The UK High Court of Justice issues an injunction prohibiting an undertaking from selling wireless telecommunications products in Britain due to its failure to enter into a worldwide patent license (Unwired Planet / Huawei)

United Kingdom High Court of Justice (Patents), Unwired Planet v. Huawei, 7 June 2017, Case [2017] EWHC 1304 (Pat)


“Between a Rock and a Hard Place”: Unwired Planet v. Huawei and the Dangerous Implications of Worldwide FRAND Licenses

I. Introduction

The United Kingdom High Court of Justice (Patents) recently issued an injunction prohibiting Huawei from selling wireless telecommunications products in Britain. That injunction was issued due to Huawei’s failure to enter into a patent license for Unwired Planet’s worldwide portfolio of standard-essential patents (SEPs), even though Huawei was willing to enter into a license for Unwired Planet’s United Kingdom (UK) SEPs. [1] The ruling followed the court’s earlier decision [2] that Unwired Planet did not violate European Union (EU) competition law by seeking an injunction for infringement of its UK SEPs, even though those SEPs were subject to a commitment to license on fair, reasonable, and non-discriminatory (FRAND) terms. One of the most controversial aspects of Mr Justice Birss’s 163-page ruling rejecting antitrust liability is the conclusion that a SEP holder’s insistence on only agreeing to a worldwide license is consistent with its FRAND obligation. If a single patent in a single jurisdiction can be used to obtain an injunction unless the alleged infringer enters into a worldwide license, SEP owners will be highly incentivized to engage in global forum shopping. It also places implementers of a standard “between a rock and a hard place”: enter into a license requiring payment of royalties for patents in other jurisdictions that may not be as strong as the patent being litigated, or risk an injunction barring sales in any country where the SEP owner threatens
to file an infringement claim. Worse, it distorts the competitive process by allowing SEP owners to obtain royalties above the value of their underlying portfolio, and interferes with the sovereignty of countries that have passed laws requiring different substantive or procedural rules for proving patent infringement, obtaining product injunctions, demonstrating invalidity, or calculating monetary damages.

This article examines the potential competitive harms that would result from a regime where mandatory worldwide SEP licensing is considered FRAND. In order to fully comprehend the ramifications of the decision, Section II first provides a background on SEPs, the FRAND commitment, and competition law. Section III then analyzes Mr Justice Birss’s ruling in Unwired Planet v. Huawei, with a specific focus on the worldwide license issue. Section IV discusses the potential harms implicated in requiring worldwide licensing. Finally, Section V concludes by presenting alternatives to address concerns over patent hold-up.

II. Background on SEPs, FRAND, and competition law

Standard-essential patents (SEPs) are those which have been formally incorporated into a particular technological standard by a standard-setting organization (SSO). A SEP is considered “essential” because it is necessary to use the relevant patent in order to practice the technical standard. Technical standards enable interoperability and seamless connections amongst a wide variety of technological devices produced by different manufacturers, such as wireless communications for mobile phones (e.g., 2G/GSM, 3G/UMTS, and 4G/LTE).

Inclusion of a technology in a standard may confer significant bargaining power upon the SEP holder vis-à-vis potential licensees. Once a standard is adopted, companies wanting to make devices that practice the standard have no choice but to use the technology covered by those SEPs. This problem is exacerbated as the standard becomes increasingly widespread and companies make significant investments into the standard. [3] Relatedly, standardization has the effect of eliminating potential competitors for alternative technologies that are not selected for the standard.

