

PL 210

International Business Machines Corporation

Office of the IBM Director
of Commercial Relations

Armonk, N.Y. 1

October 16, 1981

Ms. Frances E. Schrotter
Secretariat ISO/TC 97
American National
Standards Institute, Inc.
1430 Broadway
New York, New York 10018

Dear Ms. Schrotter:

In response to your letter of September 6, this will confirm that IBM will grant non-exclusive licenses in the field of information handling systems under IBM patents on reasonable and non-discriminatory terms and conditions. The parties to whom we grant licenses must be willing to grant IBM freedom of action under their patents upon similar terms and conditions.

However, IBM will grant royalty-free licenses in support of data encryption standards issued by the International Standards Organization. Although this is a variation on the practice outlined above, it is similar to our support of the Data Encryption Standard issued by the U.S. National Bureau of Standards. However, it should not be considered a precedent relative to other standards matters.

Any royalty-free licenses from IBM would be granted in appropriate terms to a requesting party within the jurisdiction of an ISO member national standards body which adopts the ISO standards on data encryption, under the claims of those IBM data encryption patents required to practice the adopted standard in the country or countries in which the standards are adopted. However, those receiving such a royalty-free grant must agree to license IBM on similar terms and conditions under any of their issued or future data encryption patents.

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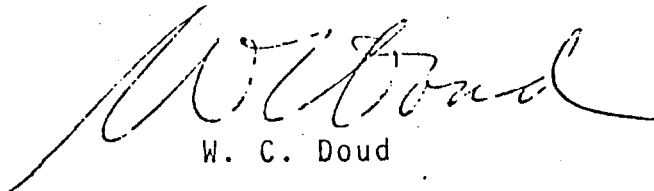
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The final determination as to the details of the grant will be based on the content of the standards. Therefore, we ask that you keep us informed as the process of constructing and issuing the standards moves forward.

If you would like to discuss this subject in further detail, please contact John Lowe of my staff at the above address.

Sincerely,



W. C. Doud

/ds

cc: Mr. R. C. Elander
Mr. J. W. Lowe
Mr. L. J. Rankine



April 23, 1990

William Rockwell, Esq.
ANSI General Counsel
American National Standards Institute
1430 Broadway
New York, N.Y. 10018

Dear Mr. Rockwell:

Please send me a copy of the letter IBM submitted explaining IBM's position on the patent rights concerning ANSI X3.92-1981, Data Encryption Algorithm.

Sincerely,

A handwritten signature in cursive script that reads "Jon C. Graff".

Jon C. Graff, Ph.D.