India joins Designview

January 19, 2018 European Trade Mark and Design Network

India joins Designview

As of 19 January 2018 the Indian Office of the Controller General of Patents, Designs & Trade Marks (CGPDTM) has made its design data available to the Designview search tool.

This successful integration is the result of the EU-INDIA Intellectual Property Cooperation (IPC-EUI) project co-funded by the European Commission and the EUIPO within the International Cooperation framework and in close collaboration with CGPDTM.

With CGPDTM on board, Designview now contains data from 63 participating offices.

With the addition of more than 30 000 designs from CGPDTM, Designview provides information and access to almost 13.4 million designs.

Since the introduction of Designview on 19 November 2012 the tool has served more than 3.2 million searches from 161 different countries, with users from Germany, the UK and Spain among the most frequent users.

You can find out more at www.tmdn.org

Mergers: Commission approves Qualcomm's acquisition of NXP, subject to conditions

Commissioner Margrethe **Vestager**, in charge of competition policy, said: "*We use our smartphones for many different things and now also more and more as mobile wallets, to pay for public transport or make other secure payments. With this decision, we ensure that Qualcomm's takeover of NXP will not prevent consumers from continuing to enjoy the benefits of these innovative technologies at competitive prices.*"

Today's decision follows an in-depth review of the proposed acquisition of NXP by Qualcomm. Qualcomm and NXP have dominant or strong market positions with highly complementary products and own a significant amount of intellectual property relevant to smartphone manufacturers:

- **Qualcomm** mainly develops and supplies **baseband chipsets for smartphones**. These are chips that allow smartphones to connect to cellular networks.
- **NXP** supplies several types of semiconductors, including **near-field communication (NFC) and secure element (SE) chips** for smartphones. These are chips enabling short-range connectivity, which are used in particular for secure payment transactions on smartphones.
- **NXP** also developed and owns **MIFARE**, a leading technology used as a ticketing/fare collection platform by several transport authorities in the European Economic Area (EEA).
- **Both Qualcomm and NXP** hold a significant amount of **intellectual property**, including standard and non-standard essential patents related to NFC chips.

The Commission's competition concerns

Following its in-depth market investigation, the Commission had the following competition concerns with the transaction as notified:

- The merged entity would have had **the ability and incentive to make it more difficult for other suppliers to access NXP's MIFARE technology**, by raising the licensing royalties or by ceasing to license MIFARE altogether. The merged entity would also have had the ability and incentive to degrade the **interoperability of Qualcomm's baseband chipsets and NXP's NFC and SE chips with rivals' products**. As a result, smartphone manufacturers would have preferred the merged entity's products over those of rival suppliers, who risked being marginalised.
- The merged entity would have combined the two companies' significant **intellectual property portfolios related to NFC technology**. This would have increased the merged entity's bargaining power, allowing it to charge significantly higher royalties for its NFC patents than absent the transaction.

The Commission initially also had concerns relating to competition in the markets for semiconductors used in the automotive sector. However, the in-depth investigation did not confirm these.

The proposed remedies

To address the competition concerns identified by the Commission, Qualcomm offered the following commitments:

- To address the concerns related to **MIFARE**, Qualcomm committed to offer licenses to NXP's MIFARE technology and trademarks, for an eight-year period, on terms that are at least as advantageous as those available today. This would enable competitors of the merged entity to have access to MIFARE technology and trademarks and compete effectively with the merged entity.
- To address the competition concerns related to **interoperability**, Qualcomm committed to ensure that, for an eight-year period, it would provide the same level of interoperability between its own baseband chipset and the NFC and SE products it acquires from NXP with the corresponding products of other companies.

- Finally, to address the Commission's competition concerns in relation to the licensing of NXP's NFC patents,

o Qualcomm offered **to not acquire NXP's standard essential NFC patents.** It also offered to not acquire certain of **NXP's non-standard essential NFC patents**. NXP will transfer these patents to a third party, which would be bound to grant worldwide royalty-free licenses to these patents for three years.

o Qualcomm would still acquire certain **other NXP's non-standard essential NFC patents**. However, Qualcomm committed, for as long as it owns these patents, i) not to enforce its rights against other companies; and ii) to grant worldwide royalty-free licenses to these patents.

