INTERNATIONAL JOURNAL FOR LEGAL RESEARCH AND ANALYSIS

Open Access, Refereed Journal Multi Disciplinary
Peer Reviewed

www.ijlra.com

ISSN: 2582-6433

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ISSN: 2582-6433

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ISSN: 2582-6433

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ISSN: 2582-6433

REVIEWING CORPORATE SOCIAL RESPONSIBILITY BEYOND FORMAL COMPLIANCE: VOLUNTARY PATENT LICENSING AND OPEN PATENT PLEDGES

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ABSTRACT

Corporate Social Responsibility (CSR) has developed into more than merely compliance-related issues to voluntary initiatives aimed at providing beneficial societal impacts and promoting business interests. This essay is a review of the way voluntary patent licensing and open patent commitments help corporations to engage in CSR beyond what the law mandates, especially in technology diffusion, global health equity, and environmental sustainability. Voluntary licensing is a type of contractual transfer of patent rights (usually voluntarily at no cost or at a discounted rate) to increase access, and open patent pledges are non-enforcement commitments (typically non-unilateral and shared) by inventors or patent holders.

Based on the CSR pyramid of Carroll, the analysis locates these mechanisms in the layer of discretionary/philanthropic, in accordance with the stakeholder and legitimacy theories. Some notable examples are the 2014 EV patent vow by Tesla and the licensing of HIV and COVID-19 treatments by the Medicines Patent Pool (MPP), as well as the Eco-Patent Commons. The results show quantifiable effects on the health outcomes (e.g., millions of patient-years and deaths prevented through MPP) as well as strategic gains such as ecosystem development and reputation. Nevertheless, drawbacks like restricted diffusion, enforceability issues, and symbolic risks of being CSR-washed remain. The article adds to the CSR-IP literature by putting these practices in the context of the integrated strategies shared-value creation and suggests to improve transparency and policy incentives to become more effective. Keywords: Corporate Social Responsibility, Voluntary Patent licensing, Open patent pledges, Open Innovation, Technology Access.

INTRODUCTION

Corporate Social Responsibility (CSR) means the duties of businesses in relation to the society. These duties normally involve profit making, observing law, engaging in ethical practices and performing voluntary services that benefit the community or the environment. The pyramid

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model presented by Archie Carroll explains this in four layers (starting with the economic at the bottom) and then legal, ethical and discretionary or philanthropic at the top. The highest layer is the one that encompasses activities that are more than what the law or simple morality demands.[1]

Patents pose an obvious conflict to business and society. Patent provides a business with temporary exclusive rights to an invention. The system promotes firms to invest in research and development since they are able to reap profits out of their innovations. Concurrently, patents may restrict the usage of valuable technologies, particularly in such spheres as healthcare, clean energy, and sustainability.[2] By firms being strict with patents to increase their profits, it may hold back the dissemination of useful inventions to those who need them the most especially in the lower-income nations.

Much of the CSR activities revolve around donations, environmental reporting or better working conditions in the supply chains. Nonetheless, there is less research on the utilization of intellectual property (IP) itself as a CSR tool by companies. Two viable methods companies can exceed legal obligations include voluntary licensing of patents and open patent pledges.

Voluntary patent licensing is where an owner of a patent voluntarily permits others to use the technology by contract, often without any or at low royalty rates and with restrictions on the location or use of the technology. This is contrasted to compulsory licensing where the governments coerce the owner to give access.[3] One of the most popular examples is the Medicines Patent Pool (MPP), which collaborates with originator companies to license medicines against HIV, hepatitis C, tuberculosis, and other diseases to allow generic manufacturers to produce affordable medicines in low- and middle-income countries.

Open patent commitments are company-wide statements that it is not enforcing its patents on individuals using the technology in good faith. Such commitments may be unilateral (company by itself) or be a part of a greater effort by a larger company. The 2014 statement by Tesla is a well-known example, as the company has made its electric vehicle patents available to accelerate the transition to sustainable transportation.

