
Rechtspraak

Octrooirecht

Nr. 21

Supreme Court 26 augustus 2020

[2020] UKSC 37

(Unwired Planet/Huawei en Unwired Planet en ZTE/ Conversant)

Samenvatting

De Engelse Supreme Court oordeelt dat de Engelse gerechten bevoegd zijn om zonder toestemming van de betrokken partijen (i) een inbreukverbod op te leggen op basis van een SEP, tenzij de SEP-gebruiker een wereldwijde licentie afsluit voor een grensoverschrijdende SEP-portefeuille, en (ii) de royaltytarieven en andere voorwaarden van een dergelijke licentie vast te stellen. Reden hiervoor is dat de ETSI IPR Policy een contractuele verplichting oplegt aan SEP-houders om licenties onder FRAND-voorwaarden aan te bieden aan marktpartijen. Zonder deze ETSI IPR Policy zou er geen bevoegdheid zijn voor de Engelse rechter. De Supreme Court overweegt voorts dat de Engelse gerechten de Engelse procedure niet hoefden aan te houden omdat de Chinese gerechten een geschikter forum zouden zijn om het geschil te beslechten.

JUDGMENT OF THE COURT:

1. These appeals raise several matters which are important to the international market in telecommunications. The first (in all three appeals) is whether a court in the United Kingdom (“UK”) has jurisdiction and may properly exercise a power, without the agreement of both parties, to (a) grant an injunction to restrain the infringement of a UK patent where the patented invention is an essential component in an international standard of telecommunications equipment, which is marketed, sold and used worldwide, unless the implementer of the patented invention enters into a global licence of a multinational patent portfolio, and (b) determine royalty rates and other disputed terms of such a global licence. Secondly, there is a dispute (in the Conversant appeals: para 17 below) whether England is the appropriate forum to determine those matters. Thirdly, (in the Unwired appeal: para 16 below) there is a question as to the nature of the requirement that the licence, which the owner of a Standard Essential Patent (“SEP”) must offer to an implementer, be non-discriminatory. Fourthly, (again in the Unwired appeal) there is a question whether the court should refuse to grant the owner of such a SEP an injunction on the ground that it has breached EU competition law because it has not complied with the guidance given in the judgment of the Court of Justice of the European Union (“CJEU”) in *Huawei v ZTE* (Case C-170/13) EU:C:2015:477; [2015] 5 CMLR 14; [2016] RPC 4. Fifthly, the appeals raise a more general question as to the circumstances in which it is appropriate for an English court to grant a prohibitory injunction or to award damages instead. Each member of the panel has contributed to this judgment which addresses those matters.

[...]

Standard Setting Organisations

5. Telecommunications SSOs have been established in China, Europe, India, Japan (two), South Korea and the United States. The first telecommunications SSO was the European Telecommunications Standards Institute (“ETSI”), which is a French association formed in 1988 and which has adopted an intellectual property rights (“IPR”) policy and contractual framework governed by French law. ETSI is recognised as the SSO in the European Union telecommunications sector. It has over 800 members from 66 countries across five continents. Its purposes, as set out in article 2 of its Statutes (5 April 2017), include the production of “the technical standards which are necessary to achieve a large unified European market for telecommunications [etc]” and “to contribute to world-wide standardization” in that field. SSOs bring together industry participants to evaluate technologies for inclusion in a new standard. ETSI is the relevant SSO as the patents which are the subject of these appeals are the UK designations of European patents (“UK patents”) which have been declared to ETSI as essential. The relevant standards in these appeals are telecommunications standards for 2G (GSM), 3G (UMTS) and 4G (LTE) telecommunications equipment and devices. The seven SSOs have cooperated to form the 3rd Generation Platform Partnership (3GPP) to develop and oversee those standards. ETSI through its secretariat manages the process by which its members contribute to the development of international standards. Participants in SSOs have an incentive to put forward their technology as a component of a proposed standard as inclusion in the standard ensures a market for the technology. Alternative technologies which are not included in a standard may well disappear from the market. Participants also accept obligations to declare IPRs which might potentially have an effect on the implementation of standards developed by the SSOs.

6. Although it is necessary to examine the arrangements in more detail below, it may be useful to give an overview of how ETSI deals with “Essential IPRs”, a term which we equate with SEPs, when it devises those standards. Owners of patented inventions which might be used in a telecommunications industry standard, which is under preparation, declare their patents to ETSI. When considering whether to include a technology in a standard, ETSI requires the patent owner to enter into an irrevocable undertaking or contract with it to allow implementers of the standard to obtain a licence to use the relevant patented technology on fair, reasonable and non-discriminatory (“FRAND”) terms. If the declared patented invention is included in a standard and it is not possible to make, sell, use or operate etc equipment or methods which comply with the standard without infringing that IPR, it is treated as an “Essential IPR”. The irrevocable undertaking to give a licence on FRAND terms to implementers applies to any such Essential IPRs. But ETSI is not under an obligation to check whether patents declared to be essential are in fact essential. Nor does ETSI make any binding judgment on the validity or status of any such patents: ETSI Guide on IPRs (19 September 2013) (“the Guidance”) para 3.2.1. Those are matters for the relevant national courts. ETSI leaves it to the relevant parties, if they so wish, to

resolve those questions by court proceedings or alternative dispute resolution: the Guidance para 4.3.

7. The purpose of the ETSI IPR Policy is, first, to reduce the risk that technology used in a standard is not available to implementers through a patent owner's assertion of its exclusive proprietary interest in the SEPs. It achieves this by requiring the SEP owner to give the undertaking to license the technology on FRAND terms. Secondly, its purpose is to enable SEP owners to be fairly rewarded for the use of their SEPs in the implementation of the standards. Achieving a fair balance between the interests of implementers and owners of SEPs is a central aim of the ETSI contractual arrangements.

The ETSI IPR Policy

8. The ETSI IPR Policy ("the IPR Policy") is a contractual document, governed by French law. It binds the members of ETSI and their affiliates. It speaks (clause 15(6)) of patents which are inevitably infringed by the sale, lease, use, operation etc of components which comply with a standard as "Essential IPR". By requiring an IPR holder whose invention appears to be an Essential IPR to give an irrevocable undertaking to grant a licence of the IPR on FRAND terms, it creates a "stipulation pour autrui", in other words an obligation which a third-party implementer can enforce against the IPR holder. The IPR Policy falls to be construed, like other contracts in French law, by reference to the language used in the relevant contractual clauses of the contract and also by having regard to the context. In this case, that context is both the external context and the internal context of the IPR Policy document itself, such as the policy objectives declared in the document.

9. The external context includes (i) the Guidance (above) which ETSI has produced on the operation of the IPR Policy, (ii) ETSI's statutes (above), (iii) the globalised market which ETSI and other SSOs were and are seeking to promote, which we have discussed in para 4 above, and (iv) the fact that ETSI is a body comprising experts and practitioners in the telecommunications industry who would be expected to have a good knowledge of the territorial nature of national patents, the remedies available to patent owners against infringement of their patents, the need to modify by contract the application of patent law to promote the development of a globalised market in telecommunications products, and the practice of the industry in negotiating patent licensing agreements voluntarily.

10. The policy statements which provide the internal context include the objectives set out in clause 3 of the IPR Policy. They include the statement in clause 3.1 that the IPR Policy:
"seeks to reduce the risk to ETSI, MEMBERS, and others applying ETSI STANDARDS and TECHNICAL SPECIFICATIONS, that investment in the preparation, adoption and application of STANDARDS could be wasted as a result of an ESSENTIAL IPR for a STANDARD or TECHNICAL SPECIFICATION being unavailable."

That statement clearly reveals a policy of preventing the owner of an Essential IPR from "holding up" the implementation of the standard. But that policy is to be balanced by the next sentence of clause 3.1 which speaks of seeking a balance, when achieving that objective, "between the needs of standardization for public use in the field of telecommunications and the rights of the owners of IPRs." The importance of protecting the rights of the owners of IPRs is declared in the second policy objective (clause 3.2) in these terms:
"IPR holders whether members of ETSI and their AFFILIATES or third parties, should be adequately and fairly rewarded for the use of their IPRs in the implementation of STANDARDS and TECHNICAL SPECIFICATIONS."

This objective seeks to address the mischief of "holding out" by which implementers, in the period during which the IPR Policy requires SEP owners not to enforce their patent rights by seeking injunctive relief, in the expectation that licence terms will be negotiated and agreed, might knowingly infringe the owner's Essential IPRs by using the inventions in products which meet the standard while failing to agree a licence for their use on FRAND terms, including fair, reasonable and non-discriminatory royalties for their use. In circumstances where it may well be difficult for the SEP owner to enforce its rights after the event, implementers might use their economic strength to avoid paying anything to the owner. They may unduly drag out the process of licence negotiation and thereby put the owner to additional cost and effectively force the owner to accept a lower royalty rate than is fair.

11. Having looked at context, we turn to the operative clauses of the IPR Policy. A member of ETSI is obliged to use its reasonable endeavours to inform ETSI in a timely manner of Essential IPRs during the development of a standard or technical specification. If a member submits a technical proposal for a standard or technical specification it is obliged to inform ETSI of its IPRs which might be essential (clause 4.1). Clause 4.3 confirms that this obligation of disclosure applies to all existing and future members of a "patent family" and deems the obligation in respect of them to be fulfilled if an ETSI member has provided details of just one member of the patent family in a timely manner, while also allowing it voluntarily to provide information to ETSI about other members of that family. A "patent family" is defined as "all the documents having at least one priority in common, including the priority document(s) themselves" and "documents" in this context means "patents, utility models, and applications therefor" (clause 15(13)). The patent family thus extends to patents relating to the same invention applied for and obtained in several jurisdictions. It shows an intention for the arrangement to apply internationally. This is important because the undertaking to grant a licence under clause 6, to which we now turn, extends to all present and future Essential IPRs in that patent family.

