



Neutral Citation Number: [2025] EWHC 3331 (Pat)

Case Nos: HP-2025-000030, 000032, 000039

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**INTELLECTUAL PROPERTY LIST (CHD)**  
**PATENTS COURT**

Royal Courts of Justice, Rolls Building  
Fetter Lane, London, EC4A 1NL

Date: 18/12/2025

**Before :**

**THE HON MR JUSTICE MELLOR**

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**Between :**

**(1) ACER INCORPORATED**

**(2) ACER U.K. LIMITED**

**Claimants in HP-2025-  
000030**

**(3) HISENSE GROUP HOLDINGS CO., LTD**

**(4) HISENSE INTERNATIONAL CO., LTD**

**(5) HISENSE VISUAL TECHNOLOGY CO., LTD**

**(6) HISENSE UK LIMITED**

**Claimants in HP-2025-  
000032**

**(7) ASUSTEK COMPUTER INC**

**(8) ASUS GLOBAL PTE LTD**

**Claimants in HP-2025-  
000039**

**- and -**

**NOKIA TECHNOLOGIES OY**

**Defendant**

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**Andrew Lykiardopoulos KC, Isabel Jamal and Joshua Marshall** (instructed by **Morgan, Lewis & Bockius UK LLP**) for the **Acer & ASUS Claimants**  
**Kathryn Pickard KC and Ms Ligia Osepciu** (instructed by **Kirkland & Ellis International LLP**) for the **Hisense Claimants**  
**Mark Chacksfield KC and Edmund Eustace** (instructed by **Bird & Bird LLP**) for the **Defendants**

Hearing dates: 21-24 October 2025  
Further submissions: 5 November 2025  
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## **Public Approved Judgment**

This judgment in the Confidential versions was handed down remotely at 10.30am on 18 December 2025 by circulation to the parties or their representatives by e-mail. A non-confidential version will also be sent to the parties and be released to the National Archives.

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THE HON MR JUSTICE MELLOR

**Mr Justice Mellor** : This judgment is organised as follows.

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## **INTRODUCTION AND SUMMARY**

1. This is my judgment following a joint hearing of (a) the challenge by Nokia Technologies Oy ('Nokia') to jurisdiction and (b) the Claimants' applications for interim licence declarations in three actions brought by the respective Claimants – the Acer, Hisense and ASUS Claimants as shown in the heading – against Nokia.
2. As originally constituted, each of these actions was brought against Nokia Corporation and Nokia Technologies Oy, both incorporated under the laws of Finland. The Claimants now accept that all the relevant patents are held by Nokia Technologies Oy and all three actions have been discontinued against Nokia Corporation. As will be seen, Nokia Corporation remain part of the relevant history.
3. Naturally, Nokia's challenge to jurisdiction must be decided first. If I conclude this Court has jurisdiction, then I must proceed to decide the Claimants' applications for so-called interim licence declarations. Due to the fact that the Claimants' applications are for final relief which will not be reconsidered at the trial of these actions (i.e. when the Court is invited to determine final RAND terms), this is the trial of the Claimants' applications. On paper, there is a clear delineation between jurisdiction and the interim licence declaration applications. In practice in this case, however, there was considerable overlap largely caused by the arguments deployed by Nokia – Nokia's Position, which I outline below.
4. Nokia owns or has the right to licence a portfolio of Standard Essential Patents (SEPs) whose claims have been declared essential to the H.264/AVC and H.265/HEVC video decoding standards, developed by the International Telecommunication Union (ITU-T). The requisite declaration (which I have to interpret later) by the SEP owner is said to be to licence each SEP on RAND terms. Certainly, on these applications, there was no suggestion that there is any difference between RAND terms and FRAND terms required by other Standard Setting Organisations such as ETSI.
5. Each of the Acer and ASUS groups are engaged in a range of business activities in the technology sector, the most relevant of which for present purposes is the design, manufacture, marketing and supply of personal computing devices (desktop, laptop and tablet computers). The ASUS group is also said to be active on the global smartphone market.
6. The Hisense group is one of the world's largest suppliers of consumer electronics, the most relevant of which for present purposes are televisions. Between 2020 and 2024, the Hisense group sold the second highest number of television products globally.
7. A substantial proportion of the personal computing devices manufactured and sold by the Acer and ASUS group and of the television products manufactured and sold by the Hisense group are capable of interoperating with the H.264/AVC and/or H.265/HEVC video coding standards.
8. In each of the three actions, the respective Claimants have undertaken to take a licence to Nokia's portfolio of SEPs in those standards on whatever terms this Court determines to be RAND and seek a determination of those terms. These actions are thus, implementer-led claims and follow a reasonably well-trodden path, albeit most actions

so far have involved the ETSI FRAND terms, with *Alcatel/Amazon v Nokia* the exception, involving the same video coding standards and the ITU-T RAND terms.

9. It is important to note a few particular points by way of background:
- i) First, that these parties have been attempting to negotiate RAND terms for some years (further details are set out below), but without success, and the evidence indicated that many SEPs for H.264 and H.265 will expire in around 2027/8.
  - ii) Second, Nokia has brought numerous sets of proceedings around the world seeking injunctions against these Claimants, a pattern of behaviour from SEP owners which is now familiar.
  - iii) Third, in none of the actions commenced by Nokia, is there any request that any court should determine RAND terms.
  - iv) Fourth, these actions are the Claimants' reaction to the injunctive proceedings brought by Nokia, and the Claimants seek the determination of global RAND terms in these actions on the basis (as stated above) that they have undertaken to take a licence on whatever terms this Court determines to be RAND.
10. Notwithstanding the experience to date of the English Court in these FRAND/RAND claims, both applications were dominated by Nokia's 'Position', which was explained in full in their evidence and submissions and can be summarised in the following terms. It will be seen that this 'Position' operates at a number of different levels:
- i) First, Nokia do not consider that any national court has the power to determine (F)RAND terms as between a SEP licensor and a SEP licensee.
  - ii) Second, to the extent that a SEP licensor and SEP licensee are unable to agree RAND terms, Nokia contend that the 'right' way to resolve an international RAND dispute is to choose an international forum, of which the only available international forum is a (fair and balanced) international arbitration. The corollary being that a national court should not, without consent, determine any terms 'which go outside of their own geography'.
  - iii) Third, if an implementer is entitled to bring this type of claim at all (which Nokia disputed), the Court must say to the SEP owner 'Are you going to agree to a RAND determination or not?' The SEP owner then has a choice:
    - a) If the SEP owner declines, then his disbenefit should be the corollary of the disbenefit which the English court imposes on an unwilling licensee – a (F)RAND injunction limited to the jurisdiction of this Court. In other words, the disbenefit imposed on an unwilling SEP owner is a declaration of unwillingness which is also limited to the jurisdiction of this Court. This was said to be justified and appropriate to avoid declarations which impact on 'sovereign foreign patents'.
    - b) If the SEP owner agrees, then the Court can proceed to determine global RAND terms, because the SEP owner has consented.

- iv) Fourth, as regards the obligation on a SEP owner who has declared patents essential to the ITU-T under either H.264 or H.265, the obligation is merely to negotiate in good faith, it being no part of the obligation that a SEP owner must actually make a RAND offer, let alone agree RAND terms. This is Nokia's case on the correct interpretation of the ITU-T licensing declaration which is required of a SEP owner.
- v) Fifth, there are the two sets of arbitration offers which Nokia has made:
  - a) The first set was termed Nokia's 'Commercial Arbitration Offers' because they extend beyond those SEPs covered by Nokia's RAND obligation and they allow the parties to include other patents to enable a global resolution of all potential patent issues between the parties. These were made in correspondence on 25 July 2025 to Acer and Hisense and on 8 August 2025 to ASUS.
  - b) Of much greater relevance to the applications brought by the Claimants are the second set of offers - Nokia's 'Adjustable Arbitration Offers'. These were characterised by Nokia as  

'adjustable RAND licences offered to each of the Claimants very similar to those they themselves seek, save principally (there are a few minor points) that the adjustment mechanism is through an open and flexible arbitration process. Just like this litigation, the parties are not restricted in the arguments they can run, and the arbitrators are given broad powers to make such directions as are necessary for the fair resolution of the arbitration (again Nokia has confirmed voluntarily that it would agree to early and mutual disclosure of comparable licences in the arbitration, including those recently ordered to be produced in this action, and has sought to agree a suitable confidentiality regime for their disclosure).'
  - c) Nokia's position was that Nokia's Adjustable Arbitration Offers were important: 'as fair and sensible offers of RAND arbitration, they are in themselves RAND offers of a licence, open for acceptance.'
  - d) According to Nokia, consequences follow.
    - i) First, if, as Nokia contend, they are RAND offers of a licence capable of acceptance by the Claimants, then Nokia has discharged any RAND obligations upon it, and it is incumbent upon the Claimants to accept those offers, else they are not willing in the true sense (but only 'contingently' willing – to take a RAND licence, but only on their own terms).
    - ii) Second, Nokia say that on the facts of this case the Claimants are each *obliged* to accept that licence pursuant to their undertaking

to the Court, which explicitly extends to RAND adjustable licences.

- iii) Third, Nokia say that even without their undertakings, the Claimants would be on the horns of a dilemma – either they accept Nokia’s (RAND) Arbitration Adjustable RAND licence Offers (as they should), but in so doing render these proceedings otiose, or they reject those offers and so render themselves ‘unwilling’ and no longer are able to rely on Nokia’s ITU-T Declarations nor have any RAND defence to injunctive proceedings.

- e) Nokia’s ‘Position’ was that this is

‘a point which runs to (and indeed potentially resolves) the questions of jurisdiction, arguable case, forum, case management stays, and also to the Claimants’ interim licence applications themselves. The impact of the point is unsurprising – if, as we submit, Nokia has offered to the Claimants a RAND licence open for acceptance, and the Claimants have refused it, then the whole of their case unravels.’

- vi) Sixth, Nokia contended that, looking at matters more widely, Nokia’s approach of making fair and balanced offers of licences to be settled by arbitration should therefore provide a more general framework by which parties to (F)RAND disputes are able to send the matter to international arbitration. Consistently with the views of the Courts and industry views set out in their evidence, Nokia contended that that is an outcome which should be welcomed, and underlines the RANDness of Nokia’s proposals in this case.

- 11. Certain consequences of Nokia’s Position immediately spring to mind.
- 12. Even though Nokia recognises that the RAND licence which would be agreed between willing licensor and willing licensee in these cases would be global, and these Claimants are seeking and have undertaken to take a global licence on whatever terms this Court determines to be RAND, Nokia says that the power of any national court is limited to its own geographical jurisdiction. Disputes over RAND terms could then only be resolved in court proceedings on a territory by territory basis. This would result in country by country licensing. In *Unwired Planet HC* Birss J (as he then was) concluded that a licensor and a licensee acting willingly and reasonably would have regarded country by country licensing as ‘madness’ (and, furthermore, that no rational business would have done this if it could be avoided), a view endorsed by the UK Supreme Court, and with which I can only agree.
- 13. I realise that Nokia’s position is that the ITU-T commitment gives rise to no enforceable contract under Swiss law (beyond the obligation to negotiate), but, if the Claimants make out their contractual claim, it can be seen that avoids the country by country ‘madness’.



14. Second, it will be observed that consent is required for both routes, but at different ends of the process: for the international arbitration route, the process cannot begin without the implementer consenting to arbitration; for the court route (on the Claimants' case) if the Court has jurisdiction, it must exercise it and this entails moving to a RAND determination at a trial. Once the Court has determined global RAND terms between the parties, by then (at the *very* latest) the SEP owner ought to consent/agree to grant a licence on those terms. Alternatively, if the remedy of specific performance is available, the SEP owner may be ordered to grant that licence.
15. Nokia made their position very clear: at least at this stage, they do not and will not consent to the court route. Instead, they say that due to their Adjustable Arbitration Offers being RAND, they can effectively force the Claimants here to consent to arbitration. If this is right, then the consequences are that any implementer-led action can be terminated by a SEP owner offering arbitration and, more generally, that the SEP owner always has the choice of jurisdiction.
16. It is necessary to discuss the advantages of international or supranational arbitration a little later, plus the particular reasons which the Claimants put forward as to why they say they are justified in not consenting to such arbitration in the particular circumstances of these cases.

*The hearing and the witnesses*

17. I received evidence of Swiss law from Professor de Werra for the claimants and from Dr Holzer for Nokia, and I am grateful to both for their explanations. Much time and some costs were saved by the parties' agreement that no cross-examination on Swiss law was required, leaving me to decide the issues on their evidence and the materials they exhibited. I received a considerable quantity of witness statement evidence from the parties' English legal representatives, and some evidence from Nokia's foreign lawyers dealing with the state of some foreign proceedings. Even without cross-examination, the hearing still lasted the full four days.
18. Potentially there were many possible variations on where the issues might lead. For that reason, towards the end of the hearing, I requested that each side provide me with a list of the findings they requested I should make, to facilitate my negotiation of the various alternatives that might have arisen. This they did and I found them of great assistance.
19. Finally, whilst I was preparing this Judgment, the Court of Appeal handed down their judgment in *Samsung v ZTE*. At my request, both sides provided a short written submission as to the consequences of that decision for these cases.

*References to earlier relevant case law.*

20. Not surprisingly, there was frequent reference to the considerable amount of earlier case law in this sphere. For convenience, I have adopted the abbreviated references to various cases which the parties used. These are roughly in chronological order, albeit it is convenient to group decisions in one case together.
  - i) *Unwired Planet HC: Unwired Planet v Huawei* [2017] EWHC 711 (Pat)
  - ii) *Unwired Planet CA* [2018] EWCA Civ 2344

- iii) *Unwired Planet SC* [2020] UKSC 37
  - iv) *Optis F: Optis v Apple Trial F* [2021] EWHC 2564
  - v) *Vestel CA: Vestel v Access Advance LLC* [2021] EWCA Civ 440
  - vi) *Nokia v Oppo CA* [2022] EWCA Civ 947
  - vii) *Optis v Apple CA* [2022] EWCA Civ 1411
  - viii) *Nokia v Oppo Trial E HC* [2023] EWHC 1912
  - ix) *Panasonic CA: Panasonic v Xiaomi* [2025] RPC 2, [2024] EWCA Civ 1143
  - x) *Tesla HC* [2024] EWHC 1815 (Ch)
  - xi) *Tesla CA: Tesla v InterDigital & Avanci* [2025] EWCA Civ 193
  - xii) *Alcatel HC: Alcatel Lucent SAS v Amazon* [2024] EWHC 1921 (Pat)
  - xiii) *Alcatel CA* [2025] EWCA Civ 43
  - xiv) *Lenovo CA: Lenovo v Ericsson* [2025] EWCA Civ 182
  - xv) *Optis v Apple CA Confidentiality* [2025] EWCA Civ 1263
  - xvi) *Mediatek v Huawei HC* [2025] EWHC 1016
  - xvii) *Samsung HC: Samsung v ZTE* [2025] EWHC 1432 (Pat)
  - xviii) *Samsung CA: Samsung v ZTE* [2025] EWCA Civ 1383.
21. In both their written and oral submissions, Nokia were keen to and did address a whole series of topics before even embarking on the arguments over jurisdiction. On their case, a number of these topics did impact on the jurisdictional analysis even though, on the Claimants' case, they would be dealt with somewhat out of their natural order. In the end, the order in which I address matters makes little or no difference, so I will adopt Nokia's sequence, which starts with arbitration.

### *International Arbitration*

22. Nokia contended that international arbitration is industry best practice for the resolution of (F)RAND disputes. I am well aware of the numerous statements (judicial and extra-judicial, from Arnold LJ in particular) in favour of international arbitration to decide (F)RAND disputes and it is unnecessary to cite examples, although it appears that the statements in favour of arbitration from those in the industry appear to come from the SEP holders' side. These statements form the backdrop to the fundamental part of Nokia's Position.

### *Nokia's Arbitration Offers*

23. Due to Nokia's Position (outlined above), it is no surprise that they chose to start by emphasising their arbitration offers, focussing in particular on their Arbitration

Adjustable Licence Offers. Counsel for Nokia stressed several times that these offers are each RAND, contending that they ‘make available to each of the Claimants an offer for a licence on RAND terms, open for acceptance.’

24. Despite the careful wording of that contention, the Arbitration Adjustable Licence Offers plainly do not constitute the offer of a RAND licence which is capable of acceptance. Each such Offer is merely an offer to enter into arbitration. The result of the arbitration (if it takes place) will be RAND terms. Only at the conclusion of the arbitration will a RAND licence offer be made available which is capable of acceptance by the Claimants.
25. As a result of Nokia’s Arbitration Adjustable License Offers, Nokia contended that the Claimants were in a ‘cleft stick’. This argument depended on those Offers being in fact RAND, establishing Nokia as a willing licensor.
26. By making such Offers (which Nokia say are RAND), Nokia say they have discharged their obligations under the ITU-T contract, with the result that the Claimants are left with a simple choice:
  - i) Either the Claimants accept those Offers, in which case Nokia say jurisdiction should be refused because the Claimants will be licensed and they will have agreed to arbitrate the terms of the RAND licence.
  - ii) Or the Claimants reject those Offers, in which case Nokia say they are unwilling licensees, the claim to RAND relief is unarguable and jurisdiction should be refused for that reason.
27. Either way, so Nokia argue, jurisdiction should be refused.
28. Nokia also argue that it is no answer for the Claimants to suggest that their own Court Adjustable RAND Licences are in fact RAND (a point which Nokia disputes) because if both sides have made RAND offers, then ‘there is an asymmetry’ and Nokia say the patentee can chose which set of terms to offer.
29. There are a number of problems with Nokia’s approach.
30. First, as already explained, Nokia’s Arbitration Adjustable Licence Offers do not constitute an offer of a RAND licence, capable of acceptance.
31. Second, even if I am wrong about that, Nokia fail to recognise the corollary of their position. If Nokia’s Arbitration Adjustable Licence Offers are themselves RAND and establish Nokia as a willing licensor, the corollary is that the Claimants’ undertakings in these actions (a) to enter into such licence terms as this Court determines to be RAND at the final trial and (b) to enter into an interim licence on the terms determined by the Court, also constitute the making of RAND offers, establishing the Claimants as willing licensees.
32. Nokia were obviously aware of this point, and sought to forestall it with this submission:

‘187. The Claimants’ may seek to take an unmeritorious position on date, namely that the particular Arbitration Adjustable RAND

Licence Offers were made after these claims were issued. As the Court noted in *Samsung v ZTE HC* at [119], however, seisin may be a factor, but it is not a trump card, and in any event is no answer to a case management stay, which is an alternative limb which Nokia advances in its Part 11 applications.’

33. I must address Nokia’s request for a case management stay in further detail below.
34. Nokia are correct that there is an asymmetry due to the offers/positions which have been made and adopted, but I do not believe it works in their favour. In the absence of any contractual arbitration clause which obliges the Claimants to accept arbitration, RAND terms can only be determined in arbitration with the Claimants’ consent.
35. By contrast, the Claimants have brought these actions and the jurisdiction of the Court does not depend on Nokia’s consent, but on the normal rules and gateways being satisfied.
36. Furthermore (and anticipating my conclusions on jurisdiction and Nokia’s request for a case management stay), in the absence of an enforceable agreement to arbitrate, in no case to my knowledge has the Court declined jurisdiction or granted a case management stay in favour of arbitration on the basis that it is (assumed) the more appropriate forum for determination of the dispute between the parties.
37. So this is not a situation which depends on first seisin. It is a situation where, if I decide the Court has jurisdiction, then the Court is obliged to exercise it.

#### **THE ISSUES I HAVE TO DECIDE**

38. With that introduction, I can now turn to consider the numerous issues I have to decide. However, there are two preliminary points to make.
39. First, the Claimants held out the beguiling prospect that the effects of the ITU-T RAND regime and Swiss law could be treated as the same as those of the ETSI FRAND regime and French law. However, as Nokia submitted, this would be a dangerous and unprincipled way forward. I agree with Nokia that I must analyse the ITU-T RAND regime and the applicable principles of Swiss law on their own merits.
40. That does not mean to say that the results of the analysis of the ETSI FRAND regime and French law are completely irrelevant, not least because the ETSI undertaking has, at its heart, the same wording (‘prepared to grant’) as in the ITU-T Licensing Declaration and it would appear that many of the Swiss law concepts I have to address in this case have counterparts in French law. The result, in my view, is that the ETSI and French law analysis may be capable of providing some comfort on and confirmation of conclusions I reach based on ITU-T and Swiss law, but it depends on where the analysis leads.
41. Second, on the Claimants’ case, the meaning and effect of the ITU-T declarations only arise on their Interim Licence Declaration Applications. By contrast, the correct interpretation of the ITU-T declarations is fundamental to Nokia’s whole approach to both applications. For example, if the ITU-T Commitment is as Nokia contend, then

Nokia say the Claimants' cases do not raise a serious issue to be tried and Nokia's jurisdiction challenge must succeed. For this reason, this is a good place to start.

### **The ITU-T declarations**

42. On 7<sup>th</sup> June 2001, Nokia Corporation submitted a general declaration to the ITU-T, in which it ticked a box stating that "*The Patent Holder is prepared to grant - on the basis of reciprocity for the relevant ITU-T Recommendation(s) - a license to an unrestricted number of applicants on a worldwide, non-discriminatory basis and on reasonable terms and conditions.*"
43. As to relevant patent declarations to ITU-T, Nokia Corporation submitted declarations specifying the following patents on the following dates: (i) EP (UK) 2,005,761 on 19<sup>th</sup> December 2011; (ii) EP (UK) 2,375,749 and EP (UK) 2,774,375 on 11<sup>th</sup> June 2013; and (iii) EP (UK) 2,661,892 on 15<sup>th</sup> December 2014. There has been assignment of each of the challenged patents in these proceedings from Nokia Corporation to the Defendant, the effective date being 31<sup>st</sup> December 2014.
44. On 13<sup>th</sup> September 2017, the Defendant also submitted a declaration to the ITU-T covering EP 749 (amongst other patents).

