

If it isn't broken, don't try to fix it!

Dear Honourable Member of the European Parliament,

We are writing to you because the European Parliament - led by JURI, IMCO, and INTA – is being asked to consider the European Commission's recent proposal to regulate patents (SEPs) that are currently recognised and enforced by Member States.

Standards and Patents are the foundation of all mobile connectivity. Your mobile phone works thanks to standards and patents. In fact, 4G LTE / 5G, audio, video and other ICT-based standards are used by *all sectors of the economy*. They are the foundation for the connectivity that facilitates digitalisation, runs businesses, makes them smart and efficient and helps them stay competitive.

The European Union and other developed economies have long lived by the rule of law. They have **encouraged inventors** to engage in the development of **new technologies**—along with art, music and literature. They guarantee patent and copyright protection that acknowledge creators' work and allow them to reap the rewards of their labour when others make use of their work.

When an inventor agrees to contribute game-changing innovation to develop new technical standards for the common good, the patents are called **standard-essential patents**, or SEPs. Many game-changing telecommunications and multimedia standards including **4G, 5G and MPEG** use **SEPs "made in Europe"**—including many developed by members of **IP Europe**. They are licensed on Fair, Reasonable and Non-Discriminatory terms. That innovation directly benefits companies based in Europe by opening the door to global markets. It also benefits every European citizen.

IP Europe represents **research- and development-intensive organisations** that champion this **open innovation ecosystem** in which patents and open standards drive private investment in R&D-intensive technology and deliver progress for EU citizens and businesses. We are very concerned that the EC's proposal would **chill investment** and drive innovation in critical technology areas out of Europe.

Our members are very concerned about the damage that the Commission proposal would do to European innovation that's used around the world, to European competitiveness and trade relations and to European technological sovereignty. We believe that the Commission proposal is flawed in so many fundamental ways that it requires a full overhaul.

At the highest level, the Commission:

- **Does not provide evidence that there is any problem that needs to be fixed:** the current SEP licensing framework already supports rapid technological progress.
- **Has no legal basis for its proposed Regulation.**

- **Does not provide any adequate justification for taking away fundamental rights** relating to IP and access to European courts.
- **Does not consider the disproportionate burdens on SMEs and new entrants** due to heavy, ongoing administrative obligations and additional costs for participating in the innovative sector.
- **Does not consider the negative impact** this will have with **Europe's trade relationships** and **international reputation**.
- Could clear the way for **other regions to take control and dominate critical new technology standards** such as 6G.

The future of European leadership in key technology areas is at stake.

We know that standards and patents are technical topics and would be happy to explain their benefits, what they bring to Europe and European citizens, and why we are so concerned about the Commission's initiative. We urge you to take your time to fully understand the important issues at stake.

We would be grateful for an opportunity to meet you. **We stand ready to share our experience and expertise and answer your questions at your earliest convenience.**

Sincerely,

Patrick McCutcheon
Managing Director, IP Europe



About IP Europe

IP Europe is a coalition of **research- and development-intensive organisations**. We champion the open innovation ecosystem in which patents and open standards drive private investment in R&D-intensive technology and deliver progress for EU citizens and businesses.

Our **members** include both licensors and implementers of patents including SEPs.

For further information, scan the QR code to visit our website!