12. The key to the IPR Policy is clause 6, which provides the legal basis on which an owner of an Essential IPR gives an irrevocable undertaking to grant a licence and thereby protects both ETSI and implementers against "holding up". Clause 6.1 provides so far as relevant:
"When an ESSENTIAL IPR relating to a particular STANDARD or TECHNICAL SPECIFICATION is brought to the attention of ETSI, the Director-General of ETSI shall immediately request the owner to give within three months an irrevocable undertaking in writing that it is prepared to grant irrevocable licences on fair, reasonable and non-discriminatory ('FRAND') terms and conditions under such IPR ..."

[...]

14. It appears from this brief review of the IPR Policy in its context that the following conclusions may be reached. First, the contractual modifications to the general law of patents are designed to achieve a fair balance between the interests of SEP owners and implementers, by giving implementers access to the technology protected by SEPs and by giving the SEP owners fair rewards through the licence for the use of their monopoly rights. Secondly, the SEP owner's undertaking, which the implementer can enforce, to grant a licence to an implementer on FRAND terms is a contractual derogation from a SEP owner's right under the general law to obtain an injunction to prevent infringement of its patent. Thirdly, the obtaining of undertakings from SEP owners will often occur at a time when the relevant standard is being devised and before anyone may know (a) whether the patent in question is in fact

essential, or may become essential as the standard is developed, in the sense that it would be impossible to implement the standard without making use of the patent and (b) whether the patent itself is valid. Fourthly, the only way in which an implementer can avoid infringing a SEP when implementing a standard and thereby exposing itself to the legal remedies available to the SEP owner under the general law of the jurisdiction governing the relevant patent rights is to request a licence from the SEP owner, by enforcing that contractual obligation on the SEP owner. Fifthly, subject only to an express reservation entered pursuant to clause 6.2, the undertaking, which the SEP owner gives on its own behalf and for its affiliates, extends to patents in the same patent family as the declared SEP, giving the implementer the right to obtain a licence for the technology covering several jurisdictions. Finally, the IPR Policy envisages that the SEP owner and the implementer will negotiate a licence on FRAND terms. It gives those parties the responsibility to resolve any disputes as to the validity of particular patents by agreement or by recourse to national courts for determination.

Industry practice in negotiating licensing agreements

15. The parties do not dispute that SEP owners, which have a large portfolio of patents covering many countries, and implementers, which market their products in many countries, would as a matter of practice voluntarily negotiate worldwide licences, or at least licences from which a given territory is carved out while the rest of the world is licensed. Implementers in the telecommunications industry are often also owners of many SEPs and negotiate cross-licences with other implementers. As Birss J explained in his judgment at first instance ([2017] EWHC 2988 (Pat); [2017] RPC 19, para 544), no rational business would seek to license products country by country if it could be avoided. This is, as Birss J said, in part because of the effort required to negotiate and agree so many different licences and thereafter to keep track of so many different royalty calculations and payments. It is also, as he recognised, because businesses and consumers will move mobile handsets across borders and an implementer would want to be able to bind the SEP owner into allowing the entry of otherwise unlicensed handsets into the jurisdictions in which the SEP owner had a valid SEP or valid SEPs. The Court of Appeal in its judgment in the Unwired appeal ([2018] EWCA Civ 2344; [2018] RPC 20, paras 55-56) also referred to the prohibitive cost of litigating the validity and essentiality of patents territory by territory. These obvious considerations must have been part of the factual background of which the expert framers of the IPR Policy were aware when they devised that Policy.

The parties to the appeals

16. In this judgment the court addresses three appeals. In the first, the appellants are Huawei Technologies Co Ltd (“Huawei (China)”), a Chinese company which develops telecommunications technology and also implements the technology of others, and Huawei Technologies (UK) Co Ltd (“Huawei (UK)”), a UK subsidiary of Huawei (China) (collectively “Huawei”). The respondents are Unwired Planet International Ltd and Unwired Planet LLC (collectively “Unwired”) which are registered in Ireland and the United States of America respectively. They are both intellectual property licensing companies (sometimes called “Patent Assertion Entities”) which obtain income from the licensing of patents to companies which make and sell telecommunications equipment. In 2013 Unwired acquired a portfolio of patents and patent applications from Ericsson, which was a major developer of telecommunications technology and a participant in standard setting. At the time of trial, the portfolio covered 42 countries and comprised 276 patents and applications declared as essential, of which 29 were UK patents or applications. Each of Ericsson and Unwired

made an ETSI IPR Licensing Declaration and a Specific IPR Licensing Declaration in respect of patent families which encompass five of the UK patents on which Unwired sued Huawei in England. Ericsson had licensed patents to Huawei, including the UK patents which are the subject of these proceedings, but the licence expired in 2012. Huawei’s continued use of the technology covered by the patents in suit forms the backdrop to its appeal.

17. In the second and third appeals the appellants are respectively (i) Huawei and (ii) ZTE Corporation (“ZTE (China)”), a Chinese company, and its UK subsidiary ZTE (UK) Ltd (“ZTE (UK)”), collectively “ZTE” and both part of the ZTE group, which is a global supplier of telecommunications and information technology equipment. The respondent in both appeals is Conversant Wireless Licensing SÀRL (“Conversant”), a company registered in Luxembourg and part of a Canadian group of companies which is managed from the United States. It is an intellectual property licensing company or Patent Assertion Entity, which licenses patents for royalty income. Conversant acquired a portfolio of about 2,000 patents and patent applications, covering over 40 countries, from Nokia in 2011. Conversant pleads that the portfolio includes 28 patent families which are essential. It also pleads that it and/or Nokia have given an ETSI IPR Licensing Declaration and a Specific IPR Licensing Declaration in respect of its portfolio, which include the UK patents in suit, and that Conversant gave a General IPR Licensing Declaration on 22 July 2014.

[...]

49. Against that background we turn to address the first issue.

Issue 1: Whether the English courts have jurisdiction and may properly exercise a power without the agreement of both parties (a) to grant an injunction restraining the infringement of a UK SEP unless the defendant enters into a global licence on FRAND terms of a multinational patent portfolio and (b) to determine royalty rates and other disputed items for a settled global licence and to declare that such terms are FRAND.

[...]

58. In addressing the submissions set out above, we recognise, as is undisputed, (a) that questions as to the validity and infringement of a national patent are within the exclusive jurisdiction of the courts of the state which has granted the patent and (b) that in the absence of the IPR Policy an English court could not determine a FRAND licence of a portfolio of patents which included foreign patents. It is the contractual arrangement which ETSI has created in its IPR Policy which gives the court jurisdiction to determine a FRAND licence and which lies at the heart of these appeals. We therefore address first the fourth of Huawei’s submissions concerning the interpretation of the IPR Policy.

59. In our view, the submission attaches too much weight to the protection of implementers against “holding up”, which is the purpose stated in clause 3.1, and fails to give due weight to the counterbalancing purpose of clause 3.2, which seeks to secure fair and adequate rewards for SEP holders and which requires protection against “holding out”. The suggestion that the IPR Policy removes a SEP owner’s right to exclude implementers from a national market while requiring the SEP owner to establish the validity and infringement of each of its alleged SEPs, in the absence of a concession by the implementer, runs counter to the balance which the IPR Policy seeks to achieve.

60. The submission also fails adequately to take into account the external context which we have discussed. Operators in the telecommunications industry or their assignees may hold portfolios of hundreds or thousands of patents which may be relevant to a standard. The parties accept that SEP owners and implementers cannot feasibly test the validity and infringement of all of the patents involved in a standard which are in a sizeable portfolio. An implementer has an interest in taking its product to the market as soon as reasonably possible after a standard has been established and to do so needs authorisation to use all patented technology which is comprised in the standard. The implementer does not know which patents are valid and infringed by using the standard but needs authority from the outset to use the technology covered by such patents. Similarly, the owner who declares a SEP or SEPs does not know at this time which, if any, of its alleged SEPs are valid and are or will be infringed by use pursuant to the developing standard. The practical solution therefore is for the SEP owner to offer to license its portfolio of declared SEPs. That is why it is common practice in the telecommunications industry for operators to agree global licences of a portfolio of patents, without knowing precisely how many of the licensed patents are valid or infringed. It is a sensible way of dealing with unavoidable uncertainty. It ought to be possible for operators in an industry to make allowance for the likelihood that any of the licensed patents are either invalid or not infringed, at least in calculating the total aggregate royalty burden in the “top down” method. By taking out a licence of an international portfolio of generally untested patents the implementer buys access to the new standard. It does so at a price which ought to reflect the untested nature of many patents in the portfolio; in so doing it purchases certainty. The IPR Policy was agreed against that background and the undertaking required from the SEP owner likewise needs to be interpreted against that background.