### **THE MEANING OF THE ITU-T COMMITMENT**

45. Without prejudice to the contentions of either side, I choose a neutral term ('the ITU-T Commitment') to refer to the obligation imposed on a patent holder who declares a patent to be essential to an ITU-T standard – in the language of the ITU-T, a Recommendation. The rival contentions for the meaning of the ITU-T Commitment were as follows:
  - i) The Claimants plead that it is a contract for the benefit of third party beneficiaries which requires Nokia to make RAND offers which are capable of acceptance and, when accepted, require Nokia to enter into the resulting RAND licence. In effect, it is an obligation to grant RAND licences with the same meaning as ETSI FRAND.
  - ii) Nokia say that it provides for nothing more than an obligation to negotiate in good faith. Its pleaded case is that the ITU-T RAND Commitment does not even require the patentee to make RAND offers.
46. It is convenient to discuss first, the approach to interpretation of contracts under Swiss law and then analyse the specific ITU-T Declarations in the current case.
47. As the Claimants submitted, part of determining the correct interpretation involves the question of whether the ITU-T Declarations are sufficiently certain ("determined or determinable") to be valid under Swiss law. Nokia say that the Claimants' construction would not meet the certainty of terms requirement for a valid contract under Swiss law, which requires the terms to be "determined or determinable". Although this is linked to the question of construction, it is convenient to address this under a separate heading below.

## Swiss law on Interpretation of Contracts

48. There was no dispute on the interpretation of contracts. The following principles are taken from the Agreed Statement on Swiss law (with the numbering taken from the Agreed Principles).

### Contracts for the Benefit of Third Parties

49. **Principle 23:** Under Swiss law, parties are free to agree third party beneficiary contracts, i.e., contracts where (at least) one party's contractual performance for the benefit of a third party, rather than for the benefit of the other party to the contract.
50. **Principle 25:** The third party benefitting from such a contract is not a party to the contract. Third parties do not need to be aware of the contract. A contract that benefits third parties does not require any special form.
51. **Principle 25:** It is sufficient for a third party to be objectively identifiable in order to receive the benefit of a contract in favour of third parties.

### Contractual interpretation:

52. **Principle 13:** Where possible, Swiss Courts first seek to ascertain the true and common intention of the parties ("**subjective contract interpretation**") by assessing any factual circumstances which help determine the real will of the parties. It is relevant to have regard to the contract as a whole, its purpose, as well as the factual circumstances prior to, in conjunction with and after (in particular, the subsequent conduct of the parties), the conclusion of the contract.
53. **Principle 14:** If subjective contract interpretation is not possible (i.e. the true and common intention of the parties cannot be ascertained), Swiss Courts seek to ascertain the objective intentions of the parties based on what could be expected from reasonable and honest parties in the same situation as the actual parties ("**objective contract interpretation**"). It is relevant to have regard to the contract as a whole, its purpose, as well as the factual circumstances prior to and in conjunction with (but not after) the conclusion of the contract.
54. In addition, Prof de Werra explained that the starting point for objective interpretation is the wording that is used but that this must be interpreted in context and with the purpose in mind. The Claimants characterised this as similar to purposive construction as an English lawyer might understand it.
55. Furthermore, it appeared to be common ground that subjective interpretation is unlikely to play a part in interpreting the ITU-T RAND commitment. The relevant contract is that between Nokia and the ITU-T, made when Nokia signed the relevant Declaration(s).
56. Neither Nokia nor the ITU-T had any particular "subjective" understanding or intent when entering into this contract: these are standard declarations that apply to *all* SEP owners. Moreover, it cannot be the case that there may be different interpretations of the obligation depending on the subjective intent of different SEP owners when they signed the Declarations.

57. On this point, Dr Holzer says that the circumstances “*tends to suggest the more objective analysis of the meaning of the contract...is more likely to be adopted by the Swiss Courts*”. The Claimants put it higher and (to quote Agreed Principle 14), say that subjective interpretation “is not possible”. I agree.

### Parent-Child Contracts

58. Although it appeared to be common ground that the contract between the ITU-T and Nokia was a contract for the benefit of third parties, at times, it suited Nokia to characterise it differently and as involving a Parent-Child contract. I set out here the agreed principles concerning a Parent-Child contract.
59. **Principle 31:** A party may agree by contract [i.e., a parent contract] to negotiate a future contract [i.e., a child contract], including a future contract with a third party.
60. **Principle 32:** To be valid, the contractual obligations of the future (“child”) contract must be determined or determinable, or a mechanism for determination of the essential terms must be defined in the parent contract at the time the parent contract is concluded.
61. **Principle 33:** The essential terms of the child contract must be determined or determinable at the latest at the time when the obligations in the child contract are to be performed based on the mechanism for determination of the essential terms as defined in the parent contract.
62. I understood the Claimants said it made no difference, but they preferred to analyse matters in terms of a contract for the benefit of third parties. Under the Claimants’ construction, they argue that the contract is between Nokia and the ITU-T under which Nokia has an obligation to make a RAND offer that is capable of acceptance. On that basis they say there is no need to get into the parent/child contract analysis (and they say this is also how the ETSI obligation was construed by Meade J under French law in *Nokia v OPPO Trial E HC*).
63. The Claimants argued that this also makes sense because the resulting licence that arises from the contract between Nokia and the ITU-T does not itself have to be the subject of Swiss law. The resulting patent licence can be under the law of Nokia and the third party’s choosing. It is therefore odd to say that this non-Swiss law contract must be subject to Swiss laws of certainty of terms.
64. This point had significance because Nokia’s arguments frequently focussed on whether the terms of the second contract (here, the licences between Nokia & the Claimants) are sufficiently determinable under Swiss law (see Nokia’s skeleton at ¶69 and the long quotation from *Nokia v OPPO Trial E HC* at ¶129 which is all about the child contract and whether that contract had already been formed). The Claimants said that Dr Holzer had fallen into this trap, and that explained much of what he said in his Second Report on determinability and the issue of further negotiation. The Claimants also contended this is the error which Meade J highlighted in *Nokia v OPPO Trial E HC* at [242] and [249].
65. On this point, therefore, the Claimants emphasised that the determinability issue concerns the Swiss law contract made between Nokia and the ITU-T, which is for the

benefit of third parties. The Claimants contended that the issue is whether that Swiss law contract imposes obligations on Nokia which are determinable.

66. The final point made by the Claimants on this topic was that, even if analysed as a parent-child contract, the parties are agreed that under Swiss law, provided a mechanism for determination is provided in the parent contract, then the child contract only has to be determined or determinable at the time when it is to be performed. The Claimants say that this is met in the present case.

### **The contractual documents relied upon**

67. With those principles in mind, I turn to consider the relevant wording of the ITU-T documents. Unusually, there was even a dispute as to which documents governed.
68. Between them the parties relied on three documents:
- i) the ITU-T Common Patent Policy ('CPP');
  - ii) 'THE PATENT STATEMENT AND LICENSING DECLARATION FOR ITU-T ....RECOMMENDATION' (the 'Licensing Declaration'); and
  - iii) the ITU Guidelines for Implementation of the Common Patent Policy, which includes the CPP as Annex 1, the form of the Licensing Declaration as Annex 2 and, as Annex 3, the 'GENERAL PATENT STATEMENT AND LICENSING DECLARATION FORM FOR ITU-T...RECOMMENDATION'('the Guidelines').

### **Nokia's case**

69. Nokia contended that it was the Common Patent Policy which dominated and drew attention to the following parts of the CPP.
70. The Common Patent Policy for the ITU-T requires that "any party participating in the work of ITU, ISO or IEC should, from the outset, draw the attention of the Director of ITU-TSB, the Director of ITU-BR, or the offices of the CEOs of ISO or IEC, respectively, to any known patent or to any known pending patent application".
71. In relation to such a patent, the Common Patent Policy goes on to state (Nokia's emphasis added):
- 2. If a Recommendation | Deliverable is developed and such information as referred to in paragraph 1 has been disclosed, three different situations may arise:
    - 2.1 The patent holder is willing to negotiate licences free of charge with other parties on a non-discriminatory basis on reasonable terms and conditions. Such negotiations are left to the parties concerned and are performed outside ITU-T/ITU-R/ISO/IEC.
    - 2.2 The patent holder is **willing to negotiate licences with other parties** on a non-discriminatory basis on reasonable terms and



conditions. **Such negotiations are left to the parties concerned and are performed outside ITU-T/ITU-R/ISO/IEC.**

2.3 The patent holder is not willing to comply with the provisions of either paragraph 2.1 or paragraph 2.2; in such case, the Recommendation | Deliverable shall not include provisions depending on the patent.

3. Whatever case applies (2.1, 2.2 or 2.3), the patent holder has to provide a written statement to be filed at ITU-TSB, ITU-BR or the offices of the CEOs of ISO or IEC, respectively, using the appropriate "Patent Statement and Licensing Declaration" form. This statement must not include additional provisions, conditions, or any other exclusion clauses in excess of what is provided for each case in the corresponding boxes of the form.

72. Nokia placed particular reliance on the first emphasised section in the quote above: the obligation is that “[t]he patent holder is **willing to negotiate licences with other parties**”. They contended that reflected their submission as to the effect of Swiss law. The obligation is not to offer or grant a negotiated licence, and such an obligation would be invalid under Swiss law. Rather the obligation is to *negotiate* towards such a licence (no doubt, in good faith), also reflective of the Swiss law. As such, Nokia said, this wording is consistent with and reflective of the application of Swiss law, and requires (good faith) negotiation.
73. Nokia also relied on the second emphasised section: the negotiations of the licence are *left to the parties concerned*. On this basis, Nokia submitted the contract is explicit that the terms of the licence are left open for negotiation – (and therefore, the antithesis of being determined or determinable, but rather to be negotiated afresh).
74. Further, these negotiations are to be between the parties, and explicitly are to take place outside of the ITU. Thus, so Nokia say, irrespective of the academic dispute on Swiss law as to the extent to which parties can agree to appoint one of them, or a third party, to decide an essential terms of a contract in their own discretion, that is not the case here and the ITU Common Patent Policy is explicit about that. That is why Nokia said that that particular dispute on Swiss law is unlikely to matter for the resolution of this case since the ITU-T contract is clear that it does not appoint either party alone, nor a third party, to set RAND terms in their own discretion.
75. In this regard, Nokia relied on this wording in the introductory section of the Common Patent Policy, which states that:
- ‘The detailed arrangements arising from patents (licensing, royalties, etc.) are left to the parties concerned, as these arrangements might differ from case to case.’
76. Here, again, Nokia say that the ITU is emphasising that the terms of any licence (including the fundamental issues of what is licensed, and at what price, as well as all of the other terms) are left for the parties’ negotiations and may differ from case to case – again the antithesis of something determined or determinable.

77. Nokia acknowledged and contended that the CPP is implemented using the Patent Statement and Licensing Declaration forms, which include the following (for the second option, corresponding to clause 2.2 of the Common Patent Policy above):
2. The Patent Holder is prepared to grant a license to an unrestricted number of applicants on a worldwide, non-discriminatory basis and on reasonable terms and conditions to make, use and sell implementations of the above document.
- Negotiations are left to the parties concerned and are performed outside the ITU-T, ITU-R, ISO, or IEC.
78. Nokia contended that the fact that further negotiation is needed is also underlined by the statement on the top of the form “*this declaration does not represent an actual grant of a licence*” – and made the point that it could not be given the need to negotiate.
79. Nokia acknowledged that the Declaration uses the language of ‘prepared to grant’, instead of ‘willing to negotiate’ as is seen in the governing Common Patent Policy, but contended that made no real difference for a number of reasons:
- i) First, because the purpose of the declaration is to implement, and therefore is subservient to, the Common Patent Policy;
  - ii) Second because the preparedness to grant is, explicitly, of something which needs to be negotiated first;
  - iii) Third, because Swiss law admits of the use of loose language without changing the meaning of the contract (relying on Holzer 1 ¶26(i) and de Werra 1 ¶65);
  - iv) Fourth because the need for negotiations between the parties (and outside of ITU-T) is again emphasised, reinforcing the primacy of negotiations and that the resolution of the terms of the RAND licence is something outside of the patentee’s relationship (or contract) with the ITU-T; and
  - v) Fifth, the Swiss law validity implications of construing the ITU-T contract otherwise (this is the ‘determined or determinable’ issue, which I address below).
80. Finally, Nokia characterised the Licensing Declaration as an essentially administrative document.

**The Claimants’ case.**

81. The Claimants focussed on the wording, the purpose and the context of the declarations, but also explained why the CPP was subservient to them.
82. This focus was the result of the Claimants’ analysis of certain materials exhibited by Dr Holzer relating to the Swiss Code of Obligations, which I set out here and which I did not understand to be in dispute.
83. I should add that there are some further important issues of Swiss law which were in dispute and which I must resolve later. However, it is convenient to decide the issue of

construction of the ITU-T Commitment first – it helps to reduce the number of alternatives I need to address in this judgment.

*The Basel Commentary on the Code of Obligations [D.3/19]*

84. This explains that “the basis of the interpretation is the **wording** of the declarations made by the parties” (emphasis the authors’ own) and that “*this text is first and foremost the subject of the interpretation*” – [p.573]
85. And it explains that “when determining the intention of the parties, the *purpose of the contract* plays a decisive role. It corresponds to the teleological interpretation in the interpretation of laws. As there, the purpose itself must often first be determined through interpretation. This is done primarily by referring to the *interests of the parties* and other recognisable motives that were decisive for the conclusion of the contract” (emphasis authors’ own) - [p.577].

*Swiss Code of Obligations General Part – Gauch & Others [D.3/21]*

86. This states that “**The primary means of interpretation** is the **wording** of the words used by the parties” (emphasis the authors’ own) - [p. 648].
87. “**The primacy of the wording.** In relation to the supplementary means of interpretation, the wording takes precedence. “Whenever the other means of interpretation, in particular the purpose of the contract, do not allow a different conclusion to be drawn with certainty, the wording shall prevail”. The wording is therefore the “primary indication of intent” (emphasis authors’ own) – [p.650].

*The wording of the declarations*

88. The relevant text from the Licensing Declarations at [B3/6-9], which are identical in all material respects, is as follows (emphasis added):

“The Patent Holder is prepared to grant a license to an unrestricted number of applicants on a worldwide, non-discriminatory basis, and on reasonable terms and conditions to make, use and sell implementations of the above document.”

89. In those Licensing Declarations, the box is ticked stating that the Patent Holder’s willingness to license is conditioned on “reciprocity for the above document”; with reciprocity being defined as meaning that (emphasis added):

“the Patent Holder shall only be required to license any prospective licensee if such prospective licensee will commit to license its essential patent(s) or essential patent claim(s) for implementation of the same above document free of charge or under reasonable terms and conditions.”

90. The Declarations also include notes about assignment/transfer of Patent rights. The notes explain that the Declarations “shall be interpreted as encumbrances that bind all successors-in-interest as to the transferred Patents”.

91. The Claimants emphasised that the wording of the Declaration is unambiguous. It does not speak in terms of “prepared to negotiate” or “willing to discuss”. Instead, it unambiguously says “prepared to grant”. The Claimants also contended that is re-affirmed by the reciprocity provision which again does not talk of a prospective licensee being “willing to negotiate” licences to their portfolios as a cross-licence, instead it again states “commit to license”.
92. Accordingly, the Claimants submitted that to read this ITU-T Commitment as being one merely to negotiate in good faith, is to re-write it, which is not permitted under Swiss law (Principle 18 in the Agreed Statement of Swiss Law).
93. The Claimants also contended that it is also clear that it cannot be a mere “personal obligation” to negotiate in good faith.
94. Dr Holzer’s evidence was that such a personal obligation cannot be fulfilled by a third party (Holzer 1 §53). Nokia relied on this to say that specific performance is not available in respect of such personal duties (suggesting that a similar point would arise in English law where for instance a person has promised to play live music at a wedding, such a promise of a personal obligation could not be enforced by specific performance).
95. However, and as the Claimants pointed out, this all entirely overlooks that the ITU-T Commitment is *expressly* stated to be interpreted as an encumbrance on the property right itself, which can and must be assigned to others if the patents are assigned. Hence it is the opposite of a personal obligation that cannot be fulfilled by others. It is an encumbrance on the property right. This puts an end to the suggestion that all that this provides is a personal duty to negotiate in good faith: the Declaration says in terms that it is more than that.
96. As for Nokia’s heavy reliance on the CPP, the Claimants pointed out that the CPP introduces itself as a “code of practice”.
97. At §2 of the 2006 Code of Practice, it explains that three situations may arise if a Recommendation is developed in respect of which a party has essential patents. Two of the situations are that the patent holder is willing to negotiate a RAND licence (either free of charge or royalty bearing). The third situation is one in which it is not. If the patent holder is not willing to negotiate, then its patented technology must be excised from the standard. However, if the patent holder is willing then §3 of the Code explains that “*the patent holder has to provide a written statement to be filed at the ITU-TSB, ITU-BR or the offices of the CEOs of ISO or IEC, respectively, using the appropriate “Patent Statement and Licensing Declaration” form*”.
98. All this is saying is that if a SEP owner is willing to negotiate licences (and so its technology can be covered by the proposed standard) then it must sign the Declarations. The Declaration then provides that the SEP owner is “*prepared to grant*” licences.
99. The Claimants cautioned that one must not read too much into the words “willing to negotiate” in the Code of Practice as somehow limiting the actual obligation which is signed. The 2000 Guidelines referred to a “willingness to license” or “unwillingness to license” (cl. 2.5 and 3.1) as did the 2007 Guidelines at cl. 3 and 4.1 and the 2012 Guidelines at cl. 4.1 and section II.I<sup>10</sup>.

100. The Claimants stressed that the contract between the ITU-T and the SEP owner is not formed by the Code of Conduct. That is done by signing the Declaration. SEP owners who are willing to negotiate must sign the Declaration. In so doing, they contract that they are prepared to grant licences on RAND terms. This obligation then becomes an encumbrance on the patent right itself.
101. Indeed, it appears from Nokia's own statements that Nokia itself has understood the wording of the Declaration to have its plain meaning. In this regard, the Claimants referred to a letter agreement between Nokia Corporation and Nokia Tech, by which SEPs owned by Nokia Corporation were transferred to Nokia Tech. The first recital says in terms 'NOKIA CORPORATION has undertaken to certain standard-setting organizations ("SSOs") to licence its standard essential patents ("SEPs")...' on (F)RAND terms in line with the intellectual property rights policies of the relevant SSOs.

*The Purpose of the Declaration*

102. Although perhaps the purpose should come first, the Claimants turned to the purpose of the Declaration.
103. As they pointed out, the ITU is one of a number of established Standard Setting Organisations, the objectives of which are described by the Supreme Court in *Unwired Planet SC* at [4]-[5]: (For understandable reasons, the Supreme Court were focussed on ETSI but in [4] they considered SSOs generally. Furthermore, the Supreme Court had the ITU in mind as they referred to the ITU Commitment in the context of analysing *Microsoft v Motorola* at [60], in which they indicated that the principles from that case were of relevance to the ETSI obligation notwithstanding that that case related to the ITU and IEEE policies.)

"[4] To promote the development of global markets for telecommunications products, including mobile phones, the infrastructure equipment and devices produced by competing manufacturers need to communicate and inter-operate with one another and the phones need to be available for use internationally by consumers who travel with their phones from one jurisdiction to another. Two attributes of patent law have militated against this development. First, the prima facie entitlement of the owner of a patent to prohibit by injunction the use of its invention within a national jurisdiction has the potential to disrupt a global market for equipment using that invention. Secondly, the national nature of patent monopolies, which forces the patent owner seeking to protect its monopoly to raise proceedings in individual national courts, makes it very difficult, if not wholly impracticable, for a patent owner to protect an invention which is used in equipment manufactured in another country, sold in many countries and used by consumers globally. The first attribute may give owners of patents included in an agreed standard excessive power to disrupt an otherwise global market to the prejudice of manufacturers of equipment using such inventions ("implementers") and to exact excessive royalties for the use of their inventions. The second attribute may

enable implementers to avoid paying an inventor a proper price for the use of its invention internationally. There was therefore potential for the alternative evils of the abuse by a patent owner of its monopoly rights and of the denial by implementers of the patent legitimate rights. Organisations involved in the telecommunications industry have sought to address those evils by which they bring their most advanced technologies, promoting standards using those technologies, and putting in place contractual arrangements to which we now turn. SSOs aim to promote both technological innovation, which is made available to the public, and competition between manufacturers, and thereby to benefit consumers through more convenient products and services, interoperability, lower product costs and increased price competition.

[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....SSOs bring together industry participants to evaluate technologies for inclusion in a new standard....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.”

104. The Claimants pointed out that, as reflected in the above quotation, the SSOs are designed so to avoid the alternative evils of (i) abuse by patent owners of its patent rights by extracting excessive royalties (“hold up”) and (ii) implementers avoiding paying a proper price for use of its invention internationally (“hold out”).
105. In relation to the purpose of the ITU-T Commitment specifically, the Claimants pointed to the following parts of the CPP:
- i) First, its reference to the objective of ensuring compatibility of technologies and systems on a worldwide basis.
  - ii) Second, the statements in the CPP that *“To meet this objective which is in the common interests of all those participating, it must be ensured that Recommendations/Deliverables, their application, use, etc., are accessible to everybody.”* and *“a patent embodied fully or partly in a Recommendation/Deliverable must be accessible to everybody without undue constraints,”* which it describes as *“the sole objective of the code of practice”*.

106. The Claimants' point was that it would be bizarre if the purpose of the ITU-T Policy and Declarations for video codec standards was different to the purpose of the ETSI IPR Policy for cellular standards, just because one is based in Switzerland and the other in France. The ETSI purpose was identified by the Supreme Court in *Unwired Planet SC* at [7] as follows:

“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.”

107. Further, as can be seen from the materials cited above, there is an emphasis in the ITU/Common Patent Policy framework on parties negotiating licences on RAND terms. This is also in line with one of the goals of the ETSI IPR Policy, which also envisages and encourages parties to negotiate a licence on FRAND terms and, only where such negotiations fail, refer their dispute to the Court (*Unwired Planet SC* [14] and [60]; and emphasised in *Optis v Apple* [2023] RPC 1 (“*Optis v Apple Trial F CA*”) at [73]).
108. The Claimants developed their argument that the meaning of the ETSI obligation is relevant, pointing to:
- i) First, the fact that clause 6.1 of the ETSI obligation contains the same obligation that SEP owners must be ‘*prepared to grant*’ FRAND licences.
  - ii) Second, the many cases where the meaning of the ETSI obligation has been considered by English Courts, including *Unwired Planet SC* [2]-[15]; *Optis v Apple F CA* [1]-[15]; *Nokia Technologies Oy v Oneplus Technology & OPPO* [2023] EWHC 1912 (“*Nokia v OPPO Trial E HC*”) at [241]-[263]; *Lenovo v Ericsson* [2025] EWCA Civ 182 (“*Lenovo v Ericsson CA*”) at [17]-[24]).
109. It is not necessary to set out all the detail, but in summary, the Claimants submitted that all those cases apply to the interpretation of the ITU-T Patent Policy because the wording “prepared to grant” is the same and the purposes, object and surrounding circumstances are all the same. Finally, the Claimants say that Nokia has pointed to nothing about Swiss law which would lead to such a radically different interpretation.

