

Ursula von der Leyen
President of the European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

Cc: Vice-President Séjourné, Vice-President Virkkunen, Vice-President Ribera, Commissioner Šefčovič, Commissioner Dombrovskis, Commissioner Zaharieva, Commissioner Tzitzikostas

24 February 2024

Re: Urging to Advance, Not Withdraw the Regulation on Standard Essential Patents

Dear President von der Leyen,

The undersigned companies and industry associations, representing a large cross-section of businesses in Europe, write to express their deep concern about the European Commission's intention to withdraw its proposal for a regulation on standard essential patents (SEP Regulation). We urge co-legislators to advance the SEP Regulation, not withdraw it.

Industry in Europe desperately needs the SEP Regulation. By withdrawing the SEP Regulation, the Commission would undercut the very strategic objectives it declared to pursue: (i) to focus on innovation to drive competitiveness, and (ii) to eliminate obstacles that hinder critical industries in Europe.

The Commission stresses in its "Competitiveness Compass" that "simplifying the regulatory environment and reducing burden" is the first enabler to achieve these objectives. That is precisely what the SEP Regulation is designed to do: create a more transparent and efficient framework for licensing standardised technologies such as 5G and WiFi. It is designed to significantly improve the currently highly unpredictable, fragmented and inefficient licensing environment that has been chilling innovation across sectors, eroding competitiveness of entire industries in Europe, placing European security at risk.

The Commission highlights the importance of "safeguarding the EU's future as an investment destination and a manufacturing centre" and also refers to "a stable and predictable legal environment in Europe" as a strength. The SEP Regulation would contribute to these goals as well as to addressing strategic dependencies. European businesses and consumers already pay billions to holders of patents for standardised connectivity technologies that are predominantly based overseas. By withdrawing the SEP Regulation, the Commission would deprive large and small innovative businesses from fair access to essential infrastructure such as 5G.

Businesses seeking to digitise their products and services have long begged for legal and business certainty, for consistent and transparent regime to license standardised wireless communications technologies. The SEP Regulation is vital for entire industries in Europe to thrive – from semiconductor companies to smart energy solutions providers, car manufacturers, medical device manufacturers and makers of devices that bring connectivity to every aspect of lives of

European people. The current incoherent framework for licensing standardised connectivity technologies has been a major roadblock.

Withdrawing the SEP Regulation will only exacerbate the existing uncertainty for European businesses, enable continued exposure to increased legal and administrative burdens, including lengthy, complex and costly court proceedings and opaque licensing conditions, and will permit abuse. It will enable players that seek excessive royalties for standards technologies to undermine innovation in Europe, leaving European customers with less choice and more expensive connected devices.

When the Commission announced its intent to withdraw the SEP Regulation it cited, as a reason, the absence of a “foreseeable agreement”. This statement, however, is misleading. The European Parliament voted overwhelmingly in favour of the SEP Regulation (454-83, with 78 abstentions), and several working group meetings within the Council were already scheduled for the coming weeks and months to discuss and drive the proposal forward to reach an agreement among Member States.

We urge the Commission to reconsider its intention to withdraw and to engage in a constructive dialogue with the broader industry to develop a regulatory framework that promotes European leadership in standard-setting while ensuring that essential technologies remain accessible under fair, reasonable, and non-discriminatory terms. Failing to act now will have long-lasting consequences for industrial competitiveness, innovation capacity, and strategic autonomy.

Sincerely,

AVM GmbH	Airties SAS	Amazon
Apator	BMW Group	Bury
Cisco	Continental Automotive Technologies GmbH	Dell
Deutsche Telekom	Diehl Metering	Emporia
Fairphone	GWF	Hitachi
Honda Motor Co. Ltd	HP Inc.	Ingenico
Integra Metering AG	Iskraemeco	Itron
Juniper Networks, Inc.	Kamstrup A/S	Landis+Gyr AG

Legrand	Lenovo	Maddalena S.p.a.
Mercedes-Benz	Microsoft Corporation	Nordic Semiconductor
Power Plus Communications AG	Qovoltis	Qundis
Sagemcom	Schneider Electric	Sequans
Sky	Sontex SA	Stellantis
Tunstall	Toyota	u-blox AG
Valeo	Veracity IP	Volkswagen AG
Wehrle	Xylem	
ACT The App Association	ACEA European Automobile Manufacturers' Association	AQUA European Association of Smart Meter Manufacturers
AmCham Poland	Allied for Startups	CCIA Computer & Communications Industry Association
CLEPA European Association of Automotive Suppliers	ESMIG European Smart Energy Solution Providers	Fair Standards Alliance
FARECOGAZ e.v. Association of European Manufactures of Gas Metering Equipment, Gas Pressure Regulators and associated Safety Devices	FIEV French Federation of Vehicle Equipment Industries	Konfederacja Lewiatan
IP2Innovate	SERNAUTO Asociación Española de Proveedores de Automoción	SDCM Stowarzyszenie Dystrybutorów i Producentów Części Motoryzacyjnych
VDA Verband der Automobilindustrie	ZPP Union of Entrepreneurs and Employers	