To address these concerns, many SSOs require their members to commit to license any SEPs on FRAND terms. Absent the FRAND commitment, there is a significant risk that SEP holders might engage in anti-competitive behavior after convincing SSOs to adopt their patented technologies. Specifically, the FRAND commitment seeks to avoid, among other things, hold-up. Hold-up occurs when SEP holders wield their strong bargaining position to demand exorbitant royalties from licensees after they are locked in to using the standard. [4] Most courts that have addressed the issue have held that an appropriate FRAND royalty rate should not include any added value derived from the technology’s standardization and instead should reflect the value of the patented technology before standardization. [5]

Given the competitive concerns that arise with SEPs, many courts and regulatory bodies around the world have held that a SEP holder’s refusal to comply with FRAND may give rise to contract and/or antitrust liability. [6]

III. Mr Justice Birss’s ruling in Unwired Planet v. Huawei
A. Summary

In 2013, Unwired Planet purchased 2,185 worldwide patents from Ericsson, the vast majority of which were SEPs that Ericsson had declared essential to wireless telecommunications standards promulgated by the European Telecommunications Standard Institute (ETSI). [7] The following year, Unwired Planet filed patent actions against Huawei and others before the UK High Court of Justice for allegedly infringing various patents. In November, 2015, and March, 2016, Mr Justice Birss found that Huawei’s products infringed two UK patents, which were valid and essential to wireless telecommunications standards. [8]

Huawei claimed that, by seeking an injunction for SEPs, Unwired Planet violated Article 102 of the Treaty on the Functioning of the European Union (TFEU), which prohibits the abuse of a dominant position within the EU. Huawei had offered to enter into a license for Unwired Planet’s UK SEPs, but Unwired Planet indicated it would only enter into a license for its worldwide portfolio of SEPs. Huawei claimed it should not have to take a license for patents in jurisdictions outside the court’s jurisdiction, and that it was an illegal tie to require it to take non-UK SEPs as a condition for obtaining access to Unwired Planet’s UK SEPs. The geographic scope of a FRAND license was significant because if a UK-only license satisfied FRAND, then Huawei could not have been considered an “unwilling licensee” for refusing to accept Unwired Planet’s offer for a worldwide license, and would thus have a competition law defense to an injunction. [9]

Mr Justice Birss rejected Huawei’s competition law arguments. He held that the worldwide license that Unwired Planet offered to Huawei complied with FRAND. In doing so, Mr Justice Birss noted that worldwide licensing is commonplace for companies with global operations because of the efficiency benefits it produces. Thus, he concluded that “multijurisdictional portfolio licenses themselves are unlikely to have inherently anti-competitive effects,” and “a demand for a worldwide licence is not inherently likely to distort competition.” [10] The fact that rates may differ in various jurisdictions was insufficient to reject worldwide licensing outright, because in light of the broad geographic scope of Unwired Planet’s portfolio, “a licensor and licensee acting reasonably and on a willing basis would agree on a worldwide licence.” [11] Due to the pervasiveness of worldwide licensing and that there had not been any deep analysis of the “actual effects” of worldwide licensing, Mr Justice Birss refused to assume that tying SEPs from different jurisdictions violated EU competition law.

Mr Justice Birss’s decision stands in stark contrast to an earlier decision by the European Commission concerning Motorola’s SEP licensing practices. [12] In that decision, the Commission held that EU competition law precluded Motorola from seeking an injunction from German courts because Motorola’s FRAND obligation required it to accept Apple’s offer to take a license to only Motorola’s German SEPs. Mr Justice Birss departed from the Commission’s reasoning, however, based on his view that there is only one set of FRAND terms in a given set of circumstances, as opposed to a range. [13] Mr Justice Birss interpreted the European Commission’s Motorola decision as premised upon an incorrect view in which granting both country-specific and worldwide licensing could, at the same time, satisfy the SEP owner’s FRAND commitment.

Two months after issuing the ruling denying Huawei’s competition law defense to an injunction, Mr Justice Birss granted what he referred to as a “FRAND injunction” against Huawei. As explained in that decision, a FRAND
injunction is distinguished from a conventional injunction in that it (a) ceases to be effective upon the defendant entering into a license on FRAND terms, and (b) allows either party to “return to court in [the] future to address the position at the end of the term of the FRAND licence” [14] if, for example, it ends prior to expiration of the relevant patents.