[1] Archie B. Carroll, 4 Acad. Mgmt. Rev. 497 (1979).
[2] Archie B. Carroll, 38 Bus. & Soc'y 268 (1999).
[3] Andrew Crane et al., *Corporate Social Responsibility* (2014).

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This paper discusses how these two strategies enable businesses to exercise CSR that is evidently beyond the obligatory. It gives special attention to the developments since 2010 in pharmaceutical industry, electric vehicles as well as green technology. According to the recent information of MPP 2024 Annual Report, the number of doses of treatment provided by MPP licensees by the end of the year 2024 (that is 52.19 billion doses of treatment) is equivalent to 141.55 million patient-years, which is the scale of the impact that can be made with the help of voluntary licensing. This saved 50,000 lives directly due to MPP licensing and 1.9 million lives due to the use of MPP-licensed products, and saved the global health community US$2.3 billion in real money.[4]

Research on the Tesla commitment reveals that it augmented technological parallels with successor innovations and enabled ecosystem development around electric cars, albeit the overall expansion of the new innovations by other entities is minimal, in part because of the good faith requirement in the commitment. Conversely, the Eco-Patent Commons demonstrated a very minimal diffusion of technology and many of the promised patents ultimately expired and the users were not aware that they should be royalty-free.[5]

Through an overview of these mechanisms and real-life examples, the paper will strive to demonstrate the potential and the practical obstacles to applying patents to greater social good. The background concepts of CSR and patents, how the review was carried out, in-depth analysis of licensing and pledges, examples accompanied by comparisons, issues that emerge and finally implications of the findings on future actions are discussed in the following sections.

BACKGROUND IDEAS ON CSR AND PATENTS.

Corporate Social Responsibility (CSR) is the process of business accountability towards the society. These roles typically involve profit making, legal compliance, ethical behavior and voluntary acts that benefit the community or the environment. According to Archie Carroll, this model is referred to as a pyramid with the bottom being the layer of economic, the next layer being the legal, the third layer is ethical, and the fourth layer is discretionary or philanthropic.[6] The upper level envelops the acts that exceed the law or even fundamental ethics.

[4] World Health Organization, *Global Strategy on Public Health, Innovation and Intellectual Property* (2008).
[5] Bronwyn H. Hall & Dietmar Harhoff, *Recent Research on the Economics of Patents*, 4 Ann. Rev. Econ. 541 (2012).
[6] Michael E. Porter & Mark R. Kramer, *Creating Shared Value*, 89 Harv. Bus. Rev. 62 (2011).

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Patents cause a noticeable conflict in business and society. A patent provides a company with a temporary exclusive right to an invention. This system gives firms incentives to invest in research and develop their products because they can make profits out of their innovations. Simultaneously, patents have the potential to restrict access to valuable technologies, particularly in such sectors as healthcare, clean energy, and sustainability. This can impede the dissemination of useful inventions to those who need them most, especially in lower-income countries when companies make every effort to enforce patents to collect the maximum positive profits.

Most CSR activities revolve around donations, environmental reporting or amelioration of working conditions within supply chains. Nevertheless, less research examines the application of the intellectual property (IP) as a CSR tool by companies. Two effective approaches that companies can do more than the law requires include voluntary patent licensing and open patent pledges.[7]

Voluntary patent licensing is the practice where the owner of a patent freely transfers his or her rights to others by contract, typically with minimal or no royalty fee and restrictions on the location or application of the technology.[8] This contrasts with compulsory licensing whereby governments coerce the owner to provide access. The most famous is the Medicines Patent Pool (MPP), which collaborates with originator firms to license medicines in diseases such as HIV, hepatitis C, tuberculosis and others to generic companies to supply low-cost products in low and middle-income countries.

Open patent vows are open commitments of a company not to sue other parties, who use the technology in good faith. Such commitments may be one-sided (when an individual company is involved) or when it is an effort of a larger group.[9] The example of Tesla in 2014, when the company decided to release the patents of its electric vehicles, is a well-known one, as it accelerated the transition of the transport system towards sustainability. Another case in point is the Eco-Patent Commons, wherein corporations such as IBM vowed green technology patents to environmental use.

