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CHINA – WORLDWIDE LICENSING TERMS FOR STANDARD ESSENTIAL PATENTS

REQUEST TO JOIN CONSULTATIONS

Communication from the United Kingdom

The following communication, dated 31 January 2025, from the delegation the United Kingdom to the delegation of China, and the delegation of the European Union, is circulated to the Dispute Settlement Body in accordance with Article 4.11 of the DSU.

1. Pursuant to Article 4.11 of the Understanding on Rules and Procedures Governing the settlement of Disputes ("DSU"), the United Kingdom notifies the consulting Members and Dispute Settlement Body of its request to join the consultations requested by the European Union ("EU") in *China – Worldwide Licensing Terms for Standard Essential Patents* ([WT/DS632/1](#), circulated to WTO Members on 22 January 2025).¹

2. The United Kingdom has a substantial trade interest in these consultations. The measures at issue in this dispute, according to the EU, provide Chinese courts "the authority to determine, without the consent of both parties, worldwide licensing conditions, and in particular royalty rates, for portfolios of standard essential patents ("SEPs") which include non-Chinese SEPs".²

3. Generally, SEP licensing involves global patent portfolios, and this is reflected in the decisions of national courts that set global licensing rates when adjudicating on SEP licensing disputes.

4. The United Kingdom is a major global forum for adjudicating on disputes concerning SEP licensing and the UK courts have accepted jurisdiction to determine global licensing rates in appropriate cases. Therefore, any decision in these proceedings could impact on the United Kingdom's ability to adjudicate on such licensing disputes.

5. In addition, the United Kingdom is a net importer of SEP licenses. For example, in 2020, UK royalty outflows relating to licensing of SEPs for smartphones alone sold in the UK reached an estimated £108 million. Practices of national courts regarding the determination of royalty rates for global SEP portfolios therefore have the potential to significantly impact UK implementers.

6. For the above reasons, the United Kingdom has a substantial interest in participating in these consultations. As a result, the United Kingdom respectfully requests that it be permitted to join the consultations in this dispute.

¹ The consultations are requested pursuant to Articles 1 and 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU"), Article 64.1 of the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement"), and Article XXII:1 of the General Agreement on Tariffs and Trade 1994 ("GATT 1994").

² EU Request for Consultations, p. 1.