

# Contribution EZN Erfinderzentrum Norddeutschland GmbH

“Patents and Standards”

A modern framework for standardisation involving intellectual property rights

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## Respondent profile

Name or the name of the submitting organization:

*EZN Erfinderzentrum Norddeutschland GmbH*

Type of respondent (enterprise, association, citizen, public authority, judge/law firm, other):

*Enterprise*

Country of residence or location of headquarters:

*Germany*

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## In case you reply as an enterprise, please also indicate:

Field of business activity and the field of activity related to the consultation's topic (if not identical to the overall business activity):

*Supporting IPR and licensing, technology transfer, consulting in the field of IPR-strategies.*

*Enterprise can be classified as a "small or medium sized enterprise" (SME) according to the EU definition.*

## Transparency and registering

*EZN Erfinderzentrum Norddeutschland GmbH*

*Register ID number: 578848815960-28*

## **Our Answers to the eight key issues**

*Due to the short remaining time between getting the information (beginning of February 2015) about this questionnaire and the deadline (15<sup>th</sup> of February 2015) we are able to give short answers to these key issues. In case of interest in more detailed answers you are welcome to contact EZN.*

1.) Standardisation involving patents is common in the telecommunication industry and in the consumer electronics industry. Which other fields of standardisation comprise patent-protected technologies or are likely to do so in the future?

*All fields of technologies used worldwide; automotive industry (e. g. braking systems for railways, electro mobility).*

2.) A variety of rules and practices govern standardisation involving patents. Which elements of these rules and practices are working well and should be kept and/or expanded? Which elements on the other hand can be improved?

*The rules and practices governing standardisation involving patents are not widely known. In many cases the effect of patents is not known.*

*A patent holder declares his patent as being "standard essential". This declaration should be checked by the SSO.*

*It would be helpful for SMEs, if there were initiatives outside the SSO domain.*

3.) Patent transparency seems particularly important to achieve efficient licensing and to prevent abusive behaviour. How can patent transparency in standardization be maintained/increased? What specific changes to the patent declaration systems of standard setting organizations would improve transparency regarding standard essential patents at a reasonable cost?

*In order to achieve patent transparency, all details of the SEP-patent application including the patent granting process should be presented to the SSO.*

*Patent pools should be obligatory.*

4.) Patents on technologies that are comprised in a standard are sometimes transferred to new owners. What problems arise due to these transfers? What can be done to prevent that such transfers undermine the effectiveness of the rules and practices that govern standardisation involving patents?

*Problems can arise if there are unacceptable demands by a new licensee because of the particular situation. The transfer agreements must contain binding clauses to avoid misuse. Framework of the EU would be useful.*

5.) Patent pools combine the complementary patents of several patent holders for licensing out under a combined licence. Where and how can patent pools play a positive role in ensuring transparency and an efficient licensing of patents on technologies comprised in standards? What can public authorities and standard setting organizations do to facilitate this role?

*Patent pools are formed by cooperation between companies and universities with each other or by universities with companies. If the aim of such cooperation with its patent pool is standardization, this has to be taken into account in the contract and also in the sale of IPR to third companies. The clauses in the former contract must then also apply to any subsequent transfers. It would be desirable if the EU creates special framework conditions as they did for R & D contracts.*

6.) Many standard setting organizations require that patents on technologies included in their standards are licensed on "fair", "reasonable" and "non-discriminatory" (FRAND) terms, without however defining these concepts in detail. What principles and methods do you find useful in order to apply these terms in practice?

*The license conditions should be generally accepted, subject to international rules, as they could be developed, for example, by using the know-how of the Licensing Executives Society (LES).*

7.) In some fields standard essential patents have spurred disputes and litigation. What are the causes and consequences of such disputes? What dispute resolution mechanisms could be used to resolve these patent disputes efficiently?

*Licensing agreements with internationally recognized standards have to be developed (see section 6) in order to avoid possible disputes. Disputes should be regulated by an internationally working court of arbitration.*

8.) How can holders of standard essential patents effectively protect themselves against implementers who refuse to pay royalties or unreasonably delay such payment? How can it be ensured that injunctions based on standard essential patents are not used to (a) either exclude companies from implementing a standard or (b) to extract unreasonable, unfair or discriminatory royalties?

*See Section 6. Furthermore, EU authorities should judge smartly over disputes. The European Patent Court at the European Patent Office would be very suitable for such situations.*