus case. Day traders were smug and euphoric. Coming soon: The FTC decision.

Southern Building Code Congress International v. Veeck:

U.S. Supreme Court Decides Not to Adjudicate Appeal in SBCCI v. Veeck
New York, July 8, 2003 -
http://www.ansi.org/news_publications/news_story.aspx?menuid=7&articleid=446

News Cluster: ISO: "Royalties? Did We Say Royalties?"
When word leaked out that global standards organization ISO was thinking about charging for the use of the currency, language and country codes that lie embedded in software and webpages, it set off an immediate storm of negative reaction.

Eolas Technologies v. Microsoft: *The following are samples of the extensive press coverage of the Eolas victory. For a more detailed discussion of the impact of this case, and the response of the standard setting world, see "Intellectual Property", above).*

Microsoft's Patent Loss Rattles Tech Community
IDG News Service, September 3, 2003 -
http://www.infoworld.com/article/03/09/03/HNmicrosoftsloss_1.html

Patent Politics: Rivalries set aside in defense of Internet Explorer
CNet News.com, September 25, 2003 **-** *http://news.com.com/2009-1023-5082004.html*

VI. Legislation: 2003 brought an unusual level of standards-related legislation in the United States. In March, the Department of Commerce announced an initiative aimed at increasing U.S. exports by harmonizing worldwide product standards, thereby helping break down trade barriers to domestic products. The initiative marked one more realization that going it alone, even for a trade giant like the United States, is not feasible against a global market that remains free to make its own choices, and to form its own alliances. The announcement by Secretary of Commerce Donald Evans included the following observation: "Standards and testing are key to our international competitiveness. But more and more we are hearing that foreign standards and testing requirements are keeping our products out of foreign markets."

2003 also the adoption by the House of a House Bill 1086 , a piece of legislation that is intended to amend the *National Cooperative Research and Production Act of 1993 (the NCRPA)* in order to give standards development organizations (SDOs) a measure of protection against certain antitrust sanctions. The *CSB* felt this bill to be well intentioned, but flawed. For example, it could be read to deprive existing consortia of protection even though they were already registered under the Act, because of the restrictive way in which the legislative history of the Bill described qualifying organizations.

Due to the concerns raised by the *CSB* in its April Issue *("What is Congress Up To? Watch Out for House Bill 1086")* a modest clarification was made to help avoid this conclusion, through the cooperation of ANSI. But still, the amendment would only provide for protection for the SDOs themselves, rather than for their members -- a rather startling drafting decision, given that the NCRPA as it currently exists would give equivalent protection to those same members.

Following passage in the House, the same legislation was introduced in the Senate by Senators Leahy and Hatch in October as Senate Bill 1799 .

The U.S. Federal Government also exercised influence on standards and their uptake through new rules affecting government purchasing in a number of areas. For example, the National Institute of Standards and Technology (NIST) released an initial public draft of **its Recommended Security Controls for Federal Information Systems** in November . The guidelines will form the basis upon which NIST will create a new standard, the Federal Information Processing Standard (FIPS) 200, Minimum Security

Controls for Federal Information Systems . FIPS 200 will be mandatory for all Federal civilian agencies not involved in national security.

Similarly, the decision by the Department of Defense to follow the lead of merchandising giant Wal-Mart in endorsing and requiring RFID technology is expected to greatly accelerate the adoption of a new standards-based technology (see the preceding story in this issue, "Wireless (Everywhere!)").

At the same time, the Federal Government maintained a respectful distance where a private standard setting organization had been responsible for setting standards underlying the power grid -- even to the point of allowing t he North American Electric Reliability Council to assume the power to enforce its heretofore voluntary standards for the electric utility industry, following the massive blackout that stilled major parts of the United States and Canada in August.

Selected CSB Comments and News Stories:

Commerce Department Launches Standards Initiative
New York, March 20, 2003 -
http://www.ansi.org/news_publications/news_story.aspx?menuid=7&articleid=359

House Bill 1086:

Featured News Story :"WHAT IS CONGRESS UP TO?" WATCH OUT FOR H.R.BILL 1086
The restrictive approach of a new Congressional bill under review represents a retreat from existing law and could deprive consortia that develop important standards from the very protection it seeks to extend.