61. We therefore do not construe the IPR Policy as providing that the SEP owner is entitled to be paid for the right to use technology only in patents which have been established as valid and infringed. Nor do we construe the IPR Policy as prohibiting the SEP owner from seeking in appropriate circumstances an injunction from a national court where it establishes that an implementer is infringing its patent. On the contrary, the IPR Policy encourages parties to reach agreement on the terms of a licence and avoid litigation which might involve injunctions that would exclude an implementer from a national market, thereby undermining the effect of what is intended to be an international standard. It recognises that if there are disputes about the validity or infringement of patents which require to be resolved, the parties must resolve them by invoking the jurisdiction of national courts or by arbitration. The possibility of the grant of an injunction by a national court is a necessary component of the balance which the IPR Policy seeks to strike, in that it is this which ensures that an implementer has a strong incentive to negotiate and accept FRAND terms for use of the owner’s SEP portfolio. The possibility of obtaining such relief if FRAND terms are not accepted and honoured by the implementer is not excluded either expressly or by necessary implication. The IPR Policy imposes a limitation on a SEP owner’s ability to seek an injunction, but that limitation is the irrevocable undertaking to offer a licence of the relevant technology on FRAND terms, which if accepted and honoured by the implementer would exclude an injunction.

62. The IPR Policy is intended to have international effect, as its context makes clear. This is underlined by the fact that the undertaking required of the owner of an alleged SEP extends not only to the family of patents (subject only to reservations entered pursuant to clause 6.2 of the IPR

Policy) but also to associated undertakings, as stated in the declaration forms in the IPR Policy. In imposing those requirements and more generally in its requirement that the SEP owner makes an irrevocable undertaking to license its technology, ETSI appears to be attempting to mirror commercial practice in the telecommunications industry. We do not accept the distinction which Huawei draws (in its third submission above (para 53)) between voluntary agreements which operators in the telecommunications industry choose to enter into on the one hand and the limited powers of a court on the other, since the IPR Policy envisages that courts may determine whether or not the terms of an offered licence are FRAND when they are asked to rule upon the contractual obligation of a SEP owner which has made the irrevocable undertaking required under the IPR Policy. It is to be expected that commercial practice in the relevant market is likely to be highly relevant to an assessment of what terms are fair and reasonable for these purposes. Moreover, the IPR Policy envisages that the parties will first seek to agree FRAND terms for themselves, without any need to go to court; and established commercial practice in the market is an obvious practical yardstick which they can use in their negotiation. In our view the courts below were correct to infer that in framing its IPR Policy ETSI intended that parties and courts should look to and draw on commercial practice in the real world.

63. We now turn to the submission (para 51 above) that the English courts have no jurisdiction to determine the terms of a licence involving disputed or potentially disputed foreign patents. We disagree. If the judgments of the English courts had purported to rule on the validity or infringement of a foreign patent, that would indeed be beyond their jurisdiction. But that is not what Birss J and the Court of Appeal have done. Instead, they looked to the commercial practice in the industry of agreeing to take a licence of a portfolio of patents, regardless of whether or not each patent was valid or was infringed by use of the relevant technology in the standard, and construed the IPR Policy as promoting that behaviour.

64. We agree with the parties that the FRAND obligation in the IPR Policy extends to the fairness of the process by which the parties negotiate a licence. If an implementer is concerned about the validity and infringement of particularly significant patents or a group of patents in a particular jurisdiction which might have a significant effect on the royalties which it would have to pay, it might in our view be fair and reasonable for the implementer to reserve the right to challenge those patents or a sample of those patents in the relevant foreign court and to require that the licence provide a mechanism to alter the royalty rates as a result. It might also be fair and reasonable for the implementer to seek to include in the licence an entitlement to recover sums paid as royalties attributable to those patents in the event that the relevant foreign court held them to be invalid or not infringed, although it appears that that has not been usual industry practice. Huawei suggests that it would serve no purpose for a UK court to fix the terms of a global licence but to provide for the alteration of royalties in the event of successful challenges to declared SEPs overseas. This would, it suggests, reduce a licence to an interim licence. Again, we disagree. Under a FRAND process the implementer can identify patents which it wishes to challenge on reasonable grounds. For example, in the *Conversant* case, it might well be argued by Huawei or ZTE at trial that the obligation of fairness and reasonableness required any global licence granted by *Conversant* to include provision to allow for Huawei or ZTE to seek to test the validity and infringement of samples of *Conversant*’s Chinese patents, with the possibility of consequential adjustment of royalty rates, given the importance of China as a market and a place of manufacture. In other

cases, such challenges may make little sense unless, at a cost proportionate to what was likely to be achieved in terms of eliminating relevant uncertainty, they were likely significantly to alter the royalty burden on the implementer.

65. In the Unwired case, Huawei appears not to have sought any provision in the draft global licence to alter the royalties payable if Unwired's Chinese patents or a relevant sample of them were successfully challenged. As we have said (para 47 above) the only adjustment mechanism which the draft licence provided was to the royalties payable in relation to major markets. Huawei has not appealed the detailed terms of that draft licence but has focussed its attack on the principle of a national court determining that a global licence was FRAND without the consent of the parties to such an exercise. That notwithstanding, it would be open to Huawei in another case to seek to make such a reservation when negotiating or debating in court the terms of a licence and to seek to persuade the court at first instance that the reservation was appropriate in a FRAND process.

66. We turn to the submission (para 52 above) that the English courts are out of step with foreign courts in requiring an implementer to enter into a global licence in order to avoid an injunction for infringement of a national patent and in being prepared to determine the disputed terms of a global FRAND licence. Huawei suggests that the English courts are uniquely setting themselves up as a de facto global licensing tribunal.

67. We are not persuaded by this submission. The Court of Appeal in the Unwired case (paras 59-74) analysed the cases which the parties had presented to the court and concluded that they did not support the contention that Birss J's approach lost sight of the territorial nature of patents and did not accord with the approach taken in other jurisdictions. We agree. We recognise that Birss J has gone further than other courts have done thus far in his willingness to determine the terms of a FRAND licence which the parties could not agree, but that does not involve any difference in principle from the approach of courts in other jurisdictions. Otherwise his approach is consistent with several judgments in other jurisdictions, which, as this is a developing area of jurisprudence, we now examine briefly. The principles stated in those judgments contemplate that, in an appropriate case, the courts in the relevant jurisdictions would determine the terms of a global FRAND licence.

[...]

84. Conclusions about foreign jurisprudence on jurisdiction: In summary, the US case law shows (i) a recognition that the court in determining a FRAND licence in such cases is being asked to enforce a contractual obligation which limits the exercise of the patent owner's IP rights including its IP rights under foreign law; (ii) a willingness in principle to grant an injunction against the infringement of a national patent which is a SEP, if an implementer refuses a licence on FRAND terms; (iii) a willingness in principle to determine the FRAND terms of a worldwide licence; (iv) a practice of looking to examples of real life commercial negotiation of licences by parties engaged in the relevant industry when fixing the FRAND terms of a licence; and (v) a recognition that the determination of a FRAND licence by one national court does not prevent an implementer from challenging foreign patents on the grounds of invalidity or non-infringement in other relevant national courts. Similarly, in Germany the developing case law shows (i) a recognition that a worldwide licence might be FRAND and an implementer's counter-offer of a national licence confined to Germany might not be FRAND; (ii) a practice of having regard to the usual

practices of parties in the relevant industry when the court determines the FRAND terms of a licence; and (iii) a willingness to grant an injunction against infringement of a national patent if the court holds that a SEP owner's offer of a licence is FRAND and the implementer refuses to enter into it. The courts in China have not rejected the proposition that a worldwide licence might be FRAND, nor have the courts ruled that they do not have jurisdiction to determine the FRAND terms of a worldwide licence with the consent of the parties, although it remains a matter of speculation whether they would or would not accept jurisdiction. We therefore reject the submission that Birss J was out of line with the approach of courts in most significant jurisdictions.

85. We can then deal briefly with the various arguments which Huawei raises as to the propriety of the English court's grant of an injunction, which we have summarised in para 55 above. Those arguments do not go to the existence of a jurisdiction to grant an injunction where an implementer refuses a FRAND worldwide licence but to the consequences of a court's decision to grant such an injunction in the exercise of a discretion. As such they overlap with our discussion of the remedy of injunction (issue 5) in paras 159-169 below.

86. The first argument is that in the context of a global standard it is disproportionate to exclude an implementer from the UK market unless it enters into a worldwide licence of untested patents solely because it has infringed a UK patent. But this argument fails to acknowledge that what the implementer is purchasing in entering into such a licence with a SEP owner, which has a sufficiently large international portfolio of patents, is not solely access to the UK market but certainty that it has the ability legally to manufacture and sell products which comply with the standard on a worldwide basis.

87. The second argument is that it is anomalous that an implementer should be liable in damages only for the loss which a SEP owner incurs through the infringement of one or more of its UK patents if the implementer chooses to withdraw from the UK market rather than enter into a worldwide licence but that, if the implementer wishes to market its products in the UK, it must pay global royalties. It is premised on the misplaced equation of the fixing of a licence which requires the payment of royalties for past and future use of patented technology and the separate or alternative award by the court of damages for past infringement of a UK patent. In our view this argument fails for two reasons. First, the award of damages is not to be equated with the royalties that are paid under a contractual licence. If an implementer agrees to enter into a FRAND licence which a SEP owner offers, it is entering into a voluntary obligation. If the court awards damages it does so on proof of the loss which the SEP owner has suffered through the infringement of its patent or patents. It may be that the measure of damages which a court would award for past infringement of patents would equate to the royalties that would have been due under a FRAND licence. That does not alter the different nature of the exercises which the court performs in (i) awarding damages and (ii) determining the terms of a licence, which will usually contain many important provisions in addition to the fixing of royalties. Secondly and in any event, as mentioned above, what the implementer purchases in entering into a worldwide licence is the ability legally to manufacture and sell standard-compliant products on a worldwide basis.