*The Claimants’ answers to Nokia’s interpretation*

110. The Claimants developed a number of points as to why Nokia’s construction could not be the correct one.
- i) First, they contended that there is no basis in the language of the Declaration itself for such a construction.



- ii) Second, that it is contrary to the ITU-Declaration itself, which provides that the obligation is not a personal duty of conduct but a transferrable encumbrance on the property right.
- iii) Third, that if the only obligation on the patentee is to negotiate in good faith (and not even to make RAND offers) then the ITU-T Commitment would not be fit for purpose. A SEP owner could just negotiate but never make RAND offers or grant RAND licences. Moreover, it ignores the fact that good faith negotiations can reach a good faith *impasse*. In such circumstances, on Nokia's case, the implementer can do nothing. A SEP owner could in good faith break off negotiations and sue for an injunction because of this *impasse*. That SEP owner is not necessarily in breach of the obligation, yet the implementer remains unlicensed and at risk. The only way out for the implementer is to agree to the terms that led to the *impasse*. It is a construction that facilitates hold up.
- iv) Fourth, such a construction is unlikely to lead to essential terms which have sufficient certainty to be valid and enforced, certainly not on Nokia's case which proceeds on the basis that RAND terms are not determinable. If an agreement to grant RAND terms is not determinable, it is hard to see how an agreement to negotiate RAND terms in good faith improves matters. Of course, if Nokia is wrong and RAND terms *are* objectively determinable, then there is no reason to be thinking about Nokia's construction at all.

*My conclusions on the interpretation of the ITU-T commitment.*

- 111. Largely for the reasons developed by the Claimants, I have no hesitation in concluding that Nokia's construction is wrong and the Claimants' interpretation is correct. In summary, my reasons are as follows.
- 112. First, it is undoubtedly the case in my view that the actual Licence Declaration signed by the SEP owner is the document by which the contract between the ITU-T and the SEP owner is formed. The Licence Declaration refers to the CPP, but the Declaration is plainly the principal/dominant document.
- 113. It is true that *one of* the purposes of the Licensing Declaration is administrative, in the sense that
  - i) On the first page, the patent holder has to provide his name, address and contact details and indicate which of six options of document type he is specifying, those options also specifying to which organisation(s) the completed document is to be returned.
  - ii) On the second page, the patent holder has to select one of the three possible licensing declarations.
  - iii) On the third page, the patent holder has to set out the relevant patent information for the patents (granted/pending, country, number and title) which are the subject of his declaration, and perhaps most importantly, provide a signature of the patent holder or his authorised person.



114. However, the mere fact that *a* purpose of the Licensing Declaration is administrative does not detract in any way from the importance of the declaration itself and the key promise that the patent holder is prepared to grant a licence.
115. It was common ground that of the three different situations in the CPP which can arise, the only relevant situation is 2.2. where:
- ‘The patent holder is willing to negotiate licences with other parties on a non-discriminatory basis on reasonable terms and conditions. Such negotiations are left to the parties concerned and are performed outside ITU-T/ITU-R/ISO/IEC.’
116. It strikes me that this statement of the willingness of the patent holder to negotiate licenses with other parties is a necessary precursor to the patent holder making his formal and binding licensing declaration.
117. As the CPP says (in paragraph 3), whichever of the three different situations arises,
- ‘...the patent holder has to provide a written statement to be filed at ITU-TSB, ITU-BR or the offices of the CEOs of ISO or IEC, respectively, using the appropriate "Patent Statement and Licensing Declaration" form. This statement must not include additional provisions, conditions, or any other exclusion clauses in excess of what is provided for each case in the corresponding boxes of the form.’
118. The CPP ‘code of practice’ states that it has a ‘sole objective’ – that a patent embodied fully or partly in a Recommendation ... must be accessible to everybody without undue constraints.’ It is in this context that it goes on to say ‘The detailed arrangements arising from patents (licensing, royalties, etc.) are left to the parties concerned, as these arrangements might differ from case to case.’
119. So it is clear that the ITU-T rises above the fray of negotiations between patent holder and those wishing to have access to the technology. In this regard, the ITU-T seeks to achieve the ‘sole objective’ by requiring all patent holders to sign the Licensing Declaration without any variation. This is critical to achieving the ‘sole objective’. This would not be achieved by a commitment from the patent holder merely to negotiate in good faith. It requires all patent holders to be bound by a commitment to grant (in the words of the declaration) ‘a license to an unrestricted number of applicants on a worldwide, non-discriminatory basis, and on reasonable terms and conditions to make, use and sell implementations of the above document.’
120. It is easily understood why the Licensing Declaration is worded in terms of ‘prepared to grant’. At least in part it is because this Licensing Declaration must come first, before any licence is granted to any third party.
121. So the ITU-T documents reflect a sequence:
- i) First, in accordance with the CPP, the patent holder must (at the very least) be willing and prepared to negotiate RAND licences with anyone who wishes to implement the relevant Recommendation.

- ii) Second and critically, the SEP holder then completes and signs the Licensing Declaration, making the ITU-T Commitment specifically in relation to the identified SEPs.
  - iii) Third, having made the ITU-T Commitment, the SEP holder must then offer and grant a RAND licence to the implementer. In this regard, I have no doubt that as well as a RAND licence being the end result, the *process* by which the parties proceed to the signing of the RAND licence should also be RAND.
122. Second, there is no basis in the Licence Declaration for Nokia's contention, which is why Nokia had to hold out the CPP as the principal/dominant document.
123. Third, I agree with the Claimants' point that Nokia's construction is contrary to the ITU-T Declaration itself, which provides that the obligation is not a personal duty of conduct but a transferrable encumbrance on the property right.
124. For good measure, I also agree with the Claimants' third point as set out at [110.iii)] above. As for the fourth point, I have not yet discussed the issue on 'determined or determinable', but the point is a good one.
125. In light of the above, I conclude as follows:
- i) The governing document is the Licensing Declaration which is actually signed by the patent holder and the relevant wording is the 'prepared to grant' wording in the Licensing Declaration, albeit it must be construed in the context of the Declaration as a whole, with the CPP in mind.
  - ii) This wording, in my view, requires a patent holder to make a RAND offer that is capable of acceptance and then to grant the resulting license.
  - iii) It is also clear that RAND (like FRAND under ETSI) is a process which requires negotiation in good faith towards RAND terms.
126. I should make one final point clear, in view of the importance which Nokia ascribed to it. Nokia were most insistent that if one or more essential terms of the posited contract were left or reserved for further negotiation, there is no contract, not least because the essential terms would neither have been determined nor would they be determinable. I don't think that proposition was disputed. However, it only arises if Nokia's construction is correct. I have ruled against Nokia's construction. Furthermore, since I consider Nokia's construction to be untenable, there is no reason to consider it further.

## **DISPUTED ISSUES OF SWISS LAW.**

127. There are four issues which I need to resolve:
- i) First, the principles to be applied to the question of whether the essential terms of a contract are 'determined or determinable'.
  - ii) Second, whether an agreement to negotiate in good faith is enforceable.
  - iii) Third, the circumstances in which declaratory relief is available under Swiss law.

- iv) Fourth, which law governs the grant of declaratory relief - a point on Rome 1.

**On the Claimants' interpretation, is the contract between the ITU-T and Nokia 'determined or determinable'?**

128. It is obvious that the ITU-T Declarations do not specify the terms that are RAND and so the question is whether such terms are "determinable". The Swiss law issue is how the Court should decide whether a term is "determinable".
129. Nokia's position is that, if I interpret the ITU-T Commitment as the Claimants contend, the contract between the ITU-T and Nokia is too uncertain to be a valid contract under Swiss law.
130. Following the exchange of expert evidence in chief, it was common ground that:
- i) Swiss law requires the essential terms of a contract to be determined or determinable.
  - ii) To be "determinable" a term must be able to be determined using "*objective criteria*" (i.e. determination is not dependent on further subjective input from one or other of the parties).
131. These two points were then agreed as Principle 19 (see below). It is unnecessary to go into the three ways of meeting a determinability requirement which Dr Holzer discussed in his reply report, since the only relevant way is using objective criteria and I wish to avoid the rather confusing terminology which Dr Holzer adopted regarding 'objective determinability'.
132. As already indicated, Nokia's position is that a contract for the benefit of third parties to make RAND offers which are capable of acceptance and then to grant the resulting licences, is neither determined nor determinable.

*Swiss law on 'determined or determinable'*

133. The Agreed Statement of Swiss Law provided as follows:
- i) **Principle 15:** The conclusion of a contract requires an agreement of the contracting parties on the essential elements of the contract. On this basis, a contract can be validly concluded if all the essential obligations of the contracting parties are either determined or determinable.
  - ii) **Principle 16:** The essential elements of a contract are considered determined if an uninvolved third party can derive the obligations of the parties directly from the contract.
  - iii) **Principle 18:** The essential terms must be agreed upon by the parties themselves, if they are not determined or at least determinable they cannot be substituted, supplemented or set by the court.
  - iv) **Principle 19:** To fulfil the condition of determinability of a contractual obligation, the parties can agree that the determination of the contractual obligation shall be made by reference to objective criteria e.g. market price, or

if the parties have referred to a specific circumstance or mechanism to determine the relevant terms objectively (“**objective determinability**”).

- v) **Principle 21:** it is not necessary that the obligation shall already be determined at the time when the contract is concluded. Rather, it is sufficient if the obligation that shall be performed can be clearly identified at the time when the obligation is performed. At the time the contract is concluded, the mechanism for determination of the essential terms must be defined.

134. Much time and energy was devoted (particularly on Nokia’s side) to this question, and there was extensive discussion of a number of decisions of Swiss Courts. I will briefly outline the contentions on these cases.

### Examples of determination by “objective criteria” in practice

135. In [51] of de Werra 1, Prof De Werra gave four examples of cases where the Swiss Court held that terms that had not been specified were nonetheless determinable using objective criteria and so the contracts were valid.
136. Nokia sought to displace the relevance of these cases, arguing that each depended on a particular statutory power. Furthermore, in his reply report, Dr Holzer launched what would seem on a first quick review to be a full attack on the relevance of these cases (Holzer 2 [19-45]). But on a closer read, he agrees on three out of the four.

#### *Case BGE/ATF 84 II 266*

137. This case was cited by Prof de Werra in [51(a)] of his First Report. It was also cited by Dr Holzer in his First Report as an example of where terms are objectively determinable (Holzer 1 [27(f)], fn 24, Exhibit SH-14), although he appears to have overlooked that fact in his Second Report, to which he exhibited a new certified translation at [D.4/2/42].
138. This case involved a dowry agreement for advanced payment for furniture for the marital home. There were two terms in issue:
- i) A term to purchase “*furniture, carpets, curtains and the like from the seller – in short, everything that the seller sells for furnishing an apartment - for a total value of CHF 6000*” [D.4/2/42]; and
  - ii) A term that the goods would be purchased “at the normal then current prices” [D.4/2/43].
139. Dr Holzer pointed out that the first of these terms (in respect of goods) was determinable because the buyer had the right to select the goods to buy (i.e. an example of subjective determinability). Art. 71/72 SCO also permits a generic description of goods for purchase.
140. The Claimants argued however, that the price determination is an example of terms being determined using objective criteria. Dr Holzer agreed with Prof de Werra (Holzer 2 [28]) that the Court held that “*at normal, then current prices*” is determinable by the mechanism of looking to price lists at which the goods are being sold to other third-party customers at the relevant time”. This is based on the passage in the judgment at

[D.4/2/45] (also cited at Holzer 2 [27]) which states that “*in the event of dispute, these prices will be determinable based on addresses, price lists, and business documents*”. In the event of dispute, a court could therefore determine the price to be paid for the selected goods. This is not deterministic (as Nokia suggested in its skeleton): instead it is determinable based on objective criteria to permit such a determination.

141. Dr Holzer agreed that this is an example of what he had described in [12(a)] of Holzer 2 and which is encapsulated in Agreed Principle 19 – i.e. it is an example of determinability using objective criteria. I agree.

*Case BGE/ATF 85 II 402*

142. This case is referenced in de Werra 1 [51(b)]. A new certified translation was provided at [D.4/3/50]. This is similar to the previous case. A contract was made to purchase furniture up to a certain value and that “*The buyer is entirely free to select the furniture*” [see D.4/3/51]. That was permissible by reason of Art. 71/72 SCO and subjective determinability.
143. The price to be paid was not specified but it was instead stated that “*the current prices at the time of delivery will be applied*”. The Court held (decision [D.4/3/54]) that this was sufficiently determinable. The Court explained:

“The objection of the defendant that Swiss law is based on “objective determinability” and rejects “subjective determinability” is irrelevant; since the contractual provision in question naturally has objective determinability in mind. The defendant would therefore be entitled to appeal to the court for a definitive price determination at the appropriate time.”.

144. As the Claimants submitted, this case is another example of terms being determinable by a court via objectively determinable means.

*Case 4A\_551/2008*

145. This decision is from the Federal Supreme Court and was referred to at de Werra 1 [51(d)]. The certified translation is at [D.4/5]. It concerned a rent renewal option with a term which specified that “*upon expiration of the fixed term contract, the tenant is entitled to a one-time option for a new lease for a maximum of term of 30 years. Upon exercise of the option, the rent must be paid as the usual local rent for similar plots*” [D4/5/67].
146. Both parties referred to [5.1] [D.4/5/73], albeit with different emphasis (Nokia’s emphasis in bold (and underlined), the Claimants’ emphasis designated using italics), where the Court said:

‘An option right gives the beneficiary the opportunity to bring about or extend a contractual relationship whose content has already been established through a unilateral declaration of intent. A contract concluded through the exercise of an option is a legal transaction subject to a condition precedent. The validity of such a contract depends solely on the subsequent declaration

by the party entitled to the option that they wish to accept it. **This means that the future contract must be sufficiently defined with regard to all objectively and subjectively essential contractual points even before the option right is exercised.** *However, it is not necessary for the contractual relationship itself to precisely define the performance from the outset; rather, the determinability of the performance to be provided is sufficient, whereby a reference to an objective criterion according to which the scope of the performance can be determined is sufficient.* **If the option relates to the conclusion or extension of a lease, it must therefore at least be determinable at the time the option is exercised which leased property the landlord will lease to the tenant and at what rent. However, if the parties stipulate that the amount of the rent will only be negotiated after the exercise of the granted option, there is no option in the sense described, since the unilateral declaration does not trigger what has already been agreed upon.**

147. In the following paragraph [5.2], the Court said:

‘The clear wording of the clause in this respect provides no indication that the rent should be subject to negotiation or unilateral adjustment after the exercise of the option, i.e., that it should depend on the will of one or both parties. Rather, the amount of the rent is determined solely by the objective criterion of local custom. In good faith, similar plots of land are to be understood as initially actually rented properties that are comparable in terms of type, size, development, condition and location. If an actual basis of comparison can be established in this way, the rent can be readily determined, and the contractual content is sufficiently fixed at the time of the exercise of the option. If no such basis of comparison exists, the wording of the clause, interpreted in light of the *favour negotii* principle, also allows for a hypothetical basis of comparisons, i.e., a customary local rent, which is to be determined based on statistical surveys or an income estimate conducted according to recognised real estate valuation methods. Thus, even in the absence of an actual basis of comparison, the rent can be assumed to be sufficiently determinable.’

148. As the Claimants submitted, this is an example of the Court holding that rent to be paid is objectively determinable either by use of comparators or by use of hypothetical comparisons such as statistical surveys or real estate valuations. They also submitted (and I agree) this case illustrates the breadth of what can count as being “determinable” under Swiss law.
149. At [43] of *Holzer 2*, Dr Holzer commented that a key point that emerges from this case is that the option would have been invalid if it had “*allowed for* or required” further negotiation. The Claimants submitted the point is obviously wrong. What the Court said in [5.2] was that there was no indication that the rent clause “*should be subject*” to

further negotiation or unilateral adjustment (i.e. to suggest that the criterion for establishing the rent was not yet agreed and so was subject to further negotiation). Because that was not the case, the term stands as written and was objectively determinable.

150. Finally, at [45] of Holzer 2, Dr Holzer sought to explain this case away by reference to Art. 269a SCO which provides that rents are not generally held to be unfair if they fall within the range of rents customary in the locality or district. He says this assists in making the phrase “usual local rent” determinable because the Court can use known and settled mechanisms (comparisons, surveys, real estate valuations) to calculate a fair rent which is not unfairly high. Nokia relied upon this explanation in their Skeleton.
151. Far from pointing away from the present case, the Claimants contended the parallels with a RAND assessment are clear. A court can objectively assess what is RAND based on the overall circumstances, the comparable licences, other methods of objective valuation such as the top-down analysis and expert valuation assistance in order to reach RAND terms. Indeed, the Claimants contended that a RAND assessment is a paradigm case of an assessment that can be (and regularly is) undertaken on an objective basis.
152. For the sake of completeness, I should also mention the case to which Prof de Werra referred at [51(c)] of his first report, but it did not seem to add anything to the cases I have already discussed.
153. The Claimants contentions have considerable force but before I can reach a conclusion I must consider Nokia’s reliance on academic writing by Brunner, Fischer and Schweizer.
154. Dr Brunner published 2 articles in 2019 in the Journal for Intellectual Property, Information and Competition Law:
- i) "FRAND" Obligations [«FRAND»-Obliegenheiten] in Standard-Essential Patents from a Contract and Antitrust Perspective, published in Journal No. 1 of 2019 (January) (“Brunner I”) [D.4/102/1278]; and
  - ii) Standard-essential patents and "FRAND" in civil proceedings, published in Journal No. 3 of 2019 (March) (“Brunner II”) [D.4/105/1367].
155. In their Skeleton and submissions, Nokia placed heavy emphasis on Brunner I. I raised a question about Brunner II during the hearing and received a further written note from Nokia shortly after the hearing, but it is not necessary to discuss Brunner II further.
156. Prof de Werra addressed the status of Brunner I, and specifically whether that article represents ‘established doctrine’ under Art. 1(3) SCC. He was of the opinion that Dr Brunner’s article does not constitute established doctrine since it was a single article written by a postgraduate student ‘who does not appear to have any deep specialization in Swiss contract law’. Prof de Werra understood that Dr Brunner obtained his PhD in public law in 2020, was admitted to the Swiss bar in 2018 and works at Bratschi, a law firm in Zurich and he concluded that the article was written when Brunner was a PhD student and a newly qualified lawyer.
157. Notwithstanding those points, I consider Brunner I on its merits.

158. Brunner I addresses the legal scope of F/RAND obligations, and concludes that “*a FRAND declaration made by the SEP holder to the SSO is to be qualified as a genuine contract for the benefit of third parties, from which an agreement not to sue [pactum de non petendo] follows in favour of implementers willing to obtain a license. The FRAND declaration does not give rise to a contractual licensing claim in favour of the implementer.*” [D.4/102/1304]
159. Dr Brunner outlines the background to his article: the decision of the CJEU in 2015 in *Huawei v ZTE*. He says there was a growing awareness amongst legal scholars that FRAND is not merely a phenomenon of anti-trust law but also a contract law phenomenon – based primarily on *Unwired Planet HC* but also *Unwired Planet CA*, whose judgment had been handed down shortly before Brunner 1 was published.
160. Brunner I is a carefully prepared analysis. It is unnecessary to rehearse his reasoning but suffice to say that he proceeds on the assumption that Swiss law applies to FRAND declarations made to the ITU-T in Geneva. On that basis, he first examines the (F)RAND declaration and concludes:
- “The FRAND declaration is therefore a contractual obligation binding the SEP holder (and only the SEP holder).<sup>52</sup> This also corresponds to the predominant foreign doctrine and case law.<sup>53</sup> Only the German courts have so far refused to recognize the FRAND declaration as a legally binding declaration of intent.<sup>54</sup>”
161. Dr Brunner then considers whether the FRAND declaration is a contract for the benefit of third parties and concludes:
- The SEP holder declares to the SSO that she will grant a FRAND license to third parties who wish to make use of the SEP doctrine to use the standard. The circle of third parties is thus large, but objectively determinable.<sup>60</sup> The SSO is not involved in the license negotiations between the SEP holder and the implementer,<sup>61</sup> so that the latter must have an independent right of claim if the FRAND declaration is not to be a dead letter. The FRAND declaration is therefore a genuine contract for the benefit of third parties within the meaning of Art. 112 para. 2 Swiss Code of Obligations (OR).<sup>62</sup>
162. The final stage in his analysis is to examine whether, having referenced the ‘prepared to grant’ wording of the declaration, the FRAND declaration gives any third party willing to take a licence on FRAND terms a contractual claim against the SEP holder. On this basis, he says the FRAND declaration would be a preliminary agreement (Art 22 of SCO) which obligates the SEP holder to conclude a main agreement i.e. the licence agreement with the implementer.
163. He says that, according to prevailing doctrine, a valid preliminary contract must describe the essential content of the main contract i.e. the *essential business characteristics* of the future contract must already be determined or determinable in the preliminary contract. He then asks: ‘Is FRAND a definable term? And if not, does the FRAND declaration have any relevance under contract law at all?’ and continues:



‘This addresses the question addressed in "Unwired Planet/Huawei," namely whether, in each individual case, only a very specific set of license terms (license fee amount and other license terms) is FRAND, or whether there is a range within which the terms of various license agreements can be FRAND-compliant. The High Court opted for the former,<sup>70</sup> thus assuming the precise, objective determinability of FRAND license terms in each individual case. In my opinion, [the High Court [mistranslation] sc. the prevailing view] and the German courts rightly take a different view.<sup>71</sup> The High Court's appellate court was also not convinced by these considerations.<sup>72</sup>

Even if the discretionary scope for determining FRAND license terms is smaller than commonly assumed,<sup>73</sup> the determination of the license fee in particular must necessarily be based on certain assumptions and estimates. Furthermore, there is still a lack of consensus in the literature regarding the methodology for determining FRAND terms as objectively as possible. Therefore, the idea of a single FRAND contract design in individual cases is not convincing; rather, the objectified FRAND determination is only (but at least) an approximate decision, which always involves a certain degree of discretion.<sup>74</sup> Therefore, within a certain range, various license agreements can be FRAND-compliant. This applies particularly to the initial licensing of the SEP, when no third-party license agreements can be used as a comparison.<sup>75</sup> The ECJ also assumes, at least implicitly, that several contract arrangements can be FRAND: It would not be understandable why the implementer would have to submit a counter-offer (see IV.3.f.), if the offer submitted by the SEP holder (see IV.3.e.) already corresponded to the only FRAND-compliant license agreement.<sup>76</sup> Thus, the terms of the license agreement to be concluded in the future cannot be determined precisely and without discretion according to objective criteria at the time of the FRAND declaration.<sup>77</sup> Therefore, the FRAND declaration does not constitute a valid preliminary agreement for the conclusion of a license agreement.’