Editorial : WHAT MAKES A "GOOD" STANDARD SETTING ORGANIZATION GOOD?
The modern technology-based world is increasingly dependent on the "global standard setting infrastructure," made up of diverse processes and types of organizations. All are essential to the result and the value of each should be recognized and supported by Congress.

Update : CSB ARTICLE SPURS ACTION TO PROTECT CONSORTIA (H.R. 1086)
Following a flurry of activity regarding the April issue of the Consortium Standards Bulletin with ANSI's help, language was added to the Congressional Judiciary Committee Report accompanying H.R. 1086, which seeks to prevent the Bill from negatively impacting non-SDO standard setting organizations

Two Way Street: One feature of the Federal government is its enormous buying power. As a result of this economic influence, requirements adopted by the government can affect the uptake of standards in the private sector as well (see the "Story Updates" above for another example of this dynamic). On the other hand, one advantage to private sector standards bodies is that they generally can work faster than legislative bodies. Sometimes Congress will take advantage of a voluntary standard created by a consensus process, using it as the basis for a law or regulation. The stories below illustrate each of these phenomena.

Draft Federal Guidelines Issued for Computer Security
NIST, November 3, 2003 - *http://www.nist.gov/public_affairs/releases/compsecurityguide.htm*

Standards Key to Passage of Electronic Check Clearing Legislation
ANSI, October 29, 2003 --
http://www.ansi.org/news_publications/news_story.aspx?menuid=7&articleid=542

Where were you when the standards went out? *As you might expect, there are standards that address various aspects of power transmission, including reliability. Like most standards, these are created through the voluntary consensus process and, unlike government regulations, cannot be enforced by those that create them. The following article from the ANSI site explores the question whether this should change, in light of the massive August blackout.*

Voluntary Utility Standards Face Post-Blackout Scrutiny
ANSI, New York August 19, 2003 -
http://www.ansi.org/news_publications/news_story.aspx?menuid=7&articleid=479

VII. Open Source: The ups and downs of Linux unquestionably dominated the open source news in 2003. The two main stories that continued to generate new news and interest were the strange quest of SCO to assert the right to levy fees for the use of Linux, due to alleged infringements by IBM, and the continuing exodus of governments around the world from the Microsoft platform in favor of Linux based-systems.

While coverage of the SCO saga would be beyond the scope of this review of the news, the varied successes of collaborative commercial Linux projects do bear mention. While most people think first of the kind of virtual and voluntary open source project that created Linux, many proprietary vendors are now supporting open source projects as well, representing a new type of standard setting effort that brings together some aspects of consortia as well as major parts of the open source project process.

Commercially funded open source projects of this type had a varied year, with as many foundering or failing as there were others that were achieving their goals. One of the losers in 2003 was United Linux, a four-vendor initiative launched to create and license a business version of Linux. While the initiative attracted great initial success and commercial support, the project began to unravel mid-year, as SCO was one of the four companies involved (the others are TurboLinux, SuSE Linux AG and Connectiva S.A.). By the end of the year, the project was in disarray.

Meanwhile, the Embedded Linux Consortium (launched in March of 2000 in an effort to rally the industry around a single Linux development standard for new embedded products( ) released its ELC Platform Specification in February. On the other hand, the Desktop Linux Consortium, which had announced it was "near launch" in February of 2003 with the objective of "amplify[ing] the depth, breadth and speed of Linux adoption in the enormous desktop computer market" had not announced any major initiatives by year's end, other than a conference held in November in Boston.

On yet another hand, the Open Software Development Labs (OSDL) had a banner year. OSDL is "dedicated to accelerating the growth and adoption of Linux in the enterprise", and seeks " to be the recognized center of gravity for Linux; the central body dedicated to accelerating the use of Linux for enterprise computing." It achieved a major coup by persuading Li nux creator Linus Torvalds to join its staff in June as an "OSDL Fellow." More good news came in the form of adding major new industry players to its highly priced membership, including Novell and Sun.