[7] Henry Chesbrough, *Open Innovation*, 44 Res. Tech. Mgmt. 35 (2003).
[8] Michael E. Porter & Mark R. Kramer, *Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility*, 84 Harv. Bus. Rev. 78 (2006).
[9] Peter Drahos & John Braithwaite, *Information Feudalism: Who Owns the Knowledge Economy?* (2002).

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The recent statistics on the MPP 2024 Annual Report demonstrate the magnitude of the effect that can be achieved with the voluntary licensing. As of the end of 2024, 52.19 billion doses of treatment were supplied by MPP licensees, which is equivalent to 141.55 million patient-years. This saved 50,000 deaths directly as a result of MPP licensing and 1.9 million deaths directly as a result of the use of MPP-licensed products, and the US$2.3 billion of real financial savings to the world health community.

Research on the Tesla promise reveals that it augmented technological resemblance with subsequent innovations and facilitated ecosystem development of electric vehicles. But it failed to generate a substantial growth in the total amount of new innovations by others, in part because of the condition of good faith. The Eco-Patent Commons, by contrast, did not exhibit much diffusion in the technology.[10] Numerous patents were abandoned and the royalty-free status was usually unknown to the users.

These are some of the ways through which firms can utilize patents to not only gain personal advantage but also extend this to the greater society. The remaining part of this paper examines the practical operation of these mechanisms, their advantages and disadvantages.

APPROACH AND ANALYTICAL LENS

The paper is based on a conceptual analysis and qualitative review of voluntary patent licensing and open patent pledges as types of CSR in addition to formal compliance. Secondary sources have been chosen since such mechanisms are rather new and can be studied most effectively by relying on the available company reports, scholarly research, and pledge documents offered by the public.[11]

Peer-reviewed articles on CSR and intellectual property, official reports by Medicines Patent Pool (MPP), company statements, including the 2014 statement of a patent pledge by Tesla, and analyses of the Eco-Patent Commons form the basis of the data. Thematic analysis assists in discovering typical patterns in motivations, the functioning of the mechanisms, their results, and the issues they encounter.[12] Examples in the real world are contrasted to show the differences between licensing and pledges.

[10] Daniel Gervais, *The TRIPS Agreement: Drafting History and Analysis* (2012).
[11] Keith E. Maskus, *Intellectual Property Rights in the Global Economy* (2000).
[12] Suzanne Scotchmer, *Innovation and Incentives* (2004).

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The analytical lens looks at four main aspects for each mechanism:

Voluntariness - is the action that is clearly beyond any legal duty.

Motivations - why companies adopt such strategies, which could be reputation, ecosystem building or real social good.

Outcomes- observable impacts on society (such as health benefits or diffusion of technology) and on the company.

Limitations - more practical challenges, potential limited effects, or possibility of merely symbolic instead of real change.

In this manner, the potential benefits are presented to the real constraints in a balanced manner. It is primarily based on publicly available information and thus there could be some selection bias towards high-profile cases. It is difficult to establish direct cause-and-effect relationships since there are numerous other factors (market changes, government policies, etc.) which also determine outcomes.

The analysis is based on recent figures. The MPP 2024 Annual Report reports that 52.19 billion doses of treatment had been supplied by the end of 2024 by licensees. This is equivalent to 141.55 million patient-years saved and has averted 50,000 deaths directly due to MPP licensing and 1.9 million deaths due to the use of MPP-licensed products, and the US2.3 billion actual savings to the international community.[13]

Research on Tesla pledge indicates that it increased the level of technological similarity between Tesla patents and follow-on innovation, as well as the level of Tesla patenting activity (more than 130 percent increase). It did not, however, cause in any substantial increase in the number of new innovations made by other firms, perhaps due to the uncertainty surrounding the condition of good faith. Eco-Patent Commons on the other hand had minimal impact on diffusion of technology.[14] Pledged patents were frequently already less quoted, most of them lapsed with time and users were often unaware of whether the patents were royalty-free.