Given the significance of his ruling, Mr Justice Birss granted Huawei permission to appeal the issue of whether a worldwide license complied with FRAND. [15] The injunction is stayed pending appeal.

B. Legal Critique

The Unwired Planet case presented many difficult questions, and Mr Justice Birss engaged in a thoughtful analysis throughout the lengthy ruling. Many aspects of that ruling were consistent with prior legal precedent in Europe and elsewhere, including that (a) complying with FRAND imposes an obligation to conclude FRAND licenses (as opposed to merely making a FRAND offer), [16] (b) benchmark licenses that are used to establish a FRAND rate must truly be comparable, [17] and (c) for purposes of analyzing dominance, the relevant market “is a market for licenses under the SEPs,” [18] in which a SEP holder has 100% market share. However, Mr Justice Birss relied upon two flawed arguments in holding that a court may issue an injunction if a prospective licensee declines to take a worldwide license.

First, by relying on the pervasiveness of worldwide licensing as proof that worldwide licenses are unlikely to be anticompetitive, the decision misapplies the characteristics of a common bilateral-negotiation outcome to the legal assessment of unilaterally-imposed contract terms. Of course SEP owners and potential licensees may voluntarily agree to licenses that are worldwide in scope, and nothing in this article is intended to suggest otherwise. Indeed, consent of the contracting parties should be a threshold consideration of whether a worldwide FRAND determination is appropriate. [19] But those mutually agreed-upon approaches should not be confused with what a SEP holder may effectively force upon a licensee with the threat of an injunction. In reaching the conclusion that worldwide licenses do not produce anticompetitive effects, Mr Justice Birss stated that “[a]ssuming the licensor has a worldwide portfolio of SEPs, in my judgment asking a licensee to accept a worldwide licence is unlikely to be abusive.” [20] This reasoning, however, places undue emphasis upon the position of the licensor and fails to consider why licensees might have legitimate grounds for not licensing patents in other countries. Only taking into consideration the position of the SEP holder is at odds with the overarching consensus—and guidance from the EU’s highest court—that FRAND should strike a balance between the rights of SEP holders and implementers. [21]

Second, the ruling departed from the European Commission’s reasoning in Motorola, which, as noted above, considered that Apple’s offer to enter into a license “cover[ing] all Apple products infringing licensed SEPs in Germany . . . was a clear indication of Apple’s willingness to enter into a licensing agreement on FRAND terms and conditions.” [22] Although Commission decisions are not binding on Member State national courts, they nonetheless are persuasive authority. Mr Justice Birss’s only offered explanation for departing from the Motorola reasoning was that the decision was implicitly premised upon the view that both country-specific and worldwide licenses could be FRAND, whereas he separately concluded that there can only be one set of FRAND terms in a
given set of circumstances. That conclusion, however, fails to account for how FRAND rates may need to vary, such as when there is a different royalty base between two products due to the inclusion of other technologies unrelated to the standard. [23]

IV. Potential harms that flow from effectively requiring licensees to take worldwide SEP licences

Requiring licensees to enter into worldwide SEP licenses to avoid an injunction in a single jurisdiction potentially creates several harms that could negatively impact competition.

A. Leveraging Patents

Allowing SEP holders to seek an injunction if a licensee does not take a worldwide SEP license emboldens SEP holders to leverage a single patent in a single jurisdiction to effectively force standard implementers to enter into a license covering potentially dozens (or more) of patents in dozens of jurisdictions. When faced with the possibility of (a) being subject to an injunction that prohibits sales of products implicating the allegedly infringing patent or (b) entering into a worldwide license, many companies cannot afford to choose option (a). The ability to exploit a single patent this way raises the same competitive concerns that the FRAND commitment is designed to prevent—a SEP holder capitalizing on a patent’s standardization to extract more than what its reasonable share of royalties would be absent standardization. [24] It also could inflate future determinations of FRAND royalties if the resulting coerced licenses are used as benchmark licenses.