Other commercial open source projects made major releases as well, with the Mozilla Foundation announcing the release of Version 1.5 of its multifunction Internet application suite, and the March announcement by Sun's OpenOffice.org project of its version 1.1.

Business, of course, was still business, and Sun gave IBM-affiliated open source project Eclipse.org a snub late in the year, when it announced that it would not become a member. Earlier, there had been much public speculation in the technical press Sun might come aboard, notwithstanding the competition represented by its own NetBeans project. In December, Eclipse.org announced that it would achieve independence from IBM, which has reportedly poured more than $40 million into the project. When that process is complete, perhaps Sun may reconsider.

Finally, in December, a new initiative was announced by a group including all of the major Linux developers worldwide, with the objective of providing "data center backup support across a broad array of applications." Next year will tell whether this new initiative ends up in the winners or the loser's column.

Selected CSB Comments and News Stories:

United Linux to Deliver Enhanced Linux Platform for Telecommunications Carriers
WAKEFIELD, Mass., January 16, 2003 *http://www.unitedlinux.com/en/press/pr011603.html*

Desktop Linux Consortium Nears Launch
VNUNet.com, February 2, 2003 - *http://www.vnunet.com/News/1138607*

Embedded Linux Consortium unveils landmark standard
San Francisco, Calif., February 19, 2003 - *http://www.embedded-linux.org/pressroom.php3#90*

OpenOffice.org Releases Version 1.1 Beta for Open Source Office Productivity Suite
The Cover Pages, March 28, 2003 - *http://xml.coverpages.org/ni2003-03-28-a.html*

LINUX CREATOR LINUS TORVALDS JOINS OSDL
BEAVERTON, OR, and SANTA CLARA, CA, June 17, 2003 -
http://www.osdl.org/newsroom/press_releases/2003/2003_06_17_beaverton.html

OpenGroupware Challenges MS Exchange
Betanews.com, July 14, 2003 - *http://www.betanews.com/article.php3?sid=1058160480*

What's in a Name? *When IBM helped found Eclipse.Org two years ago, playing the dominant role seemed like a good idea -- good enough to invest $40 million in, as a matter of fact. Now that the project has made progress in creating its open source, single graphical interface "framework" for development, however, IBM has decided that its time to take a step backwards. How big a step? Big enough that the open source organization hopes to convince IBM arch-rival Sun Microsystems (which promotes NetBeans, its own open source tool initiative) to join the party, and help stabilize the Java community by building a path of interoperability between the Eclipse and the NetBeans code. If the organization really wants to let Sun shine in, though, word has it that Eclipse's perhaps too-clever name will have to go - interoperability bridges aren't built on efforts to Eclipse the Sun initiative.*

Eclipse revamp to forge path for Sun
CNET News.com, September 3, 2003 - *http://news.com.com/2102-1007_3-5070753.html?tag=ni_print*

From the Standards Blog:

#2 **Alpha Predators and Cyber *In*security**... If you've been reading the IT press lately, it's likely that the name "Dan Geer" will ring a bell. If not, type the search "geer + microsoft" in Google and you'll be able to access 70,000 hits. Sorry; that was 15 minutes ago. Now its 75,300 hits. Seems like something's been going on there. That something is a report entitled "Cyber In security: the Cost of Monopoly", co-authored by Dan Geer and six other security gurus. The thrust of the report is that a world that relies on a single, tightly integrated OS and applications environment controlled by a single vendor is more vulnerable to attack -- and disastrously so -- than a world that relies on a more diverse IT environment…

For the full entry, see #2 Alpha Predators and Cyber Insecurity

Mozilla 1.5 Boosts Usability
EWEEK, October 16, 2003 - *http://www.eweek.com/article2/0,4149,1354143,00.asp*

Drumbeat for open source continues: *In the last issue of the Consortium Standards Bulletin, we reflected on the pernicious effects of "computer monocultures" (Alpha Predators and CyberInsecurity), as highlighted in the recently released report, "CyberInsecurity: the Cost of Monopoly" . The following report, commissioned by the Danish government, highlights other types of adverse effects that lack of competition causes, and recommends government action to break monopolies that become entrenched in the marketplace.*