88. Thirdly, Huawei argues that there is a fundamental difference between what parties may voluntarily do in reaching agreements with other participants in an industry to compromise their rights for commercial and other pragmatic reasons and what a court may

properly compel them to do. In our view this argument is without substance precisely because, as the US courts in particular have recognised, SSOs such as ETSI have crafted a contractual arrangement which enables the courts to determine a FRAND licence which, if accepted by the implementer, may prevent a SEP owner from obtaining a prohibitory injunction to exclude the implementer's products from a particular jurisdiction. The implementer has the choice whether to exclude the risk of injunction by accepting a FRAND licence.

89. Fourthly, Huawei points to the increasing involvement of Patent Assertion Entities ("PAEs") in the SEP licensing market and in litigation. Such entities accumulate portfolios of patents from patent owners which were or are globally active mobile phone companies, as Unwired has done from Ericsson and Conversant from Nokia, and derive income from licensing them to implementers, if necessary after pursuing expensive legal actions. Huawei expresses concern that PAEs may abuse the power which ownership of SEPs gives. The EC in its Communication which we mentioned in para 83 above noted the increased involvement of PAEs in European litigation and the potential for harmful effects from the behaviour of certain PAEs. In the US Supreme Court, Justice Kennedy in a concurring judgment in *eBay Inc v Mercexchange* 547 US 388 (2006) has also expressed concerns about the risk that PAEs which do not produce and sell goods may use injunctions as a bargaining tool to charge exorbitant royalties. We are alive to that risk. In our view, however, the rights which PAEs acquire through the transfer by assignment of patents are the same as those which the assignor patent owners had held: *assignatus utitur iure auctoris* – that which is assigned possesses for its use the rights of the assignor or cedent. In some cases, the assignment of rights to a PAE and the reservation of a share of the royalties which it negotiates or obtains through litigation may be the most straightforward means by which a SEP owner can obtain value from its intellectual property which is the fruit of its research and innovation, and if the rights are treated as qualified in the hands of the PAE the consequence will be that the SEP owner will not receive the reward which its investment merits. In the exercise of those rights in pursuit of a FRAND licence the assignee PAE, like the assignor patent owner, must act fairly and reasonably as FRAND is an obligation which governs the process of negotiation as well as the outcome of the determination of a FRAND licence. There is no legal basis under the general law for treating PAE owners of SEPs differently from other SEP owners unless they have different interests which merit different remedies. In so far as the risk of the grant of injunctions may be necessary to achieve the balance which the IPR Policy promotes, it is not evident that a PAE should necessarily be treated differently from a SEP owner which manufactures and sells telecommunications equipment. SEP owners have an interest in making sure that the ETSI regime is enforced. In any event the point does not go to the question of jurisdiction.

90. Finally, Huawei submits that if a national court were prepared to determine that a worldwide licence is FRAND and that entering into such a licence is a precondition of the refusal of an injunction to prohibit infringement of a national patent, there is a risk of forum shopping, conflicting judgments and applications for anti-suit injunctions. In so far as that is so, it is the result of the policies of the SSOs which various industries have established, which limit the national rights of a SEP owner if an implementer agrees to take a FRAND licence. Those policies, which either expressly or by implication provide for the possibility of FRAND worldwide licences when a SEP owner has a sufficiently large and geographically diverse portfolio and the implementer is active globally, do not provide for any international tribunal or forum to

determine the terms of such licences. Absent such a tribunal it falls to national courts, before which the infringement of a national patent is asserted, to determine the terms of a FRAND licence. The participants in the relevant industry, which have pragmatically resolved many disputes over SEPs by the practice of agreeing worldwide or international licences, can devise methods by which the terms of a FRAND licence may be settled, either by amending the terms of the policies of the relevant SSOs to provide for an international tribunal or by identifying respected national IP courts or tribunals to which they agree to refer such a determination. In the final analysis, the implementers and the SEP owners in these appeals are inviting a national court under the current IPR Policy to rule upon and enforce the contracts into which the SEP owners have entered. If it is determined that the SEP owners have not breached the FRAND obligation in the irrevocable undertakings they have given, they seek to enforce by obtaining the grant of injunctive relief in the usual way the patents which have been found to be valid and to be infringed. The English courts have jurisdiction to rule upon whether the UK patents in suit are valid and have been infringed, and also have jurisdiction to rule on the contractual defence relied upon by the implementers based upon the true meaning and effect of the irrevocable undertaking the SEP owners have given pursuant to the ETSI regime. In agreement with Birss J (para 793), we observe that Huawei is before this court without a licence in respect of infringed UK patents when it had the means of obtaining such a licence. Subject to the plea of *forum non conveniens*, to which we now turn, this court has no basis for declining jurisdiction.

91. Similarly, ZTE's submission, that if a global licence is FRAND, a FRAND process would identify the courts of China as the appropriate courts to fix the terms of such a licence, is an argument which we address under issue 2 below.

Issue 2: *Forum non conveniens*

92. This issue arises only in the Conversant appeals, where it has two limbs of unequal size. The first and larger limb, which may be said to be a *forum conveniens* issue strictly so called, is whether the High Court should have set aside service out of the jurisdiction on the two Chinese defendants (Huawei (China) and ZTE (China)) and permanently stayed the proceedings as against the two English defendants (Huawei (UK) and ZTE (UK)) on the ground that China rather than England was the appropriate forum. The second much smaller limb, which may better be labelled case management, is whether the claim for injunctive relief in the English proceedings should be temporarily stayed or otherwise case-managed so as to enable relevant matters in dispute first to be litigated to a final conclusion in pending proceedings in the Chinese courts. We will address them in turn.

93. Both these issues necessarily proceed upon the assumption, with which we agree, that, contrary to the appellants' main case, the English court has jurisdiction to settle a global licence on FRAND terms for a multinational SEP portfolio. This is mainly because issues as to a global licence need to be determined so as to enable the court to adjudicate upon a contractual defence to the enforcement of an English patent by injunction. Nonetheless the main plank in the appellants' case on *forum conveniens* is that, in substance, the real dispute between the parties is as to the terms of a FRAND licence, with the claim to enforce English patents by injunction being no more than a convenient peg upon which to hang the dispute so as to attract English jurisdiction, which it is said (by Huawei and ZTE) that Conversant would prefer to the less generous outcome likely to be obtained in the Chinese courts.

94. Leaving aside questions as to the burden of proof, at common law the *forum conveniens* doctrine requires the English court to decide whether its jurisdiction or that of the suggested foreign court is the more suitable as a forum for the determination of the dispute between the parties. The traditional way in which this question has been framed speaks of the “forum in which the case can be suitably tried for the interests of all the parties and for the ends of justice” (per Lord Collins JSC in *Altimo Holdings and Investment Ltd v Kyrgyz Mobil Tel Ltd* [2011] UKPC 7; [2012] 1 WLR 1804, para 88, adopting the language of Lord Goff in *Spiliada Maritime Corp v Cansulex Ltd* (“*The Spiliada*”) [1987] AC 460). The requirement in complex litigation to define, at the outset, what is “the case” to be tried runs the risk that the court will by choosing a particular definition prejudice the outcome of the *forum conveniens* analysis, as the Court of Appeal decided had occurred at first instance in *In re Harrods (Buenos Aires) Ltd* [1992] Ch 72. Harman J had characterised “the case” as a petition under the English Companies Act for relief for unfair prejudice in the conduct of the affairs of an English registered company, which made it “blindingly obvious” to him that England was the appropriate forum. But the company carried on business entirely in Argentina. The matters complained of all occurred there, where there was a parallel jurisdiction to provide relief under Argentinian legislation. So the Court of Appeal preferred Argentina as the appropriate forum. Like the Court of Appeal in the present case, we therefore prefer for present purposes to identify the dispute between the parties as the matter to be tried, lest reference to “the case” should introduce undue formalism into the analysis of a question of substance.

95. The question how the dispute should be defined has been the main bone of contention between the parties, both in this court and in the courts below. Is it, as the appellants say, in substance a dispute about the terms of a global FRAND licence, or is it, as the respondent maintains, both in form and in substance about the vindication of the rights inherent in English patents, and therefore about their validity and infringement, with FRAND issues arising only as an aspect of an alleged contractual defence? Thus far the respondent has had the better of that argument, both before the judge and the Court of Appeal. At the heart of the analysis which has thus far prevailed is the recognition that the owner of a portfolio of patents granted by different countries is in principle entitled to decide which patents (and therefore in which country or countries) to seek to enforce, and cannot be compelled to enforce patents in the portfolio granted by other countries merely because a common FRAND defence to the enforcement of any of them raises issues which might more conveniently be determined in another jurisdiction than that which exclusively regulated the enforcement of the chosen patents.

96. Were it necessary to choose between the rival characterisations of the substance of the dispute, we would have agreed with the choice made by the courts below. But we think, like the judge, that there is a compelling reason why the appellants must fail on this issue which would apply even if the appellants’ characterisation had been correct, so that the dispute was in substance about the terms of a global FRAND licence. A challenge to jurisdiction on *forum conveniens* grounds requires the challenger to identify some other forum which does have jurisdiction to determine the dispute. Even in a case where permission is required to serve out of the jurisdiction, so that the burden then shifts to the claimant to show that England is the more appropriate forum, that still requires there to be another candidate with the requisite jurisdiction. In the present case, China is the only candidate which the appellants have put forward. There may be others, but the court is not required to carry out its own independent search, and such other jurisdictions as might exist in theory may not be remotely convenient.