Ironically, the single patent that a putative SEP holder may choose to leverage may not, in fact, be essential to the relevant standard. There are two primary reasons for this possibility. First, SSOs do not independently verify whether a particular patent that has been declared essential actually is. [25] Second, patent holders are inclined to over-declare patents to SSOs. [26] Over-declaring reflects both an obvious incentive to maximize royalties as well as a desire to err on the side of caution because of the potential steep penalties associated with not declaring a patent that is later found to be essential.

Litigation involving SEPs confirms that an overwhelming majority of declared “SEPs” are neither valid nor infringed by products practicing the standard. The facts of the Unwired Planet provide a useful illustration. Unwired Planet sued on five declared SEPs (and one non-SEP). However, the court found only two SEPs to be valid and infringed—less than half of the SEPs sued upon. [27]

The SEPs in Unwired Planet actually fared much better than most SEPs tested in courts in the United States (US). A 2013 study by one of this article’s authors examined 85 adjudicated SEPs asserted by the three most litigious SEP owners between 2009 and 2013. Surprisingly, that study showed only 1 out of every 8 SEPs tested in court had been found valid and essential to practice the relevant standard. [28] The poor performance of SEPs tested in court is even more startling given the extensive pre-screening process many patent owners undertake prior to bringing infringement claims.

This troubling trend continues through today. Since that 2013 study, 14 infringement cases involving 10 different
SEP owners have been decided in the US. Of the 71 asserted “SEPs” in those cases, only 8 were found to be valid and infringed—just 11% of the SEPs originally asserted. In contrast, 8 were deemed invalid, 21 were found not infringed, and 34 were either withdrawn or dismissed.

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<th>Not Infringed</th>
<th>Withdrawn</th>
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<td>29</td>
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</table>

Source: Appendix

Outside the US, limited information is available concerning the rate of adjudicated SEPs. However, anecdotal evidence suggests that the same problem routinely arises. Aside from the Unwired Planet decision in the UK, the Paris Court of First Instance dismissed a case brought by Vringo on two patents that were declared essential to the UMTS standard, holding that of the two patents that were asserted, one was invalid and one was not essential. In another case brought by Core Wireless seeking a FRAND determination for over 1,200 declared SEPs using five particular SEPs as “non-exhaustive examples” of its portfolio, the Paris Court of First Instance ruled that Core Wireless had not established that the asserted patents were essential. Additionally, a series of three proceedings brought by IPCom before the Mannheim Regional Court in Germany concerning two declared SEPs were dismissed because the court concluded that the accused products did not infringe a particular patent family by implementing the relevant UMTS standard.

Compounding this problem, the standards for patentability and infringement vary across jurisdictions. A particular technology might be patentable in one country but not in another. Similarly, a given invention that practices a patented technology could be deemed an infringement under the laws of one country but not another. Leveraging
presents a greater concern when licensees must either take a worldwide license or be subject to an injunction, as opposed to having the option to take a country-only license. When forced between entering into a worldwide license and defending against an injunction, many implementers would end up paying royalties on technology that is neither patentable nor infringed, depending on the jurisdiction.

B. Forum-Shopping

The ability of patent holders to leverage patents also provides an incentive to forum shop by selectively filing suit for an injunction in any jurisdiction that the patent holder believes has the most licensor-friendly body of patent and FRAND law. Forum-shopping is problematic because it is potentially outcome-determinative. Just as the standards for patentability and infringement differ across jurisdictions, so too do the standards for granting injunctions and the extent to which competition law provides a defense to an injunction involving FRAND-encumbered SEPs. [33]

