



# Driving Industry Growth *By Investing Intellectual Property in Open Standards*

October 2005



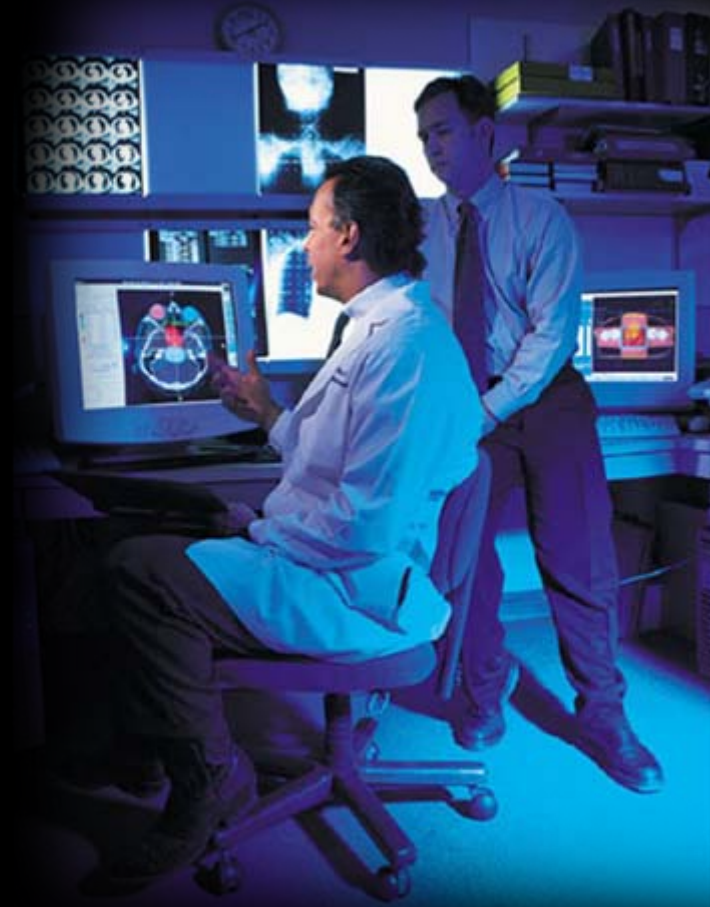
“Open standards must take hold in every industry. Without them, it's too difficult and costly to achieve the kind of transformation we've been talking about. I am not speaking just about technology standards, either. Standards exist in every industry, whether they are document formats, patient healthcare records, financial trading systems, security databases or inventory control systems.”



**Sam Palmisano**  
*IBM Chairman and CEO*

# Meeting the Needs of Healthcare

- **Imagine a fully-interconnected industry**
  - Your individual healthcare record goes and can be used wherever you go
  - ER departments have immediate access to your clinical and medication history
  - Your primary care physician can obtain your new patient history without your filling in another clipboard
  - Your provider can speed claims and reimbursements
  - There is new growth and innovation in the industry



*How can open standards play a role to accelerate this?*

# Meeting the Needs of Education

- **Imagine a fully-interconnected industry**
  - Your individual student record goes with you, from school to school
  - Your institution can extend the learning environment beyond the physical classroom
  - Your online college application is processed more quickly and for less money
  - You can collaborate with your study lab from your living room, not the research lab
  - There is new growth and innovation in the industry



*How can open standards play a role to accelerate this?*

# Innovation Starts By Connecting Industries

*Interoperability via standards is the vital link*

## **Web Services**

- Standardized, secure, reliable information exchange infrastructure

## **Open Document Formats**

- Common open formats for documents and unstructured information, free from vendor lock-in

## **Electronic Forms**

- Unified, consistent, more error-free and structured way of getting information



# Better Education and Healthcare is the Goal

- What can be done to advance the adoption of standards-based solutions, increase interoperability and accelerate industry growth for healthcare and education?



- How can this be linked to the latest technology and information standards to drive a consistent foundation, encourage innovation, and thereby improve healthcare and education?