164. I recognise that Dr Brunner was writing at a relatively early stage in the development of the FRAND jurisdiction. However, with respect to him, the flaw in his analysis is the assumption that a Court deciding what terms are FRAND involves the exercise of a discretion. In my view, it does not. Experience has shown that a determination of what terms are (F)RAND may well be a difficult and involved exercise involving the weighing up of many factors, but ultimately it does not involve the exercise of a discretion. The factors which the Court has to weigh up are all objective criteria.
165. This is *the* critical point in his analysis. What follows from it are his conclusions that:
- i) Following *Dasser* [a Commentary on the Swiss Code of Obligations], a preliminary agreement whose main agreement cannot be determined ‘can be understood as an obligation to negotiate in good faith’.

ii) And:

‘The FRAND declaration thus establishes certain contractual conduct requirements, namely the FRAND obligations [FRAND-Obliegenheiten] (see IV.), which ultimately stipulate the submission of an offer for a license agreement by the SEP holder. In effect, this is certainly not far removed from a preliminary agreement. However, these obligations [Obliegenheiten] cannot be asserted by way of legal action (with a claim for a declaration of intent, see Art. 344 Swiss Code of Civil Procedure (ZPO)), but only as a defence based on the *agreement not to sue* [*pactum de non petendo*], which, in my opinion, constitutes the actual contractual content of the FRAND declaration (see II.5).’

166. Although Dr Brunner was considering Swiss law and not the French law applicable to the ETSI undertaking at issue in *UWP v Huawei*, it is difficult to avoid the conclusion that Dr Brunner was effectively saying the English Court was wrong in *UWP v Huawei*, not least because, unsurprisingly, French law has a very similar requirement. I discuss this below, by reference to the findings which Meade J. made in *Nokia v Oppo Trial E HC*.
167. Reverting to Brunner’s opinion, the Claimants submitted there is no reason for a Swiss Court to follow it and every reason not to do so. They made the point that what is (F)RAND is not a Swiss law concept and, further, that there is no reason for a Swiss Court to hold that such terms are not objectively determinable. The Claimants also made the point that, since Dr Brunner wrote his article in 2019, (F)RAND terms have frequently been objectively determined in proceedings in the UK, German, US and Chinese Courts and also in arbitration.
168. The Claimants also pointed out that if what is (F)RAND is not capable of objective determination, there would be no way of knowing if a SEP owner had made a (F)RAND offer at all, or whether they have met their obligations under *Huawei v ZTE*, or their obligation to negotiate in good faith, or determine whether an implementer could rely on Dr Brunner’s suggested defence of *pactum de non petendo*.
169. The Claimants argued that Dr Brunner’s view was a construction of the despairing put forward by an author who perhaps did not realise in 2019 how regularly courts and tribunals would objectively determine (F)RAND terms.
170. I mentioned above that Nokia also rely on writings by Fischer and Schweizer, which I examine next.
171. Nokia cited two short passages from the article entitled ‘Patent Disputes Involving Standards – Is Arbitration a Solution?’ by Dr Christian Fischer (SH-34, **[D.3/66/1131-1345]**) published in 2021 by the Swiss Arbitration Academy in a volume ‘Selected Papers on International Arbitration’. Dr Fischer is a US attorney but working for a Swiss firm of patent attorneys in Zurich. Perhaps not surprisingly, his article is in favour of arbitration of FRAND disputes, but on the way to that conclusion he focusses on the difficulties in deciding FRAND disputes. It is clear from his article that he

favours a contractual analysis over the Art.102 approach and levels some criticisms of the approach taken by the German courts.

172. The two short passages cited by Nokia are:

- i) In [42] where he states that “[b]ased on the indefinite terms, wording and intent, the FRAND declaration is not a SEP licence, nor does it make up a valid offer for a SEP licence”. That statement is fine so far as it goes, but obvious in any event.
- ii) In [46] where he says “In Switzerland, while there is no case law on this exact issue, contract law suggests that the declaration does not amount to an enforceable “agreement to agree” under Art. 22 of the Code of Obligations because of indefinite terms. Instead, the declaration may give rise to an obligation to negotiate such terms in good faith [fn30]”.

173. Footnote 30 refers to Brunner I. The following sentence reads ‘Conversely, this also means that if the terms were definite enough, there might well be an obligation to contract for the patent owner, as opposed to negotiate only [fn31, which also refers to the same page of Brunner I as fn 30].

174. Finally, Nokia relied on statements in an extract from a textbook ‘Federal Law on Invention Patents of 25 June 1954 (PatG)’ published by Stampfli Verlag and written by Mark Schweizer and Herbert Zech (JDW-63 [C.3/63/360-369]). Mark Schweizer is the President of the Swiss Federal Patent Court, so his views deserve considerable respect. The extract is concerned with Art.72 of the PatG which provides for injunction as a remedy.

175. Nokia submitted that, in his commentary on Federal Patent law, he cites Brunner I positively for his proposition that the RAND obligation is not an obligation to enter into a licence agreement, albeit that he posits, as an alternative to Brunner’s conclusion that it provides a RAND defence as a *pactum de non petendo* (agreement not to sue), that the RAND defence could instead be seen as arising from a *venire contra factum proprium* (abuse of rights) defence. Nokia submitted that that particular debate makes no difference to this case – it just goes to the jurisprudential basis of the infringer’s RAND defence to an injunction. Nokia stressed that what is important is that Schweizer too accepts Brunner’s view that the RAND obligation is not an obligation to enter into a licence agreement but rather one of good faith negotiation.

176. The actual commentary has a slightly different emphasis:

‘Brunner argues that, although a genuine contract in favour of third parties arises, it is not aimed at concluding a licence agreement, but constitutes a *pactum de non petendo* during serious contractual negotiations (Brunner, 2019, p. 1 et seq., 9). If this view is not followed (see Straus, GRUR Int. 2011, p. 469 ff., 476; Kühnen, Handbuch der Patentverletzung, 10th ed. Cologne 2017, para. 1481), the refusal to conclude a licence on reasonable terms can be seen as a *venire contra factum proprium*, which makes the enforcement of the injunctive relief appear

abusive (see Scharen, Mitt. 2018, p. 369 et seq., 372; Brunner, 2019, p. 1 et seq., 9)'

177. With the greatest respect to both Fischer and Schweizer, I do not read these passages as a ringing endorsement of Dr Brunner's view. Rather, each author appears to have correctly noted what Dr Brunner said, but it is not clear whether they subjected his view to any sort of critical analysis.
178. Having set out their reliance on Brunner, Fischer and Schweizer, Nokia addressed what might be termed the elephant in the room:

'Whilst we note that the conclusion is therefore different from the UK analysis of the French law ETSI provisions, that a different result is reached is not surprising given that the wording of the provisions and the underlying laws are different. We also note that the overall outcome of this is one similar to the analyses of the German and UPC Courts *infra* (and CJEU itself in *Huawei v ZTE*, as well as WIPO, also *infra*) under the ETSI provisions. That is not to say that the analysis themselves are similar (they are not, and our analysis here is contractual under Swiss law, not Art. 102 TFEU) but it does indicate that at the level of principle and policy the outcome is a reasonable one, adopted by well-respected jurisdictions elsewhere in relation to other SEP disputes.'

179. In order to analyse the force of these submissions, and also because I was already aware of certain findings which Meade J. made in *Nokia v Oppo Trial E HC*, I turn to consider those findings.

### **Nokia v Oppo Trial E HC**

180. Trial E is also referred to as the "HOTEOTU", where that stood for "Hearing on the Effect of the Undertakings". The undertakings in question were undertakings offered by Oppo that it would take a licence on FRAND terms to be set by the First Intermediate People's Court of Chongqing ("the Chongqing court"). Oppo had lost on infringement of one of Nokia's SEPs, but it argued that its undertaking meant that it was either already licensed under the ETSI IPR Policy or at least was a 'Clause 6.1 beneficiary' pursuant to that Policy and therefore entitled to get a licence in due course and not liable to be enjoined.
181. Some attention was paid to this case because at the PTR Counsel for the Claimants gave an informal indication that they would be running the same case as 'ETSI', which Nokia took to indicate *Nokia v Oppo Trial E*. Nokia registered their protest against deciding this case by conducting some form of comparative analysis but they also contended that *Nokia v Oppo Trial E* concerned a different argument and, if anything, is against the Claimants.
182. In his detailed judgment, Meade J. had to decide various issues of French law, against the backdrop of the acceptance that the ETSI undertaking creates an SPA (*stipulation pour autrui*) or SPCA (*stipulation de contrat pour autrui*) under French law. He had to consider the effect of Article 1163 of the French Civil Code. This provides as follows:

‘Art. 1163. An obligation has as its subject-matter a present or future act of performance. The latter must be possible and determined or capable of being determined.

An act of performance is capable of being determined where it can be deduced from the contract or by reference to usage or the previous dealings of the parties, without the need for further agreement.’

183. At [192] and [193] Meade J. held:

‘192. The general rule under Article 1163 is that, for a contractual obligation to be valid, it “must be possible and determined or capable of being determined” i.e., determinable.

193. “Determinable” means that the act of performance required can be deduced on the basis of the intent of the parties either from the terms of the contract itself or by reference to previous dealings, and in any case without the need for further agreement.’

184. A dispute which arose under Article 1163 concerned the meaning of ‘determinable’ and whether the introduction of that Article in the 2016 Revision of the Code merely codified the prior position. Meade J. decided it did and concluded, at [216], that under that provision of French law:

‘To be sufficiently certain a price does not have to be capable of deterministic decision, but it does have to be capable of being assessed based on objective criteria and without further negotiation by the parties. This is very fact- and context-dependent.’

185. On the question of whether Oppo was already licensed, Nokia contended here that part of that argument turned on whether Oppo’s case worked since the terms of the FRAND license were not ‘determined or determinable’ at the time Oppo gave its undertaking. The argument (at least as originally advanced) was whether that contract was valid under French law.

186. On that issue, Meade J. pointed out that argument had involved some confusion since there was no reason why that [child] contract should be governed by French law at all, but he nonetheless addressed the point.

187. At [243], Meade J. concluded that, on Nokia’s view of Clause 6.1 (viz. that it is the patentee’s obligation to make an offer which is in fact FRAND and capable of acceptance) this clearly met the requirements of certainty of French law because it was a binary question of taking the offer made (i.e. a single and complete set of terms) and assessing it against a potentially complex but conceptually understandable set of requirements (i.e. fair, reasonable and non-discriminatory). He indicated it was not necessarily easy but tractable, noting that judges of the Patents Court have been able to give the necessary yes/no answer in the cases which have come before them.

188. In that case, Nokia said its view could be arrived at by regarding the ETSI undertaking giving rise to an SPA or to an SCPA. Oppo's main argument was that clause 6.1 gave rise to an SCPA where the first contract contains an obligation on the patentee to grant a patent licence on request and the second contract is that patent licence.
189. Against that backdrop, in the present case Nokia relied on [247]-[249] for the submission that, even if one assumed French law applied, the child contract would not be determinable. However, the finding made by Meade J. was more nuanced:

247. Oppo's argument is that the implementer simply invokes its right to a licence and the parties are then without more in a contractual relationship. Conceptually this is easy to understand as to what the implementer has to do – just call for a licence - but the problem comes because the patentee and the implementer may have absolutely no idea what the terms of the resulting second contractual relationship, the licence, are. As I have said, the parties agree that the relationship need not be under French law so its standards of determinability cannot reliably be applied; what law applies is or may be just as uncertain as everything else about the licence. In a particular case it may be reasonably clear what many of the terms sensibly might be; if the parties are renewing a recently-expired licence, as in this case, the only blank to fill in may be price and one could conceive of a system of law reaching the conclusion that a FRAND price is determinable enough that its presence does not make a contract bad for uncertainty, just as a term to perform an act in a reasonable time can be sufficiently certain in English law.

248. However, the fact that there are some relatively benign factual circumstances where Oppo's preferred approach might not be too bad, is not enough. Clause 6.1 must have a single, uniform meaning that works generally. Under Oppo's approach, an implementer could put itself in a contractual relationship with a patentee when they had had no previous dealings at all with each other and not even any negotiating history. Everything about their relationship would be at large: the licence duration, whether it was lump sum or running royalty, the applicable law, the price, and so on. It is not an answer in such a situation to say that the implementer couples its acceptance with an agreement to have the terms determined by a court (of its choice) because the court would be making an agreement for the parties, not deciding what an agreement that they have actually made means, or filling in minor gaps.

249. I have made clear that the certainty of the second contractual relationship is not to be tested against French law, but I have also said that the parties tended to dwell on what the situation would be if it were. I have no doubt that if French law were applicable, the test of determinability under Art 1163 would not be met in the sort of case where all the terms were at large. In a case where the only issue was price, perhaps because

the parties had already agreed everything else, and there were objective criteria available such as sound comparables I think the French law standard might well be met as to that one term, but it would be fact- specific.

190. Nokia also submitted that, in any event, the issue here is different to that considered in *Nokia v Oppo* but also drew attention to [243] as indicating that French law may be ‘more forgiving on the validity of the parent contract when the child contract is not determined or determinable’.

191. At [258], Meade J concluded by agreeing with Nokia that Clause 6.1 requires the patentee to make a FRAND offer which is capable of acceptance, and actually FRAND, but then in the following paragraphs, he addressed the question: How does that then work in practice?

‘259. In the Patents Court, a FRAND matter such as this comes on for trial with a concrete set of terms for consideration (sometimes more than one set of terms if there has been more than one offer by the patentee, and there may also be offers from the implementer to consider; it does not matter to the practical point I am making).

260. The court applies the standard of whether the offer was FRAND or not. Because it is almost impossible to hit the nail on the head, it is usually found that the offer was not FRAND, but the court is able to say what would be FRAND. In cases to date the patentee has always (at least since *Unwired*), as far as I am aware, given an undertaking before trial that it will offer what the court decides is FRAND. So it then complies with Clause 6.1 and its undertaking to the court by doing so. Similarly, implementers have usually, following a finding of infringement at a technical trial, given an undertaking that they will accept the offer at the FRAND stage (see *Optis F*, and the same applied as I understand it in *InterDigital v Lenovo*; it had not happened in *Unwired Planet* and a lesson was learned from that).

261. In the unlikely event that the patentee had not prior to trial given an undertaking to make an offer on the FRAND terms decided by the court then it would have the choice whether to do so, but if it did not then it would not have complied with Clause 6.1 and would not be entitled to an injunction. Such a situation ought to be unlikely to arise because the court typically expects the patentee to give such an undertaking to try to ensure that the parties' dispute is conclusively resolved by a licence coming into being.

262. As I have said above, it is possible that the court might say that more than one offer would be FRAND, and then the patentee can choose which to offer, but as the Court of Appeal said in *Unwired Planet*, this will be rare in practice.

263. For the above reasons, I reject Oppo's argument that it is already licensed.'

192. The Claimants relied on the reasoning in [243] and [260], contending it applied equally to determinability of terms under Swiss law as French. The obligation on the SEP owner to make a RAND offer which is capable of acceptance and then grant the resulting licence is objectively determinable. The offer can be assessed against the obligation that it must be RAND and that involves an objective determination. If the offer is not RAND, the changes that are needed to make it RAND can also be objectively determined.
193. Before I state my conclusions, I must deal with one further argument raised by Dr Holzer in reply and relied upon by Nokia. This was the dispute over the relevance of further negotiations.

### **The Dispute over the Relevance of Further Negotiations**

194. As the Claimants submitted, this is an odd dispute. Agreed Principle 18 accurately records that a term is not determinable if further negotiation of it is *necessary*. That accords with Holzer 1 [27(g)]. That makes sense. If the answer depends on further negotiation (i.e. further negotiation is *necessary*), then it cannot be determined by a court using objective criteria. In effect, agreement was not reached.
195. In his reply report Dr Holzer sought to expand this principle to say that not only are terms not determinable if further negotiation is *necessary* but also if the contract "*allows for*" further negotiation.
196. I agree that this makes no logical sense. If a term is objectively determinable, it does not matter if the parties themselves decide to determine it by later negotiation. The point is that it is not *necessary* for them to do so in order for it to be determined. Accordingly, if negotiations break down or do not take place, the Court is able to determine it.
197. Dr Holzer suggested [Holzer 2 [43]] that the Federal Supreme Court in the rent renewal option case above (*Case 4A\_551/2008*) established that "*the option would have been invalid if it had allowed for or required further negotiation for the renewal period*". However, what the Federal Supreme Court said was that the clause was valid because the resolution of the meaning of the term did not depend on the will of one or both of the parties. It does not matter if further negotiation occurs or is *permitted*, what matters is that further negotiation is not necessary to resolve the meaning of the term.
198. In any event, it is very hard to see how Dr Holzer's new formulation could operate. Any contract with a term that requires later determination would need also to have an express prohibition on negotiation (so in the rent renewal option case, the contract would have to say "*at the usual local rent for similar plots, not to be agreed or negotiated by the parties*". Not only would that be pointless (and commercially bizarre), but it is also not what the Court said. The important point is that determining this term did not *depend* on there being further negotiation or agreement.
199. Other than the rent renewal option case discussed above (in respect of which Dr Holzer is wrong), his other citations (in Holzer 2, [46]) are all citations where no agreement was reached. I will mention them briefly, but none appear to be relevant:



- i) The first set of articles (Exhibits SH-40-SH-42) each state that if the parties have not reached agreement then no agreement is made. This is not controversial and not relevant. Taking each in turn.
  - a) Exhibit SH-40 [D.4/7/101] at [23] states that if parties reserve the right to agree on a price and then fail to reach an agreement, no valid contract is concluded, even if they had a definite intention to be bound and expected to reach agreement later. This is an example of not reaching determined or determinable terms. It is irrelevant.
  - b) Exhibit SH-41 [D.4/9/145] at [45] (para marked on right hand side of text) again discusses a situation where the parties have reserved the determination of the price for later agreement and then fail to reach agreement. No contract then arises. This is irrelevant.
  - c) Exhibit SH-42 at [D.4/11/162] at [2] says the same thing again: if the parties have reserved the right to agree on a price and have not agreed on it later, generally no contract is concluded.
  - d) Exhibit SH-43 at [D.4/13/188] at [47] says that if the parties have not agreed a price or have reserved the right to agree on a price to a later agreement and then cannot reach agreement, no contract is made.
- ii) The next article (*Kren* at [D.4/11/162]) does not say what Dr Holzer suggests. At [46(b)] of *Holzer 2*, he suggests it says that even if there is a determinable sales price (e.g. a specific market price) but the parties wanted to have further negotiations, this means there is no valid contract. In fact, *Kren* is talking about a situation where “*the parties have reserved the right to agree on the price and have not agreed on it later*”. This is very different. It means that there was not an objectively determinable sales price agreed and so no contract was formed.
- iii) At [46(c)] of *Holzer 2*, reference is made to *Dasser* at [D.4/15/196]. At [7] of *Dasser* it explains that if the subject matter of a contract is yet to be determined or the parties have expressly reserved their intention to be bound by the main contract, the preliminary contract can generally only be understood as an obligation to negotiate in good faith. Dr Holzer explains that this is because if there is no intention to be bound, the court cannot intervene without infringing the concept of freedom of contract. This is irrelevant in the present case because *Nokia* and the *ITU-T* have shown an intention to be bound.
- iv) Finally, at [46(d)], Dr Holzer refers to a further case exhibited by Prof de Werra (*BGE 127 III 248*) a translation of which is at [D.4/107/1393] which he says “makes clear” that allowing further negotiation of essential terms means that no contract has been concluded. However, the Court said (on p.1396) that “*it may happen that the parties cannot agree on all the essential elements of the contract and reserve one or more points for subsequent agreement; in this case, the contract is not yet concluded and only comes into effect when all the essential points have been agreed upon*”. The case was about the sale and purchase of a vineyard and the parties had thought it would be possible later to agree a change in the boundary. As it turned out, that was not possible to agree. Accordingly, nothing was actually agreed (see last paragraph on p.D.4-1396).

200. The quotations cited in Nokia's skeleton at [73-76] do not establish Nokia's case on this point either.
- i) The quote from Muller-Chen and Hrubesch-Millauer at [73a] says no more than that which is stated above; namely that if parties have reserved the right to a later agreement but are subsequently unable to reach that later agreement, the contract is not valid.
  - ii) The same is also true of the quotations from Koller at [74]. They are addressing a specific scenario where the parties have reserved the price to be agreed later but then fail to agree it.
  - iii) The quotations from BGE\_127 III 248 (at [D.4/107]) at [75] explain that if points in a contract are reserved to be agreed later, the contract does not come into effect until those terms are agreed. That has nothing to do with the present case. Nokia and the ITU-T did not reserve matters which they would agree later. Nobody suggests that the contract between Nokia and the ITU-T has not yet come into effect.
201. I agree that pointing to examples where no agreement is reached does not progress matters. The present case is one where agreement has been reached (between Nokia and the ITU-T which is the only agreement that matters).
202. Nokia rely on the wording in the ITU-T Declarations which each state "*Negotiations are left to the parties concerned and are performed outside the ITU-T/ITU-R*" (see for example [B.3/4/32]).
203. I do not see that this is relevant. The ITU-T (and other SSOs) say this because they do not wish to be involved in licence negotiations or licence disputes. But the relevant Swiss law contract is that between Nokia and the ITU-T. Nothing about that has been left open for later agreement between Nokia and the ITU-T.

### **Conclusion on the relevance of negotiations**

204. Dr Holzer is wrong in his Second Report to say that if negotiations on a determinable term are allowed, the contract is invalid. It does not matter if the parties are able to continue to negotiate if they wish to do so. What matters is that determining the terms does not depend on further negotiation

### **Summary of the Swiss law cases on determination by objective criteria**

205. In light of the above, I can state my conclusions. The experts were agreed that a term is determinable and so valid if it can be determined by a court using objective criteria. The fact that, in certain cases, this may take place in the context of a specific statutory provision does not detract from the principle that the term in question could be determined using objective criteria. The important point is that the determination does not depend on further negotiation by the parties. Even without the parties, the court can objectively determine what the contract means. The cases show that it does not require a deterministic approach: merely that the term is objectively determinable.