The Commission concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns. The Commission's decision is conditional upon full compliance with the commitments.

Companies and products

Qualcomm is a leading semiconductors company, which develops and supplies integrated circuits for mobile devices, notably cellular baseband chips. Qualcomm also licenses the rights to its intellectual property portfolio, including rights to patents which are essential to the implementation within wireless production of cellular communication standards.

NXP Semiconductors manufactures and sells different categories of semiconductors, including semiconductors for the automotive sector and semiconductors for the mobile device sector, notably, NFC solutions.

Merger control rules and procedures

The transaction was notified to the Commission on 28 April 2017 and the Commission opened an in-depth investigation on 9 June 2017.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the Merger Regulation) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

There are five on-going phase II merger investigations: the proposed acquisition of Cristal by Tronox, the proposed acquisition of Ilva by ArcelorMittal, the proposed merger of Essilor and Luxottica, the proposed acquisition of Monsanto by Bayer, and the proposed creation of a joint venture by Celanese and Blackstone.

More information will be available on the Commission's competition website, in the public case register under the case number M.8306.

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Opening remarks by Vice-President Dombrovskis on NPL Progress Report

Good morning,

Today, the European Commission has adopted a Communication on the progress made in reducing levels of non-performing loans in EU banks. This is part of our ongoing work to reduce risks in the banking sector and complete the Banking Union.

Before I turn to the Communication, let me take this opportunity to look ahead to the year 2018.

This will be the year to take important decisions on **strengthening the euro area**.

For the financial side of my portfolio, I am hopeful that we can reach the agreements needed to complete the Banking Union. Like last year, this will remain at the top of my agenda.

Deepening the EMU also means setting up a genuine Capital Markets Union in Europe.

Brexit should motivate us to redouble our efforts. In March, we will put forward a whole package of new initiatives.

This will also be the year to lay the foundations for **the future of Europe's financial sector**.

In March, we will present an ambitious Action Plan for Europe to affirm its leadership in sustainable finance. To secure the transition to the low-carbon economy, we need the financial sector fully on board.

We will also present our first ever EU Action Plan for the Fintech sector. The two strategies will soon be followed by first legislative proposals.

Finally, with regard to **Brexit,** I will pay particular attention that market participants are prepared and that financial stability issues are being addressed.

Let me now come back to today's Communication.

One important part of the risk reduction effort in the Banking Union is to reduce levels of non-performing loans, or NPLs.

These loans are a legacy of the crisis, and they are unevenly distributed across the Banking Union countries.

High levels of NPLs constrain banks' capacity to make fresh loans to support our economy, and they can be a source of vulnerability.

Today's report shows that we are making progress: during the last three years, the share of non-performing loans in the EU had been reduced by one third. This corresponds to a € 300 billion reduction.

In the latest figures, as of mid-2017, the NPL ratio stands at 4.6% .

We have also seen important progress in Member States with initially high rates of non-performing loans. For example, in Italy, the ratio of non–performing loans has come down by almost a quarter in only 12 months.

Banks and Member States must continue working to accelerate this positive trend.

We are supporting this work at European level, and some actions have already been implemented.

For example, the European Banking Authority has created templates to make data more comparable – this is important for promoting NPL markets.

In March, the Commission will present a package of proposals to help banks manage NPLs and prevent their accumulation in the future.

The package will focus on:

- requiring banks to put sufficient means aside to cover losses if new loans become non-performing,
- tackling delays in debt recovery,
- opening up secondary markets,
- and clarifying – with a blueprint – how EU countries can set up national asset management companies if they so wish.

Today’s report tells us that the sun is out and the fog is lifting: the EU is now making significant headway in tackling non-performing loans.

We will continue our efforts to ensure that we stay on track and make high levels of NPLs a thing of the past.