October 3, 2025

Adam Williams
Chief Executive and Comptroller General
United Kingdom Intellectual Property Office
Concept House, Cardiff Road
Newport, South Wales NP10 8QQ

RE: Public Comment on U.K. IPO SEPs Proposals

Dear Mr. Adam Williams,

The Council for Innovation Promotion (C4IP) appreciates the opportunity to comment on the U.K. Intellectual Property Office's consultation on standard essential patents (SEPs).

C4IP is a bipartisan coalition dedicated to promoting strong and effective intellectual property (IP) rights, driving innovation, boosting economic competitiveness, and improving lives everywhere.

C4IP is chaired by two former Under Secretaries for Intellectual Property and U.S. Patent and Trademark Office (USPTO) Directors: Andrei Iancu, who served in the first Trump administration, and David Kappos, who served in the Obama administration. Our board includes two retired judges from the Court of Appeals for the Federal Circuit: former Chief Judge Paul Michel, who was appointed by President Reagan, and former Judge Kathleen O'Malley, who was appointed by President Obama. Our board also includes two distinguished public servants: Gary Locke, former Governor of Washington, U.S. Secretary of Commerce, and U.S. Ambassador to China under President Obama; and Lamar Smith, former U.S. Representative for Texas's 21st congressional district and Chairman of the House Judiciary Committee.

SEPs protect inventions that are part of shared technological standards, like 5G, Wi-Fi, and Bluetooth, ensuring interoperability across products. Holders of SEPs typically commit to offer licenses for their essential technologies to companies on fair, reasonable, and non-discriminatory (FRAND) terms. Those precise terms, though, are determined by negotiations between the SEP holders and the licensees.

The current SEP system balances broad access with fair compensation for innovators, which is critical to preserving the incentive to develop the next generation of technologies that drive worldwide economic growth, security, and quality of life.

C4IP is concerned that the U.K. IPO's proposals could disrupt this well-balanced system.

The U.K. IPO consultation outlines two proposed measures: the creation of a "rate determination track" to set royalties for SEPs, and a requirement that patent holders disclose information about standards. Both are problematic.

The "rate determination track" would transfer the work of evaluating complex, high-value patent portfolios to a U.K. court with limited expertise and safeguards. The consultation also seems to convey a desire to shift responsibility for negotiating SEP licensing rates to government agencies, rather than encourage negotiations between the two private-sector parties that have the best understanding of the technologies involved and their value.

U.K. courts are also unlikely to hasten the determination of SEP rates — courts cannot provide binding rate determinations without the agreement of both the licensor and licensee, which are already the current negotiating parties. The European Union recently considered a similar proposal, but formally withdrew it following critical input from IP experts and stakeholders. The U.K. IPO would be wise to follow suit.

Although the rate determination track proposal is billed as a way to help small and medium-sized enterprises (SMEs), it is unlikely to fulfill that goal. The most impactful SEP disputes in the United Kingdom recently have involved some of the largest companies in the world. There's little evidence that the current system imposes any burden on SMEs, and thus little rationale for any of the proposed changes. If the intent is to help SMEs, then the United Kingdom must focus on creating policies that protect the interests of good-faith patent holders that are SMEs and are seeking fair compensation for use of their innovations by large multinational implementers.

This proposal would also open the door to countries everywhere simply deciding they can control rate-setting, which would disincentivize global cooperation and weaken the trust that underpins continued innovation worldwide. Once governments begin inserting themselves directly into rate determinations, the balance between licensors and licensees is lost, with agencies making valuation decisions without the technical expertise or context needed for fairness.

Such a policy could put individual innovators at a disadvantage as well as undermine the global standards-setting process generally.

The disclosure proposal, meanwhile, would require patent holders to provide information to the U.K. IPO on patent essentiality. This would place heavy costs on innovators to create and maintain such a database, without offering a real benefit to the licensing system. The requirement would likely only raise costs for both licensors and licensees, and add time to negotiation and evaluation processes. Businesses already have access to a wide range of private-sector services to obtain such information, and the market is functioning well without government involvement.

Furthermore, a database of this kind could be misused to promote a patent-counting approach to valuation, which would be especially harmful to U.S. innovators. In countries like China, it is standard practice to focus on patent volume, which incentivizes gaming by filing many narrow patents on a standard. The United States and Europe, on the other hand, tend to focus on quality rather than quantity. A numbers-based approach could distort reality and make true innovators appear to hold less intellectual property, eroding their competitive edge. Additionally, foreign firms that already attempt to flood the system with patent declarations would naturally redouble their efforts in an attempt to inflate their standing further.

Finally, the consultation reopens the question of injunctions, despite the fact that the U.K. Supreme Court has already upheld injunctive relief as a vital remedy for SEP enforcement.

Weakening the injunctive right would hinder innovators' ability to protect their hard-won inventions in the United Kingdom. Strong, predictable remedies — including injunctions — are essential to ensure fair compensation and sustain global standards development. Moreover, the United Kingdom already examined the issue of injunction threats used in licensing negotiations last year and found no need to "narrow the use of injunctions in SEPs disputes." Since market conditions have not changed since that time, it is unclear why the government is reversing course.

For these reasons, we urge the U.K. IPO to reconsider its proposals. Imposing unnecessary government regulation, weakening valuation mechanisms, imposing unnecessary regulatory burdens, and curtailing enforcement remedies would harm innovators, distort the global licensing system, and ultimately undermine progress in the next generation of standardized technologies.

Sincerely,

Frank Cullen
Executive Director
Council for Innovation Promotion (C4IP)