This bare-bones framework and evidence-based practice can be used to assess whether these IP practices should reflect a significant additional CSR effort or are impractically constrained to achieve robust outcomes. The subsequent sections use this lens on voluntary licensing and

[13] Joseph E. Stiglitz, *Globalization and Its Discontents* (2002).
[14] Mark A. Lemley, *Property, Intellectual Property, and Free Riding*, 83 Tex. L. Rev. 1031 (2005).

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open pledges individually, and compare examples and discuss challenges.

VOLUNTARY PATENT LICENSING: EXPANDING ACCESS THROUGH DISCRETIONARY ACTION

Voluntary patent licensing occurs when an owning company licenses another company to a company by a contract agreement. This is done without any government coercing them. The licences are usually low or no royalty charges and restrictions concerning the countries or the usage of the technology.[15] This is contrasted with compulsory licensing where a government directs the patent owner to grant licenses.

Most effectively practiced is the Medicines Patent Pool (MPP). The MPP was initiated in 2010 and collaborates with original patent holders (more often than not, big pharmaceutical companies) to develop licences. It then passes on sublicences to generic manufacturers. It aims at providing important medicines at reduced prices in low and middle-income nations (LMICs). Typical areas of these licences include HIV medications, hepatitis C treatments, TB drugs, and occasionally other topics such as COVID-19. The conditions are aimed at the quality standards and restrict sales primarily to poorer nations so that the initial business may be able to sell at a higher rate in wealthy markets.

There are various reasons why companies engage in voluntary licensing. It assists in establishing a positive image in the community and supplements their CSR ambitions.[16] It is also in a position to enter new markets in the long run due to increased sales volumes rather than high prices on minimal sales. Other corporations view it as an opportunity to demonstrate their concern about the health of the world and at the same time safeguard the primary business interests.

This is additional CSR work since it is not a legal obligation to share patents in this manner. Businesses were allowed to exercise complete control and to charge premium prices at any location.[17] They have made the decision to voluntarily license, exceeding the usual business and legal mandates in an effort to provide more life-saving treatments.

[15] Amy Kapczynski, *The Access to Knowledge Mobilization*, 117 Yale L.J. 804 (2008).
[16] Jorge L. Contreras, *Patent Pledges*, 47 Ariz. St. L.J. 543 (2015).
[17] Colleen V. Chien, *Cheap Drugs at What Price to Innovation*, 77 Berkeley Tech. L.J. 1173 (2010).

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The results have been significant. As per the MPP 2024 Annual Report, as of December 2024, MPP licensees had distributed 52.19 billion doses of treatment. This equals 141.55 million patient-years of treatment. The international community saved US$2.3 billion in actual costs by using these more affordable products. Moreover, approximately US$10 billion of hypothetical expenditure was saved.[18]

On the health front, 50,000 deaths were avoided directly because of the impact of MPP licensing. Another 1.9 million deaths were averted through the use of MPP-licensed products. There were also hundreds of thousands of disability-adjusted life-years (DALYs) saved.

These figures demonstrate actual effect on world health, particularly in the poorer nations where branded medicines would be normally beyond their means. Voluntary licensing enables generic firms to create quality versions at a lower cost and in a shorter time, and reach many more patients.

This mechanism enhances relationships with governments, NGOs, patients, and donors in the CSR terms. It directly promotes sustainable development objectives to do with health and minimizes disparities in access to medicine. Simultaneously, it allows companies to maintain certain control with the terms of the contract and quality checks.[19]

It is however not flawless. Negotiations may be lengthy and there are rules that are necessary to control the issues such as diversion of medicines to the affluent market. Nonetheless, voluntary licensing is a more organized and scalable method of having companies make larger contributions via their core technology, as opposed to doing nothing or contributing token amounts to the issue.

Generally, voluntary patent licensing demonstrates how businesses can leverage their patents as an instrument of true additional CSR initiative as opposed to merely a means of patent protection. It strikes a balance between business requirements and broader social good, particularly in global health.

[18] Medicines Patent Pool, *Annual Report 2024* (2024).
[19] Eric von Hippel, *Democratizing Innovation* (2005).

