

PRESS RELEASE

Fair Standards Alliance welcomes EU support for fair and balanced licensing system for standards essential patents

Brussels, 27 May 2016 – The Fair Standards Alliance welcomes the EU’s clear signal that the time has come for European and global businesses to move away from threats of litigation over Standard Essential Patent (SEP) usage to one of greater and fairer access with fair royalties for the patent owners also.

In addition, the FSA welcomes the Council of the EU declaration which gives special focus on the importance of giving SMEs fair access to such critical patents.

“Europe’s message is clear: it’s time to reject a culture of fear and litigation for a time of fair and reasonable access whereby all businesses – both big and small – can use standard essential patents under fair and reasonable licensing terms.” said Robert Pocknell, FSA Chairman.

Fair access to essential patents at fair prices is the key to ensure people everywhere (inventors, innovators and consumers) benefit from the fully integrated world of the future. SMEs as well as large corporations require fair access to such patents as they continue to innovate and drive Europe’s digital economy in the decades to come. With many innovative high-tech products containing hundreds, even thousands of patents, a licensing system which is not balanced is harmful to establishing Europe’s digital growth agenda.

Background

Declaration Adopted by the Council of the EU on 26.5.2016 (Paragraph # 9)

<http://www.consilium.europa.eu/en/press/press-releases/2016/05/26-conclusions-digital-single-market/>

ICT Standards

9. WELCOMES the Commission's Communication “ICT Standardisation Priorities for the Digital Single Market”, and the principles and priority areas there outlined; RECOGNISES the importance of an ambitious, coherent and consistent standardisation policy and of timely and industry-led standards for interoperability, for competitiveness of European industries on global markets, and for creating a fully functioning Single Market; WELCOMES a regular dialogue with European standardisation organisations, industry and other key stakeholders and the Council and the European Parliament; ACKNOWLEDGES the importance of a balanced licensing system for standard essential patents (SEPs),

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ensuring a fair return on investment for SEPs holders as well as a fair access to SEPs for all players and especially SMEs (3). RECOGNISES the importance of European and international standards, through open standard setting processes. INVITES the Commission together with the European standardisation organisations to support where possible the promotion of European ICT standards at international level.

Footnote (3) : In line with Annex 2, art. 4 of Regulation (EU) No 1025/2012 of the European Parliament and of the Council of 25 October 2012 on European standardisation, OJ L 316, 14.11.2012, which states that intellectual property rights essential to the implementation of specifications are licensed to applicants on a (fair) reasonable and non-discriminatory basis ((F)RAND), which includes, at the discretion of the intellectual property right-holder, licensing essential intellectual property without compensation.

About the FSA

Launched in November 2015 and based in Europe, the Alliance seeks to promote the licensing of standards-essential patents (SEPs) on fair, reasonable and non-discriminatory (FRAND) terms.

The FSA believes that the entire innovation ecosystem is threatened by unfair and unreasonable SEP licensing practices. Failure to honour the FRAND commitment that exists in most standardisation licensing creates barriers to market entry, threatens to stifle the full potential for economic growth across major industry sectors, and ultimately curbs consumer choice.

The FSA's member companies, who hold more than 160,000 patents and spend more than 32 billion euros per year on R&D and innovation, include: AirTies, BMW, Cisco, Dell, Fairphone, Google, HP, Intel, ip.access, Juniper Networks, Lenovo, Micromax, peiker acoustic, Sierra Wireless, Telit, u-blox and Volkswagen.

For further information

FSA Press Office: John Clancy +32 (0)498 953 773

FSA General Information: +32 (0)2 2 289 0802, information@fair-standards.org