206. In the present case, I find that RAND is objectively determinable. Courts and tribunals regularly and frequently assess offers to see if they are (F)RAND and determine (F)RAND terms. Courts and tribunals do not have to await further negotiation of the parties, nor is that necessary for the terms to be determined. That is for the very reason that objective criteria exist to determine those terms.

### **Agreements to Negotiate in good faith**

207. Finally, I should address the consequences of Nokia's construction of the ITU-T undertaking i.e. that it is merely an undertaking to negotiate RAND licences in good faith.
208. In his Second Report, Dr Holzer said that the Claimants' case that terms of such a contract are not determined or determinable "*is obviously true stated in the abstract, but in reality, would depend on the facts, and whether the words and context of the agreement sufficiently clear and certain what it is that each party is expected to do under their agreement to negotiate*" (Holzer 2 ¶58).
209. As the Claimants submitted, this is hardly a ringing endorsement of Nokia's proposed construction. Here Nokia find themselves on the horns of a dilemma. This all arises because Nokia's case is that an agreement to make RAND offers that are capable of acceptance is too uncertain. Were that to be correct, then it could not possibly be the case that an agreement simply to negotiate RAND licences in good faith, without even an obligation to make any offers (let alone RAND offers), is sufficiently certain. The alleged problem of the uncertainty of RAND remains but is made worse by the uncertainty of what needs to be done in relation to the "negotiation in good faith" requirement at all.
210. As I have already explained, it is plain that this is not what the ITU-T Commitment is talking about. Dr Holzer was very clear that an agreement to negotiate (if valid) is a personal obligation of conduct which cannot be fulfilled by a third party in place of the debtor (non-substitutable). This is the reason why Dr Holzer says that specific performance is not available on that construction; because specific performance is not available for personal obligations that cannot be performed by anyone else. He explains that coercive enforcement of such a personal obligation would be incompatible with the principles of personal freedom and self-determination and would require the formation of an inner will or intent which cannot be enforced – see Holzer 1 ¶53 & Holzer 2 ¶66 & 69. This is a point on which Nokia placed considerable reliance at paragraphs 91-92 and 111 of their Skeleton to support their case on construction.
211. However, Dr Holzer appears to have entirely overlooked that the ITU-T Commitment is to be interpreted as a transferrable encumbrance on the patent right – see above.
212. The Claimants also argued that the whole edifice of "agreements to negotiate" being valid is built on sand in any event. They submitted the argument appears to be based on an article by Monn from 2010 [D.3/65/1297]. In this article, Monn discusses the concept of such an agreement based on "Anglo-American" law and (at 362) explains that it is akin to a pre-contractual negotiation relationship. He then discusses all the issues of uncertainty surrounding such a contract and poses a long series of questions about such "contracts" which are left unanswered.

213. These points are then picked up in 2019 in Brunner I, on which Nokia's case rests. As I have already indicated, Dr Brunner considered that FRAND is not determinable, which leads him to decide that what is left is a *pactum de non petando* or promise not to bring injunctions without previously having conducted negotiations [D.3-1384]. However, Dr Brunner does not consider how an agreement to negotiate in good faith a RAND licence is itself determinable if RAND is not determinable. Moreover, as pointed out in the Claimants' Joint Skeleton, the basis of the Brunner thesis is that (F)RAND terms are not objectively determinable. That has since been shown by successive Courts and Tribunals to be incorrect.

### **Conclusion on an agreement to negotiate in good faith**

214. An agreement to negotiate in good faith is a personal obligation that cannot be transferred. Accordingly, it is the wrong interpretation of the ITU-T contract, as is expressly made clear by the ITU-Declaration itself which requires that it be interpreted as an encumbrance on the property right that is transferrable.
215. Moreover, if the Claimants' interpretation is too uncertain and is not determinable (which it is not), far from curing that issue, Nokia's interpretation makes it worse.
216. The Claimants' final point was that if the Claimants' interpretation is not too uncertain and is determinable using objective criteria, there is no reason to even consider Nokia's interpretation at all. Brunner (the source of it) only did so because back in 2019 he wrongly thought that FRAND is not determinable but thought that the SSO Declarations must mean something – which led him to *pactum de non petando* as all that could be left.
217. Taking a step back from the detail, there is one final point which indicates that Nokia's construction must be wrong. On Nokia's construction, the SEP holder can fulfil his ITU-T commitment by starting to negotiate in good faith. Experience shows that both parties can negotiate in good faith but fail to reach agreement (e.g. because of an impasse on price). Even where the implementer is willing to take a RAND licence and even where the implementer has given a binding undertaking (e.g. to the English Court) to take a licence on whatever terms are determined to be RAND, the implementer would still be enjoined in many foreign jurisdictions because, on Nokia's construction, the SEP holder would have fulfilled its ITU-T commitment. In other words, on Nokia's construction, the ITU-T system would be wholly unfit for purpose.

### **Declaratory Relief under Swiss law**

218. Three points arise concerning declarations under Swiss law: (1) whether declaratory relief is available as to states of fact; (2) whether declaratory relief is available if specific performance is available as a remedy; and (3) whether Swiss law matters on this point anyway due to the application of Rome I.

### **Declarations as to facts**

219. Agreed Principle 48(b) says that declarations as to the state of facts are not possible under Swiss law. Nokia seized on that in its skeleton to say that this means that a declaration as to RAND terms is not possible.

220. The Agreed Principle arose from Exhibit SH-32 [D.3/63/1253] at [4] which was cited in Holzer 1 [49(a)] in support of the statement. This commentary on the Swiss Civil Code explains “*Only rights (and obligations) or legal relationships are permitted as the subject matter of the dispute. The establishment of **facts** is not an admissible object of an action for declaratory judgement*”.
221. This is agreed. But that obviously does not mean that a Swiss Court could not determine the terms of a contract. Indeed, Agreed Principle 48(b) goes on to say “*the plaintiff must demonstrate an interest that is worthy of protection, which can be legal **or factual** interest*”.
222. The Claimants submitted that this is not dissimilar to the English approach to declarations. A party cannot come to Court only to establish facts by declaration. There must be an underlying interest (useful purpose) in so doing. The commentary cited by Dr Holzer at [D.3/63] goes on to give examples of rights and legal relationships which can be the subject of declaratory actions. These include “*clarification of the content of a right or contract*” [D.3-1254 at [5]].
223. That is exactly what the Claimants are seeking in the present case. Moreover, the Claimants say that is exactly what the Swiss Court was doing in the previously cited cases when it held that the financial terms of contracts could be objectively determined. There was no suggestion that these were “facts” which could not be declared.
224. The Claimants are not asking the Court to establish facts by declarations as the object of the declaratory relief. The Claimants are asking the Court to clarify the legal relationship between the parties and the content of the contractual obligation on Nokia and the corresponding benefit to be enjoyed by the Claimants.

**Is Declaratory relief available if specific performance is also available?**

225. In his First Report, Dr Holzer suggested that according to Art. 88 Swiss Code of Civil Proceedings (“SCCP”), declaratory relief is only available if there is no injunction or specific performance available (Holzer 1 [49(a)]).
226. Prof de Werra disagreed. He pointed out (de Werra 2 [17]) that Art. 88 SCCP does not say this at all. Instead, it states that for an action for a declaratory judgment “*the plaintiff demands that the court establish that a right or legal relationship exists or does not exist*”.
227. Prof de Werra’s evidence is that Holzer 1 overstated the position. Although “*as a rule*” there is no interest in a declaratory judgment if an action for performance is available, declaratory relief is not ruled out even if specific performance is available. It is possible for there to be an independent interest in judicial proceedings for a declaratory judgment, particularly if the aim is not only to obtain payment but also to establish the validity of the underlying legal relationship for its future fulfilment (de Werra 1 [117] and de Werra 2 [18]).
228. In support of that proposition, Prof De Werra exhibited a judgment of the Swiss Federal Supreme Court in 4A\_589/2011 [C.3/81/459]. At [4.1] on [C.3-463] the Supreme Court held (emphasis added):

‘According to the case law of the Federal Supreme Court, an action for a declaratory judgment is admissible if the plaintiff has a substantial interest worthy of protection in the immediate determination, which need not be of a legal nature, but can also be of a purely factual nature. This condition is met in particular if the legal relationship between the parties is uncertain and the uncertainty can be resolved by the judicial determination [...] As a rule, there is no interest in a declaratory judgment if an action for performance is available with which an enforceable judgment can be obtained [citation]. However, the action for declaratory judgment is not to be regarded per se as subordinate to the action for performance, so that it would always be excluded if an action for performance can be brought [citation]. Rather, even if an action for performance is possible there may be an independent interest in a judicial determination. This is case in particular if the aim is not only to obtain the performance due, but also have the validity of the underlying legal relationship established for its future execution.’

229. The Supreme Court held the same in its judgment in *4A\_170/2022*, cited by Dr Holzer and exhibited by him at [D.4/95/1223] at [3.1] on [D.4/95/1226]. These authoritative statements from the Supreme Court were followed (and again set out) in the lease option extension case discussed above at [D.4/5/71] at [3.1]. I agree that this entirely supported Prof de Werra’s position.
230. The Claimants suggested that it was perhaps for this reason that in his Second Report, Dr Holzer changed his position. Here he said that it is only in “*exceptional circumstances*” that a declaratory judgment should be made if enforcement is available (Holzer 2 [80(b)]). Dr Holzer skated over what the Supreme Court and the literature have explained amounts to “exceptional circumstances”. That is set out above in the extract underlined from the Supreme Court judgment in *4A\_589/2011* and is confirmed by the cases and commentary discussed below.
231. At [80(a)] of Holzer 2, he summarises a commentary from Marc Weber which he exhibits at SH-75 [D.4/79/1087]. Dr Holzer relies on [9] (on [D.4-1088]) which seems to suggest that a declaratory judgment and specific performance are mutually exclusive. However, over the page, this commentary again explains at [D.4-1089] at [15], that declaratory relief is not always subordinate to specific performance and that this is especially the case if to establish the validity of an underlying legal relationship for future fulfilment.
232. Dr Holzer also cites at Exhibit SH-76 an article by Grolimund [D.4/81/1113]. At [25a] of this article [D.4/p1123] this again re-iterates that if the desired objective can be achieved by specific performance then “*generally*” there will not be the necessary interest for declaratory relief. But it goes on to make clear that (emphasis added):

“It must be taken into account that the action for declaratory judgement and the action for performance have different purposes. The latter is aimed at obtaining an enforcement order, whilst the former is aimed at authoritatively clarifying the legal situation. Despite the possibility of an action for performance,

the plaintiff's interest in a declaratory judgment must therefore be granted in exceptional cases if the desired decision provides it with quantitatively or qualitatively better legal protection than an action for performance and it needs precisely this protection".

233. This principle is then discussed in the cases cited by Dr Holzer in [80(b)] in his fn46. Each of these affirms that "*as a rule*" or "*usually*" declaratory relief is not available if specific performance is available (implicitly accepting the corollary that it can be available). However, guidance is given as to when such relief is available e.g. "*if the plaintiff has an important interest worthy of protection in the immediate determination of the legal situation...the plaintiff must not be required to tolerate the maintenance of this uncertainty any longer, because it hinders his freedom of decision*" [exhibit SH-77 [D.4/83/1139]. The Federal Court in 4A-255/2021 at exhibit SH-82 [D.4/93/1208] again discusses what is meant by "exceptional circumstances" and (consistent with Grolimund above) explains that the caselaw of the Federal Supreme Court had made clear that declaratory relief is available even where specific performance is available:

"if it was a matter not only of receiving the performance due, but also of having the validity of the legal relationship on which it is based determined for its future settlement" (see 1.2.1 on [D.4-1209]).

234. The same is true of the cases cited in Holzer 2 ¶80(b) fn47 which again all simply re-iterate the principle (with the Supreme Court decision at Exhibit SH-85 adding that an interest worthy of protection by declaratory relief "*must be substantial*" and that "*not every abstract uncertainty is sufficient; rather, it is necessary that its continuation can no longer be expected of the plaintiff because it hinders him in his decisions*" [D.4-1258]).

### **Summary of Swiss Law position on Declaratory Relief**

235. In light of the above, I find that the position set out in Holzer 1 [49(a)] (where he stated that declaratory relief is available if there is no injunction or specific performance available) is wrong. The Claimants are correct that this position was not maintained by Dr Holzer in his Second Report, where he retreated to the proposition that declaratory relief is only available in "exceptional circumstances" where specific performance is also available (Holzer 2 ¶80(b)). The case law and literature explain what is meant by "exceptional circumstances".
236. "Exceptional circumstances" are described in the literature and the caselaw of the Supreme Court as including where the aim is not only to obtain the performance due but also to have the validity of the underlying legal relationship established for its future execution.
237. Accordingly, using the descriptors from the Swiss case law and literature above, declaratory relief is available even if specific performance is also available if the claim is one where the Claimants are seeking to have the "*validity of the underlying relationship established for future execution*", or where the declaratory relief would provide the Claimants with "*quantitatively or qualitatively better legal protection than an action for performance and it needs precisely this protection*" or where the declaration is necessary because the current uncertainty of the position "*can no longer*

*be expected of the plaintiff because it hinders him in his decisions*". I agree that the present case qualifies on that basis.

### **The Application of Rome I**

238. The final point is that the Claimants submitted that, in any event, on a proper interpretation of Rome I regulation, the applicable law in relation to declaratory relief is a matter for the *lex fori*, as opposed to the *lex loci protectionis*, and so should be assessed as a matter of English law. This is because the decision as to whether to grant of declaratory relief is a question of "evidence and procedure".
239. In *Actavis UK Ltd v Eli Lilly & Co* [2014] EWHC 1511 (Pat), in the context of determining the law applicable to the grant of declarations of non-infringement under Rome II, Arnold J (as he then was) held (at [236] (and see also [220] and [229])) that the rules which specify the conditions which must be satisfied in order for a claimant to obtain a DNI are properly to be treated as matters of procedure within Article 1(3) of the Rome II Regulation, and are not governed by the law applicable to the non-contractual obligation in accordance with Article 15.
240. On appeal ([2015] EWCA Civ 555; [2016] RPC 2), the Court of Appeal dealt with this issue *obiter dicta*, and held:
- i) At [135]-[136] that the rules applicable to the question of whether DNI relief should be granted (including the rule that the declaration must serve a useful purpose) should be classified for private international law purposes as procedural rules rather than rules concerned with the substance or content of parties' rights; and
  - ii) At [145] that – had the Court of Appeal needed to decide the point - it would have held that Rome II does not result in a conclusion that the *lex causae* applies to conditions for applying for a DNI, those conditions instead being procedural and subject to the *lex fori*.
241. Although the Claimants acknowledged that the issue in these proceedings is to be assessed by reference to the Rome I Regulation as opposed to Rome II, I agree and find that the rules for the availability of declaratory relief in relation to contractual rights or obligations are properly characterised as procedural rules on the basis of similar reasoning to that set out in *Actavis v Lilly*.
242. In response on these points, Nokia cited passages from *Dicey* and *Chitty*. These say that interpretation and performance of the contract and remedies such as injunctions and specific performance depend on the law of the contract. That is a different point. In any event, the passage from *Dicey* (at [32-190]) explains that procedural matters are left to the law of the forum, and the relevant footnote expressly cross-refers to *Actavis v Eli Lilly* in respect of declaratory relief.

### **Conclusions**

243. Reverting to the issue at hand, in my judgment, both the relevant question and the answer are relatively straightforward. In essence the relevant question is whether RAND terms are determined using objective criteria. Although experience and the



cases show that a determination of RAND or FRAND terms can be an involved and complex exercise, the exercise comprises the use of objective criteria.

244. In Nokia's submissions, there was frequent emphasis on the Court exercising a discretion when determining RAND or FRAND terms. This is a bad point. The determination of RAND or FRAND terms does not involve any exercise of discretion.
245. Nokia also relied heavily on the caselaw which says that FRAND terms can lie in a range.
246. This focusses attention on what was actually said by the Court of Appeal in *Unwired Planet CA*, in which the judgment of the Court was delivered by Lord Kitchin. The only point on which the Court of Appeal differed from Birss J. was his finding that, as between two undertakings the potential licensor and licensee, there is only one set of FRAND terms. As Lord Kitchin said:

‘121. We have come to a different conclusion from that of the judge on the question whether there can be only one set of FRAND terms for any given set of circumstances. Patent licences are complex and, having regard to the commercial priorities of the participating undertakings and the experience and preferences of the individuals involved, may be structured in different ways in terms of, for example, the particular contracting parties, the rights to be included in the licence, the geographical scope of the licence, the products to be licensed, royalty rates and how they are to be assessed, and payment terms. Further, concepts such as fairness and reasonableness do not sit easily with such a rigid approach. In our judgment it is unreal to suggest that two parties, acting fairly and reasonably, will necessarily arrive at precisely the same set of licence terms as two other parties, also acting fairly and reasonably and faced with the same set of circumstances. To the contrary, the reality is that a number of sets of terms may all be fair and reasonable in a given set of circumstances.’

247. It is clear that the Court of Appeal formed that view based on two considerations. The first was the economic evidence, which the Court of Appeal considered did not support the Judge's inflexible approach. The second was the Judge's focus on the *Vringo* problem. Birss J. considered that one of the merits of the single set of FRAND terms approach was that it eliminated this problem. The Court of Appeal took a different approach:

‘125. In our judgment this is more of a theoretical problem than a real one. If the SEP owner and prospective licensee cannot agree upon the terms and royalty rates of a FRAND licence and the question of what is FRAND falls to be decided by a tribunal, whether a court or an arbitrator, then the tribunal will normally declare one set of terms as FRAND and that will be the set of terms the SEP owner must offer to the prospective licensee. If, however, the outcome of the proceedings is that two different sets of terms are each found to be FRAND then in our judgment

the SEP owner will satisfy its obligation to ETSI if it offers either one of them. It will in that way be offering an irrevocable licence of its SEPs on FRAND terms.’

248. In that case, the real dispute between the parties was whether a global or national licence was FRAND, Huawei’s contention being that if both are FRAND, the court should limit its consideration to its particular jurisdiction. The Court of Appeal disagreed and reasoned that if both are FRAND, the SEP owner would not breach its undertaking given to ETSI by offering the global licence. That, however, does not displace what they indicated would be the normal result – that the court or tribunal ‘will normally declare one set of terms as FRAND’.
249. It seems to me that there is no fixed obligation on a court at first instance to decide a FRAND range. Depending on the evidence, the court may do so but does not have to do so. If it does, then the SEP owner can choose. If the choice is available to the SEP owner, I do not see this renders (F)RAND not determinable. In the example considered by Lord Kitchin, both the global and the national FRAND terms were determined using objective criteria. So too, if the Court decided a FRAND range: the range would be determined using objective criteria.
250. Bringing all these threads together, my conclusions are as follows:
- i) The ITU-T Commitment is best analysed as a valid contract between the ITU-T and the SEP declarant for the benefit of third parties.
  - ii) By signing the ITU-T Licensing Declaration, Nokia formed a contract with the ITU-T for the benefit of, and enforceable by, third party beneficiaries.
  - iii) That the ITU-T obligation is an encumbrance on the property right that the declarator must ensure be assigned and bind successors-in-interest.
  - iv) That the contract formed with the ITU-T means that Nokia is obliged to grant licences on RAND terms for the benefit of third-party beneficiaries. This is an obligation on Nokia to make RAND offers which are capable of acceptance. In these cases, RAND terms are global in scope.
  - v) That under Swiss law, the essential terms of a contract must be determined or determinable. The requirement for determinability does not mean that there can be only one answer or that the exercise is purely deterministic or mechanical, instead the terms must be capable of being determined using objective criteria which do not require further negotiation by the parties.
  - vi) The ITU-T Commitment is determinable using objective criteria and so is valid under Swiss law.
251. On the alternative analysis (parent and child contract):
- i) The ITU-T Commitment imposes an obligation on Nokia to enter into a future contract with third parties. The mechanism for determining the terms of that future contract is defined (RAND terms) and those terms are determinable using

objective criteria at the time when the future child contract is to be performed. Accordingly, the contract is valid under Swiss law.

- ii) To the extent necessary, I find that the terms of the resulting RAND licence between the SEP holder and the party wishing to implement or implementing the standard are determinable using objective criteria, although there is no particular reason why that must be governed by Swiss law. Certainly if English law applies to the RAND licence contract, its terms can be determined.
252. That in neither analysis have terms been reserved for later negotiation. In both interpretations, the terms and the mechanism for determining those terms is agreed: i.e. the terms must be RAND. Nokia and third parties are free to negotiate terms within the RAND mechanism, but in the event of dispute, the terms are determinable without recourse to the parties and without further negotiation, using objective criteria alone.
253. Nokia's construction (an obligation to negotiate in good faith, with no requirement to make RAND offers or enter into a RAND licence), is contrary to the wording of the Declaration, contrary to its purpose, inconsistent with the policies of other international standardisation bodies like ETSI, is not determinable and would not constitute an encumbrance on the property right which binds third party assignees. It would instead constitute only a personal obligation which is not substitutable. Accordingly, it is wrong.
254. That although under the Swiss Code of Civil Proceedings a declaration as to a state of facts is not possible, a plaintiff can obtain a declaration if it demonstrates an interest that is worthy of legal protection, and that can be a legal or factual interest (Agreed Principle 48(b)).
255. That the Swiss Code of Civil Proceedings would not prevent this Court from determining RAND terms.
256. That under the Swiss Code of Civil Proceedings, declaratory relief is permitted, even if specific performance is available, if the aim is not only to obtain performance but also to have the validity of the underlying legal relationship established. Accordingly, the Swiss Code of Civil Proceedings would not prevent the declarations sought from being made.
257. That, even if my findings at [254]-[256] are wrong, the Swiss Code of Civil Proceedings does not represent Swiss Contract law but is Swiss procedural law and so is not relevant to this Court. Under Rome I, matters of procedural law are for the *lex fori*.
258. That the declaratory jurisdiction of the Court is a matter of procedural law and is part of the *lex fori* and is not affected by Rome I.

## **JURISDICTION**

259. As will appear, the arguments were involved. It is convenient to address the following topics:
- i) The basic principles
  - ii) The correct characterisation of the claims made in the Particulars of Claim

- iii) Serious Issue to be Tried
- iv) The Gateways
- v) Forum
- vi) Full and Frank Disclosure
- vii) Case Management Stay
- viii) Conclusions on the Jurisdiction Challenge.

260. I note that the Claimants did not rely on service of documents pursuant to CPR63.14 and relied solely on the Orders for service out.