97. After hearing extensive expert evidence, the judge found that the Chinese courts do not, at present, have jurisdiction to determine the terms of a global FRAND licence, at least in the absence of agreement by all parties that they should do so. Even in the event of such an agreement, he described the prospect that the Chinese courts would embark on the exercise as no more than speculative. Notwithstanding the admission of fresh evidence on this issue, the Court of Appeal reached the same conclusion. In sharp contrast, we have decided, for the reasons set out above, that the English court does have such a jurisdiction, even in the absence of consent by the parties, and it has of course exercised that jurisdiction in the *Unwired* case. Directions have been given in the *Conversant* case (subject to the outcome of this appeal) for it to be done again. Furthermore, against the speculative possibility that the Chinese courts might accept jurisdiction to settle a global FRAND licence by consent, there is the judge’s finding that *Conversant* had acted reasonably in refusing to give its consent, for reasons connected with the conditions which the appellants sought to impose, a conclusion which was not met with any persuasive challenge in this court.

98. We therefore agree with the judge that the *forum conveniens* challenge falls at this first hurdle, notwithstanding the fresh evidence introduced in the Court of Appeal. Had it not done, a number of further issues would have arisen, in particular arising from the application of the *Owusu* principle (*Owusu v Jackson and Others* ((Case C-281/02) EU:C:2005:120; [2005] QB 801 (ECJ)) to the English defendants, set against the possibility that there might be a reflective application of article 24 of the Brussels I Regulation (Regulation (EU) 1215/2012 of 12 December 2012), and the recent decision of this court in *Lungowe v Vedanta Resources plc* [2019] UKSC 20; [2019] 2 WLR 1051. But we consider that those issues, which may well arise in future if and when other countries decide to exercise jurisdiction to settle global licences, would best be determined in a context when they might be decisive.

99. We therefore turn to case management. The English courts have wide case management powers, and they include the power to impose a temporary stay on proceedings where to do so would serve the *Overriding Objective*: see CPR 1.2(a) and 3.1(2)(f). For example a temporary stay is frequently imposed (and even more frequently ordered by consent) in order to give the parties breathing space to attempt to settle the proceedings or narrow the issues by mediation or some other form of alternative dispute resolution. A temporary stay may be ordered where there are parallel proceedings in another jurisdiction, raising similar or related issues between the same or related parties, where the earlier resolution of those issues in the foreign proceedings would better serve the interests of justice than by allowing the English proceedings to continue without a temporary stay: see *Reichhold Norway ASA v Goldman Sachs International* [2000] 1 WLR 173. But this would be justified only in rare or compelling circumstances: see per Lord Bingham MR at pp 185-186, and *Klößner Holdings GmbH v Klößner Beteiligungs GmbH* [2005] EWHC 1453 (Comm).

100. No such application has thus far been made in the *Conversant* case. At first instance the defendants went all-out to obtain the permanent termination of the proceedings, by having service on the Chinese defendants set aside, and by having the proceedings against the English defendants permanently stayed. The whole basis of their application was that the Chinese courts were the appropriate forum to decide the whole dispute, or that the dispute should be split into its Chinese and English parts, leaving only (in England) the question what royalty or compensation for infringement they should pay in relation to the English patents.

- 1 Besluit van de Europese Commissie van 29 april 2014, zaaknr. AT.39939 – Samsung – Enforcement of UMTS standard essential patents (hierna: *Samsung*) en Besluit van de Europese Commissie van 29 april 2014, zaaknr. 39985 – Motorola – Enforcement of GPRS standard essential patents (hierna: *Motorola*).
- 2 Sommige SEPs zien op een optioneel onderdeel van een standaard. In dat geval is het wel degelijk mogelijk dat deze niet worden geïmplementeerd door marktpartijen.
- 3 Artikel 6 ETSI Intellectual Property Rights Policy (ETSI IPR Policy).

101. At the hearing of case management issues consequential upon Henry Carr J's judgment, the appellants did suggest that the FRAND trial should be stayed to await the outcome of pending proceedings in China. The judge provided some accommodation by directing that the FRAND trial should not take place before November 2019, so that the outcome of the Chinese proceedings, to the extent relevant, could be factored into the determination of a FRAND global licence.

102. A case management alternative was put forward by Huawei in the Court of Appeal, but still on the basis that the global FRAND issues could and therefore should first be determined in China, before any determination in England of the claim for infringement of UK patents. It was rejected by the Court of Appeal first because the pending proceedings in China sought only to determine the terms of a FRAND licence for Conversant's Chinese patents, not a global licence which would extend to the use of its English patents, and secondly because the age of Conversant's portfolio militated against allowing further delay.

103. In this court the case management solution was briefly resurrected during argument, although not as a distinct ground of appeal. Meanwhile the FRAND trial had by then been fixed to start in April 2020 and was no doubt the subject of intensive preparation. It has since then been adjourned due to the Corona-virus pandemic. We think it sufficient to confine ourselves to the issue whether the Court of Appeal was wrong to refuse any case management solution, for the reasons it gave, as summarised above.

104. In our view the Court of Appeal's reasons cannot be faulted. We have already concluded that the prospect that the Chinese courts might determine a global FRAND licence, even if the parties consented, is no more than speculative. The current proceedings in China relate only to Conversant's Chinese patents, and Conversant has been held to have acted reasonably in refusing (even if it were possible) to confer a wider global jurisdiction on the Chinese courts. Further the adverse commercial effect of further delay in the enforcement of Conversant's elderly patents is a factor which, in a case management context, the Court of Appeal was plainly entitled to take into account, and to attribute such weight as it thought fit.

[...]

Conclusion

[...]

171. We therefore dismiss the appeals.

Noot

Jurisdiction in FRAND-zaken

Inleiding

De afgelopen vijftien jaar hebben octrooihouders en fabrikanten van telecomapparatuur wereldwijd tientallen, zo niet honderden octrooi-procedures tegen elkaar gevoerd op basis van zogenoemde standaard-essentiële octrooien ("SEP" voor *standard essential patent*).¹ Dit wordt in de volksmond ook weleens de "smartphone patent wars" genoemd. In deze commerciële strijd hebben marktpartijen zoals Nokia, Sony, Apple, Motorola, Samsung, Philips en HTC in meerdere jurisdicties inbreukprocedures tegen elkaar aangespannen op grond van meestal meerdere SEPs.

SEPs zijn octrooien die door de octrooihouder essentieel zijn verklaard voor de toepassing van een specifieke industriestandaard, zoals WiFi, Bluetooth, UMTS of LTE. Omdat deze standaarden door alle marktpartijen dienen te worden toegepast zodat de apparatuur van de verschillende fabrikanten deugdelijk met elkaar kan communiceren, is het niet mogelijk om producten op de markt te brengen die de betreffende technologie en SEPs niet toepassen, of om daar een *work-around* voor te vinden.² Om de toegang tot een standaard te verzekeren vereist de *European Telecommunications Standards Institute* (ETSI)³ in zijn IE-beleid, de zogenaamde "ETSI IPR Policy", dat houders van SEPs zich onherroepelijk verbinden hun SEPs in licentie te geven onder voorwaarden die *Fair, Reasonable And Non-Discriminatory* (FRAND) zijn. Enige uitleg van welke voorwaarden FRAND zijn, geeft ETSI niet. Dat verbaast wellicht ook niet, nu dat pleegt af te hangen van de specifieke technologie in kwestie.

De bovengenoemde procedures verlopen veelal volgens een vast stramien: de SEP-houder vraagt een inbreukverbod tegen de fabrikant van telecomapparatuur omdat deze een SEP implementeert zonder hiervoor een licentievergoeding af te dragen. De SEP-gebruiker betoogt vervolgens dat het aanspannen van deze procedure misbruik van machtspositie vormt omdat hij recht heeft op een FRAND-licentie. De door de SEP-houder aangeboden licentie is echter niet FRAND, aldus de SEP-gebruiker. Doordat de betrokken partijen multinationals zijn, worden deze procedures doorgaans in meerdere jurisdicties gevoerd, waarbij elke keer weer dezelfde argumenten naar voren worden gebracht. Dit roept de vraag op naar een efficiëntere oplossing van deze geschillen: immers, veel SEP-houders hebben portefeuilles met tientallen, zo niet honderden, octrooifamilies die van kracht zijn in meerdere continenten. Moet daadwerkelijk in meerdere jurisdicties daarover worden geprocedeerd, en wie bepaalt welke licentieverwaarden FRAND zijn?

In 2017 wees de Britse High Court in *Unwired Planet/Huawei* een baanbrekend vonnis hierover.⁴ De High Court, in casu mr. Justice Birss, achtte zichzelf in deze uitspraak bevoegd om de FRAND-voorwaarden te bepalen voor een wereldwijde licentie tussen SEP-houder Unwired Planet en SEP-gebruiker Huawei. Huawei kreeg de keuze opgedrongen om hetzij akkoord te gaan met de wereldwijde licentievoorwaarden vastgelegd door de High Court, of een inbreukverbod opgelegd te krijgen voor alleen het Verenigd Koninkrijk (VK). Tegen dit vonnis stelde Huawei hoger beroep en vervolgens cassatie bij de VK Supreme Court in.⁵

Deze cassatie werd gezamenlijk behandeld met de cassaties in twee andere zaken over SEPs die bij de Britse High Court waren aangespannen, *Conversant/Huawei* en *Conversant/ZTE*, en die ook de vraag aan de orde stelden of de Engelse gerechten wel jurisdictie hebben om wereldwijde FRAND-voorwaarden vast te stellen. Op 26 augustus 2020 deed de Supreme Court uitspraak in deze zaken.⁶ De uitspraak van de Supreme Court is niet zozeer relevant omdat de inhoud nieuw is; de uitspraken in eerste aanleg en hoger beroep⁷ worden door de Supreme Court volledig in stand gelaten. De uitspraak is met name relevant omdat de hoogste Engelse rechter de bevoegdheid van Engelse gerechten bevestigt om grensoverschrijdende FRAND-voorwaarden vast te stellen.

