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PRESS RELEASE: Industry coalition launched to promote fair standards licensing

Brussels, 12 November, 2015 - A group of companies with shared turnover topping 430 billion euros in 2014 today launched the Fair Standards Alliance (FSA) to promote the licensing of standards-essential patents (SEPs) on fair, reasonable and non-discriminatory (FRAND) terms.

The European-based association has a diverse membership, ranging from multinationals to SMEs, and coming from different levels of the value chain across several sectors.

Members are united in the view that unfair and unreasonable SEP licensing practices pose a significant risk to the innovation eco-system, create barriers to entry for new market entrants, threaten to stifle the full potential for economic growth across major industry sectors, and ultimately harm consumer choice.

Member companies are big contributors to Europe's innovation and economy. Together, they spent more than 32 billion euros on R&D and innovation in 2014. They directly employ more than 390,000 people within the EU alone, and have more than 164,000 patents that are either granted or pending.

"We are excited to participate in the launch of the Alliance and welcome the opportunity to contribute to raising awareness of FRAND licensing issues based on our experience of navigating these as an SME that is supplying standards-compliant small cell technology solutions," said ip.access CEO Malcolm Gordon.

Standards are essential to a competitive and dynamic European market where innovation can thrive. The Alliance believes that it is crucially important to ensure not only that patent holders are appropriately compensated for their standards contributions, but that there are fair, balanced, and rational practices in the licensing of standards-essential patents.

"We'd like to see more openness and transparency – and therefore fairness – demonstrated by holders of standards-essential patents. As part of the Alliance, we'll be able to push much more effectively for a level playing field than we've been able to alone," said Pierre Cosnier, VP Legal and EMEA Corporate Affairs, Sierra Wireless.



The FSA strongly advocates that FRAND must have a clearer meaning in order for standards to foster innovation, economic growth, competition, and consumer choice.

“As a company that develops products in Europe and sells globally the products we develop in Europe, Cisco is an active participant in global and European public policy discussions aimed at ensuring that “FRAND” really means fair, reasonable and non-discriminatory,” said Mark Chandler, Cisco Senior Vice President and General Counsel.

“FSA brings together leading global and European companies to advocate for continued reform to make the use of standards more transparent and predictable. We’re happy to be part of that effort,” Mr Chandler said.

Andreas Thiel, co-Founder of u-blox and Executive VP Cellular Products & IC Design, added: "Joining the Alliance is a way for u-blox to contribute to a future where SEPs are consistently licensed on terms which truly are fair, reasonable, and non-discriminatory. For a sustainable business, it is important that the position of SEP users and their customers are taken into account."

The Alliance believes that FRAND should at the very least mean:

- (1) A license for an SEP should be available at any and every point in the value chain where the standard is implemented, and the important terms of those licenses should be transparent to other companies implementing the same standards;
- (2) A FRAND royalty should be based on the smallest device that implements those patents, and should take into account the overall royalty that could be reasonably charged for all patents that are essential to that standard;
- (3) Injunctions and similar legal threats should be a last resort;
- (4) A FRAND commitment made in respect of an SEP should not fall away simply because the SEP is sold to another company.

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