Denmark urges government support for open source
ZDNet News, October 24, 2003 -
http://www.zdnet.com.au/newstech/os/story/0,2000048630,20280102,00.htm

Eclipse Will Break Out on Its Own
December 5, 2003 - *http://www.sdtimes.com/news/091/story1.htm*

Linux Vendors Team to Safeguard Data
eWeek, December 15, 2003 -
http://story.news.yahoo.com/news?tmpl=story&cid=1738&ncid=738&e=9&u=/zd/20031215/tc_zd/114591

VIII. Rest in Peace: Beginnings of brave new initiatives are (usually) more interesting than their endings, but 2003, like any other year, saw its share of endpoints that also bear notice. While the announcement of a new standard setting consortium is one of the few events that such an organization can count on to get some measure of press attention, an organization's dissolution is something that its members' would usually prefer would escape notice. Here are two of the consortia whose passage into that dark good night did not escape the eye of a watchful press.

The formation of the first, curiously enough, was occasioned by the Rambus suit (see "Litigation", above). The ***Advanced DRAM Consortium*** was created in January of 2000 by DRAM heavyweights such as Intel, Samsung, Infineon and NEC, as an alternative to the JEDEC process that had hosted the standard setting effort that gave birth to the Rambus litigation. After three years, the ADC founders decided that the JEDEC process was fine, after all.

The second consortium, the ***HomeRF Working Group*** also forms a counterpoint to a story in this *issue (see "Wireless (Everywhere!)", above)* . With Wi-Fi garnering by far the greatest news coverage today, and Bluetooth fading fast, few recall that there were other contenders in the short-range wireless standards race, or that standard called "HomeRF" was at one time considered to be a front-runner. HomeRF was conceived to carry voice as well as data, and at one time its members (at least) thought that it would be the first standard to be commercially implemented. But when Intel decided to back the Wi-Fi horse instead, the HomeRF Working Group's days were numbered. In January of this year, a member confirmed to a CNET reporter that the group had, to paraphrase Monty Python's John Cleese in the immortal "Dead Parrot" vignette, shuffled off its mortal coil, and joined the Consortium Chorus Indivisible.

Selected CSB Comments and News Stories:

Memory Consortium Fades Away
CNET News.com, February 20, 2003, 6:06 AM PT - *http://news.com.com/2100-1001-985260.html?tag=fd_top*

HomeRF Working Group Disbands
CNET News.com, January 7, 2003 - *http://news.com.com/2100-1039-979611.html?tag=cd_mh*

Comments? updegrove@consortiuminfo.org

FROM THE STANDARDS BLOG:

STANDARDS, NEW FRONTIERS AND ROI

***#8* December 1, 2003 -** For all of this year, we have been reporting on the rapid developments occurring in the area of RFID (or Radio Frequency Identification) tags. While some analysts are saying "too soon" to prospective customers, others are noting that standards are key to lowering early-deployment risk.

For those who have not been tracking this area, RFID is a new standards-based wireless technology that enables tiny chips to be affixed to almost anything, to permit the item to be tracked. The potential for the technology has been trumpeted for everything from Homeland Security applications to concert tickets, but is most obviously suited for wide-scale adoption in the supply chain.

But while new technologies (some involve batteries printed as ink on film) and volume production may ultimately permit per-tag prices to drop to five cents a piece (or even a penny), the ROI on installing the necessary infrastructure to deploy an RFID system may still not be obvious in most circumstances.

All of that may change, however, as there are some major drivers behind the adoption of this technology that are rarely present in most early-adoption commercial situations. As we have previously reported, both Wal-Mart, and now the Department of Defense have announced that they will require vendors to adopt RFID technology, which will have a dramatic impact on driving down RFID unit prices. But the more expensive elements of RFID-based systems will be evolving rapidly for some time, thus offering the risk for early obsolescence for early adopter/purchasers of such systems.

