

# Opening statements by Vice-President Jyrki Katainen and Commissioner Elżbieta Bieńkowska at the press conference on Intellectual Property rights package

## **Vice-President Katainen**

Today the College has adopted a package of measures on Intellectual Property.

This is not just an issue for patent lawyers and legal departments in big companies.

It actually concerns all of us. And the stakes are high. It is estimated that IPR-intensive sectors account for around 42 % of EU GDP, generate 38 % of all jobs, and contribute to as much as 90 % of EU exports.

We live in a knowledge economy. Be it a film, a new technology, a new medicine or a new recipe: our ideas, our know-how, our inventions – they generate jobs and growth.

We need our many researchers, inventors, creators and start-ups to continue investing in new ideas and knowledge.

We have a solid Intellectual Property Rights system in Europe, where people and companies can seek protection via patents, trademarks, copyrights and designs, and see their investment rewarded. Our system also provides Member States with the tools to enforce these rights, by allowing right holders to defend themselves against counterfeiting and piracy, and see abuses penalised.

But we need to improve the system in light of new developments:

Firstly, the digital revolution has opened up many new opportunities, but the online world also allows illegal products and content to proliferate more quickly.

Secondly, we are seeing an increase in IP infringements across the globe. 5 % of all imports into the EU are counterfeit and pirated goods. That is about EUR 85 billion in illegal trade.

And thirdly, we are in the middle of a technological revolution where Europe needs to lead in grasping the full potential of 5G and connected objects (“the Internet of Things”).

These are the trends we are responding to today.

## **Commissioner Bieńkowska**

Today we are presenting a comprehensive set of measures which I will summarise in two main strands:

Firstly, how we are stepping up the fight against counterfeiting and piracy.

Secondly, how we want to support our investment in the Internet of Things with a fair and balanced system for Standard Essential Patents.

Let's start with counterfeiting and piracy. This is a criminal and lucrative activity that harms us all. Companies lose money, people's jobs are at risk, public revenue is lost.

And we are not only talking about fake luxury goods like a nice handbag. No, when we buy fake medicines or fake toys, our health and safety is at risk, too. Jyrki recalled the important economic impact it may have. So we take the issue very seriously.

And we are acting. We are acting focusing on the big fish, the people who are doing these things as a large-scale commercial operation.

Let me highlight three main elements of our initiative:

-We are providing guidance on the application of the 2004 Directive on the enforcement of intellectual property rights (IPRED).

The Directive has proved to be relevant in fighting abuse but there have been differing interpretations among Member States. The guidance clarifies these interpretation issues.

Now, I can already hear some people say: "Why aren't you proposing new legislation?" Well, because it isn't needed.

Our evaluation of the Directive shows that it is fit for purpose, but it's the interpretation across the Single Market that needs to be improved.

With this guidance, we are increasing legal certainty for all stakeholders and facilitating civil enforcement across the EU. And we are doing so straight away, without the need for new legislation which – you know this as well as I do – can take years to adopt.

Moreover, some of the issues that stakeholders have raised actually fall outside of the scope of the Directive, so a legislative change wouldn't help that. That is why we are dealing with those issues separately. For instance, the role of online platforms and liability issues is addressed in our recent guidelines for online platforms to tackle illegal content.

-We are also supporting industry-led initiatives to combat IP infringements. Voluntary cooperation helps curb online sales of illegal goods and content efficiently. Since the 2011 Memorandum of Understanding on the Sale of Counterfeit Goods via the Internet, a significant number of offers for counterfeit products have been removed from online platforms. We are now

working on similar industry agreements in the areas of advertising and of payments services.

-And, in close cooperation with Cecilia Malmström and her services, we are stepping up efforts to reduce IP abuses in third countries. We will create a watch-list of countries that engage in, or facilitate, substantial IPR infringement. And we will work with customs authorities to stop counterfeit products at the EU's external borders.

Now let me turn to Standard Essential Patents.

What are we actually talking about? Our smartphones are full of technology such as WiFi or 4G. This technology has become industry standard, allowing smartphones to be interoperable. The technology is protected by Standard Essential Patents.

Now, with the introduction of 5G, and the growth potential of increasingly connected objects around us (the so-called Internet of Things), it is essential to get the system right.

Two interests are at stake:

-On the one hand, patent-holders rightly expect to be rewarded for their investments in research and innovation and for offering their best technologies for inclusion in standards.

-On the other hand, product manufacturers, including many SMEs and start-ups, want to be able to access technologies under transparent and predictable licensing rules to offer new functionalities on the basis of that technology.

There is a fine balance to strike. The parties are best placed to arrive at a common understanding of what are fair licensing conditions and fair rates, through good faith negotiations, on a case by case basis.

But if the market doesn't get it right, we will miss the global race to lead in technological innovation such as connected cars.

That is why today we offer guidance and recommendations for a balanced and efficient SEPs system where the two objectives are reconciled.

In doing so, we are the first jurisdiction to set out the path for a more transparent and predictable system. In doing so, we are placing Europe as a frontrunner in the global race for 5G and the Internet of Things.

The statements can be watched [here](#) and [here](#).