



Standardization Boosting The Overall Industry Development

Guo Xiao Ming

**Chief Counsellor
Director of IPR
ZTE CORPORATION**

- ❑ The Necessity of Collaboration in Standardization**
- ❑ The Order of Standardization Collaboration under New Globalism**
- ❑ Types of Collaboration in Standardization and Case Studies**
- ❑ Suggestions To Key Issues in Standardization Collaboration**

- ❑ **Standardization is the process of participation and negotiation amongst many parties of the industry ecosystems**
 - ISO's Definition for Standards: a kind or a series of mandatory requirements or guiding functions, and documents which includes detail technical requirements. Its aim is to make products or services meet certain standard or requirement to enter the market.
 - Standard is the product of industrial Standardization, which promotes the compatibility and interoperability among different products.

- ❑ **The coming of “New Globalization” means the transition from simple standard era to more complex standard era, and a more complex and more balanced form for standardization will emerge.**
 - the development of industrial technology becomes more complex
 - enterprise (manufacture, design, talent),government and market will play key roles in development of standards.
 - Developing countries and enterprises awakened, and they understand and pay more attention to the rules of standardization
 - The ability for one country or one enterprise to monopolize standards will decrease.

The Order of Standardization : “Old Globalism” vs “New Globalism”

| Comparison contents | The old globalism | The new globalism |
|--|--|--|
| The objective of policy: whose benefits should be promoted ? | Take advantage of globalization and promote monopoly benefits | While promoting ones own benefits, also accelerate the balanced development of the market and the fair play of the global rules. |
| Who leads technological innovation | Monopoly enterprises maintain its own priority of development, and block other innovation | Technological innovation should come from different levels, different regions and the enterprises of different countries. |
| Open or closed to outsiders? | choose open or close policy under the premise of maximum monopoly benefits; often opens first, then close later. | It advocates to find the reasonable balance between the open and closed.. |
| Conflict or Collaborate | Often conflicts come first, and collaborate are secondary. | Collaborate is priority, but don't rule out conflicts. |

The old globalism is one-polarized, closed, monopolized and declining system, while the new globalism is multi-polarized, open, competitive and balanced system

- ❑ The new globalism is a new standardization order, and a new economic order as well.
- ❑ The new globalism emphasizes that standardization should keep its balanced between monopoly and competition, so that individual and public benefit can maintain balanced development.
- ❑ The participation of developing countries in the development of standardization is the basis for promoting “Global Public Benefits”.
- ❑ The key to new globalism lies in: participation in standards development from the developing countries; developing countries and its enterprises' growth, position and rights in standardization; elimination of monopoly in international standards.

❑ The collaboration among different countries and regions

- Usually organized by a country or regional government agencies that overlook certain industry sectors.
- The main aim is to strengthen technological communication and industrial cooperation; exert advantages and compensate the weakness; accelerate the development; jointly research and establish technological standard among certain countries or districts, even promote to be the uniform international technological standard.
- Case Study:

China, Japan and Korean home network standard agency—the cooperation among China IGRS standard group, Japan association of ECHONET and Korean Home Network forum. The three groups exchange related information for home network promotion strategy and further discuss the developing trend and cooperation of the three countries' home network standards. MOU was signed by Korean family network forum, Japan association of ECHONET and China IGRS. The cooperation is mainly focused on information and human resource exchange, and promotes international standards in home network

□ The collaboration among different standard organizations

- Generally, it is initiated by standard bodies voluntarily.
- The main goal for the collaboration is to seek uniform and harmony between different standard technology in order to avoid the waste of resources and promote the development of standard collaboration and market expansion.
- Case Study
 - ✓ Bluetooth Consortium is planning to work closely with wireless standard organizations such as Wi-Fi, UWB and NFC in order to unify wireless functions. Bluetooth Consortium is trying to combine the wireless technology, its functions and user interface to give end users something less confusing.
 - ✓ In October 2005, three largest information industry standards organizations in China: IGRS, DMB-T, MMTA, TD-SCDMA, EVD standard group, AVS group officially formed alliance. It provided a platform for standard groups with great potentials to collaborate, it formed a network of strategic relationships to allow technology collaboration and joint market development.

