



Edison SmartConnect[™]

Open Innovation & IP
September, 2008

SCE's Approach

Promote Open Standards & Open Innovation thru Open Source

- **SCE has sought patents as a defensive measure**
 - To preserve SCE's own ability to use our \$1.7 billion SmartConnect system (and to allow others to use their AMI/Smart Meter systems), SCE has taken the precautionary step of filing a patent application for the 2006 AMI Use Cases with the U.S. Patent Office.
 - If a SmartGrid Open Source Repository was available the need for patent protection would diminish as it would be possible to clearly establish an invention in the public domain.
- **SCE is offering a non-exclusive world-wide royalty-free license for others to use the AMI Use Cases**
- **SCE Continues to Share Its Developments with Industry**
 - SCE recently shared its PEV Use Cases (no patent sought) with EPRI & SAE to facilitate development of the PEV
- **SCE Continues to Promote Open Innovation**



Next Steps

- Seeking Feedback on Draft Agreement
- UtilityAMI Web conference week of 9/15
- Incorporate any changes & post to SCE website by Oct 1st
- Work with EPRI, UtilityAMI, IEEE & others to establish industrySmartGrid Open Source Repository in Q4 2008
- SCE will not seek patent protection on its 100 new SmartGrid Use Cases (under development incl recent PEV cases) and instead publish to the Repository



Draft AMI Use Case License

Draft Use Case License Agreement

Non-Exclusive World-wide Royalty Free License

This License Agreement is between Southern California Edison, with offices located at 2244 Walnut Grove Ave., Rosemead, CA 91770 (“SCE”) and with you (“Licensee”).

This License governs the use of SCE’s “Use Cases”, which are identified as such on a SCE webpage and also posted on the same webpage. The webpage is;
<http://www.sce.com/PowerandEnvironment/smartconnect/open-innovation/use-cases>.

These Use Cases relate to advanced metering system technology (“Technology”).

RECITALS

The description of the Use Cases (“Work”) is protected under the copyright laws of the United States and foreign countries.

SCE has a pending U.S. patent application that is based on the Use Cases entitled “Method Of Communicating Between A Utility And Its Customer Locations,” application serial number 11/626,810.

SCE wants to further the development of a competitive market for advanced meter system technologies since the use of similar technologies by a large group of users can provide economies of scale and low prices for SCE’s ratepayers, and so SCE is willing to allow others to use the Use Cases under the terms and conditions in this License Agreement.

Licensee is a person or entity that wants to use the Use Cases to develop an advanced meter system.

Draft Use Case License Agreement

License Terms

TERMS

Accordingly, it is agreed:

1. License Grants.

SCE grants Licensee a non-exclusive royalty free, worldwide license to copy, publish and create derivative works of all or part of the Work.

SCE grants Licensee a non-exclusive royalty free, world-wide license to use the Technology described in the Work, including SCE's Patent Rights. The term "Patent Rights" refers to any patent issuing on U.S. Patent application serial number 11/626,810, and any divisionals, continuations, continuation-in-parts, reissues, and corresponding international patents thereof.

2. Export Requirements. Export requirements may apply to any use of the Use Cases outside of the United States and the Licensee will need to comply with any export requirements, to the extent such requirements apply.

3. Copyright Notice. Licensee shall place a copyright notice identifying SCE as an owner on any published copies of the Work and any published derivative works of the Work.

4. No Warranties. The licenses granted herein are on an "as is" basis, without any warranties and representations, and expressly do not include any implied or express warranty of non-infringement of any third party's rights. SCE will not indemnify or defend the Licensee from any claims of infringement, nor loss or damage of any kind, that might arise from the Licenses granted.

Draft Use Case License Agreement

License Terms cont.



5. Term. This Agreement shall expire upon the expiration of the copyright in the Work and any derivative works created or owned by Licensee, and the expiration of the Patent Rights, whichever occurs last.

6. Condition of License. Licensee or any of its Affiliates shall not: (i) sue SCE or any of its Affiliates for patent infringement, or (ii) sue an SCE vendor for patent infringement with regard to services or products provided to SCE or its affiliates. The term "Affiliates" means any person that, directly or indirectly, is in control of, is controlled by, or is under common control with SCE or Licensee. For purposes of this definition, "control" means the power, direct or indirect, to direct or cause the direction of the management and policies of such person, whether by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

7. Venue and Jurisdiction. Any dispute relating to or arising under this Agreement shall be resolved in a Federal Court or State Court located in Los Angeles County, California. The parties agree to personal jurisdiction before such court. The court shall apply the law of California, including California choice of law.

8. Acceptance. This License Agreement may be accepted by the method indicated on SCE's website. By using this method of acceptance, you represent that you are authorized to sign this License Agreement and that you are accepting this License Agreement with the intent of being bound to its terms and conditions. Further, as noted in the policy statement included on our website, you may not copy or use the Use Cases to create derivative works without agreeing to this License Agreement.