

PRESS RELEASE

FSA supports efforts by global competition authorities to crack down on abuses linked to the licensing of standard essential patents

Brussels, 09 January 2017 – Since its creation in November 2015, the Fair Standards Alliance (FSA) has sought to highlight the damage caused to innovation and business development by certain corporate commercial strategies on standard essential patents (SEPs).

This is why the FSA strongly supports the application of competition law analysis and remedies to address violations of patent licensing arrangements under fair, reasonable and non-discriminatory (FRAND) terms. In this respect, the FSA takes note of the recent decision from the Korean Federal Trade Commission (KFTC) in their investigation and subsequent decision in the Qualcomm case (see [here](#)).

The FSA believes that FRAND is a pro-competitive obligation, and the breach of FRAND obligations creates significant competition law issues and concerns. The FSA applauds the KFTC for its careful analysis and consideration of these issues. The broad membership of the FSA is united in its belief that to protect innovation, competition and consumer interests, FRAND violations must be analysed, addressed and remedied.

“The decision by the Korean competition authority is significant as it leaves no room for doubt that FRAND abuse is happening, is anti-competitive and needs to stop now. For too long, this abusive behavior has gone on unchecked bringing untold damage to the innovation ecosystem and harming the development of the Internet of Things,” stated Robert Pocknell, FSA Chairman.

The FSA strongly supports the KFTC’s ruling that the FRAND obligation requires that SEP licenses be available to all companies, regardless of their position in the supply chain, and notes that we have addressed this in two of our published white papers. (Please see our papers [Application-Dependent SEP Licensing](#) and [SEP Licenses Available to All](#).)

The FSA further believes that the ongoing interest in SEP licensing issues by competition enforcement agencies in Europe, the US, China, Korea and India should encourage licensors and licensees to explore industry-led solutions at standards development organizations (SDOs), rather than obstructing discussions that might lead to reform or criticizing those SDOs that have promoted such discussions.

About 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

PRESS RELEASE

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 - spend billions of euros annually on R&D and hold hundreds of thousands of patents between them - include: AirTies, BMW, Bullitt, Cisco, Daimler, Dell, Fairphone, Google, Harman, HP, Hyundai, Intel, ip.access, Juniper Networks, Lenovo, Micromax, Sagemcom, Sequans, Sierra Wireless, Telit, Tesla, u-blox, Valeo and Volkswagen.

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