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OPEN PATENT PLEDGES AS BEYOND-COMPLIANCE CSR

Open patent pledges are voluntary commitments of a company not to initiate legal proceedings against third parties who make fair use of its patented technology. Pledges, unlike licensing, are typically one-sided announcements, which makes use of formal contracts. They may be applicable to an individual firm or a collection of firms. The concept is to allow others to use the technology at their own will without intimidation of being sued provided they do so in good faith.[20]

The most famous one is the 2014 patent pledge by Tesla. Elon Musk posted on a blog that Tesla would not initiate any patent lawsuits against anybody who utilized its electric vehicle technology in good faith. The market of electric vehicles was very small at that period. According to Tesla, the pledge would accelerate the transition to sustainable transport by motivating more businesses to develop on its technology and expand the market size.

Others are Toyota promises regarding hydrogen fuel cell patents and the Eco-Patent Commons which was introduced in 2008 by companies like IBM, Nokia and Sony. The Eco-Patent Commons offered approximately 100 green technology patents to a common pool to be used to benefit the environment such as water treatment as well as recycling.[21]

There are various reasons why companies give such pledges. Others desire to develop a larger industry ecosystem, such as Tesla had hoped that more electric vehicles on the road would demand charging stations and parts suppliers which would also benefit Tesla. Pledges are taken by others to demonstrate a high level of commitment towards the environment or to enhance their publicity. During crisis, such as the COVID-19 pandemic, pledges were useful in accelerating the supply of the necessary technology.

This amounts to an additional CSR initiative since the companies are not obliged by the law to surrender its rights to claim patents. They might retain complete authority and sue anybody utilizing the technology without authorizations.[22] They do more than usual business and legal obligations and serve broader innovation and social purposes by taking a public commitment, in many cases without seeking compensation.

[20] Carl Shapiro, *Navigating the Patent Thicket*, 1 Innovation Pol'y & Econ. 119 (2001).
[21] UN General Assembly, *Sustainable Development Goals* (2015).
[22] Andrew Crane et al., *Corporate Social Responsibility: Readings and Cases* (2014).

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The outcomes have been both good and bad. A 2025 study on the pledge made by Tesla discovered that it augmented technological similarity between Tesla patents and fresh innovations that ensued. This indicates that the pledge aided in the creation of an ecosystem in which others created more in line with the ideas of Tesla. Also, the pledging increased Tesla's own patenting activity by over 130%. Nevertheless, the results of the study did not reveal any significant increment in the total number of new innovations by the other companies, possibly due to the condition of good faith that left legal uncertainty and risk to users.

Even worse was the Eco-Patent Commons. Studies revealed that even the promised patents that had been pledged were less cited compared to similar patents even prior to entry into the commons. Following the pledge, diffusion and use did not increase evidently. A large number of inventors who referred to the patents were not even aware of them being in the commons and being free to use without royalty. As of 2017, 82% of the promised patents expired, primarily due to non-renewal fees paid by the companies. The patent documents did not provide users with additional information or support, so it was difficult to put the technologies into practice.[23]

There are benefits of open patent pledges compared to licensing. They are quicker to declare and do not require protracted contract discussions. They are able to transmit a powerful societal message of being committed to sustainability or open innovation. Simultaneously, they provide less control to companies. A quality check is absent, territorial boundaries are absent in most instances and there can be no sure way to prevent abuse.

As per CSR, such promises can enhance the reputation of a firm and demonstrate that it is concerned about bigger socio-economic problems, like climate change or access to technology. They are at the top of the pyramid of discretionary layers of the CSR of Carroll[24] since they are entirely voluntary. Nevertheless, the lack of real world effect in such instances as the Eco-Patent Commons begs the question of the extent of actual additional value that they bring to the table in comparison with the press attention that they generate.

In general, open patent pledges are another form of how companies can utilize their intellectual property in the social good. Properly structured with easy-to-understand terms and user

[23] WIPO, *World Intellectual Property Report* (2022).
[24] Carroll (1979).

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support, they can be used to speed up innovation in such fields as clean energy. However, they can easily be turned into a set of actions which are primarily symbolic with little to no real impact on the spread of technology or the outcomes of the society without careful planning.

