

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Implementation of the Child Safe Viewing)	MB Docket No. 09-26
Act; Examination of Parental Control)	
Technologies for Video or Audio)	
Programming)	

COMMENTS OF SANYO MANUFACTURING CORPORATION

SANYO Manufacturing Corporation (“Sanyo”), by undersigned counsel, hereby submits these Comments in response to the Notice of Inquiry in the above-captioned proceeding (the “NOI”). Sanyo is a leading manufacturer of television sets in the United States, with an office located in Forrest City, Arkansas.

In paragraph 22 of the NOI, the Commission invites comment “on whether there are intellectual property concerns that could affect efforts to improve the V-chip and the current ratings system, as well as efforts to develop an ‘open V-chip’ and other next-generation parental control technologies.” The answer is clearly yes. As discussed below, certain intellectual property issues not only impact efforts to improve the v-chip, but they have tremendous public interest ramifications for both consumers and manufacturers.

Specifically, the NOI discusses that Tri-Vision International Corporation (“Tri-Vision”) claims to have a patent on the open v-chip technology, and the Commission seeks comment on whether the “licensing terms that Tri-Vision offers are reasonable.” Tri-Vision’s terms, however, are patently unreasonable. Simply put, Sanyo and other manufacturers are collectively paying considerable sums of money to Tri-Vision annually for a technology that has no utility whatsoever today. None. To the best of

Sanyo's knowledge, not one consumer in the country has ever used or benefited from the open v-chip for which Tri-Vision claims to have a patent. Yet, Sanyo and other manufacturers nevertheless are paying Tri-Vision considerable sums of money for this technology.

Tri-Vision reaps this incredible windfall – year, after year, after year -- as a result of its previous successful lobbying efforts. A number of years ago, Tri-Vision representatives persuaded the Commission to mandate that U.S. television sets incorporate the open v-chip technology, but Tri-Vision did not mention in its filings at the time that it was unclear when – if ever – U.S. consumers would actually be able to use this technology. As a result of its lobbying success, Tri-Vision has been able to compel many manufacturers to incorporate the technology into their sets and pay licensee fees, even though no consumer actually can or does use this technology.

The bottom line, however, is this: American consumers should not pay another dime for a digital television-related technology that no one uses – until and unless that technology actually becomes utilized. It is unconscionable that tremendous sums of money are coming out of the collective pockets of U.S consumers and into the bank accounts of Tri-Vision because of a technology that not one person is using.¹ While Sanyo does not know the total amount of revenue Tri-Vision has received, it must be extremely considerable. See Local Inventor Hopes for Windfall with Digital TV/ New Standards Called Boon for B.C. Firm, Business Edge, October 14, 2004 (“New standards ushering in digital television in the U.S. will soon boost revenue by as much as \$90 million a year for a company licensing a technology developed in Vancouver,

¹ Many manufacturers presumably pass-through their patent license fees to their customers, just as they pass-through many of their other costs.

according to its inventor. Simon Fraser University (SFU) professor and V-chip creator Tim Collings says the company that sells the technology, Mississauga-based Tri-Vision International Ltd, will likely see a dramatic increase in sales when the U.S. Federal Communications Commission's (FCC) new rules take effect starting in 2006. 'We are a (company with earnings of) \$10-15 million per year,' says Collings, who is a director of Tri-Vision. 'Our revenues could increase to \$100 million per year and that is a conservative figure. But it will take a couple of years to get to that new level.'")

In light of the foregoing, and particularly given the importance of digital television in the United States, the Commission has clearly taken the correct approach by inquiring in this NOI into intellectual property issues regarding digital television in general, and into issues concerning Tri-Vision's patent specifically.

Sanyo believes the public would benefit from the Commission issuing a rule prohibiting companies from requiring payment of licensing fees for patented technology in digital television sets, prior to the date that such technology is actually utilized by American consumers. If adopted, such a rule would apply to the fees charged by Tri-Vision. And while many issues may arise with respect to patents relating to digital televisions, including validity and fee issues, one thing should be eminently clear – if no consumer in the United States is getting a benefit from such patent, no consumer should be paying for it either.

The Commission should also require that any party that participates in a proceeding at the Commission immediately disclose all intellectual property interests such party has, such as patent rights, that may be impacted by the proceeding in which it is participating. No party, for example, should be able to appear before the

Commission and propose a rule without immediately disclosing that the proposed rule would mandate use of its patent.

Finally, Sanyo agrees that the inclusion of appropriate blocking technologies in digital televisions sets is important. Indeed, more funds could be allocated by manufacturers to support and employ such technologies if they are not being utilized paying tremendous sums of money for a technology that is not even available to consumers.

In light of the foregoing, the Commission should adopt rules consistent with Sanyo's comments herein.

Respectfully submitted,

**SANYO MANUFACTURING
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