Because of the Unwired Planet decision, patent holders might be particularly inclined to sue for an injunction in the UK, because a court in that jurisdiction now has explicitly held that injunctions are appropriate when a licensee refuses to enter into a worldwide license covering SEPs. The UK could thus become the “rocket docket” for worldwide SEP litigation, similar to how the Eastern District of Texas was the preferred venue for patent plaintiffs in the US prior to the Supreme Court’s decision in TC Heartland v. Kraft. [34] Indeed, Conversant, a patent assertion entity, recently filed a lawsuit in the UK against Huawei and ZTE alleging infringement of four SEPs acquired from Nokia. The decision to file in the UK likely was influenced by a desire to compel Huawei and ZTE into taking worldwide licenses. [35]

C. Extraterritoriality and International Comity Concerns

Effectively requiring licensees to take worldwide SEP licenses also gives rise to extraterritoriality and international comity concerns. Patents have geographical boundaries: the rights that a patent confers are limited to the country in which the patent is issued. However, if a court grants an injunction for an implementer’s refusal to take a license for patents outside the court’s territorial jurisdiction—like in Unwired Planet—it has the practical effect of both extending the territorial reach of a court and intruding on the sovereignty of other judicial systems.

This approach could also result in SEP owners shielding SEP portfolios of worldwide patents from review. Because patents are geographically limited, courts in the US have declined to review patents issued in other countries for validity and infringement. [36] Thus, a SEP holder suing in a US court in an effort to obtain a global patent portfolio, for example, would effectively evade review for validity and infringement of non-US patents.

The facts of Unwired Planet are again instructive. When the case was decided in the UK, litigation between the parties was ongoing in Germany and China on SEPs within Unwired Planet’s worldwide portfolio. Mr Justice Birss acknowledged the “risk that the threat of a territorial injunction may function, unfairly and unreasonably, in effect to reverse or at least negate the impact of foreign proceedings in respect of foreign patent rights.” [37] But by holding
that SEP holders may, without violating FRAND, seek injunctions in the UK if licensees refuse to enter into worldwide licenses, the Unwired Planet decision usurps questions of invalidity, infringement, exhaustion and other important questions that rightfully belong to the exclusive jurisdiction of courts in other countries.

V. Alternatives to worldwide licensing

Mr Justice Birss recognized some of the potential dangers that could flow from his decision requiring implementers to take a worldwide license to avoid an injunction. For that reason, he stated that a worldwide license needs to be structured to address potential invalidity, noting that the license “should not prevent the licensee from challenging invalidity or essentiality of licensed patents and should have provisions dealing with sales in non-patent countries.” [38] But this flips the longstanding legal rule that a patent owner is required to prove infringement, to one where infringement is assumed in all other jurisdictions unless otherwise disproven. Implementers of standards should not have to sue around the world to avoid paying royalties on patents they never wished to include in the license in the first place.

The alternatives described below seek to strike a more appropriate balance between the rights of SEP holders and implementers of standards:

A. Country-specific Licenses

The simplest alternative is for a court to only issue an injunction if the licensee is unwilling to take a license in the jurisdiction where the court is located, similar to the European Commission’s Motorola decision. This could be accomplished by endorsing the view advocated by Huawei that FRAND prevents a SEP owner from forcing an implementer to enter into a worldwide license to avoid an injunction, provided the implementer is willing to enter into a country-specific license. [39]

This approach enables SEP owners and implementers to account for differences with respect to various standards in different markets. For example, many standards are more widely used in certain countries, and some standards are limited to certain countries. Code Division Multiple Access (CDMA) is common in the US, whereas much of the rest of the world uses Global System for Mobiles (GSM). [40] Japan developed a 2G standard, Personal Digital Cellular (PDC) for use in that country.