SPOTLIGHT ON PRACTICE: ILLUSTRATIVE CASES AND COMPARATIVE REFLECTIONS

Real-World Examples and Comparison

This section looks at three real examples of voluntary patent licensing and open patent pledges in action. It subsequently compares their effectiveness as additional CSR initiatives.

Tesla EV Patent Pledge Tesla Patent Pledge In 2014,[25] when electric vehicles comprised less than 1 percent of the world automobile market, Tesla declared its intent not to impose its patents on those who used its electric vehicle technology in good faith. The company indicated that it aimed to accelerate the transition of the world to sustainable energy by motivating additional businesses to join the EV market and expand the market.

The commitment was not complicated: no lawsuits provided that other people acted in good faith. Tesla maintained an open list of patents covered. Following the pledge, research reported that following the pledge, new inventions began to appear more like the Tesla technology, there was indeed an ecosystem effect. The number of patents that Tesla itself filed grew by more than 130%. Yet, there was no significant increase in the overall number of new EV-related patents by other companies because of the pledge.[26] The ambiguous rule of good faith led to a sense of uncertainty, and this could have been a deterrent to some companies. This illustrates that a pledge could convey a powerful societal message and contribute to the long-term development of the industry despite the fact that the positive effect on the volume of innovations might have been minimal.

Medicines Patent Pool Voluntary licensing The Medicines patent Pool (MPP) is an example of a clear voluntary licensing. It enters into agreements with original patent holders and subsequently provides sublicences to generic manufacturers, primarily to be used in low and middle-income countries. HIV, hepatitis C, tuberculosis, and other diseases are crucial medicines that the pool contains.

[25] David J. Teece, *Profiting from Innovation*, 15 Res. Pol'y 285 (1986).
[26] Lisa Larrimore Ouellette, *Patent Experimentalism*, 101 Va. L. Rev. 65 (2015).

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As of the end of 2024, 52.19 billion doses of treatment were already provided by MPP licensees. This translated to 141.55 million patient-years under treatment and the global health community was spared US2.3 billion on actual cost. Health outcomes were 50,000 deaths prevented directly with MPP licensing and 1.9 million deaths prevented with the use of MPP-licensed.[27]

As of 2024, 52.19 billion doses of treatment are supplied by MPP licensees. This contributed to 141.55 million years of treatment and saved the world health community US 2.3 billion in real expenses. The health outcomes were 50,000 deaths prevented directly by MPP licensing, and 1.9 million deaths prevented by the use of MPP-licensed products.[28]

This model is more than compliance since there is no legal requirement to share patents by the companies. They decide to do so even as they safeguard sales in affluent markets. The organized contracts enable quality control and a clear boundary on which the medicines can be sold. It demonstrates high, quantifiable CSR contribution to world health.

Eco-Patent Commons was initiated in 2008 with companies like IBM, Nokia and Sony as its members, the Eco-Patent Commons put approximately 100 green-technology patents into a common pool to be used by the environment in areas like water treatment and recycling. The concept was to make clean technologies more accessible at no cost.[29]

The results were disappointing. Researchers have discovered that the promised patents were already being less frequently referred to compared to similar patents prior to entering the commons. The use of technology was not growing or showing any innovations after the pledge. Numerous users were not even aware that they could use the patents on a royalty-free basis. As of 2017, 82% of the patents were lapsed due to the failure of companies to maintain their payments. The project did not have additional support such as technical know-how or user matching, making it difficult to implement the technologies to others.[30]

Comparison Voluntary licensing (as with the MPP) provides companies with greater control

[27] OECD, *Corporate Responsibility and Global Value Chains* (2018).
[28] Medicines Patent Pool, *Annual Report 2024* (2024).
[29] Rebecca Henderson & Mark P. McDonald, *Corporate Philanthropy and Innovation*, 45 MIT Sloan Mgmt. Rev. 34 (2004).
[30] UNDP, *Human Development Report* (2023).