### **Applicable legal principles**

261. There was no dispute as to the basic principles.

262. For permission to serve out, the Claimants must satisfy three requirements:

- i) that in relation to the foreign defendant there is a serious issue to be tried on the merits i.e. a real prospect of success (the summary judgment standard);
- ii) a good arguable case that the claim falls within one of the Gateways for service out; and
- iii) that England and Wales is clearly or distinctly the appropriate forum for the trial of the dispute, and that in all the circumstances the court ought to exercise its discretion to permit service of the proceedings out of the jurisdiction: see *Altimo Holdings and Investment Ltd v Kyrgyz Mobil Tel Ltd* [2011] UKPC7, [2012] 1 WLR 1804 at [71] (Lord Collins of Mapesbury).

263. In order to have a good arguable case that the claim falls within a Gateway, the claimant must have the better of the argument: see *Brownlie v Four Seasons Holdings Inc* [2017] UKSC 80, [2018] 1 WLR 192 at [7] per Lord Sumption.

264. As the Claimants submitted, it is important to keep these requirements in mind because they were not always kept distinct in Nokia's arguments.

### **The correct characterisation of the claims.**

### **Applicable legal principles**

265. Nokia submitted that the law is well established, as follows. The test is to identify what are the real issue(s) between the parties. It is important to have regards to the totality of the dispute (*Tesla CA* at [111]), and the Court should not be distracted by the remedy sought as opposed to the true nature of the claim itself (*Conversant v Huawei CA* at [32] – [33] and [95] – [97], citing *Harrods (Buenos Aires)*).

266. I did not understand the Claimants to dispute this. Nokia also submitted that ‘Jurisdiction must be considered on a claim by claim basis.’ Subject to what is meant by each ‘claim’, this seems uncontroversial.

### **The Particulars of Claim**

267. Before moving to consider how the Claimants’ claims are properly characterised for the purposes of considering the Gateways, it will help to analyse the structure of each Claimants’ Particulars of Claim, by reference to the ASUS Particulars of Claim (except where I indicate otherwise, the Acer Particulars are in the same form and the same goes for the Hisense Particulars even though they are slightly differently worded but not materially so). Where I cite particular paragraph numbers, they were specifically drawn to my attention by Ms Pickard KC who argued this part of the case for the Claimants.
268. Section 1 is entitled ‘The Parties’. Following the introduction of the parties, reference to Nokia leads onto their SEPs and the H.264 and H.265 standards. The Nokia SEPs declared essential to those standards are defined in [9] as ‘Nokia Codec SEPs’ and collectively as the ‘Nokia Codec SEP Portfolio’.
269. Section II ‘Background’ introduces the ITU-T Licensing Declaration form which is pleaded in [11] as requiring SEP holders to undertake to licence relevant patents on RAND terms. The remainder of that section pleads (a) details of the negotiations as set out in Annex A (b) in [15] the legal proceedings brought by Nokia in other jurisdictions (also set out in Annex A) and (c) the allegation that all the proceedings would be resolved by agreement of RAND terms, which the relevant Claimants invite the Court to determine and which each set of Claimants undertake to enter into.
270. In Section III, the Claimants identify the ‘Challenged Patents’ in [19] and identify the standards to which each was declared essential in [22], in the context of the plea of non-essentiality. In the case of ASUS and Acer the Challenged Patents are EP(UK) 2,774,375, EP(UK) 2,375,749 and EP(UK) 2,662,892. In their claim, Hisense’s Challenged Patents are EP749 and EP(UK) 2,005,761.
271. Each of the Challenged Patents is alleged to be both invalid and not essential, despite being declared essential to one or both of the H.264 and H.265 standards.
272. Under the sub-heading ‘Right to a RAND licence’, ASUS then plead in [27] ‘a legal right to be granted a RAND licence in respect of the Challenged Patents and/or a legal right to be offered RAND terms in respect of Nokia’s Codec SEP Portfolio (including the Challenged Patents) in a manner which is capable of acceptance by ASUS and to have those terms determined by the Court.’ This was identified by Ms Pickard KC in submissions as the key paragraph, with the key part being the plea of entitlement to a RAND licence in respect of the Challenged Patents. Counsel also made the point that this plea is almost identical to that in *Mediatek v Huawei HC* [2025] EWHC 649 (Pat) – see [128B] quoted in [37].
273. The section concludes with a plea that the Claimants are entitled to a declaration of non-infringement.
274. Section IV pleads the Claimants’ case on the ITU-T RAND Commitment and quotes from the Licensing Declarations made by Nokia (in standard form, naturally). Ms

Pickard KC particularly stressed that the undertaking requires a worldwide licence, and she did this to counter a key criticism made by Nokia that, at some points the pleading refers to an entitlement to a licence under the UK SEPs but at other points it refers to a licence to the global portfolio of SEPs. Her point was that, given the Licensing Declaration itself is to a worldwide licence, there is nothing surprising about references to a licence to the global portfolio, albeit that does not detract from the fact that the key part of the claim is the claim to a RAND licence to the UK SEPs.

275. There are then pleas as to the consequences under Swiss law, including (in [37]), as to specific performance.
276. Throughout there are repeated references to the unconditional undertaking which the Claimants give in a later paragraph (usually [61]) to take a RAND licence on whatever terms are determined to be RAND by the Court. Under the sub-heading ‘ASUS’s entitlement to a RAND licence’, the Claimants plead in [40] Nokia’s contractual obligation to offer and grant ‘a RAND licence in relation to the Challenged Patents and/or the Nokia Codec SEP Portfolio, on such terms as are finally determined to be RAND by this Court’.
277. The Claimants then plead particular terms in [41] which they say a RAND licence covering the Challenged Patents must contain, including that it covers all Nokia Codec SEPs (including the Challenged Patents), is worldwide in scope, covers decoding and encoding H.264 and H.265 files/streams, has an effective date of 1.1.2025 and terminates on 31.12.2029.
278. Various other terms/features are pleaded, including in [42(a)] that the monetary consideration would be in the form of a single lump sum.
279. The pleading then returns in [45] to Nokia’s various proceedings around the world in which they seek to obtain injunctive relief, culminating in these paragraphs, which are designed to support the declaratory relief sought in the prayer for relief:

‘48. Accordingly, if and to the extent that Nokia seeks to continue those proceedings for injunctive relief, ASUS will seek declaratory relief to the effect that a willing licensor and a willing licensee in the position of the parties would (or should) during negotiations in the interim period before the Court handing down its decision determining the terms of that RAND licence enter into an interim licence covering the relevant period providing for a payment adjustable to reflect the RAND terms ultimately determined by the Court (the “Interim Licence”).

49. A willing licensor in the position of Nokia would not seek, or enforce, injunctive relief (whether interim or final) against a willing licensee: such behaviour is instead that of an unwilling licensor. A willing licensee who desires a licence on RAND terms (as ASUS does) is entitled to one as of right and from the first day it implemented the relevant ITU-T standards. ASUS requires protection from the damage to its legitimate business which is being, and is liable to continue to be, caused by Nokia’s global campaign of litigation seeking injunctive relief.

50. If Nokia were, notwithstanding that fact, to seek to maintain its campaign for injunctive relief, ASUS would require protection from the damage to its legitimate business. Furthermore such protection would be required to ensure the integrity and efficacy of these UK proceedings.

51. Consequently, if and to the extent that Nokia seeks to maintain its campaign of seeking and enforcing injunctive relief, ASUS will seek a declaration that, in accordance with Nokia's contractual obligations by virtue of undertakings, declarations and/or declarations of essentiality made to the ITU-T, a willing licensor and willing licensee in the position of the parties would:

(a) agree to enter and actually enter into a licence including such terms as determined by this Court making a final determination (including all avenues of appeal) of RAND terms between the parties, and

(b) agree to enter and actually enter into an interim licence pending such final determination on such terms as determined by this Court.

52. Following from the declarations sought at paragraph 51 above, ASUS would seek a declaration as to the appropriate terms to govern the interim period before the RAND terms of a global licence between the parties are determined by this Court or the parties otherwise reach agreement (the "Interim Licence").'

280. The terms of the Interim Licence sought by ASUS are then pleaded.

281. The next sub-heading is 'Enforcement of ASUS's rights under the RAND Commitment' where the Claimants plead specific performance of that commitment, requesting the Court to order Nokia to enter into the Interim and Final Licences determined by the Court, with declarations in the alternative.

282. ASUS's undertaking to the English Court is then set out in [61].

283. Section V 'Declarations of Non-Infringement' pleads a pass-through licence from Microsoft, setting out in [64] three sets of acts the subject of the claimed declaration of non-infringement. Two further sets of acts are pleaded in [67]. [69] pleads 'in relation to any acts of ASUS in the UK in relation to SEPs held by Nokia that are the subject of their RAND obligations, ASUS avers that there can be no injunction' effectively due to ASUS's undertaking. Ms Pickard KC pointed out that this must concern UK SEPs.

284. Section VI then pleads certain procedural matters, principally the Claimants' desire to take a RAND first approach in the litigation, and early disclosure of comparable licences.

285. With that summary in mind, I can turn to what the Claimants actually ask the Court to order, as set out in the *prayer for relief* (I leave out the final paragraphs):

- (1) Declarations that the Challenged Patents and each of them are invalid.
- (2) An order that the Challenged Patents and each of them be revoked.
- (3) A declaration that EP 749 is not essential to the H.264 Recommendation.
- (4) A declaration that the Challenged Patents and each of them are not essential to the H.265 Recommendation.
- (5) A declaration or declarations that the acts set out in paragraph 64 would not infringe (i) the Challenged Patents or any of them, (ii) any Nokia Codec SEP.
- (6) A declaration or declarations that the acts set out in paragraph 67 would not infringe (i) EP 375, (ii) EP 892 or (iii) any Nokia Codec SEP which has been declared essential to the H.265 Recommendation but not the H.264 Recommendation.
- (7) A declaration that ASUS is a beneficiary of the Defendants' RAND Commitment to ITU-T.
- (8) A declaration that ASUS is entitled to be offered, and on acceptance of such an offer, granted a licence covering the Nokia Codec SEP Portfolio, including the Challenged Patents, on RAND terms.
- (9) A declaration that by reason of ASUS's undertaking at paragraph 61 to enter into a licence agreement in the form that is determined by this Court to be RAND, the Defendants are not entitled to an injunction restraining ASUS from any acts which would otherwise constitute infringement of any patents in the Nokia Codec SEP Portfolio and/or the Challenged Patents in the UK.
- (10) A determination of what the terms would be for a Final Licence between ASUS and Nokia covering the Challenged Patents and the other patents in the Nokia Codec SEP Portfolio.
- (11) An order that the Defendants offer ASUS the Final Licence.
- (12) A declaration that in accordance with the contractual obligations on the part of the Defendants by virtue of undertakings, declarations and/or declarations of essentiality made by it to ITU-T a willing licensor and a willing licensee in the circumstances of the parties would
  - i. agree to enter and actually enter into a licence including such terms as determined by this Court making a final



determination (including all avenues of appeal) on RAND terms between the parties, and

ii. agree to enter and actually enter into an Interim Licence pending such final determination on such terms as determined by this Court.

(13) A determination of what the terms would be for an Interim Licence between ASUS and Nokia covering the Challenged Patents and the other patents in the Nokia Coded SEP Portfolio for the duration of these proceedings until the determination of the Final Licence as set out at Prayer (11).

(14) An order that the Defendants offer ASUS the Interim Licence.

(15) In the alternative to Prayer (14), a declaration that if, within seven days of the Court's Order declaring the terms of an Interim Licence, the Defendants refuse to offer ASUS an Interim Licence on the terms determined by the Court, the Defendants are in breach of their RAND Commitment and are unwilling licensors.'

### **Nokia's arguments**

286. Nokia grouped the claims into the following five categories:

- i) First, the 'Patent Claims' – relating to technical patent issues – validity, non-infringement/non-essentiality, revocation: Prayers 1-4 & 6.
- ii) Second, what they termed the 'Purely Contractual Claims' – based on alleged legal obligations arising out of Nokia's ITU-T declarations: Prayers 7 and 12.
- iii) Third, what they termed the 'Contractual-Property Claims' – claims based on alleged contractual rights, but which are pleaded as relating to certain IPR, but which do not require a determination of the terms of a RAND licence: Prayers 8 and 9.
- iv) Fourth, the RAND claims – and I quote their characterisation: 'claims which involve the determination of the scope and content of the adjustable and/or final RAND licence in respect of 'Nokia's Codec SEP Portfolio' (even though Nokia alleged the term was contentious). Nokia acknowledges these claims are contractual in origin (as they would have to be given *Vestel (infra)* and to establish breach as required by the interim licence caselaw (also *infra*)), but involve the determination of RAND terms as part of the remedy for alleged breach:
  - a) Prayers (10) and (13): declarations of the RAND terms for a final RAND licence and an adjustable RAND licence (respectively) to Nokia's Codec SEP Portfolio;

- b) Prayers (11) and (14): orders for specific performance in respect of the adjustable RAND licence and/or final RAND licence;
  - c) Prayer (15): a declaration that Nokia is in breach of its ITU-T obligations if it fails to offer the adjustable RAND licence within seven days of it being declared.'
  - v) Fifth, Miscellaneous claims – including 5 relating to the alleged pass-through licence from Microsoft and the final prayers 16-18.
287. Nokia's contentions regarding these categories were, in summary, as follows.
288. First, Nokia's overarching point on their Arbitration Adjustable Licence Offer meant that there was no serious issue to be tried on any part of the claim. I have already rejected this point above.
289. Second, the 'Purely Contractual' Claims, prayers 7 and 12, are based in contract and do not engage any property at all and therefore do not engage Gateway 11 at all.
290. Third, as for the 'Contractual-Property' Claims (prayers 8 and 9), Nokia contended that for prayer 9, there is no even arguable legitimate basis for useful purpose, on the bases that:
- i) there is no suggestion or evidence that Nokia has brought or would bring or threaten to bring any H.264 or H.265 claims for infringement in the UK.
  - ii) No injunctive relief would be granted in the UK whilst this action was extant.
  - iii) Any case on useful purpose based on injunction claims in foreign jurisdictions would be wrong as a matter of principle for the reasons set out in *Teva v Novartis* [2022] EWCA Civ 1671 at [51].
291. Fourth, as regards the RAND claims, 10, 11, 13, 14 & 15, Nokia contended there was no serious issue to be tried because, as a matter of Swiss law, those declarations could not be granted either because they were declarations of matters of fact, or because the court cannot, applying Swiss law, step in the fill lacuna in the essential terms of a contract.
292. That leaves the claims which Nokia did not address:
- i) Since Nokia said nothing about the Patent Claims, with the result they did not mount any challenge to jurisdiction over those claims, I take it that Nokia accept jurisdiction, their point being that those claims do not achieve what the Claimants really want – a determination of RAND terms.
  - ii) Nokia did not address prayer 8 directly.
293. However, Nokia's principal argument was that the claim as pleaded did not fall within Gateway 11 which requires that 'The subject matter of the claim relates wholly or principally to property within the jurisdiction,...'

294. Counsel for Nokia acknowledged that the argument here was over a pleading point, but submitted it was for the Claimants to plead their claims so as to fit through the Gateways.
295. As I understood Nokia's argument, it ran as follows:
- i) First, a patentee-led claim (as in *Unwired Planet* or *Conversant*) is properly to be characterised as a claim for infringement to which the (F)RAND arguments are raised as a defence to an injunction. As an infringement claim in respect of a UK patent, the claim is in respect of property wholly or principally within the jurisdiction, and within Gateway 11.
  - ii) Second, implementer-led claims are different, being based on alleged breaches of contract by the patentee under its (F)RAND obligations – and are at their core contractual. In cases where there is no English SEP claim brought or an infringement counterclaim threatened, there is no claim for infringement and 'the *Conversant* analysis does not run'.
  - iii) This argument is based on what Arnold LJ said in *Tesla CA* at [114]-[115] and in particular the following points made by Arnold LJ in [115] (in which the 'Patent Claims' were to declarations of invalidity (and consequential revocation) and/or inessentiality (and hence non-infringement) of the 'Challenged Patents' in that case (3 EP(UK)s) and the 'Licensing Claims' concerned declarations as to FRAND terms for a licence of the UK SEPs in the Avanci 5G Platform, alternatively the Challenged Patents):
    - a) First, that the Patent Claims and the Licensing Claims are distinct claims which should be separately characterised for forum purposes.
    - b) Second, the situation would be different if there was a claim in respect of a threat of infringement proceedings by Interdigital or a threat to counterclaim for infringement, because then Tesla could invoke InterDigital's FRAND obligations as a defence.
    - c) Third, it was common ground that a determination of the Licensing Claims would obviate the need to determine the Patent Claims. Thus those two sets of claims could be determined in different fora without any risk of conflicting judgments.
  - iv) Accordingly, so Nokia contend, an implementer-led declaratory claim cannot be considered the reverse of a patentee-led claim and cannot get within Gateway 11.
  - v) Third, a 'claim' within Gateway 11 is to be understood as a reference to a legal claim in respect of a legal right (*Vestel CA* at [70], approved of in *Tesla CA* [108]). A request for the Court to exercise its inherent jurisdiction to grant declaratory relief is not, therefore, a 'claim' within Gateway 11 (*Vestel CA* at [69] – [72]).
  - vi) Fourth, Nokia acknowledged the Claimants' contention that Gateway 11 applies to their claims but said this was misfounded because the claims are advanced in

respect of the *whole* of Nokia's global portfolio of H.264 & H.265 patents (on the basis that this *includes* UK patents). Nokia's point was that the claim therefore did not relate to property wholly or principally within the jurisdiction. Nokia submit that Gateway 11 simply does not support claims brought in respect of global portfolios.

- vii) Fifth, Nokia acknowledged there is *obiter* support (in *Vestel CA* and *Tesla CA*) for the proposition that a claim brought in respect of only UK SEPs seeking a global licence, may satisfy Gateway 11, but said that is not the claim which any of the Claimants have brought.
- viii) Finally, Nokia reserved the right to argue that the *obiter* decisions in *Vestel CA* and *Tesla CA* are wrong in any event, on the basis that:
  - a) one must have regards to the real dispute between the parties.
  - b) here it is plain that the dispute is as to the terms of a RAND licence in respect of Nokia's Codec SEPs portfolio as a whole.
  - c) it is artificial, and subversive of Gateway 11, to characterise a claim which is in substance and truth a claim concerning the licencing of a global portfolio as relating "*wholly or principally*" to property within the jurisdiction merely because of the deployment of a pleading device.
  - d) that is to raise form over substance and repeats the error made at first instance in *Re Harrods (Buenos Aires)* where the form of the relief was allowed to triumph over the substance of the dispute.
  - e) *A fortiori*, if the Claimants were then to bring the remainder the portfolio as part of the claim under Gateway 4A, as to do so would reduce the requirement of property 'wholly or principally within the jurisdiction' to nothing, and would show that the underlying analysis must be wrong.

296. A final point made by Nokia was that they say there is no threat against any of the Claimant to assert any of Nokia's UK SEPs. I found this point more than a little unreal since it is plain that the various offers which Nokia has made are global in nature and therefore would include UK SEPs, there being no indication that Nokia would excise any royalties due in respect of UK SEPs.

297. There is, as far as I am aware, no undertaking from Nokia not to enforce any UK SEPs against these Claimants, and no such undertaking was offered to the Court (perhaps not surprisingly, as that would probably require or result in a submission to the jurisdiction). In the absence of a binding undertaking, it would remain open to Nokia to change their position at any time.

298. For these reasons, I regarded this aspect of Nokia's position as part of an attempt to avoid the jurisdiction of this Court.

### **The Claimants' arguments**

299. For their part, the Claimants contended that their claims comprised two elements:

- i) the Patent Claims which concern the Challenged Patents (validity, non-essentiality, DNIs, the Microsoft pass-through licence). Ms Pickard KC confirmed the Claimants' understanding that Nokia took no issue on those claims.
  - ii) the RAND Claim – i.e. the Claimants' claim to an entitlement to a licence in respect of Nokia's UK video codec SEPs on RAND terms.
300. In view of Nokia's characterisation, Ms Pickard was keen to take me through the ASUS Particulars of Claim and I have set out the analysis above. Having done that exercise, her argument was succinct: prayers 7 onwards, read in context, are all aspects of the relief flowing from a contractual entitlement claim to a RAND licence in respect of UK SEPs. She acknowledged that some of the declarations did not refer specifically to UK SEPs, but contended the context was clear, and others (8, 9 & 10) do, with their references to the Challenged Patents.
301. Overall, her submission was that these sets of Particulars of Claim plead cases which are foursquare within the authorities, especially *Alcatel HC*.

### **Serious Issue to be Tried**

302. I agree that the key paragraph in the Particulars of Claim contains the claim to a RAND licence in respect of the Challenged Patents (see ASUS [27] and paragraph 272 above). There is plainly a serious issue to be tried as to whether the Claimants have an enforceable claim of right to be granted a RAND licence in respect of the UK SEPs, and whether such a RAND licence covers Nokia's Codec SEPs.

### **The Gateways**

#### **Gateway 11**

303. Gateway 11 is satisfied where "The subject matter of the claim relates wholly or principally to property within the jurisdiction, provided that nothing under this paragraph shall render justiciable the title to or the right to possession of immovable property outside England and Wales."
304. Nokia contended that this claim cannot pass through Gateway 11. However, as the Claimants submitted, that contention ignores all the recent caselaw. The Court of Appeal has twice held (albeit, *obiter*) that a claim to have a legally enforceable right to a licence to one or more UK patents is a claim that passes through Gateway 11, notwithstanding that the scope of the licence in question is said to extend to foreign patents.
305. However, this has also been held to be correct (as the *ratio* of the decision) at first instance by Zacaroli J (as he then was) in *Alcatel HC* and by Leech J in *Mediatek v Huawei* [2025] EWHC 649 (Pat).
306. The first *obiter* finding to this effect was made by Birss LJ in *Vestel CA* (with whom Nugee and Laing LJ agreed). Birss LJ explained at [71]:

“I am prepared to accept that if Vestel did claim to have a legally enforceable right against a patentee or a licensing agent of a patentee, whereby Vestel were entitled to be offered a FRAND licence under the UK SEPs in the HEVC Advance pool, then the subject matter of that particular claim would be the UK SEPs. The question that claim would be concerned with is the licence terms which are available to license those UK rights. The fact that the only licence of the UK patents which is FRAND would also involve licensing foreign patents does not alter the subject matter of the claim. The fact that UK patents in the FRAND licence were only 5% or less of the patents licensed by it would make no difference. I would hold that such a claim was one which related wholly or principally to property within the jurisdiction and therefore fell within gateway 11. If I am differing from the judge below in this respect it may be because in the court below Vestel never clearly narrowed its claim to the extent it now does.”

