January 17, 2025

President Donald J. Trump Presidential Transition Office Mar-a-Lago Club 1100 South Beach Boulevard Palm Beach, FL 33480

Dear President-elect Trump and members of the Presidential Transition Office,

American leadership in emerging technologies like the Internet of Things (IoT) and artificial intelligence is key to achieving President Trump's goal of ensuring America's prosperity into the future. But American leadership in these strategically important areas can be achieved only if American businesses can predictably use the technical standards that support them.

Collaboratively developed voluntary standards, such as 5G and Wi-Fi, are what products like mobile phones, medical devices, cars, and advanced manufacturing systems rely on to interoperate. But innovative American manufacturers who make products that use these standards are being extorted by weaponization of the legal system here and abroad by entities claiming to hold patents that cover the standard. These manufacturers risk having their product sales blocked entirely unless they pay excessive, unreasonable fees, which are tantamount to a foreign tax on these American businesses.

It is critical that the Trump Administration stop hostile foreign companies, and abusive patent holders more generally, from unfairly and unreasonably holding standardized technologies hostage and depriving American businesses and citizens of their benefits. The Trump Administration should ensure that these patent holders comply with the voluntary but irrevocable commitments they made up-front during standards development to license their patents essential to these standards (standard essential patents, or SEPs) on fair, reasonable and non-discriminatory (FRAND) terms.

We urge the Trump Administration to promote American business innovation and continued technological leadership by pursuing policies to curtail abusive use of SEPs.

- I. **Protect American businesses** and prevent hostile foreign companies and other SEP abusers from driving up costs for Americans:
  - Work with Congress to pass legislation and explore other means to create consequences for SEP holders who seek to use foreign SEP injunctions to coerce excessive royalties on products sold in the United States.
  - Advocate to foreign governments to limit the availability of SEP injunctions in foreign courts to protect businesses and consumers from unfair and unreasonable demands by SEP holders.
  - File amicus briefs supporting limits on obtaining foreign SEP injunctions, to curtail the harmful impact of these injunctions and huge "security deposit" demands on businesses.
- II. Strengthen American investment in cutting-edge industries through predictability in SEP licensing:
  - Strongly oppose any legislation that would roll back *eBay*, the unanimous Supreme Court decision that got rid of special injunction rules for patents, and would allow SEP abusers to prevent American companies from making or selling innovative products.
  - Reform the U.S. International Trade Commission's policies and practices to curtail hostile foreign companies and other SEP abusers from threatening import bans to extract excessive, non-FRAND royalties, which increase costs for American businesses and consumers.
  - Publish guidance providing predictable standards for SEP royalties to reward inventors only for the fair value of their patents and not, for example, for technologies they did not invent.

- Maintain cost-effective avenues to correct agency errors in issuing invalid patents through the Patent Trial and Appeal Board.
- III. **Deter SEP abusers** that weaponize their SEPs to harm American businesses:
  - Prioritize enforcement actions against hostile foreign companies and others that violate U.S. antitrust law or engage in unfair or deceptive acts or practices by engaging in SEP abuse.
  - Work with stakeholders to identify the extent to which component manufacturers are denied licenses on FRAND terms, and develop and implement recommendations to remedy the situation.
  - Support litigation transparency legislation to require disclosure of third-party litigation financing and investigate for possible involvement of foreign adversaries as litigation funders.

As the new administration considers policies that promote American business innovation and technological leadership, we stand ready to work with your team.