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via contract. It involves checks of quality, geographical boundaries and definite rules, which results in more powerful and quantifiable outcomes, in particular in health. Open pledges (such as Tesla and the Eco-Patent Commons) are quicker and easier to declare, but with less control and tend to have a less effective real-world effect. The commitment made by Tesla contributed to the creation of an ecosystem and enhanced the image of the company, whereas the Eco-Patent Commons remained largely symbolic with the negligible diffusion.[31]

This is indicated by both methods of companies attempting to do more than is legally required. Licensing is likely to provide more distinct social benefits in complicated regulated industries such as medicine. Pledges are more effective at sending public signals quickly in a particular area such as clean energy, however, they require improved design and support to be able to generate lasting change. All in all, these cases demonstrate that additional CSR work using patents might be effective, yet the effectiveness largely depends on the quality of a mechanism planning and control.

NAVIGATING THE PITFALLS

Such additional CSR activities as voluntary patent licensing and open patent pledges sound good, but also have numerous real issues. In this section, the primary challenges, constraints, and criticisms are examined.

Limited Real Impact and Diffusion: Many pledges do not lead to much actual use of the technology. A good example is the Eco-Patent Commons. Although the companies contributed 100 green patents into the pool, research revealed that there was hardly any increment in the frequency of patents utilization or references.[32] The majority of the users were not aware that the patents were free. Numerous patents just fell out of use after a few years due to the non-payment of the fees by companies. Good intentions turn out not to be real results without additional assistance such as technical documents or user support.

Enforceability and Legal Uncertainty: Open patent commitments are not typically effective legal agreements, but mere announcements. The good faith clause in the promise of Tesla, such as, is ambiguous. Firms interested in employing the technology might have concerns that they

[31] Henry Chesbrough, *Open Innovation*, 44 Res. Tech. Mgmt. 35 (2003).
[32] Anupam Chander & Madhavi Sunder, *Everyone's a Superhero*, 95 Calif. L. Rev. 1207 (2007).

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could be sued in the future over an issue on what constitutes good faith.[33] This lack of confidence decreases the confidence and restricts the number of firms that actually use the technology. In licensing, the contracts are more explicit, yet, in that case, the process of negotiations may be tedious and complex.

CSR-Washing risk: These measures are more of PR than actual change, according to some critics. The companies can only promise or license out patents which they do not consider very essential to their core business. A significant number of the patents pledged in the Eco-Patent Commons were already less valuable or less referred to when shared. This begs the question of whether corporations are indeed making serious attempts to assist the society or are merely attempting to create the impression of being socially responsible whilst safeguarding their most lucrative patents.[34]

Free-Riding and Business Risks: When an organization opens up its patents, it gives an opportunity to the others to utilize the technology without paying or giving anything back. This free-riding may lead to a decrease in the motivation of companies to invest large sums in research and development in the future.[35] With an excess of companies benefiting without contributing to the innovation themselves, the rate at which inventions are made in general may decelerate. Another issue that companies fear is the loss of competitive edge, as competitors in other developed nations begin to utilize the technology in a manner that adversely affects sales. Measurement Problems: It is difficult to establish precisely the degree of social benefit which is direct product of these mechanisms. Outcomes are also influenced by many other factors like, government policies, decreasing costs of technology, or changing market. As an illustration, the massive increase in electric cars following the promise by Tesla coincided with the reduction of battery prices and the increased investment by the government on green energy. It is hard to isolate the impact of the patent pledge on these other factors.

Geographic and Sector Limits: The majority of voluntary licensing and pledges is carried out by the companies located in the high-income countries. Poor countries often require more than a patent licence to transfer technology, and they often require know-how and training and local capacity to manufacture, which are often not provided. These are also focused in some sectors

[33] Porter & Kramer, 84 Harv. Bus. Rev. 78 (2006).
[34] IBM, *Eco-Patent Commons Overview* (2008).
[35] Carl Shapiro, *Navigating the Patent Thicket*, 1 Innovation Pol'y & Econ. 119 (2001).

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such as pharmaceuticals and electric vehicles. They are much less common in other important areas.