307. Arnold LJ (dissenting on other grounds) approved Birss LJ’s analysis of Gateway 11 in *Tesla CA*. At [109], he expanded on the analysis in *Vestel CA* as follows:

“...the Licensing Claims relate wholly to property within the jurisdiction because the claims concern UK SEPs. InterDigital argue that the jurisdiction question cannot be determined by what InterDigital characterise as the artificial framing of the declarations sought by Tesla, when in reality the claim on Tesla’s own case is a contractual claim to a global licence of SEPs, the vast majority of which are non-UK SEPs. While I appreciate the superficial attraction of this argument, I do not accept it for reasons which should be familiar to students of the English courts’ jurisprudence in this field. In short, it is necessary to distinguish between the property on the one hand and the FRAND obligation which affects it on the other hand. Patents are territorial rights, but (i) standards such as the ETSI Standards are global standards which are exploited globally, (ii) the FRAND obligation under clause 6.1 is a global one and (iii) a licence on FRAND terms may well be a global one (meaning that a UK-only licence is not FRAND). Thus a licence to a single UK SEP on FRAND terms can be, and often is, a global licence to all corresponding SEPs (and indeed other families of SEPs in the same portfolio). In *Nokia v OPPO* this Court upheld the jurisdiction of the English courts in respect of the claim even though the UK represented less than 0.5% of the relevant market (which does not necessarily mean that only 0.5% of the SEPs were UK ones, but nevertheless gives a sense of the order of magnitude). That case concerned an infringement claim, and so the jurisdictional analysis was somewhat different, but nevertheless it illustrates the point. Thus the Licensing Claims relate wholly to UK SEPs even though it is Tesla’s case that the FRAND obligations attaching to those UK SEPs carry with them

an obligation to grant a licence of global, and not merely UK, extent. Indeed, neither Avanci nor InterDigital dispute that a licence on FRAND terms of the relevant SEPs would be a global one.” (Emphasis added)

308. I acknowledge that the *Tesla CA* judgment is the subject of a pending appeal to the Supreme Court and that this point arises, albeit on a Respondents’ Notice. Nonetheless, these remain very powerful *obiter* comments from two Court of Appeal judges with unrivalled patent experience.

309. At first instance, Birss LJ’s *Vestel CA* analysis has also been accepted and applied by Zacaroli J (as he then was) in *Alcatel HC*. Zacaroli J held that the claim for RAND relief passed through Gateway 11, explaining at [120]:

“In my judgment, this *obiter* comment of Birss LJ is correct. Nokia’s argument confuses the subject matter of the *licence* that is sought with the subject matter of the *claim* that is brought. The claim is one to enforce the contractual obligation of Nokia pursuant to the declarations made in respect of the two UK patents, to grant a licence on RAND terms. That is a claim which relates wholly to property within the jurisdiction, even though the licence sought is one that covers a global portfolio of patents, of which the UK patents are only a small element. The legislative history of the rule does not, in my view, affect that conclusion. I note that Fancourt J in *Tesla v Avanci* [2024] EWHC 1815 (Ch), at §45, considered that Birss LJ’s conclusion on this point was right in principle.”

310. In *MediaTek*, Leech J agreed with this analysis (at [184]) and followed Birss LJ in *Vestel CA*, Arnold LJ in *Tesla CA* and Zacaroli J in *Alcatel HC*.

311. Based on the above, I agree that the current law in England is that a claim for a (F)RAND licence to UK patents meets the requirements of at least Gateway 11, even though the licence is said to be global in scope (and cover many more patents that are not UK patents). However large the foreign element of the licence might be, it remains a claim that relates wholly or principally to property within the jurisdiction.

312. As Zacaroli J succinctly put it, to say otherwise is to confuse the subject matter of the licence with the subject matter of the claim. The claim is to enforce a contractual obligation in respect of specific UK patents to grant a licence on RAND terms. That is a claim wholly or principally relating to UK property.

313. I should add that immediately prior to the start of the hearing, Nokia suddenly suggested that *some* of the Challenged Patents are not in fact essential to the relevant standards. The argument was developed in Mutimear 2 (served on 13 October 2025). I had previously given directions for the service of technical expert evidence, where this sort of argument ought to have been developed, but Nokia did not serve any. In those circumstances, I was not prepared to entertain these last minute arguments. In any event:

- i) there remained Nokia SEPs, namely EP(UK) 375 and EP(UK) 892 which Nokia accept are essential to the Relevant Standards.

- ii) EP(UK) 749 is relied upon by all the Claimants and the Nokia Declaration to the ITU-T for this SEP said it related to 'ITU-T: H.264 Advanced Video Coding'. That declaration, as the Claimants submitted, is sufficient for the jurisdiction application, even if Nokia wish to develop an argument later that their declaration was wrong

### **Gateway 16A**

- 314. The ASUS and Acer Claimants also relied on Gateway 16A. Hisense acknowledged that Gateway 16A may not be a basis for their RAND claim because they have not pleaded a case of non-infringement of the Challenged Patents.
- 315. Gateway 16A is available where "A claim is made for a declaration that the claimant is not liable where, if a claim were brought against the claimant seeking to establish that liability, that claim would fall within another paragraph of this Practice Direction (excluding paragraphs (1) to (5), (8), (12D), (15D), (17), (22) and (24) to (25))."
- 316. In *Alcatel HC* at [110], Zacaroli J accepted that the claims for RAND relief in that case were "*properly to be characterised as an element of the claim for a declaration of non-infringement of the two UK patents identified in the Part 20 Technical Case, and therefore satisfies Gateway 16A.*" Leech J adopted a similar analysis in *MediaTek v Huawei* at [184].

### **Gateway 4A**

- 317. Gateway 4A is available where "A claim is made against the defendant which— (c) falls within one or more of paragraphs (1A), (2), (6) to (16A) or (19) to (23), and a further claim is made against the same defendant which arises out of the same or closely connected facts." In *Alcatel HC*, Zacaroli J accepted (at [114]) that Amazon's RAND case passed through Gateway 4A.
- 318. Overall, the Claimants submitted that, in line with previous similar cases of this nature, the claims meet the requirements of the Gateways to establish jurisdiction. I agree that there is nothing about the present case that leads to a different conclusion.

### **Forum**

- 319. As the Claimants submitted, a challenge to jurisdiction on *forum conveniens* grounds requires the challenger to identify some other forum which has jurisdiction to determine the dispute. For service out, the burden is on the Claimants to show that England is the more appropriate forum. However, that still requires there to be another candidate with the requisite jurisdiction: see *Unwired Planet SC* at [96].
- 320. In considering whether there is an alternative forum, the Court considers whether there is another Court of competent jurisdiction that can deal with the dispute. Whilst disputes can also be resolved by way of alternative dispute resolution, such methods are extra-judicial and critically dependent upon the parties' consent. The Claimants therefore submitted that, as such, an ADR procedure, be it a mediation or arbitration or some other procedure, does not constitute an alternative forum for the purposes of determining *forum conveniens*.



321. In this regard, Nokia were unable to identify any case where, in the absence of an enforceable arbitration clause, the Court had either declined jurisdiction or granted a stay in favour of arbitration.
322. The Claimants drew my attention to three authorities which provide some confirmation of their point.
323. First, *UniCredit Bank GmbH v RusChemAlliance LLC* [2024] UKSC 30, where the unusual contention was advanced that arbitration was an alternative available forum for resolution of an anti-suit application. In that case, the parties' contract contained a clause that all disputes relating to it would be determined by an arbitration in Paris under ICC Rules. The contract was governed by English law. The defendant issued proceedings in a Russian court pertaining to the contract. The claimants duly sought anti-suit relief from the English Court, seeking orders requiring that the defendant cease Court proceedings in Russia given the exclusive arbitration clause in the contract.
324. There was a dispute between the parties as to which was the appropriate forum for determination of the anti-suit case. The defendant contended, *inter alia*, that an arbitration commenced under the contract would be an available and appropriate forum for the claim to anti-suit relief or equivalent (see [105]). This was a surprising contention – the party seeking to litigate in Russia in the face of an arbitration agreement was nevertheless seeking to rely upon arbitration to resolve the dispute as to whether the Russian Court could determine the substantive dispute in preference to arbitration. Perhaps unsurprisingly, this was rejected by the Supreme Court. The Supreme Court's reasoning was based on the fact that it would not be possible to obtain substantial justice through the relevant arbitration as its interim orders would not be enforceable in Russia: the Supreme Court emphasised the difference between the *consensual* process of arbitration and the enforcement powers of the Court in this regard - see [106]-[110].
325. Second, the Claimants noted that in *Tesla CA*, the Delaware Court of Chancery was identified as an alternative forum that could determine FRAND licence terms. Arnold LJ (in his dissenting judgment on other grounds) *obiter* considered that because, in his view, the parties' consent to a FRAND rate-setting was required in Delaware, it was not an alternative forum (see [133], [148] & [149]).
326. Third, in *Kigen v Thales* [2022] EWHC 2846 (Pat), the defendant suggested WIPO mediation as an alternative available forum for the claims for declaratory relief as to the terms of a FRAND licence for GSM SEPs. At [33], Fancourt J noted that that suggestion was not pursued "*rightly, in my view, since WIPO mediation, whatever its other qualities, is not an alternative forum for these purposes*".
327. The only "alternative forum" relied upon by Nokia in the present case is arbitration under its Arbitration Offers. The Claimants submitted this suggestion must fail for three reasons. I agree with each of their reasons.
328. **First**, for reasons of timing. An application to set aside permission to serve out of the jurisdiction falls to be determined by reference to the position at the time permission is granted, not by reference to circumstances at the time that the application to set aside is heard: see, e.g. *Erste Bank Group AG v JSC VMZ Red October* [2015] EWCA Civ 379

at [44] & [45] *per* Gloster LJ. In each case, the offers to arbitrate on which Nokia relies were only made after the relevant Claimants had obtained permission to serve out.

329. **Second**, arbitration is not an available forum in any event. Arbitration, like mediation, is a form of alternative dispute resolution and not a forum at all: see, by analogy, Fancourt J in *Kigen* at [33]. Further, in contrast to the position in *UniCredit*, no arbitration agreement has been concluded between Nokia and any of the Claimants. A mere offer to arbitrate, absent agreement, certainly cannot provide an alternative forum.
330. **Third**, even if arbitration could be characterised as a “forum” and even if such forum were “available”, it is not clearly or distinctly more appropriate than England. Arbitration is a consensual, often international, process with no connection to any of the parties to these proceedings. In contrast to the position where the alternative forum relied upon is a foreign Court, Nokia cannot point to any *Spiliada* “connecting factors” between any of the parties and the abstract principle of “arbitration” (such as the location of documentary evidence or the likely location of witnesses. Nokia has proposed ICC Arbitration, with the ICC being headquartered in Paris, but the seat of the arbitration is to be nominated by the relevant Claimant.)
331. As the Claimants submitted, if it were otherwise, an offer to arbitrate could almost always prevent the English Court from assuming jurisdiction. That has never been the law. In the present case, no other forum has been identified. So Nokia’s point goes nowhere.
332. I should add that, even if arbitration should be considered as an alternative forum, in my judgment the Claimants had legitimate and substantial reasons for declining the invitations to arbitrate. Mr Lykiardopoulos KC drew my attention to the fact that the proposed arbitrations would move straight to the determination of RAND terms: the issues of Swiss law would not be decided, for example. I floated the suggestion that the Claimants’ position might be considered altruistic, but Mr Lykiardopoulos KC emphasised the Claimants’ interest in having the meaning of the ITU-T Commitment decided, along with the issues of Swiss law. The problem with ‘parking’ these issues (e.g. because they would not be resolved in the proposed arbitrations) is that they would be live once again when the RAND licences came around for renewal. Furthermore, arbitration allows Nokia to divide and rule by keeping the results private. Each set of Claimants would know the resulting rate in their arbitration (and hence whether Nokia were able to justify their offered rate as RAND), but they would not know the results for the other sets of Claimants. Furthermore, other implementers in this market would not find out whether Nokia’s offered rate was RAND or not, or what rate was determined to be RAND. In my view, there is a powerful public interest in those matters being public, which the Claimants’ preferred course will achieve, if these cases proceed to trial and judgment.

## **FULL AND FRANK DISCLOSURE**

333. It is axiomatic that a party seeking permission of the court to serve proceedings out of the jurisdiction must make full and frank disclosure of those facts which it is material for the Court to know.

334. Although Nokia intimated it had allegations of failures on the part of each set of Claimants, Nokia pursued just one allegation against ASUS. It concerns the failure by ASUS to refer to certain proceedings in the US.

### **Applicable Legal Principles**

335. The relevant authorities are well-known. For their part Nokia cited authority going to the consequences if a failure to make full and frank disclosure has been made out, drawing my attention to *Libyan Investment Authority v JP Morgan* [2019] EWHC 1452 (Comm) at [92]-[98] and [122].

336. On the substance of failure, Nokia submitted that breaches which involve failing to inform the Court of co-pending related litigation in other jurisdictions have been flagged as being a particularly concerning omissions on an application to serve out, and cited Lawrence Collins J. as he then was in *Ophthalmic Innovations v Ophthalmic Innovations* [2004] EWHC 2948 (Ch) at [45] (cited in *Punjab National Bank v Srinivasan* [2019] EWHC 3495 (Ch) and the *White Book* at 6.37.4):

‘45. The existence of overlapping proceedings in a foreign jurisdiction between the same or related parties (whether pending or prospective) is likely to be a particularly relevant matter which in normal circumstances must be disclosed, and the non-disclosure of which may well of itself lead to the order for permission being set aside: see *GAF Corp v Amchem Products Ltd* [1975] 1 Lloyd's Rep 601, 607 (Megarry J, affd CA); *Konamaneni v Rolls Royce (India) Ltd* [2002] 1 WLR 1269, 1301.’ (my emphasis)

337. In their citation of authority, the Claimants concentrated on the main question – how one identifies information which is material for the Court to know. On this point, the Claimants drew my attention to the summary of the relevant principles in *Sloutsker v Romanova* [2015] EWHC 545 (QB) per Warby J. (as he then was) at [51] (citations omitted):

“(i) An applicant for permission to serve proceedings outside the jurisdiction is under the duty of full and frank disclosure which applies on all applications without notice.

(ii) The duty requires the applicant to make a full and fair disclosure of those facts which it is material for the court to know... Put another way, disclosure should be made of “any matter, which, if the other party were represented, that party would wish the court to be aware of”...

(iii) Non-disclosure of material facts on an application made without notice may lead to the setting aside of the order obtained, without examination of the merits. It is important to uphold the requirement of full and frank disclosure.

(iv) But the court has a discretion to set aside or to continue the order. Whether the fact not disclosed is of sufficient materiality

to justify or require immediate discharge of the order without examination of the merits depends on the importance of the fact to the issues that were to be decided. The answer to the question whether the non-disclosure was innocent is an important, though not decisive, consideration...

(v) In the context of permission for service outside the jurisdiction the court has a discretion to set aside the order for service and require a fresh application or to treat the claim form as validly served and deal with the non-disclosure by a costs order..."

338. The Claimants then focussed on the issue of materiality, citing Toulson J (as he then was) in *MRG (Japan) Ltd v Engelhard Metals Japan Ltd* [2003] EWHC 3418 (Comm) at [23]. At [26], Toulson J. held (emphasis added):

"An application for permission to serve out of the jurisdiction is of a very different nature. The general principles about disclosure on without notice applications still apply, but the context is different. The focus of the inquiry is on whether the court should assume jurisdiction over a dispute. The court needs to be satisfied that there is a dispute properly to be heard (i.e. that there is a serious issue to be tried); that there is a good arguable case that the court has jurisdiction to hear it; and that England is clearly the appropriate forum. Beyond that, the court is not concerned with the merits of the case."

339. The Claimants acknowledged that the existence of foreign proceedings can be material, by reference to this passage from the judgment of Burton J. in *Masri v Consolidated Contractors International Co SAL* [2011] EWHC 1780 (Comm) at [59]:

"In a service out case, not only may the existence of foreign proceedings go to the issue as to whether it is an appropriate case to be tried in England, but, in particular, where there may be questions of the applicability of Articles 27 and/or 28, the existence of potentially relevant or related actions in other jurisdictions is obviously material."

340. In terms of the consequences which follow from a failure to make full and frank disclosure, the Claimants cited Lord Collins in *NML Capital Ltd v Republic of Argentina* [2011] UKSC 31, 273; [2011] 2 AC 495, SC, where at [136] he explained that in cases of non-disclosure, the court has a discretion (a) to set aside the order for service and require a fresh application, or (b) to treat the claim form as validly served, and deal with the non-disclosure if necessary by a costs order.

## **The Facts**

341. The proceedings in the US which Nokia say should have been disclosed were referred to as the Celerity Litigation in the Eastern District of Texas (EDTX). Celerity IP LLC is said to be an IP management firm which monetises SEPs through licensing and patent enforcement on behalf of SEP owners.

342. Six claims were commenced in October 2023 in the EDTX by Celerity IP and another plaintiff. The actions fall into two groups:
- i) Three of the actions concern US patent US 9,237,489, which is owned by Innovative Sonic Limited (“Innovative Sonic”), an autonomous entity that administers and operates an irrevocable trust into which ASUS has assigned telecoms patents. Innovative Sonic is named as the second plaintiff in those actions. ASUS appointed Innovative Sonic to administer and operate this trust in 2006. Mr Lipschitz identifies three other US patents asserted in those proceedings namely: 7,664,059, 9,560,559 and 9,736,883.
  - ii) Three of the actions concern US patent US10,951,359, which is owned by ASUS Technology Licensing (“ATL”), a company within the ASUS group which owns a number of cellular SEPs. ATL is named as the second plaintiff in those actions. Again, Mr Lipschitz identifies three further US patents asserted in those proceedings namely: 10,148,402, 10,798,754 and 10,887,868.
343. The actions were brought against various US telecoms carriers, all customers of Nokia. Nokia successfully intervened.
344. Whilst Innovative Sonic and ATL are named in these actions as a second plaintiff to Celerity, ASUS say that is a procedural necessity as a matter of US law. ASUS accept that they will benefit financially through licensing royalties as a result of any damages Celerity recovers in the Celerity Litigation, but ASUS say that the ASUS group does not have control over the litigation. Rather, the Celerity Litigation was commenced and/or is controlled by Celerity.
345. The reasons why Nokia says that the Celerity Litigation ought to have been disclosed on the application for service out appear to have changed over time.
346. The alleged failure was explained in Nokia’s PTR skeleton, that this US litigation is relevant because it exposes that, by the current claim, ASUS is seeking to remove Nokia’s ability to obtain injunctions on Nokia’s SEPs whilst at the same time suing Nokia’s customers in the US.
347. The focus then shifted to a complaint about the size of the damages claim made in the Celerity Litigation, on the basis of an eye-catching damages figure of \$99.1bn. This was explained in the witness statement of Mr Lipschitz, an American lawyer acting for Nokia in that litigation, where he said that a figure of \$99.1 billion has been mentioned in the US litigation. It is an extraordinary sum and four times the market cap of Nokia, of around \$22bn.
348. The figure of \$99.1 billion is said by Mr Lipschitz to have been mentioned in open court at a hearing that took place on 7 July 2025 in the EDTX.
349. However, as the ASUS claimants pointed out in their evidence on this point, what Mr Lipschitz did not mention is that this figure was mentioned by members of his firm and the ASUS claimants do not accept that figure as being even remotely correct. The public transcript of the hearing reveals that, in fact, it was based on some estimated damages calculations undertaken by Nokia on its application for further time to file expert evidence. The figure did not come from any of the plaintiffs (i.e. Celerity IP, Innovative

Sonic and/or ATL). Mr Lipschitz also failed to mention in his evidence that, at the hearing (as is clear from the transcript), counsel for Celerity pointed out that the number was not accepted. Furthermore, as Mr Sheraton explained in his sixth witness statement, the figure of \$99.1 billion overstates Celerity's claim by well over an order of magnitude.

350. I have to say that the presentation of this \$99.1bn figure in Nokia's evidence for this hearing was seriously misleading. I am left with the impression that it was presented with a view to being picked up by the media, as indeed it was.
351. The ASUS claimants have supplied various Master Service Agreements and amendments which appoint Celerity IP to conduct litigation and licensing for the patents in suit in the EDTX litigation. Notwithstanding the supply of those various agreements, Nokia's focus shifted to whether ASUS has de facto control over Innovative Sonic under Mauritian trust law.
352. By letter of 15 September 2025, Nokia requested disclosure of 22 *classes* of documents which concern, inter alia, Innovative Sonic's and Celerity's corporate structures, their formation, trust documentation, patent assignments, other communications and minutes or documents concerning litigation.

## **Conclusions**

353. I have considered Nokia's allegation with care. However, I have come to the clear conclusion that there was no failure by the ASUS Claimants to make full and frank disclosure regarding the US litigation.
354. As Toulson J. said in *MRG*, the focus of the inquiry on the application to serve out was on whether the Court should assume jurisdiction over the dispute, examining in particular (a) whether there was a serious issue to be tried, (b) whether there is a good arguable case that the Court has jurisdiction to hear the dispute and (c) whether England is clearly the appropriate forum.
355. I conclude that the existence of the EDTX litigation has no bearing on any of those matters. Had it been disclosed (at any level of detail), I have no doubt that the tribunal considering permission to serve out would have granted permission and considered the EDTX litigation to be irrelevant.
356. The EDTX litigation does not overlap with any part of the claim brought by ASUS here. Indeed, it concerns a different area of technology (Cellular), governed by a different SSO (ETSI). No injunctive relief is sought in the EDTX, only damages. It would appear that what one might call the usual issues are in play there – whether the Patents are essential, whether they are infringed, and if so, the appropriate level of damages. These are all issues which the EDTX are well capable of deciding and they have no bearing at all on the ASUS claim here.
357. Even if I had concluded that the EDTX litigation ought to have been revealed on the application to serve out, I would have concluded that the appropriate sanction would have sounded in costs only. I would not have set aside the permission to serve out, even if the ASUS claim had not been accompanied by the claims brought by Acer and Hisense. However, the existence of those claims would have put a different complexion

on the situation which I would have had to have considered if I had concluded there was a failure. It would not make sense for the Acer and Hisense claims to continue towards the RAND trial, without the ASUS claim keeping in step with those claims.