# Shifting IBM's IP Strategy to Accelerate Industry Growth

We are announcing a pledge that opens access to all needed IBM patents to implementers of targeted industry software interoperability standards that compliantly use web services, open document formats and electronic form specifications.

We are initiating this strategy with the healthcare and education industries, investing intellectual property where interoperability and innovation are urgently needed.

To enjoy this benefit, implementers will have to agree not to assert their intellectual property against other implementations of these industry standards.



# What's in it for IBM?

- We believe technologies like Service Oriented Architecture are energizing the IT world and leading to new and more revenue opportunities for new and more product and services providers.
- Open standards are at the core of what makes SOA work, and IBM has demonstrated its leadership and ability to execute a standards-based business strategy.
- We are making this investment in open standards in order to allow IBM, its partners, and others to compete and succeed in this new integrated world.
- We are prepared to meet the challenge and continue to produce innovative, interoperable and high value products and services that meet the needs of the healthcare and education industries.





# IBM Middleware is Standards-driven

## Nobody has the same breadth and depth

- Broad WebSphere portfolio relied on by over 87,000 customers
- #1 across application integration middleware
- Extensive ecosystem – more than 4,000 partners and 3,150 active ISV solutions

## Nobody invests more

- IBM investing over \$1B a year around SOA and Web services
- Over 6,700 IBM developers
- Over 10,750 IGS technical practitioners trained on WebSphere

## Award winning SOA products



**IBM tops elite vendor list**

-Intelligent Enterprise Editors' Choice Awards (April 2005)



**IBM Overall Winner in Application Integration Middleware**

-CRN Channel Champions Award (March 2005)



**WebSphere: "impressive management options, support for Web services and general ease of use..."**

- Network Computing (February 2005)



# IBM Industry Solutions are Standards-driven

**HIPAA solution for healthcare organizations from IBM**  
How can you adequately protect your members' and patients' health information while maintaining and improving your

**IBM Healthcare Collaborative Network**  
Organize, collect, exchange and streamline the flow of clinical data to improve patient care. Share clinical data more effectively across the healthcare community to improve quality initiatives.

**Clinical genomics for biopharmaceuticals from IBM**  
The current blockbuster drug model results in therapeutic drugs that are sometimes effective in as low as 20% of an afflicted population. We can help your organization fully utilize information generated in the clinic and lab, increase drug discovery productivity and develop safer, more effective targeted drugs.



**Student information system implementation from IBM**  
Accurate, timely information. Without it, how do you know whether your planning and decision making is effective? Being able

**Education portal solution for schools from IBM**  
Is your school district mired down in multiple disconnected intranets? Our education portal solution can help you unify your

**Digital content management from IBM**  
Are you providing students with tools for rich learning opportunities? Can you distribute materials—documents, lectures, audio and video—across your campus and with other institutions? IBM can help you take instruction to a higher level with technology to increase access to a variety of learning materials.



# Accelerating Innovation...Industry by Industry

**IBM shifts IP management strategy: pledges portfolio to selected Healthcare and Education software standards efforts**

**IBM shares business processes with ACORD (insurance)**

**IBM pledges IP to ARTS (retail)**

**IBM pledges 500 software patents to open source**

**IBM joins AUTOSAR**

**IBM's non-assert pledge on Linux kernel**



# The Promise of Open Industry Standards

## Healthcare ...

- Standardizing document formats for clinical practices (Open Document)
- Interacting with patient data (Electronic Forms)
- Accessing and exchanging data worldwide (Web Services)



## Education ...

- Standardizing document formats for institutions (Open Document)
- Interacting with student data (Electronic Forms)
- Accessing data and collaborating (Web Services)

# Summary



- IBM believes that the time is right to use open software standards to drive interoperability, innovation, and growth in healthcare and education.
- Web services, electronic forms, and open document format standards will be key to the way information is obtained, exchanged, and then used in secure and reliable ways.
- We believe that by pledging intellectual property IBM can help accelerate the development of a solid foundation on top of which we will see measurable improvements in the way healthcare and education are delivered around the world.
- This advance will lead to new revenue opportunities for IBM, its partners and others who are shifting to a standards-centric strategy.
- This isn't just about industry, it's about *people*.