

2023-06-13

Dear Mr Olin,

Draft SEP Regulation

Thank you for sending the Request for Consultation to CTEK, and for the opportunity to give comments and feedback.

CTEK was founded 25 years ago and is based in Sweden; our founder, Swedish inventor Bengt Wahlquist, created the first ever battery charger to use electronic pulse technology; we develop and sell battery chargers and EV charging solutions. CTEK has less than 250 employees and had turnover of less than EUR80 million in 2021. CTEK is an innovative company but it is not a telecommunications company. Our website is at www.ctek.com.

CTEK sells 2G/3G/4G connectivity modules to its customers as accessories. The modem is plugged into the control unit in the EV charger. To activate the modem, the software system in the EV charger must be configured by an authorised installer/electrician. The SIM card is not included, and the 4G modem is intended for external communication and connection, but not for load balancing.

In 2022 CTEK received a letter from a SEP holder regarding their 4G portfolio. CTEK uses 2G/3G/4G communications modules that are manufactured by a third party company, and those were supplied to CTEK by a distributor as off the shelf products. CTEK does not know whether any of the SEP holders' patents, if they are valid and enforceable, are infringed when it buys wireless modules, so we think that the SEP holders are best placed to discuss with component or chipset suppliers whether or not they need a license, and what the license terms might be.

As an SME at least one SEP holder continues to pressurise, threaten, and harass us. This is costing CTEK management time and legal fees, which it can ill afford as an SME. The threats from the SEP holder are also causing concern to CTEK that there may be other claims from hundreds of other SEP holders, and it is therefore considering whether to even include cellular functionality in future accessories or products, and what that might mean. That is delaying adoption and hindering innovation (and costing development resource) in the EV sector – that is the last thing that Sweden and Europe need as they target Net Zero.

CTEK's position is simple. SEP holders should not be harassing SME's or others for this type of issue, which are not matters within CTEK's expertise. CTEK believes that SEP holders should be required to grant SEP licenses to module suppliers that want a license, so that companies can give normal and standard warranties of non-infringement for their cellular products. The entire supply chain can be licensed at chipset level, which is where the economic value of the patents can be realised, so SEP holders should take this up with component and chipset suppliers. Licensing at the chipset level will also mean that all players in the EV charger supply (across the globe, not just in Sweden) will be paying the same for SEP licenses, so that there is a level playing field for CTEK's market.

Request to Support

Therefore CTEK strongly supports the Commission taking steps to regulate a licensing system that is unfair, opaque and discriminatory. CTEK therefore urges the Swedish Government to support the SEP Regulation

Additional Requests

CTEK requests the Swedish Government to seek to add additional clarification to the SEP Regulation specifically stating that SEP licenses should be available to any company in the supply chain that wants a license, at whatever level of the supply chain.

With regard to SME's and smaller companies, CTEK supports Article 62 but in CTEK's opinion, Article 62 of the draft SEP Regulation should go further and should include wording whereby there is an expectation and encouragement that SEPs will be licensed to SMEs and smaller companies (if they need a license) on a royalty free basis.

We thank you again for the opportunity to respond.

Best Regards,

Marcus Korsgren