In deze annotatie zal ik eerst ingaan op het deel van de uitspraak van de Supreme Court dat ziet op jurisdictie en bevoegdheid van de Engelse gerechten. Daarna zal ik bespreken dat Engelse gerechten zichzelf al snel bevoegd achten FRAND-zaken te beoordelen. Ik zal vervolgens de vraag aan de orde stellen of SEP-gebruikers zonder meer bereid zijn akkoord te gaan met FRAND-voorwaarden opgelegd door de Engelse gerechten. Tenslotte zal ik bespreken of Nederlandse gerechten ook FRAND-voorwaarden zouden kunnen vaststellen en of het Nederlandse procesrecht hierop is ingericht. Ik zal dus niet ingaan op het overige deel van de uitspraak van Supreme Court dat behandelt wat FRAND inhoudelijk betekent.

Het arrest van de Supreme Court in *Unwired Planet en Conversant*

Unwired Planet en Conversant zijn twee non-practicing entities (NPE). Unwired Planet heeft een portefeuille van 276 SEPs gekocht van Ericsson; Conversant heeft 2.000 SEPs overgenomen van Nokia.⁸ Zelf zijn zij niet actief op de markt als fabrikant van producten waarin de technologie van hun SEPs wordt geïmplementeerd.

Unwired Planet en Conversant hebben op basis van een aantal SEPs inbreukprocedures aangespannen jegens Huawei, respectievelijk Huawei en ZTE. In deze procedures verzoeken zij de Britse High Court onder andere om wereldwijde FRAND-voorwaarden vast te stellen. In *Unwired Planet/Huawei* heeft dit

ertoe geleid dat de Engelse High Court wereldwijde FRAND-voorwaarden heeft bepaald en heeft besloten een inbreukverbod voor het VK op te leggen als Huawei deze voorwaarden niet zou accepteren. De *Conversant* zaken zijn nog niet uitgedeed, maar partijen zijn rechtstreeks in cassatie gegaan omtrent een aantal vragen over jurisdictie die ook in *Unwired Planet/Huawei* speelden.

Voor zover voor deze noot relevant zijn de vragen die bij de Supreme Court speelden of de Engelse rechter (i) jurisdictie heeft en (ii) het geschikte forum is om vast te stellen wat wereldwijde FRAND-voorwaarden zijn.

De Supreme Court oordeelt dat de High Court op grond van de ETSI IPR Policy bevoegd is om een wereldwijde FRAND-licentie vast te stellen, zelfs zonder dat de betrokken partijen hier toestemming voor geven.⁹ Reden hiervoor is dat deze ETSI IPR Policy een contractuele verplichting oplegt aan SEP-houders om licenties onder FRAND-voorwaarden aan te bieden aan marktpartijen. Zonder deze ETSI IPR Policy zou er geen bevoegdheid zijn voor de Engelse rechter.¹⁰

De Supreme Court merkt op dat het in de sector gebruikelijk is dat partijen wereldwijde licenties sluiten en sluit zich aan bij het standpunt van de High Court en Court of Appeal dat de ETSI IPR Policy bedoeld is om internationale gevolgen te hebben.¹¹ De Supreme Court merkt verder op dat nationale gerechten niet bevoegd zijn om over de geldigheid van en inbreuk op buitenlandse octrooien te oordelen. Dit zou in de weg kunnen staan aan het bepalen van grensoverschrijdende licentievoorwaarden. Echter, het is ook gebruikelijk in de sector om licenties aan te gaan, zonder hierbij te kijken of elk octrooi geldig is en daar inbreuk op wordt gemaakt. Bij het vaststellen van wereldwijde FRAND-voorwaarden is de vraag of de octrooien in andere stelsels geldig zijn en daar inbreuk op wordt gemaakt (dat wil zeggen: deze daadwerkelijk essentieel zijn voor de standaard) dus niet relevant, waardoor dit niet in de weg staat aan de jurisdictie van de Engelse rechter.¹² Onder voorbehoud van de vraag naar het geschikte forum concludeert de Supreme Court dat de rechtbank geen reden had om zich onbevoegd te verklaren.¹³

Met betrekking tot de vraag of het Verenigd Koninkrijk wel het geschikte forum is om wereldwijde FRAND-voorwaarden vast te stellen, voerden Huawei en ZTE aan dat het VK voor hen slechts een kleine markt is. Het meest geschikte land om het geschil op te lossen was volgens hen China, waar beide gedaagden zijn gevestigd en waar de meeste verkopen plaatsvinden. Dat betekent dat de Engelse rechter misschien wel bevoegd is, maar niet het geschikte forum zou zijn, aldus Huawei en ZTE.¹⁴

Het leerstuk van *forum non conveniens* kennen wij niet in Nederland.¹⁵ Echter, ook in het VK kon dat

- 4 High Court of Justice 5 maart 2017, [2017] EWHC 711 (Pat) (*Unwired Planet/Huawei*).
- 5 Unwired Planet en Huawei hebben de zaak geschikt na pleidooi, maar vóór uitspraak in cassatie. De VK Supreme Court heeft alsnog uitspraak gedaan in de procedure.
- 6 Supreme Court 26 augustus 2020, [2020] UKSC 37 (*Unwired Planet/Huawei and Unwired Planet and ZTE/Conversant*) (hierna: Uitspraak SC).
- 7 Court of Appeal 23 oktober 2018, [2018] EWCA Civ 2344 (*Unwired Planet Huawei*).
- 8 Uitspraak SC, par. 16-17.
- 9 Uitspraak SC, par. 58 en 97.
- 10 Uitspraak SC, par. 58.
- 11 Uitspraak SC, par. 60-62.
- 12 Uitspraak SC, par. 63.
- 13 Uitspraak SC, par. 90.
- 14 Uitspraak SC, par. 92.
- 15 F. Ibili, 'EEX en forum non conveniens', WPNR 2006/6650; Asser 10-I Algemeen deel IPR, 447 Forum non conveniens.

16 Uitspraak SC, par. 96.

17 Uitspraak SC, par. 97 en 104.

18 Uitspraak SC, par. 97.

19 Overigens zijn sommigen van mening dat de Chinese gerechten het natuurlijke voordeel hebben neutraal te zijn in SEP-geschillen omdat er in China zowel grote SEP-houders zijn, als grote SEP-gebruikers. Dit zou een intern motief kunnen zijn voor de rechtbanken om te streven naar evenwicht en gerechtigheid tussen SEP-houder enerzijds en SEP-gebruiker anderzijds (zie bijv. iAM 'How the Chinese Supreme Court looks at jurisdiction in SEP cases'). Chinese gerechten hebben in het verleden wel vaker FRAND-voorwaarden vastgesteld.

20 High Court of Justice, 25 september 2020, [2020] EWHC 2553 (Ch) (*Philips/TCL*).

21 *Philips/TCL*, par. 5-6.

22 *Philips/TCL*, par. 11.

23 *Philips/TCL*, par. 16.

24 *Philips/TCL*, par. 35.

25 *Philips/TCL*, par. 57-62.

26 *Philips/TCL*, par. 73-76 en 93.

argument niet baten. De Supreme Court overweegt dat om zichzelf onbevoegd te verklaren op basis van dit argument, sprake moet zijn van een ander geschikt forum om de procedure te voeren. De enige mogelijke kandidaat zou hier China zijn.¹⁶ De Supreme Court overweegt echter dat uit het bewijsmateriaal niet is gebleken dat de Chinese gerechten bevoegd zouden zijn om de voorwaarden van een wereldwijde FRAND-licentie vast te stellen. Of China jurisdictie zou accepteren, is hoogst speculatief, aldus de Supreme Court.¹⁷ De Supreme Court concludeert dat de Engelse gerechten wel bevoegd zijn en, aangezien er geen alternatief forum beschikbaar is, de High Court terecht van deze bevoegdheid gebruik heeft gemaakt.^{18 19}

Commentaar

De uitspraak van de Supreme Court is niet zozeer relevant omdat deze nieuw is, maar omdat de hoogste Engelse rechter bevestigt dat de ETSI IPR Policy Engelse gerechten een contractuele bevoegdheid geeft om grensoverschrijdende FRAND-voorwaarden vast te stellen. De wens om de intenties achter de ETSI IPR-Policy af te dwingen, daarbij rekening houdend met de realiteit van de commerciële praktijk, loopt als een rode draad door de uitspraak van de Supreme Court. De High Court eerst, en nu de Supreme Court, zoeken naar een pragmatische oplossing voor grensoverschrijdende FRAND-geschillen, waarbij de daadwerkelijke geldigheid en het essentiële karakter van SEPs een ondergeschikte rol spelen.

