

## **CEN and CENELEC Response to a new framework for standard-essential patents**

CEN and CENELEC welcome the call for evidence on a new framework for standard-essential patents, which includes an introductory explanation under Ref. Ares(2022)1076263 - 14/02/2022

To introduce this discussion, CEN and CENELEC would like to refer to the CEN-CENELEC [Guide 39](#), “The role of standards in support of Technology Transfer”, including Section 5 thereof, on the interplay between intellectual property rights and standards. This Guide complements the CEN and CENELEC guidelines for the implementation for a common policy on patents (CEN-CENELEC [Guide 8](#)).

In this document, it is clear that standardization helps to:

1. Promote and commercialize your innovation: Standards create trust and enable consistency, as well as ensuring interoperability. They can ease scalability and market access. This makes it much more likely that the European and international markets will respond well to your innovation. Companies that have contributed to the drafting of the standard will have a first-mover advantage compared to those who learn about the standard once it is published and whose solutions can be then out of the standard requirements, thus needing costly adaptations or losing the market advantage of being covered by a standard.
2. Comply with regulations: The EU has an active standardisation policy that promotes standards as a way to better regulation and enhance the competitiveness of European industry. There is a variety of Directives<sup>9</sup> which contain essential requirements for products to be allowed on the EU-market and where the technical specification to provide presumption of conformity with those essential requirements is described in related harmonized standards<sup>10</sup>; the essential requirements typically address safety for health, consumers and for the environment. Being involved in the elaboration of the standards makes it much easier for your work to comply with existing regulations.
3. Provide in-demand customer service: The methodologies you use to provide your services will be instantly recognized if they are covered by standards, making it easier to drive demand for them. Standards support also helps to make sure your testing methods are up-to-date and the results comparable.
4. Keep up with leading technologies: Standards provide information on leading industry technologies and practices, and are the basis of continuing education through testing, certification, and more. Participating in standardization activities allows you to keep abreast of market, technology, and policy changes—knowledge of which supports your entry to market and helps to enable interoperability.
5. Grow your network and establish an ecosystem: Standardization is a co-creation process that spans different roles and sectors, including those involved with new technologies. This

means that you will cross paths with a whole new scope of potential partners, including potential users and customers of your novel technology. As a co-creation process, standardization also links with open innovation, a concept also promoted by the [European Commission](#).

6. Reputation: Actively contributing to state of the art standardization will increase the recognition of your expertise and the reputation of your organization.

Examples of standardization supporting the uptake of an innovation are available from: <https://www.cencenelec.eu/get-involved/research-and-innovation/standards-for-innovation-examples>.

On <https://www.standardsplusinnovation.eu/stories>, more “inspiring stories” can be found that show what standards have to offer to a researcher or innovator.

Other stories may be found on our website in particular the Individual researcher/innovator awards given to individuals who successfully introduced their research outcome or innovation into standardization, thereby creating impact for their work.

## **CEN and CENELEC contribution**

CEN and CENELEC, two of the three European Standardization Organizations designated in Annex I of EU Regulation 1025/2012, would like to contribute the following clarifications relating to statements found in the European Commission’s introductory document (Ref. Ares(2022)1076263 - 14/02/2022).

- “companies and individuals may patent their technical contributions to a standard”. This is not how CEN and CENELEC understand and manage the situation. What may happen is that CEN and CENELEC are made aware that the implementation of the draft standard might entail the use of a patented technology (or a technology for which a patent application is pending). In such a case, CEN and CENELEC may only proceed if the patent holder commits to deliver licenses to the users of the standards, either under Royalty-free or FRAND conditions. The patent holder’s licensing commitment is irrevocable as long as the patent remains essential. Once in possession of such a commitment, the standard can be approved and published along with the necessary information for the user of the standard to seek a license, if needed.

Any such commitment also binds all successors-in-interest. Should a patent holder transfer ownership of a patent subject to such licensing declaration, they have a duty to include provisions to the effect that (a) the transferee is bound by the licensing declaration as well as that (b) likewise, the transferee will include such provisions when transferring ownership of the patent. With that being said, CEN and CENELEC do not get involved in handling transfer of rights or assessing the legal effect or legal certainty thereof.

- “Patents that protect technology essential to a standard are known as ‘SEPs’” (Standard Essential Patents).