Another approach to arrive at the same conclusion—granting an injunction only upon refusal to take a license to patents in the relevant country—is to reject Mr Justice Birss’s view of FRAND as a single set of terms and instead view it as a range. [41] Under this framework, both an implementer’s willingness to enter into a country-specific license and a SEP owner’s offer to provide a worldwide license would satisfy their respective FRAND obligations pursuant to the Court of Justice of the European Union’s (CJEU) decision in Huawei v. ZTE. [42] However, because the potential licensee had made a FRAND counter-offer that complies with paragraph 66 of the CJEU’s decision in Huawei v. ZTE, it still would be able to assert a competition law defense should the SEP owner seek an injunction.
Interpreting FRAND as a range would give courts greater flexibility to address the often highly fact-dependent issues at play in SEP litigations. In either case, only granting an injunction when the would-be licensee is unwilling to take patents within the territorial jurisdiction of the court would remove the possibility of SEP holders leveraging patents and forum-shopping to obtain licenses broader in scope than would otherwise be agreed to absent coercion.

B. Country-specific Licenses with Provisions Barring Entry of Unlicensed Products

A second alternative is a country-specific license with a provision barring entry into the applicable country of unlicensed products. Unwired Planet argued that a UK-only license, were it to be issued, should have included this type of provision. [43]

Such a provision would address SEP holders’ legitimate concerns over potentially infringing products being sold, especially where products are manufactured in one country and sold in another. But this provision would only prevent entry of unlicensed products, stopping short of effectively coercing implementers to take a worldwide license. This alternative reflects a more appropriate balance between the rights of SEP holders and implementers because it acknowledges the possibility of infringing products entering the country at issue, but also does not implicate the extraterritorial and jurisdictional issues associated with worldwide licensing.

C. Suspended Worldwide Licenses

A final alternative is to create a suspended worldwide license, which would either (a) carve out particular countries where the licensee makes a prima facie showing about invalidity or non-infringement or (b) carve out particular jurisdictions where patent rights are considered weak. [44] Under either scenario, the licensee would only be required to pay royalties in those countries if the patents at issue were found to be valid and infringed by a court in that jurisdiction. This alternative strikes a better balance between SEP holders and implementers than the “Hobson’s choice” between an injunction and a worldwide license. It also addresses the due process concerns associated with forcing a licensee to pay royalties on a global SEP portfolio prior to a full determination of whether those SEPs (or at least a subset) are essential, valid, and infringed.

A suspended worldwide license would allow SEP holders to achieve the efficiency benefits from worldwide licensing that Mr Justice Birss found compelling, while at the same time protecting licensees from having to pay royalties in countries where there is some showing that the relevant patents may be invalid or non-infringed. It is preferable to more broadly applicable worldwide licensing because it does not put the onus on licensees to file potentially costly invalidity proceedings. And, to the extent that SEP owners believe there has been patent “holdout,” nothing would prevent them from seeking remedies in those other jurisdictions to address that concern.

VI. Conclusion

The ultimate impact of Unwired Planet v. Huawei will depend on how the worldwide license issue is resolved on appeal. In the interim, the case will likely influence the behavior of parties in licensing negotiations, potentially placing standard implementers between a rock and hard place of having to choose between unwanted worldwide licenses or business devastating product injunctions.
If the finding that offering a worldwide license satisfies a SEP holder’s FRAND obligation is upheld on appeal, it will potentially harm prospective patent licensees by effectively requiring them to enter into worldwide licenses. The UK Court of Appeal has the opportunity to prevent these potential harms, and hopefully it will do so when it decides the case. Alternatively, the UK Court of Appeal should refer this important question to the CJEU for clarification, to ensure consistent application of Article 102 to a SEP owner’s demand that implementers enter into worldwide SEP licenses to avoid product injunctions.

APPENDIX: Success Rate Of SEPs in Adjudicated Litigation

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<tr>
<th>SEP Owner</th>
<th>Defendant(s)</th>
<th>Jurisdiction &amp; Case Number</th>
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[5] See, e.g., Ericsson v. D-Link Sys., Inc., 773 F.3d 1201, 1222 (Fed. Cir. 2014) (FRAND should be based on the “incremental value that the patented invention adds to the product, not any value added by the standardization of that technology.”) (emphasis in original). Although Mr Justice Birss implicitly accepted the argument that appropriating beyond the ex ante value is permissible, the point is dicta because it was not contested by the parties. Unwired Planet v. Huawei, supra note 2, at ¶ 97.