Dit commentaar bespreekt kwesties die opkomen naar aanleiding van deze ruime jurisdictie die de Supreme Court voor Engelse gerechten aanvaardt: (i) dat Engelse rechters de bevoegdheid om een FRAND-zaak te behandelen niet snel aan een ander nationaal gerecht zullen afstaan, (ii) dat SEP-gebruikers niet zonder meer bereid zijn om wereldwijde FRAND-voorwaarden die hen worden opgelegd te aanvaarden en (iii) dat onze Nederlandse rechtbanken ook in staat zijn wereldwijde FRAND-voorwaarden vast te stellen.

Verdere Britse jurisprudentie

Een maand na de uitspraak van de Supreme Court wees de High Court (Mr. Justice Mann) een vonnis tussen Philips en TCL waarin zij, onder verwijzing naar de uitspraak van Supreme Court, eveneens bevoegdheid aanvaardt (of in dit geval: behoudt) om wereldwijde FRAND-voorwaarden vast te stellen.²⁰ Het vonnis ziet strikt genomen niet op de bevoegdheid van de High Court op basis van de ETSI-verbintenis, maar op litispendingie en connexiteit van de Engelse procedure met een Franse FRAND-procedure. Het vonnis is echter wel noemenswaardig omdat het vrij duidelijk laat zien dat Engelse rechters *are open for business* en maar al te graag de bevoegdheid om FRAND-zaken te behandelen naar zichzelf toetrekken. Engelse gerechten lijken.

In deze zaak spande Philips tegen TCL een tweetal inbreukprocedures aan in het VK op basis van SEPs. In de *Particular of Claims*, het inleidende document in Britse procedures, werd wel vermeld dat er een FRAND-verplichting op Philips rustte en dat Philips bereid was licenties te verlenen onder FRAND-voorwaarden. Philips verzocht de High Court echter niet om FRAND-voorwaarden vast te stellen maar vorderde een verbod.²¹ TCL spande vervolgens een procedure aan in Frankrijk omdat Frans recht van toepassing is op ETSI FRAND-verbintenissen, en verzocht de Franse rechter FRAND-voorwaarden tussen partijen vast te stellen.²²

Dit was aanleiding voor Philips om in het VK alsnog in haar *Statement of Case* uiteen te zetten welke voorwaarden volgens haar FRAND zijn.²³ TCL betoogde dat de High Court, als later aangezocht gerecht voor FRAND, niet bevoegd was over FRAND te oordelen. Als gevolg hiervan verzocht TCL de Britse High Court de procedure aan te houden voor alle FRAND-gerelateerde aspecten op grond van litispendingie en connexiteit met de Franse procedure (artt. 29 en 30 EEX-Verordening).²⁴

Het bevoegdheidsbetoog van TCL wordt door de High Court afgewezen. Om te beginnen overweegt de High Court onder verwijzing naar de uitspraak van de Supreme Court, dat het beroep op litispendingie zou mislukken omdat de geschilpunten tussen de Franse en Britse procedures verschillend zijn: terwijl de Britse procedure betrekking heeft op een inbreuk op de Britse octrooirechten en de vaststelling van FRAND-voorwaarden slechts het gevolg is van een FRAND-verweer gevoerd door TCL, heeft de Franse procedure een contractueel karakter. Dientengevolge hoeft zij de Engelse procedure niet aan te houden.²⁵

De High Court buigt zich niettemin over de vraag of zij het gerecht is waar de zaak het laatst is aangespannen. De High Court concludeert dat de Britse zaak, ook met betrekking tot het FRAND-aspect, eerder aanhangig is gemaakt dan de Franse zaak omdat FRAND al aan bod kwam in de *Particular of Claims* van Philips. Het feit dat dit later pas werd gespecificeerd (en later pas een vordering werd ingesteld die gericht was op het bepalen van FRAND), heeft niet tot gevolg dat FRAND moet worden gezien als een nieuwe kwestie in de procedure. Daarmee is de High Court van oordeel dat, al zouden de kwesties die zich in de Franse en Engelse procedures afspeelden wel dezelfde zijn geweest, zij de Engelse procedure op grond van litispendingie of connexiteit, als eerste aangespannen procedure, niet hoefde aan te houden.²⁶

Tenslotte overweegt de High Court dat zij haar discretionaire bevoegdheid om op grond van connexiteit de zaak aan te houden, in elk geval niet zou hebben uitgeoefend. Reden hiervoor is dat er volgens de High Court ernstige twijfel bestaat over de vraag of de Franse rechtbank wel FRAND-voorwaarden zou bepalen en, indien dit het geval zou zijn, dit ook nog eens twee jaar

zou kunnen duren en pas zou worden gegeven na het verstrijken van een van de omstreden SEPs.²⁷

Deze uitspraak suggereert dat de Engelse gerechten de bevoegdheid om FRAND-voorwaarden vast te stellen als er ook een Engelse inbreukprocedure loopt, niet snel aan een ander nationaal gerecht zouden afstaan. Als de Engelse procedure sneller verloopt dat de buitenlandse procedure, zou deze dan zomaar de buitenlandse procedure kunnen inhalen waardoor de Engelse rechter, op ietwat kunstmatige wijze, alsnog bevoegdheid opeist om FRAND-voorwaarden vast te stellen. Opgemerkt kan worden dat de High Court in haar vonnis een bepaalde scepsis uit naar de Franse rechtbank toe wat betreft duur van de procedure en deskundigheid. De keuze zou dus mogelijk anders kunnen uitvallen als de parallelle procedure op basis waarvan aanhouding zou worden verzocht in Nederland of in Duitsland zou lopen.

Keus tussen wereldwijde FRAND-voorwaarden door de Engelse rechter en een verbod

De vraag kan worden gesteld wat nog de waarde is van FRAND-procedures en een FRAND-verbod in Engeland in een post-Brexit markt. Zoals gezegd werd SEP-gebruiker Huawei in de onderhavige procedure de keuze gegeven tussen het ondertekenen van een wereldwijde FRAND-licentie, of zich terugtrekken van de Engelse markt (met andere woorden: een inbreukverbod voor het VK).

Als de Britse markt voor de inbreukmaker een kleine markt is, is het denkbaar dat deze SEP-gebruiker zich in sommige gevallen beter van die markt kan terugtrekken dan een voor hem ongunstige wereldwijde licentie aangaan. Dat SEP-gebruikers strategische afwegingen maken bij het al dan niet accepteren van een wereldwijde FRAND-licentie, volgt ook uit een recent arrest van het Hof Den Haag. In een kort geding tussen Sisvel en Xiaomi overwoog het hof dat businesskeuzes van ondernemingen ertoe kunnen leiden dat het aangaan van een licentie met de octrooihouder niet altijd de meest gunstige keus is. Reden hiervoor is dat de licentievergoeding vaak hoog is en zich veel verder uitstrekt dan de betreffende procedure waar de SEP-gebruiker in gedagvaard is: *“De enige mogelijkheid die Xiaomi bij toewijzing van het verbod heeft om afbraak van haar in Nederland opgebouwde bedrijf te voorkomen, is het aanvaarden van het licentieaanbod van Sisvel. Ook dat alternatief heeft ingrijpende consequenties voor Xiaomi. Het licentieaanbod van Sisvel betreft namelijk niet alleen het gebruik van de in EP 536 geclaimde technologie in Nederland, maar het gebruik van de meer dan 1000 octrooien uit de MCP-portefeuille in alle landen wereldwijd in meer dan een miljard telefoons.”*²⁸

Deze strategie is niet ondenkbaar. Zo weigerde ZyXel tijdens de Engelse *TQ Delta/ZyXel*-procedure waarin een tweetal SEPs aan de orde waren, duidelijk en ondubbelzinnig aan te geven dat zij bereid was een

FRAND-licentieovereenkomst met TQ Delta aan te gaan.²⁹ De High Court leidde hieruit af dat ZyXel niet bereid was een licentie af te nemen. Kennelijk was ZyXel van mening dat het Verenigd Koninkrijk niet van voldoende materieel belang was voor haar activiteiten en geen significante inkomsten genereerde. Dit resulteerde in een inbreukverbod voor ZyXel. Deze keus zal mogelijkerwijs alleen maar vaker worden gemaakt in een post Brexit-Verenigd Koninkrijk omdat bedrijven minder snel het VK zullen gebruiken als de toegangspoort naar Europa.

Kan de Nederlandse rechter ook FRAND-voorwaarden vaststellen?

Tot nu toe is aan Nederlandse gerechten nog niet verzocht FRAND-voorwaarden vast te stellen. De drie procedures die post-*Huawei/ZTE* in Nederland tot een materiële FRAND-uitspraak hebben geleid zijn *Philips/Asus*,³⁰ *Philips/Wiko*³¹ en *Archos/Philips*.³² In de *Asus*- en *Wiko*-procedures verweerden *Asus* en *Wiko* zich in een inbreukzaak onder andere met het betoog dat het aanbod van *Philips* niet FRAND was. Het hof Den Haag heeft in het kader van dit verweer de over en weer aangeboden voorwaarden beoordeeld, maar niet zelf vastgesteld wat FRAND-voorwaarden tussen partijen zouden zijn. Deze vordering lag ook niet voor. Het vonnis van de rechtbank Den Haag in *Archos/Philips* lijkt nog het meeste op de Engelse procedures. Hierin verzocht *Archos* de rechtbank te verklaren voor recht dat het aanbod van *Philips* niet FRAND was, maar dat haar eigen aanbod dat wel was. *Archos* verzocht de rechtbank echter niet om (in wezen) een compromis te zoeken tussen de twee aanbiedingen van *Philips* en *Archos*. De Engelse gerechten waren in 2017 als eerste Europese rechter bereid om (grensoverschrijdende) FRAND-voorwaarden vast te stellen in *Unwired Planet/Huawei*. Dit heeft wellicht te maken met het feit dat zij hier als eerste voor zijn aangezocht. In het *Samsung*-besluit van de Europese Commissie, waarin *Samsung commitments* aanbood om een misbruik van machtspositie-onderzoek van de Europese Commissie te ontwijken, noemt *Samsung* expliciet de Engelse gerechten als geschikte forum om FRAND-voorwaarden te laten vaststellen:

(98) First, if Samsung and a potential licensee do not agree on the venue for a third-party determination of FRAND terms and conditions, the default option will be court adjudication, either by the Patents Court, High Court of England and Wales or the Unified Patent Court. [...]