CEN and CENELEC do not acknowledge that patents mentioned in a standard under the conditions cited above are essential to the use of the standard. SEP Declarations only provide a 'presumption' of essentiality, which cannot be predicted, depending on the way the standard is applied and on the ingeniousness of the users. As far as CEN and CENELEC are concerned, the patents mentioned in a standard may or may not be SEPs'.

- "Any person or company wishing to have their patents included in a standard must commit to license the technology [...]".

CEN's and CENELEC's technical bodies committees do not proceed in this way. As a first intention, the technical bodies that are made aware of the existence of a potentially relevant patent engage in modifying the draft standard so as to lift any doubt. CEN and CENELEC proceed with citing a patent only in the case where changing the standard would make it irrelevant and only if the patent holder has committed to issue licenses.

In the FRAND Declaration, there is also the option, that the patent holder is unwilling to grant licenses. In such a case the technical body has to take appropriate action, including, but not limited to, a review the deliverable or its draft in order to remove the potential conflict or to further examine, or a clarification of the technical considerations causing the conflict.

- "once a declaration is made by the SEP contributor, it is seldom updated".

CEN and CENELEC check the validity of their standards at least every five years, which is a faster pace than the lifetime of patents. Stakeholders taking part in the standard-setting process are continuously invited to proceed, where possible, with early disclosures of granted patents or pending applications and to notify CEN and CENELEC of any up-to-date legal status information about the patents or pending patent applications (e.g., change of ownership, transfer of rights, lapsed applications, the jurisdictions where the patents are still valid or in force). CEN and CENELEC invite not only patent holders, but also any party not participating in the work of technical bodies to report knowledge of possibly essential patents. CEN and CENELEC SEP Declarations database is updated accordingly.

- "it may not be clear [...] which SEP is essential for which part of the standard".

Standards and patents are very different types of documents, which makes the task of assessing their possible interrelation extremely thorny ex post, in full knowledge of the dynamics of the market or the jurisdictions where the patents concerned are valid or in force. This obstacle is as tricky at the scale of a part of the standard as it is for the whole of the standard.

- "declarations to SDOs by those contributing an SEP only express the declarant's belief [...] that a patent may be or may become essential for the standard".

CEN and CENELEC actively question all participants, at all stages of the development of a standard – including the public enquiry phase, requesting Recipients of the draft standard to submit, with their comments, notification of any relevant patent rights of which they are aware and to provide supporting documentation –, probing their knowledge of possible patented items related to the work. The information provided by the participants is therefore neither a belief nor a "contributed SEP", but nothing more than an answer to an explicit question, to the best of their knowledge, whether a patent may exist that might be relevant.

- “there is no quality control by independent third parties”.

CEN and CENELEC insist that assessing the essentiality of a patent for the implementation of a standard is only possible ex post, in full knowledge of the dynamics of the market or the jurisdictions where the patents concerned are valid or in force. It cannot be done ex ante, at the time when the standard is being developed, for two reasons:

- the potential interrelation and reciprocal impact of documents, so different in scope and approach as standards and patents can be, are inherently difficult to assess,
- new solutions born of the imagination of ingenious innovators can never be ruled out.

As a consequence, regardless of whether third party essentiality checks might be relevant or feasible, CEN and CENELEC would likely not be involved in assessing patent essentiality, scope, validity and strength. Cooperation with other organizations, such as the European Patent Office (EPO), may be explored for helping and providing advice to patent holders in relation to their SEP declarations, and identifying available substitute technologies in the early stage of the standard-setting process.

- “[there are] different interpretations of [...] the process for negotiating the FRAND terms and conditions”.

In an attempt to respond to the invitation worded in the conclusions of the Advocate General for the EUCJ ruling ZTE vs. Huawei, CEN’s stakeholders have developed two Workshop Agreements offering good practices for the negotiation of licenses: [CWA 17431:2019](#) and [CWA 95000:2019](#). One of the lessons learnt from these attempts is that consensus would be difficult to reach on such a topic. In addition, CEN and CENELEC have no authority over the behaviour of the users of their standards. The policies of CEN and CENELEC apply solely to themselves, i.e. what they do in case they are informed that a patent may be relevant to the use of a standard. With that being said, CEN and CENELEC remain committed to avoiding any interference, in any forms or by any means, in FRAND licensing negotiations or patent dispute resolutions. CEN and CENELEC have no intention to include an obligation to use arbitration in their IPR policies. This matter is left to the sole discretion of the SEP holders and SEP implementers.