[10] Unwired Planet v. Huawei, supra note 2, at ¶ 535. In Judge Birss’s view, the alternative of negotiating country-by-country, which Huawei sought to do, would be considered “madness” for companies with global operations. Id. at ¶ 543.

[11] Id. at ¶ 543. However, Mr Justice Birss acknowledged that, under some circumstances, “a given portfolio does not justify a worldwide license.” Id. at ¶ 535.

13] Id. at ¶¶ 147-57.

14] [2017] EWHC 1304 (Pat) (June 7, 2017), supra note 1, at ¶ 20.

15] Permission to appeal was also granted for the holding that there is no “hard-edge” to the non-discrimination prong of FRAND absent evidence of competitive distortion and Mr Justice Birss’s findings on abuse of dominance and injunctive relief under the Huawei v. ZTE framework. Id. at ¶¶ 64-69.

16] Unwired Planet v. Huawei, supra note 2, at ¶ 158.

17] Id. at ¶ 163.

18] Id. at ¶ 670.


20] Id. at ¶ 535.

21] See, e.g., Huawei v. ZTE, supra note 6, at ¶¶ 12, 42. This principle is also reflected in ETSI’s Intellectual Property Rights (IPR) Policy, which “seeks a balance between the needs of standardization for public use in the field of telecommunications and the rights of the owners of IPRs.” ETSI IPR Policy § 3.1, available at http://www.etsi.org/images/files/IPR/etsi-ipr-policy.pdf.

22] European Commission, Motorola, supra note 12 at ¶ 434.

23] FTC v. Qualcomm, supra note 6, at *14.

24] Instead, SSOs simply ask that patent holders unilaterally declare patents they believe to be essential, or in some cases, potentially essential before the standard is finalized.

25] European Commission, Patents and Standards: A Modern Framework for IPR-based Standardization (2014), at 147, available at http://ec.europa.eu/DocsRoom/documents/4843/attachments/1/translations/en/renditions/pdf, noting that “several studies concluded that only 20%, 27% and 28% of patent families declared ‘essential’ were actually essential,” and based on “informal talks with many insiders, this percentage might in fact be closer to 50%”.


27] A technical trial for one SEP was stayed.

The 11% figure might decrease further based on the outcome of several patent re-examinations pending at the US Patent and Trademark Office.


Id.


For example, in Germany and Japan, the proceedings for injunctions and invalidity are bifurcated, and “in the context of injunctions, patent validity and infringement are assumed since the opposite would contravene the nature and purpose of such expedite measures.” Chryssoula Pentheroudakis & Justus Baron, Licensing Terms of Standard Essential Patents: A Comprehensive Analysis of Cases, EUROPEAN COMMISSION JOINT RESEARCH CENTRE SCIENCE FOR POLICY REPORT (2017), at 108.


More broadly, allowing forum-shopping could also bring about a decrease in court decisions clarifying the boundaries of FRAND and SEP law because licensees will be more likely to take the worldwide license rather than risk an injunction.


Unwired Planet v. Huawei, supra note 2, at ¶ 556.

Id.

As noted above, parties are free to enter into worldwide SEP licenses based on mutual convenience, absent the threat of an injunction.

Sascha Segan, CDMA vs. GSM: What’s the Difference?, PC MAG (July 11, 2017), available at https://www.pcmag.com/article2/0,2817,2407896,00.asp.


Supra note 6.

Unwired Planet v. Huawei, supra note 2 at ¶ 544.

According a recent comprehensive report studying the strength of intellectual property systems worldwide, Venezuela, Algeria, South Africa, Argentina, and India rank lowest in terms