Misschien was dit aanleiding voor partijen als *Unwired Planet* om FRAND-voorwaarden in het Verenigd Koninkrijk vast te stellen, hetgeen als sneeuwbal effect heeft gehad dat vervolgens andere partijen zoals *Conversant* en *Philips* ook zaken in het VK aanspanden.

Wat daarvan zij, dit betekent nog niet dat de Engelse gerechten de enige optie zijn voor SEP-houders en

- 27 *Philips/TCL*, par. 100-101.
28 Hof Den Haag 17 maart 2020, ECLI:NL:GHDHA:2020:711 (*Sisvel/Xiaomi*), r.o. 4.7-4.8. Zoals ik heb aangegeven was ik als advocaat betrokken bij deze zaak.
29 High Court of Justice 11 maart 2019, [2019] EWHC 562 (ChD)) (*TQ Delta/ZyXel*) en High Court of Justice 18 maart 2019, [2019] EWHC 745 (Pat) (*TQ Delta/ZyXel*).
30 Hof Den Haag 7 mei 2019, ECLI:NL:GHDHA:2019:1065 (*Philips/Asus*) en Hof Den Haag 24 december 2019, ECLI:NL:GHDHA:2019:3535 (*Philips/Asus*).
31 Hof Den Haag 2 juli 2019, ECLI:NL:GHDHA:2019:3613 (*Philips/Wiko*) en Hof Den Haag 24 december 2019, ECLI:NL:GHDHA:2019:3537 (*Philips/Wiko*). Zoals ik heb aangegeven, was ik als advocaat betrokken bij deze zaken.
32 Rb. Den Haag 8 februari 2017, ECLI:NL:RBDHA:2017:1025 (*Archos/Philips*).

33 High Court of Justice 5 maart 2017, [2017] EWHC 711 (Pat) (*Unwired Planet/Huawei*), par. 146.

34 Rb. Den Haag 27 mei 2020, ECLI:NL:RBDHA:2020:4632 (*Sisvel/Oppo*) r.o. 1.1 en 4.47 resp. Rb. Den Haag 4 november 2020, ECLI:NL:RBDHA:2020:11108 (*Sisvel/Xiaomi*), r.o. 1.1 en 3.7-3.8. Zoals ik heb aangegeven, was ik betrokken bij deze zaken.

35 *Sisvel/Oppo*, r.o. 4.45, resp. *Sisvel/Xiaomi*, r.o. 4.30.

36 *Archos/Philips*, r.o. 4.2. Dit oordeel over bewijslast wordt door het hof Den Haag gevolgd in *Philips/Wiko*. Omdat ik betrokken ben bij de cassatie in die procedure, zal ik hier niet verder op ingaan.

37 *Archos/Philips*, r.o. 4.2.

SEP-gebruikers die hun geschillen willen uitvechten. In eerste aanleg oordeelde de High court (en dit werd in appel in stand gelaten) na wikken en wegen dat de FRAND-verbintenis van ETSI naar Frans recht gelijk moest worden gesteld aan een contractuele verplichting onder Frans recht. De High Court overweegt daarbij dat: “*The reason it should be applied is because the FRAND undertaking is an important aspect of technology standardisation. Holders of essential IPR are not compelled to give a FRAND undertaking but it serves the public interest that they make it clear whether or not they are doing so, and it serves the public interest that if they do, the undertaking is public, irrevocable and enforceable. To avoid hold up, implementers need to know that they can hold SEP owners to a FRAND obligation.*”³³ Deze pragmatische uitleg van de ETSI-verbintenis geldt ook voor andere landen, waaronder Nederland.

Ook verzetten praktische afwegingen zich niet tegen vaststelling van FRAND-voorwaarden door een Nederlandse rechtbank. Een reden waarom de Engelse gerechten beter geëquipeerd lijken om FRAND-voorwaarden vast te stellen dan de meer continentale jurisdicties is dat partijen onder strenge vertrouwelijkheidsregimes over en weer werden bevolen hun FRAND-overeenkomsten met andere partijen in het geding te brengen zodat de High Court de mogelijkheid zou hebben de FRAND-heid van de aanbiedingen tussen partijen te beoordelen in het licht van hetgeen in de markt gebruikelijk was.

Recent heeft de rechtbank Den Haag ook van deze mogelijkheid gebruik gemaakt. In twee rolbeslissingen tussen octrooihouder Sisvel en SEP-gebruikers Xiaomi en Oppo beval de rechtbank partijen hun overeenkomsten met andere licentienemers, respectievelijk andere SEP-houders in het geding te brengen op grond van artikel 22 van het Wetboek van Burgerlijke Rechtsvordering (Rv). Om de bedrijfsvertrouwelijk informatie van partijen te beschermen legt de rechtbank een vertrouwelijkheidsregime op. Deze houdt in dat slechts twee natuurlijke personen werkzaam bij partijen, alsmede de advocaten en deskundigen van partijen de licentieovereenkomsten mogen inzien. Ter waarborging van de naleving van het vertrouwelijkheidsregime wordt partijen een dwangsom van een miljoen euro opgelegd voor overtredingen ervan.³⁴ Partijen hadden ook een verzoek tot verstrekking van de documenten ex artikel 843a Rv ingediend, maar deze behoefde gelet op het vorige geen behandeling.

Hiermee lijkt de Nederlandse rechter bereid te zijn het instrumentarium te hanteren dat nodig is voor een grondige beoordeling van FRAND-voorwaarden. Jammer genoeg voor de FRAND-liefhebber hebben de bovengenoemde rolbeslissingen niet geleid tot FRAND-vonnissen omdat de vorderingen van Sisvel zijn afgewezen op grond van ongeldigheid, resp. niet-essentialiteit van de door Sisvel ingezette SEPs.³⁵

De vraag is vervolgens hoe de vordering in te stellen naar Nederlands recht. Een partij zou een verklaring voor recht kunnen vorderen dat zijn eigen voorwaarden FRAND zijn. Subsidiar zou zij de rechtbank kunnen verzoeken te bepalen welke voorwaarden FRAND zijn. Het (wellicht) perverse aan het Nederlandse systeem is dat de partij die het initiatief neemt voor dit verzoek – en dus niet afwachtend “stilzit” – ingevolge artikel 150 Rv ook primair de bewijslast draagt dat zijn eigen aanbod FRAND is en (veelal) het tegenaanbod van de wederpartij dat niet is. Hier stootte SEP-gebruiker Archos zich aan in de procedure aangespannen tegen Philips. Zo overweegt de rechtbank Den Haag in *Archos/Philips* met zoveel woorden dat: “*Aangezien Archos zich op de rechtsgevolgen van voormelde feiten en rechten beroept, draagt Archos daarvan de stelplicht en bewijslast volgens artikel 150 Rv.*”³⁶ Uit het vonnis volgt dat Archos niet aan haar bewijslast heeft voldaan. Misschien een lichtpuntje voor de eisende partij: de rechtbank Den Haag overwoog wel dat Archos in die procedure geen andere bewijslast of verzwaarde stelplicht had bepleit.³⁷ Wellicht zou dit in de toekomst anders kunnen uitvallen als een eisende partij zich hier wel op beroept.

Conclusie

In haar uitspraak komt de Supreme Court tot de conclusie dat de ETSI IPR Policy een bevoegdheid schept voor Engelse gerechten om een wereldwijde FRAND-licentie vast te stellen, ook zonder dat de betrokken partijen hier toestemming voor geven. Ten grondslag aan haar overwegingen ligt de wens rekening te houden met de realiteit van de commerciële praktijk. Deze pragmatische afweging geldt ook voor rechters uit andere Europese landen, zoals Nederland, die op grond van de ETSI IPR Policy zichzelf bevoegd kunnen verklaren om grensoverschrijdende FRAND-voorwaarden vast te stellen.

Op het eerste gezicht kan de jurisdictievraag in FRAND-zaken alleen relevant lijken voor de conventionele telecomindustrie. Echter, met een groeiend aantal bedrijven waarvan de activiteiten, producten en diensten via internet worden verbonden, zal de toekomst van octrooilicenties op gebieden zoals digitale gezondheid en voertuigen ook hierdoor geraakt worden. Zo kwam in een Duitse procedure tussen Daimler en Nokia de vraag op, op welk niveau van de distributieketen een FRAND-licentie moet worden afgesloten: bij de fabrikant van onderdelen, of bij de autofabrikant die deze technologie in zijn auto's bouwt. Inmiddels heeft het Oberlandesgericht Düsseldorf hier prejudiciële vragen over gesteld aan het Hof van Justitie. Het laatste woord over FRAND is dus nog niet gezegd.

Gaëlle Béquet*

* Mr. C.D.G.M.G. Béquet is advocaat te Amsterdam. Zij heeft *Wiko, Xiaomi en Oppo* bijgestaan in de procedures met deze partijen die in deze annotatie worden genoemd.