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## **EDITORIAL:**

### **IT STANDARDS COME OF AGE**

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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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