

# Licensing Negotiation Groups for SEPs - Collusive Technology Buyers Arrangements: Pitfalls and Reasonable Alternatives

By Dr Igor Nikolic<sup>1</sup>

## Summary<sup>2</sup>

One of the experts within the European Commission's Standard Essential Patents (SEPs) Expert Group proposed the formation of licensing negotiations groups (LNGs) by implementers to collectively negotiate with SEP owners and patent pools. Accordingly, LNGs could be used for a more efficient SEP licensing, particularly relevant on the Internet of Things with increasingly new stakeholders entering the market.

This article examines how LNGs could work in practice and raises concerns about LNGs turning into hidden buyers' cartels creating an industry wide collective holdout. As a less restrictive alternative, this article explains how existing patent pools and other similar licensing platforms that aggregate complementary SEPs and provide one-stop shop for licensing already enable the efficiency and transaction costs savings in the IoT with no harmful anti-competitive effects.

By gathering inputs from individual implementers before the formation of royalty programs, some licensing platforms can ensure that implementers are consulted and participate in royalty formulations without the risk of collusive outcomes.

---

<sup>1</sup> Research Fellow at European University Institute.

<sup>2</sup> Summary Citation: Igor Nikolic, 'Licensing Negotiation Groups for SEPs - Collusive Technology Buyers Arrangements: Pitfalls and Reasonable Alternatives' [Summary] (October 2021) 4iP Council.