What to do, if you're a defense contractor or a major supplier to Wal-Mart? One analyst identifies the following as a key element of any early-adopter deployment strategy:

"Invest in open standards, such as XML, as much as possible. If a company ties an RFID system to proprietary software processes, it will be locked into out-of-date technology almost as soon as its deployment is complete. An RFID project is an excellent opportunity to revamp proprietary systems and invest in open standards . [RFID: An ROI Black Hole, Barry Mason, Nucleus Research]

Once again, standards lower risk.

Comments? updegrove@consortiuminfo.org

Useful Links and Information:

Quoted Article:

RFID: An ROI Black Hole
By Barry Mason, Analyst, Nucleus Research
Few technologies have as much potential to impact a wide array of businesses' decisions as radio frequency identification (RFID...Is this yet another case of a mad rush to adopt a technology without a proven ROI?
For the full story : http://www2.cio.com/analyst/report1956.html

Other recent articles:

Physical Markup Language (PML) Core Specification Version 1.0 for EPC Objects.
The Cover Pages, November 10, 2003 . . . EPC is an enabling technology designed to transform the global supply chain through a new, open global standard for real-time, automatic identification of traded items.

For the full story: http://xml.coverpages.org/ni2003-11-10-b.html

Feds, Wal-Mart Drive RFID Adoption
eWEEK, October 28, 2003 . . . The Department of Defense last week instituted a policy to require its suppliers to install radio frequency identification (RFID) tags on individual parts and pallets by 2005, a federal stamp of approval on the technology
For the full story see: http://www.eweek.com/article2/0,4149,1365701,00.asp

Postings are made to the Standards Blog on a regular basis. Bookmark:

http://www.consortiuminfo.org/blog/

SURVEY:

ANSI 2004 Survey on Standardization Activities

During 2003, the American National Standards Institute (ANSI), has been exploring ways that it can serve the consortium community, as well as the Standards Development Organizations that it accredits. In May of 2003, ANSI announced that its National Policy Committee (NPC) had established "an ad hoc group to focus on the relationship of ANSI with fora and consortia", and noting that "One of the objectives set forth in the National Standards Strategy is to '[b]roaden the U.S. standards 'umbrella' to include all those organizations that are contributing to the standards system.'" The ad hoc group was charged with considering "what actions ANSI could take, relative to unaccredited standards developers, that would improve coordination and collaboration for ANSI and its members, while improving the national and international standards infrastructure overall."

We were pleased to be contacted by the Ad Hoc Group, and to be asked to offer our thoughts on how ANSI and the consortium community could work together most effectively. One result of the Ad Hoc Group's efforts was the creation of a survey, which all consortia are being welcomed to complete.

The following is the text of the ANSI announcement, and includes instructions on how to find and access the survey. We applaud this effort and hope that as many eligible readers of the ***CSB*** as possible will take the small amount of time needed to complete the survey.

Call for Participants in the 2003-2004 ANSI Survey on Standardization Activities

New York January 5, 2004

The National Policy Committee (NPC) of the American National Standards Institute (ANSI) has announced that it is conducting a survey to identify ways in which ANSI and consortia can work together for the benefit of standards developers and the stakeholders they wish to serve. The survey has been issued to companies, individuals, and organizations involved in consortium-based standards development.

According to Stephen Oksala, chairman of the NPC, "This strengthened collaboration will be a positive step for organizations within the U.S. and around the globe."

The survey is consistent with one of the goals identified within the National Standards Strategy for the United States (NSS) (www.ansi.org/nss). The NSS establishes a standardization framework based upon a set of strategic and tactical initiatives that can be used by all interests to meet national and individual organizational objectives.

“ANSI welcomes the opportunity to partner with standards setting organizations in all sectors,” said Anne Caldas, director of the ANSI procedures and administration department. Responses received are expected to provide a better understanding of the needs of the many and varied organizations involved in standardization. Aggregated replies will be compiled and presented in a summary format during 2004.

Any interested party may obtain the survey via ANSI Online at www.ansi.org (keyword search "survey"). Responses will be accepted between January 1 and January 31, 2004, and should be returned via e-mail to psa@ansi.org.

http://www.ansi.org/news_publications/news_story.aspx?menuid=7&articleid=587