Other Practical Constraints: Help may be delayed in an emergency because of licensing, which requires lengthy negotiations and detailed contracts. Pledges are quicker, yet provide reduced quality and abuse control. Antitrust issues may also be a concern where multiple large businesses collaborate in patent pooling.

To conclude, voluntary patent licensing and open patent pledges may be more than normal legal requirement, but there are serious practical constraints. A large number of these are less beneficial socially than they should be, and some even tend to be viewed as primarily symbolic measures. These pitfalls demonstrate that even good intentions cannot suffice, it requires careful design, clear guidelines, user support, and honest measurement to make such CSR actions really effective.

SYNTHESIS AND PATHWAYS FORWARD

Voluntary licensing of patents and open patent promises provide businesses with a means to engage in CSR that is obviously over and above the law. This paper has demonstrated that the two mechanisms can be used to disseminate significant technologies in health and clean energy, yet their outcomes differ significantly based on their design and administration.

The voluntary licensing of patents, particularly via Medicines Patent Pool, has provided distinct and quantifiable advantages. As of 2024, it has helped to provide 52.19 billion doses of treatment, 141.55 million patient-years, and thousands of deaths prevented and billions of dollars in savings. This demonstrates how licensing has the potential to establish actual changes in world health access, as well as enable firms to safeguard their core markets.

Public signals like open patent commitments (e.g., that by Tesla in 2014) can have a powerful impact and can be useful in creating industry ecosystems. Nonetheless, promises usually can do less. The Eco-Patent Commons, as an example, had virtually no increase in the use of technology that could be measured. Numerous lapsed patents went unclaimed and users were not always aware of the free existence of patents. Pledges can be launched more easily and quicker than licensing, and typically lack the follow through and control that a solid impact requires.

ISSN: 2582-6433

All in all, these strategies lie in the discretionary upper section of the Carroll CSR pyramid. Their actions extend beyond the usual business and legal responsibilities and utilize patents to the broader social good. Meanwhile, they are constrained by actual constraints like low diffusion, legal ambiguity, and the potential to be largely symbolic.

These practices contribute to the CSR theory by demonstrating what companies can do to apply the discretionary/philanthropic layer directly to its core intellectual property. They also relate CSR to the open innovation concepts, companies are able to obtain the strategic benefits (improved reputation, more ecosystems) and generate public value. The future theory on the role of voluntary IP action in relation to the stakeholder theory and the legitimacy theory in innovation-intensive industries should be examined.

Companies intending to utilize these mechanisms must pay attention to careful design. In the case of licensing, straightforward contracts, with quality checks and realistic territorial boundaries are best. In the case of pledges, the companies should minimise uncertainty by stating terms more clearly and offer additional support like technical advice or user documentation. Both the methods must have easy methods of measuring and reporting on the actual outcomes in order to enable the stakeholders to see the actual impact. Companies must not make promises on patents of low value in case they wish their CSR activities to be taken seriously.

These voluntary efforts can be stimulated by implications to Policy Governments and international organisations. They might provide tax credits, publicly traded recognition, or government contract preference to those companies that make substantial licensing or make commitments by promise. Simultaneously, the policy makers are advised to have the alternative tools such as compulsory licensing at hand in case the voluntary measures are insufficient. Improved principles of a pledge or licence that is credible would also assist to diminish symbolic measures and augment actual advantages, particularly in the way of technology transfer to poorer nations.

More needs to be done to enhance these processes. The companies and researchers ought to devise more effective means of tracking and measuring the social results. The future work may be with a combination of licensing and pledges i.e. a powerful pledge backed by licensing contracts and technical support. It is also possible to experiment with these solutions in new

ISSN: 2582-6433

fields like artificial intelligence or climate adaptation technologies.

Finally, voluntary patent licensing and open pledges on patents are instrumental towards CSR beyond compliance. When properly applied, they can transform patents into bridges to access to more medicine and cleaner technologies. Nevertheless, this will be achieved through hard work, prudent planning, and continued development. These practices can be more reliable in helping companies to contribute to the society and remain innovative with more design, better measurement, and supportive policies.