Sincerely,

Save Our Standards Coalition

ACT | The App Association

Alliance for Automotive Innovations

Computer and Communications Industry Association (CCIA)

Center for Democracy and Technology

Engine

High Tech Inventors Alliance (HTIA)

National Retail Federation (NRF)

Public Knowledge

Software Information Industry Association (SIIA)

TechNet



Save Our Standards

ACT

## ACT | The App Association



## Alliance for Automotive Innovations



Computer and Communications Industry Association (CCIA)

Save Our Standards is a broad-based coalition of innovators, small businesses, associations, academics, and consumer groups dedicated to reinforcing the voluntary FRAND licensing commitment and its important role in technical standards to enable competition and innovation that directly benefits consumers. We work to educate decision-makers and stakeholders on policies that allow all innovators to thrive through pro-competitive practices and the reinforcement of fair, reasonable and non-discriminatory licensing terms for standardessential patents. Learn more: https://www.saveourstandards.com/

ACT | The App Association ("App Association") is a global policy trade association for the small business technology developer community. Our members are entrepreneurs, innovators, and independent developers within the app ecosystem that engage with verticals across every industry. Through its All Things FRAND initiative, the App Association works to preserve and promote innovation generally, as well as to accelerate the growth of technology markets through robust standards development and a balanced intellectual property system. Visit: http://www.actonline.org/.

From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. Active in Washington, D.C. and all 50 states, the association is committed to a cleaner, safer and smarter personal transportation future. www.autosinnovate.org.

CCIA is an international, not-for-profit trade association representing a broad cross section of communications and technology firms. For more than 50 years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. <u>https://ccianet.org/</u>



Center for Democracy and Technology



Engine



High Tech Inventors Alliance (HTIA)



National Retail Federation (NRF)



Public Knowledge

The Center for Democracy & Technology (CDT) is the leading nonpartisan, nonprofit organization fighting to advance civil rights and civil liberties in the digital age. We shape technology policy, governance, and design with a focus on equity and democratic values. Established in 1994, CDT has been a trusted advocate for digital rights since the earliest days of the internet. The organization is headquartered in Washington, D.C., and has a Europe Office in Brussels, Belgium. <u>https://cdt.org/</u>

Engine is a 501(c)(3)/(4) non-profit organization that works with thousands of startups across the country to advocate for pro-startup, pro-entrepreneurship policy. The vast majority of these startups can't afford lobbyists or a trade association, but their voice should be front and center as policymakers think about innovation, Internet, and technology policy. <u>https://www.engine.is/</u>

The High-Tech Inventors Alliance (HTIA) advocates for balanced reforms in the Patent and Trademark Office, the courts, and Congress that address the root causes of these problems while advancing a patent system that promotes investment in new technologies and American jobs. We collectively invested over \$146 billion in research and development last year, hold nearly 350,000 U.S. assets and support tens of millions of jobs created as a result of the innovative goods and services our members provide. Visit: https://www.hightechinventors.com/.

The NRF Foundation provides the skills and resources needed for a life-changing career. As NRF's nonprofit 501(c)(3), we connect people to an industry that's a great place to start and a great place to grow. Together, we help people build better lives and stronger communities. nrffoundation.org

Public Knowledge is a nonprofit technology policy organization that promotes freedom of expression, an open internet, and access to affordable communications tools and creative works. We challenge barriers to people's rights to fairly create, access, own, and use content and innovative technologies by providing resources to policy makers and the public. <u>https://publicknowledge.org/</u>



**R Street Institute (RSI)** 



Software Information Industry Association (SIIA)



The R Street Institute (RSI) is a leading think tank focused on solving complex public policy challenges through free markets and limited, effective government. RSI consistently offers pragmatic, real solutions that foster American innovation, bolster competition, and safeguard individual liberty—all with the understanding that life in a democratic society sometimes requires compromises that don't necessarily represent first, best solutions. https://www.rstreet.org/

SIIA is the voice for the specialized information industry. Our members provide data, content and information that drives the global economy, informs financial networks and connects learners and educators. SIIA unites, defends and promotes our diverse membership. Learn more at: <u>https://www.siia.net/</u>

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy. As the Voice of the Innovation Economy, TechNet advances public policies and private sector initiatives at the federal, state, and local levels that make the United States the world leader in innovation. Learn more at: https://www.technet.org/