CASE STUDY

Beyond SEP Declarations: Identifying Essential Patents and Reducing Licensing Exposure

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PROBLEM STATEMENT

A client preparing to launch a new product was evaluating the acquisition of a portfolio of **30 patents declared Standard Essential Patents (SEPs)** by a company to the European Telecommunications Standards Institute (ETSI).

Before proceeding with the acquisition, the client engaged IIPRD to independently assess the essentiality of the declared patents, determine their relevance to the applicable technical standards, and identify opportunities to reduce potential licensing expenditure without compromising product performance or quality.

The key objective was to distinguish **genuinely essential patents from non-essential declarations** and determine whether alternative technologies could provide technically viable workarounds for certain patents.

KEY CHALLENGES

- **Validating SEP declarations:** Determining whether each of the 30 declared patents covered technology that was genuinely required to implement the applicable standards.
- **Navigating complex technical specifications:** Evaluating patent claims against relevant technical specifications, 3GPP documentation, and associated standardization records.
- **Identifying viable alternatives:** Assessing whether certain technologies covered by declared SEPs could be bypassed using alternative implementations without compromising product quality.
- **Optimizing acquisition and licensing strategy:** Establishing which patents warranted licensing and which could potentially be excluded from the acquisition or addressed through alternative technical approaches.

SOLUTION APPROACH — Comprehensive SEP Essentiality Assessment

1

Patent Claim Analysis & Portfolio Screening

Conducted a detailed review of all 30 declared SEP patents, examining their claims, technical scope, and relationship to the relevant standardized technologies.

2

Standards Mapping & Technical Validation

Mapped the patent claims against applicable technical specifications, 3GPP documentation, and related standards-development materials to assess whether the claimed features were mandatory for implementing the relevant standards.

3

Review of Standardization Records & Supporting Evidence

Examined available internal communications, patent submissions, stakeholder contributions, and other relevant technical records to develop a deeper understanding of the standardized technologies and the technical context of the patent declarations.

4

Identification of Non-SEP Patents

Identified patents whose claimed subject matter did not appear to be essential to implementing the relevant standards based on the technical evidence reviewed. These patents could therefore be challenged for inclusion in the proposed SEP acquisition or licensing package, subject to further legal and technical verification.

5

Alternative Technology & Workaround Analysis

Evaluated alternative technical implementations for patents assessed as essential but potentially avoidable. The analysis identified lower-cost alternative technologies available from a competing technology provider that could potentially achieve the required functionality without compromising product quality.

BREAKTHROUGH INSIGHT

The independent assessment revealed that the 30-patent portfolio was materially different from what the SEP declarations alone might suggest.



8

NON-ESSENTIAL

Assessed as non-essential to the relevant standards; potential candidates for exclusion from the acquisition or licensing package.

6

ESSENTIAL, BUT AVOIDABLE

Potentially avoidable through technically viable alternative implementations, including a lower-cost competing technology provider.

16

ESSENTIAL — LICENSE

Assessed as essential and requiring further licensing consideration for the client's intended product implementation.

This differentiated assessment enabled the client to move beyond the declared status of the patents and evaluate the portfolio based on technical essentiality, implementation choices, and commercial necessity.

IMPACT ON CLIENT

Improved acquisition decision-making: Established a more evidence-based understanding of the actual essentiality of the proposed 30-patent portfolio.

Reduced potential licensing exposure: Identified 8 patents for potential exclusion and 6 patents for which alternative implementation strategies could be explored.

Preserved product quality: Identified potential technology alternatives that could enable the client to meet product requirements without compromising quality.

Strengthened negotiation position: Equipped the client with a technical basis to question the inclusion and pricing of patents that were either non-essential or potentially avoidable.

Focused licensing priorities: Helped direct acquisition and licensing discussions toward the 16 patents assessed as essential and requiring further licensing consideration.

KEY TAKEAWAYS

An ETSI SEP declaration should not be treated as conclusive proof of technical essentiality.

Detailed claim-to-standard mapping is critical to distinguishing genuinely essential patents from non-essential declarations.

Essentiality and commercial necessity are distinct considerations: even where a patent is essential to a standard, an alternative implementation may be available.

Reviewing technical specifications, 3GPP records, stakeholder submissions, and other relevant evidence can reveal material insights that are not apparent from patent declarations alone.

Independent SEP due diligence can help companies make better-informed acquisition decisions, prioritize licensing requirements, and identify opportunities to reduce avoidable costs.

VALUE DELIVERED

By independently assessing 30 declared SEPs, IIPRD helped the client distinguish between patents assessed as non-essential, essential patents with potential technical workarounds, and patents requiring further licensing consideration.

The resulting analysis provided a stronger technical and commercial foundation for the client's proposed acquisition, helped identify potential licensing cost-saving opportunities, and enabled a more targeted approach to SEP acquisition and licensing negotiations.