



To the attention of
Mrs. Viviane Reding
Commissioner for Information Society and Media
BERL 12/288
B - 1049 Brussels

Brussels, 17 September 2008
Prot. n° 0693

Dear Commissioner,

Re: SMEs' stance on RFID and Intellectual Property Rights in ICT standards

Further to your meeting with Mr. Andrea Benassi, Secretary General of UEAPME, we would like to take the opportunity to summarise the areas of interest to UEAPME and PIN-SME in the current European Commission's policies on Information Society and Media.

First of all, we would like to reiterate that membership of **UEAPME** consists of national and sectoral associations of SMEs of all industries, including ICT. Hence, we consider that the largest part of SMEs that we indirectly represent consists of ICT user companies. On the other hand, UEAPME has supported the creation of an independent European association of ICT SMEs. This was constituted in 2007 under the name of **PIN-SME**, with a permanent secretariat based in Brussels at the UEAPME premises. At present, the members of PIN-SME are national associations of small businesses ICT providers from eight countries and account for more than 50.000 SMEs.

Secondly, as regards the diffusion of Radio Frequency Identification Devices (**RFID**), UEAPME has decided to proactively support the deployment of this technology among European SMEs. We are convinced that RFID technologies have the potential to boost innovation and the competitiveness of European SMEs. However, we acknowledge that the uptake of this technology has not matched the expectations so far, especially among SMEs. We believe that this is the result of several factors, among which the most significant is the high cost of acquisition of the RFID vendor licences. We believe that this cost should be reduced and that the RFID technology must become more affordable to SMEs. UEAPME is currently participating in ASPIRE, a project funded under FP7 that aims at developing open source and royalty-

free middleware to be used by small businesses in order to support RFID solutions. UEAPME is convinced that ASPIRE will bring a good contribution to this purpose and is committed to proactively disseminate the project results among SMEs.

Thirdly, we are strongly involved in the ongoing debate about **Intellectual Property Rights (IPRs) in ICT standards**. We believe that ICT SMEs need to rely on common standards that guarantee interoperability and a sufficiently level playing field. We are also convinced that SMEs would benefit from open and vendor-independent standards. Therefore we believe that it is of the utmost importance that the European Commission takes a definitive position on IPRs in relation to standards. In this respect, we oppose the current stance of DG Enterprise to support the FRAND approach (Fair, Reasonable and Non Discriminatory) as a default policy. If ICT standards are to be used in support of legislation (i.e. if ICT becomes a “new approach” industry) and to be referenced in public procurement, we are convinced that the default policy on IPRs should rather be to support royalty-free.

As a matter of fact, FRAND means that any company that applies a standard to comply with legislation (i.e. with European Directives) would be forced to pay fees to the IPRs owners. Several non-European multinationals are already exerting strong pressure on policy makers to favour the FRAND approach. UEAPME and PIN-SME are opposed to this approach and urge the Commission to consider its potential dangerous consequences on European SMEs.

Dear Commissioner, we trust that you will take into due account our comments. Our Secretariat is at your disposal for any further clarification you might need on these issues.

As already anticipated by Mr Benassi during your meeting, it will be our pleasure to invite you to our coming events. We shall send more details and formal invitations in due course as soon as the date and the agendas of our next events will be finalised.

Thank you in advance for your collaboration.

Yours sincerely,

Andrea Benassi

Sebastiano Toffaletti

UEAPME Secretary General

PIN-SME Secretary General