

## PRESS RELEASE

### Fair Standards Alliance reacts to European Commission proposal for a regulation on standard essential patents

Brussels, 27 April 2023 – The Fair Standards Alliance (FSA) welcomes the European Commission's acknowledgement of the issues that arise around the licensing of Standard Essential Patents (SEPs), and appreciates the efforts it has undertaken to seek to overcome some of those concerns.

We agree with the Commission's view that the system for licensing SEPs needs to be more predictable and transparent. It notes in particular that inefficient licensing practices in new markets such as the rising Internet of Things may be hindering the broad implementation of standardized technologies.

We regret however that the proposal fails to live up to the objectives that earlier drafts sought to aspire to. A number of new considerations have been introduced that risk undermining the implementation of a fair and transparent licensing system for all stakeholders.

"While many details remain to be assessed and further improved, we shouldn't lose sight the initial and overall objective from the Commission with this review: improving the much needed licensing of Standard Essential Patents. The Commission is acknowledging that companies active in the most innovative EU industries struggle to get licenses on fair and reasonable terms. That should not be the case and we trust that policymakers will work to address this effectively", says Ief Daems, Chair of the FSA.

Silke Reinhold, Head of Corporate Intellectual Property at the Volkswagen Group, states, "We appreciate the Commission's efforts to create a more transparent and predictable licensing system for SEPs. Due to high investments in digitalization, a balanced framework for SEP licensing is of significant importance for the automotive industry. However, we are concerned that the overall goal of the SEP regulation will be undermined by exceptions to its applicability."

George Karam, CEO of Sequans Communications, adds, "As the only European manufacturer developing 5G chips for the Internet of Things, we believe that the proposed regulation could help level the playing field and create fair competition in the industry. We look forward to seeing how the regulation develops and to engaging in dialogue with policymakers."

Eva Gouwens, CEO of Fairphone, states, "As a small company we have struggled in the past to obtain FRAND licenses, and faced many demands from patent assertion entities. We hope that the proposed regulation will create a more trusted and accessible system for FRAND licenses. Fairphone looks forward to working with policymakers to ensure the final regulation creates a more balanced, predictable and transparent licensing environment for SEP."

FSA will look to engage further with the European Parliament and Council to improve the provisions of the proposed regulation to make it fit for purpose, to promote European technological sovereignty and competitiveness.

#### About

The FSA is an alliance of more than 45 European and global companies, large and small, that advocates fairer licensing of standardised technology including in the development and rollout of the IoT. FSA



members significantly contribute to global innovation and the global economy. Annually, the aggregate turnover of FSA members is more than EUR 2.4 trillion, and our members spend on an annual basis more than EUR 180 billion on R&D and innovation. Alliance members directly employ more than 2.5 million people within Europe alone, and have more than 600,000 patents, including SEPs, that are either granted or pending.