□ The collaboration between standard organizations and other agencies

- Standard organizations' main objective to collaborate with other agencies is to better promote its applications and enlarge its influence around the world.
- This kind of collaboration is for market promotion after the standards have been developed.
- Case study
 - ✓ **In October 2006, one of the most important standard organizations in US—ASTM, American Society for Testing and Material cooperated with China textile industrial association inspection centre. ASTM international standard organization entrusted China textile industrial association inspection centre to recruit new members in China , organize training and promote ASTM standards.**

□ The collaboration among different enterprises

- Several enterprises who have complement technological advantages in certain field, trying to promote the formulation and adoption of certain industrial standard, including open standard and closed standard.
- Enterprises are the basic components of different kinds of SSOs, and almost all the standardization cooperation are among enterprises. In this sense, the standardization cooperation among enterprises is the most basic and extensive type of standardization cooperation.
- Here ,it refers to the more closed and pure industrial alliance standardization cooperation.
- Case study
 - ✓ **In 2005, IGRS Group reformed the operation system to establish IGRS Industrial Association. Meanwhile, IGRS Information Technology Engineering Center Corp. Ltd. was set up as well by eight domestic enterprises, devoting to the industrialization and marketization of IGRS standard, promoting self-innovation and the brand construction. IGRS realized the intellectual communication, resource sharing and coordination service, getting rid of the competition with same quality and form a new industrial model. The Association and the Engineering Center will supplement each other, promoting the industrialization of IGRS and enhance the industrial position and impact of IGRS in global 3C industry.**

- ❑ **Through the way of national legislation and the international platform of WTO/TBT/TRIPS, the related legal system of standardization collaboration will be set up, and even uniformed legal and regulation system for international standardization could be formed, which will be the legal basis for international standardization activity.**
 - Dealing efficiently with the interests conflict between enterprises, industries and countries can make it possible to promote the development of industry through standard formulation and bring the maximum benefits to consumers.
 - Solve the problems of differences existing in legal system and culture field in various countries.
 - Solve disputes in the process of standards setting including ownership of Intellectual property rights and its utilization.
 - Legalize “ the principle of patent CAP”, improving the “patent cost accumulation” in the process of industrialization, and eliminate industrial monopoly by patent, promoting efficiently the industrialization of standard .
 - The principle of “Patent cost CAP” should include the participants and the third party involved in the process.

- ❑ **Improve the standard setting system in different standard organizations**
 - Fair and open decision system is the incentive to promote standard formulation, including that most enterprises require transparent enrollment and management system, form sharing system, transparent voting mechanism and dispute arbitrary mechanism, which follow the principle of fair and open, to prevent industrial monopoly while guaranteeing their own interests.
 - Organization should try to establish communication and understanding mechanism due to cultural differences in various countries, which leads to the disputes in the process of establishment.
- ❑ **Regulate a series of standardization policy including IPR policy, and build reasonable, open and balanced standardization policy .**
 - Under the framework of new globalism, we should constantly review the serial of standard and industrial policy such as Intellectual property rights, changing the unreasonable and inadaptible policy and promote the coordination among different policies.
 - We should set down viable patent licensing model. The puzzlement in operation of present RAND principle has already hinder industrial development.

- Developing countries and enterprises should be actively involved in the international standard cooperation and constantly utilize and improve the rules
 - **The enterprises in developing countries, including in China, could stand outside of the system to disagree or refuse the rules. They should be involved in the international rules system. They should not only take advantage the rules to protect their own benefits and rights, but also to promote the rules and order for the balanced direction with the help of the related platform and the organizations, which will be beneficial for a better result from this standardization cooperation.**

Thank you!