358. For all these reasons I reject Nokia's allegation that the ASUS claimants failed to make full and frank disclosure. Finally, I observe that it is regrettable that Nokia's allegation appears to have ballooned into an unnecessary but sizeable piece of satellite litigation.

### **Case Management Stay**

359. I think it is fair to say that Nokia's arguments for a Case Management Stay largely evaporated, but the application was maintained. I confess I did not really understand the basis upon which Nokia justified a Case Management Stay. That does not matter overmuch, because in my judgment, the position is clear.
360. I agree with the Claimants that it would be an egregious case management decision wholly at odds with the overriding objective of resolving disputes justly, expeditiously, fairly and at proportionate cost if these proceedings were stayed on case management grounds.
361. The Claimants pointed to the facts that these actions have been underway for some months, disclosure of key documents has been ordered and provided and, subject to the outcome of the jurisdiction challenge, a trial to determine the terms of a RAND licence is provisionally scheduled next summer.
362. However, the key point is that there are no other RAND determining proceedings either on foot or mooted. There is no alternative forum, for the reasons discussed above. In other words, a stay would achieve nothing except allowing Nokia's campaign for injunctive relief to continue, with the result that the Claimants might then be compelled (against their wishes) to consent to the arbitration(s) that Nokia seek. A stay might effectively compel arbitration. As already discussed, in my judgment the Claimants have a justifiable position as to why they will not consent to arbitration, and that does not render them unwilling licensees.

### **Conclusion on the Jurisdiction Challenge**

363. In all these circumstances and for the reasons set out above, I reject Nokia's challenge to the jurisdiction of this Court.

## **THE APPLICATIONS FOR INTERIM LICENCE DECLARATIONS**

364. Despite the heading, it may be important to note that the Claimants sought a variety of declarations in their applications: specifically, the Claimants sought declarations in the following terms:

- i) A declaration that in accordance with the contractual obligations on the part of Nokia a willing licensor and willing licensee would agree to enter into and actually enter into an interim licence pending a final determination on such terms as determined by the Court (Acer/ASUS PoC Claim (12), Hisense Amended PoC Claim (6A)) (which I will refer to as Declaration 12).
- ii) A declaration of the terms of an Interim Licence (Acer/ASUS PoC Claim (13) & Hisense Amended PoC Claim (6B), (which I will refer to as Declaration 13).
- iii) A declaration that if, within seven days of the Court's order declaring the terms of an Interim Licence, Nokia refuses to offer the interim licence, Nokia is in breach of its RAND commitment and is an unwilling licensee. (Acer/ASUS PoC Claim (15) and Hisense Amended PoC (6C)), (which I will refer to as Declaration 15).

365. In order to decide whether it is appropriate to grant any or all of those declarations, the parties addressed a number of (familiar) issues which I need to deal with, namely:

- i) The applicable legal principles, including the standard of proof.
- ii) Swiss law and the ITU-T contract with Nokia. I have already addressed these topics above.
- iii) Whether Nokia is in breach of its ITU-T Commitment.
- iv) Whether the declarations will serve a useful purpose.
- v) Comity.
- vi) If interim licence declarations are to be made, what is the appropriate sum to insert?
- vii) Certain other points on the wording.

### **Applicable Legal Principles**

#### *Declarations generally*

366. It is unnecessary to lengthen this judgment with a full citation of relevant authorities on the jurisdiction of the Court to grant a declaration. The principles are conveniently summarised in *Lenovo CA* at [27]-[29]. In very brief summary, the Court has a general jurisdiction, recognised by CPR rule 40.20, to grant a declaration. The discretion is an unfettered one, meaning that the exercise of the discretion is not dependent upon the claim satisfying any threshold criteria. The key consideration is whether the declaration would serve a useful purpose (*Messier-Dowty v Sabena* [2000] 1 WLR 2040 at [41]).



367. The purpose must also be legitimate. It is not appropriate for the court to make a declaration for the sole purpose of influencing a foreign court's decision on an issue governed by the law of the foreign court: *Teva v Novartis* [2022] EWCA Civ 1617 at [51]. It is also not the function of the English court to offer unsolicited advice, even on issues of English law (*Howden North America Inc v ACE European Group* [2012] EWCA Civ 1624 at [37]).

*Declarations in the particular context of RAND/FRAND Commitments*

368. As the Claimants pointed out, the Court has considered the extent to which a patentee should, in accordance with its ETSI FRAND Commitment, offer an interim licence to an implementer in *Panasonic CA*, *Lenovo CA*, and *Samsung HC*. Those principles were applied (albeit only at a preliminary stage) in *Alcatel CA* in the context of the ITU RAND Commitment. Of course, the latest word on the subject is the Court of Appeal's decision overturning my grant of interim declaratory relief in *Samsung CA*.
369. The Claimants submitted that those cases establish the following five principles.
370. First, an implementer is entitled to a FRAND licence as of right, as the SEP regime is a liability regime in which the SEP holder's remedy is a financial one. The only role for an injunction in this regime is to enforce the SEP holder's entitlement to that financial remedy. (*Panasonic CA* [79]); *Lenovo CA* [106]).
371. Second, that an implementer is entitled to a (F)RAND licence "from the first day it implements the standard provided that it is willing to take a licence on FRAND terms" and an implementer "is entitled to a licence which is continuous and not subject to interruption by injunctions obtained by the SEP holder". (*Panasonic CA* [80]).
372. Third, if an implementer gives an unconditional undertaking to enter into a global licence on the terms determined by the English Court to be (F)RAND, that has the effect that the patentee is guaranteed to receive payment in full at a (F)RAND royalty rate in respect of the entire period since the implementer must pay whatever the Court determines to be (F)RAND. (*Panasonic CA* [81]; *Lenovo CA* [129]). It makes no difference that the SEP owner has not itself committed to take an English settled licence (*Lenovo CA*)).
373. Fourth, a patentee who is bound by its FRAND Commitment must behave consistently with the requirement to perform its obligation to offer a (F)RAND licence in good faith, including by negotiating (F)RAND terms in good faith (*Panasonic CA* at [82]-[86]) and *Lenovo CA* at [125]-[129] and *Samsung HC* at [110]-[134]).
374. Fifth, any rational SEP owner would want to enter into an adjustable licence in the interim, and receive payment under that licence, whilst the final terms are being determined (*Panasonic CA* [84]). A patentee who refuses is not acting in accordance with how a willing licensor would behave.
375. Initially, I did not understand Nokia to dispute any of these points, not least because their position was that they had already fulfilled their RAND Commitment. However, Nokia characterised the requirements differently, by reference (in particular) to *Panasonic CA* at [101] (as applied in *Lenovo CA* at [36]-[39] and in *Samsung HC* at [6]). Nokia submitted there were four necessary elements identified in that caselaw:

- i) First, is the patentee in breach of its obligations of good faith under clause 6.1 of the ETSI IPR Policy?
- ii) Second, would the grant of declaratory relief serve a useful purpose (and otherwise be allowable under English law, including having regards to *inter alia* *Vestel CA* at [78] – [79] and *Teva v Novartis* at [51])?
- iii) Third, should the declarations be refused on the grounds of comity (or, we add, for any other reason of policy or principle)?
- iv) Fourth, that the willing licensor and licensee would enter into the interim licence, the terms of which are FRAND?

376. Whilst I entirely accept that the second, third and fourth questions are essential, I should examine *Samsung CA* as to whether it sheds light on the first question.

*Samsung v ZTE [2025] EWCA Civ 1383*

377. This judgment of the Court of Appeal was handed down on 31 October 2025. The parties were requested to file written submissions on the effect of this judgment and they duly did so. It would be fair to say that each side said the judgment supported their position.

378. As Arnold LJ said at [1], the appeal raised an important point of principle: does it constitute bad faith for a SEP owner to commence infringement proceedings in multiple courts with the objective of forcing an implementer to accept determination of FRAND terms by the SEP owner's preferred court rather than the implementer's preferred court? I had answered that question in the affirmative. The Court of Appeal disagreed, with Arnold LJ holding at [73] that such behaviour by a SEP owner was unattractive, but not sufficient to constitute bad faith. I should put that in context – in the paragraphs quoted below the underlining is my emphasis. Arnold LJ set out a considerable amount of background which I need not repeat or summarise. He reverted to the issue of principle at [70]:

‘70. Against that background, I can now turn to the issue of principle. In my judgment, unless there is a legitimate and substantiated objection to the forum in question, it does not constitute bad faith for a SEP owner to seek to force an implementer to accept determination of FRAND terms by the SEP holder's preferred court rather than the implementer's preferred court.

71. If (and I emphasise if) there is a legitimate and substantiated objection to determination of FRAND terms by the forum in question, then there may (and I emphasise may) in an appropriate case be a remedy by way of an anti-suit injunction. In the present case, however, both parties have laudably refrained from seeking anti-suit injunctions: Samsung have not applied to the English courts for an injunction restraining ZTE from pursuing the proceedings in Chongqing, nor have ZTE applied to the Chongqing Court for an injunction restraining Samsung from

pursuing the English proceedings. (ZTE's application in respect of Samsung's ETSI complaint stands in a completely different position.)

72. Whether or not anti-suit relief would be available if there were a legitimate and substantiated objection to determination of FRAND terms by the Chongqing Court, Samsung have not substantiated any legitimate objection to this. Indeed, as the judge noted, Samsung have not seriously attempted to do so.

73. If it is not illegitimate for the Chongqing Court to determine FRAND terms, I do not see how it can be bad faith for ZTE to use legal proceedings which it is not suggested are not otherwise properly open to ZTE to put pressure on Samsung to agree to that course. Such conduct is unattractive, and I should not be taken to endorse it, but that is not sufficient to constitute bad faith.

74. As I have explained in numerous judgments, a SEP portfolio will typically include patents which subsist in multiple jurisdictions. Patents are territorial, but the contractual defence provided by the FRAND obligation is global. It follows that the possibilities both of parallel SEP infringement proceedings and parallel FRAND determinations in multiple jurisdictions are inherent in the current system. The principled answer to this might be that the court first seised should determine what terms are FRAND, but that answer has a number of negative consequences. One of these is that it encourages forum shopping by pre-emptive commencement of proceedings. As the judge recognised, forum shopping is to some extent inevitable in this context, but it should be discouraged rather than encouraged. Even if the English courts consider that jurisdiction should be exercised by the court first seised, this cannot be said to be an answer that commands universal assent: as I pointed out in *Nokia v OPPO*, there are no internationally agreed jurisdictional rules applicable to FRAND disputes. If the principle of ceding jurisdiction to the court first seised was internationally accepted, the Chongqing Court would have declined jurisdiction as the court second seised. The fact that the English courts were first seised is therefore not a sufficient basis for a conclusion that ZTE have acted in bad faith. Given that ZTE were otherwise entitled to bring the infringement proceedings of which Samsung complain, there is nothing else to support the conclusion that ZTE have acted in bad faith.

75. I would add that another problem which this case illustrates is that, if jurisdiction is not ceded to the court first seised, the court first seised is not guaranteed to be the first to decide. As the parties agreed during the course of argument, the consequences of this will have to be worked out in due course.'

379. In his concluding paragraph at [79], Arnold LJ addressed a final question, whether all four declarations I made (set out at [53]) should be set aside or only declarations 1, 3 & 4. He characterised declaration 2 as reflecting what was agreed between the parties and ‘jurisdictionally neutral’. Having received further submissions on declaration 2, the Court of Appeal set aside all four declarations. It is not entirely clear why, but it may have been that declaration 2 was, in fact, not jurisdictionally neutral due to the interim licence terms (to which a cross-reference was made) which included a mechanism for adjustment by the English Court (and which therefore would have had to have been amended).
380. In that case, as Birss LJ said in his concurring judgment, there were two competent courts both seised with the issue of making a global FRAND determination as between these two parties. That situation does not arise here: there is only one court seised of the issue. Furthermore, as I have already indicated, arbitration does not constitute an alternative forum, but is instead a form of alternative dispute resolution.
381. An alternative way of putting the same point is that, in effect, Nokia illegitimately seek to add a condition to their ITU-T undertaking – that any dispute over RAND terms must be decided in arbitration, so that an implementer may not have RAND terms decided by *any* court.
382. For those reasons, it is not necessary for me to grapple with this intermediate category of unattractive behaviour which does not amount to bad faith. No doubt the scope of it will become clearer in further cases.
383. For my part, against the backdrop where an implementer has commenced an action seeking the determination of global (F)RAND terms on their undertaking to take a licence to whatever terms are determined to be (F)RAND, I remain bemused as to how the bringing of a raft of infringement actions around the world can be said to be the action of a willing licensor. Furthermore, how is that behaviour consistent with the SEP owner’s unqualified undertaking to offer (F)RAND terms to any entity that wants a licence? Those issues may have to be considered as part of the determination of final RAND terms, but in the first instance, those questions are for each national court where infringement proceedings have been brought to consider.
384. However, a degree of forum shopping appears to be permissible (where there is no legitimate and substantiated objection to the forum in question). In this case, the Claimants have a substantiated objection to arbitration which I have found to be legitimate.
385. Of much greater relevance to the situation which I am considering is the clear message which comes from the concurring judgment of Birss LJ that a more nuanced approach is required. The flaw he identified in the scheme of declarations and interim licence I made was they had the effect of ‘forcing’ ZTE to agree to a FRAND determination in London. Birss LJ was in favour of a more simple declaration which would not ‘force’ anyone to do anything – a graduated response:

‘84. At this stage it is worth taking a step back. The concept of an interim licence is inherent in the 2015 landmark decision of the Court of Justice of the European Union C-170/13 *Huawei v ZTE* [EU:C:2015:477]. There at [67] the CJEU identified the

idea that in some circumstances it might be for the implementer, in advance of a final resolution of the dispute between the SEP holder and the implementer, to provide appropriate security for the royalties which will end up being due in a licence agreement. Naturally, the CJEU did not need to dwell on this point in detail or work through all the possible permutations, many of which have only emerged in the decade since that decision was given. The key thing was to identify the principle. Once that principle is identified, one is then entitled to ask: what is it that the implementer is getting in return for the financial commitment they are making? Although not spelled out explicitly by the CJEU, the answer is fairly simple. The implementer is demonstrating their willingness to pay for the licence, once the terms can be agreed or resolved, and so, in the meantime the SEP holder ought not to be able to take the implementer's products off the market by means of an injunction. In other words what the implementer gets in return for the financial commitment is, at least implicitly, a form of licence pending the final resolution of the dispute. It could be called an interim licence. Assuming the sum being committed or paid is calculated on a global basis, then the willingness of the implementer which it embodies is also global in nature.

85. I would have thought that in most cases, if it was required, a simple determination by a court of the appropriate financial terms to operate in the interim until the parties had signed a final agreement, is all that would be needed, with the sum paid (or committed as security) being taken into account appropriately in the terms of that final agreement. That would apply whether the final terms were agreed in negotiation or settled by any competent court or arbitration. No problem related to alleged bad faith or a lack of comity ought to arise. One would also have thought an interim licence settled in circumstances like these ought to be jurisdiction-neutral, e.g. by providing expressly that any competent court can take its terms into account and by not forcing jurisdiction on unwilling parties.

86. The difficulty in this case is that the terms of the interim licence itself and the declarations made are designed to seek to force one party to do something they clearly do not wish to do and have no intention of doing. *[He then mentioned Ground 3 of the Appeal which was not developed and so not decided and continued]*: I will only say that I believe there was scope for argument about the terms of the declarations in this case even if some form of response to what ZTE were doing was appropriate. These terms will always be highly fact-specific and I would have liked to hear full argument about the merits and proportionality of declarations designed to force a party to do or not do something they are clearly unwilling to do, even if their conduct is to be deprecated. I can see utility in a simple declaration of

what the terms of an interim licence should be as between the given parties. I use the term “should” advisedly because it does not force anyone to do anything but it may help later to expose and clarify what the motives of one party really are. It might not be necessary or appropriate to go any further. I would also like to have heard full argument about declarations which refer to a willing licensee or licensor in general rather than the parties themselves, and declarations which contain conditional clauses like declaration 4.

87. The consequences of how to deal with more than one court being seised with the issue of determining what is FRAND will have to be worked out internationally over time on a case by case basis, but the helpful possibility of payment or security from the paying implementer in advance of that determination, and the interim licence implicit in it, ought not to be turned into a tool to force that issue.

88. If a party really is acting in bad faith, then it can hardly complain if the court seeks to take steps to prevent it, but there may nevertheless still be grounds for a graduated response. For example one would generally wish to avoid creating an impression of a lack of comity, even if analytically a given response does not in fact amount to that. However as I have explained, these issues do not arise in this case because, as my lord has explained and I agree, there is no bad faith here.’

386. I put ‘forcing’ in inverted commas above because, as a result of all the recent activity surrounding these interim licence declarations, it has become quite clear to me that only rarely do these declarations actually *force* these multinational companies to do anything or deter them from doing something (e.g. continuing with the raft of infringement actions) even in the face of judicial disapproval. They will start and continue whatever proceedings they perceive to be in their best interests.
387. There is a clear underlying rationale for such behaviour by SEP licensors. If one considers the downsides for a party who is dubbed not acting in accordance with the standard of either a willing licensor or a willing licensee, the downsides are very much greater for a licensee dubbed an unwilling licensee and more immediate. If dubbed an unwilling licensee in injunction proceedings, the licensee faces an immediate injunction excluding them from a major market (e.g. Brazil, the UPC, Germany or wherever the greatest pressure can be applied). If a SEP licensor is dubbed an unwilling licensor, there is often no immediate downside nor any downside in the longer term (unless, unusually, the SEP licensor refuses to accept a Court determination of (F)RAND terms). When I say that I recognise that in injunction proceedings, the ‘unwilling’ SEP owner will fail to obtain an injunction in the territory in question. Overall, however, in practice (i.e. excluding the rare cases where a licensee gets into financial difficulties) it is a safe assumption that the SEP licensor always gets the money due under the (F)RAND terms.
388. Reverting to the idea of a more nuanced approach being required, I raised a similar sentiment with the parties during the course of argument on these applications, asking

them to consider ‘useful purpose’ in particular in view of the current conflict between the decisions here and in the German and UPC courts. I mentioned my possibly optimistic view that the degree of conflict may be ameliorated in the near future via a ruling from the UPC Court of Appeal on the approach to be taken in the UPC in these (F)RAND cases – specifically whether the situation should only be assessed from an anti-competition viewpoint using the approach in *Huawei v ZTE* or whether the UPC should adopt a contractual analysis akin to the approach taken hitherto in the English Courts.

389. It strikes me (and I accept I have a rather limited viewpoint) that these two approaches tend to produce different results in terms of what is ruled to be (F)RAND or, at the very least, that they can produce inconsistent results.
390. Reverting to whether the first question (has the SEP owner acted in bad faith?) is a ‘necessary’ requirement, I consider it depends on the nature of the declaration sought. If the declaration sought is that the SEP owner has acted in bad faith, then of course it would be a necessary requirement. Not so if a more graduated response is adopted to declaratory relief. That this must be the position is confirmed by the ‘unfettered discretion’ to grant declaratory relief – see *Messier-Dowty* and [366] above.
391. Implicit in the judgment of Birss LJ at [86] is the notion that a graduated response may still be useful, even if no bad faith is present. Furthermore, characterising a party as acting in bad faith or as an unwilling licensor or an unwilling licensee is often too crude. The label may be appropriate in view of one aspect of their behaviour, but inappropriate more generally. Furthermore, the aspect of their behaviour so characterised may be temporary e.g. because they change their mind and/or because, in the final analysis, they establish themselves as a willing licensor or licensee by accepting (F)RAND terms determined by a court or tribunal.

*Amazon v InterDigital*

392. In this fast-developing area, I should also mention the various judgments in the Amazon v InterDigital litigation. Although the proceedings between those two parties are extensive, for present purposes, the following chronology of events will suffice:
- i) 29.08.2025: Amazon’s Claim form in the UK action against InterDigital seeking the determination of global RAND terms, as well as interim licence terms.
  - ii) 18.09.2025: Amazon given permission to serve the proceedings out of the UK jurisdiction
  - iii) 26.09.2025: On the application of Interdigital, the Munich I regional court granted anti-suit relief against Amazon (clarified in a further order of 01.10.2025)
  - iv) 30.09.2025: Again on the application of Interdigital, the Mannheim local division of the UPC granted anti-suit relief against Amazon.
  - v) 02.10.2025: The German and UPC ASI Orders served on Amazon.

- vi) 09.10.2025: Case Management hearing convened by Meade J. in the UK action. His judgment is [2025] EWHC 2600 (Pat).
- vii) 14.10.2025: UPC directions order.
- viii) 20.10.2025: On the application of Amazon (and without notice to InterDigital), Meade J. granted his AASI Order for the reasons set out in his judgment at [2025] EWHC 2708 (Pat).
- ix) 30.10.2025: At the return date of the AASI Order (at which both parties were present), Meade J. continued his AASI Order to allow InterDigital more time to consider their position, for the reasons set out in his judgment at [2025] EWHC 2920 (Pat).
- x) 14.11.2025: UPC case management hearing.
- xi) 02.12.2025: At the hearing of InterDigital's application to set aside the AASI Order, Meade J. continued the AASI in modified form, describing the modifications as 'essentially just for clarification' in his judgment at [2025] EWHC 3170 (Pat).

*The UPC Mannheim and Munich I decisions in Amazon v InterDigital*

393. I was taken through the reasoning in those decisions and particularly the approach in the UPC decision, which highlights the following key differences in approach:
- i) First, the German and UPC approach is founded on a different view of the underlying patent right. Whereas the UK Supreme Court in *Unwired Planet* decided that the SEP right is a qualified patent right, which in most cases provides a right to receive (F)RAND royalties, the Munich I and UPC Mannheim courts view a SEP as an unqualified patent right.
  - ii) Second, their approach is founded on the CJEU ruling in *Huawei v ZTE*. They appear to view the issues only through the prism of anti-competition law. They do not (currently at least) appear to entertain any contractual defence based on a (F)RAND licence (albeit it may not be the practice to argue such a defence in the German and UPC courts).
394. It is those differences in approach which appear to me to underpin the objections, as voiced in the UPC decision, to what they view as interference in the fundamental right to access to court proceedings in order to enforce patent rights (see e.g. [12]-[17] and [44]-[52]).
395. Having read and considered the various judgments of Meade J., I respectfully agree and endorse what he has said. Although his observations arose in the particular context of the ASIs granted by the UPC Mannheim and Munich 1 courts and the effect of the AASI Order he granted, to my mind, they reflect, at a more general level, three main causes for the current conflict:
- i) First, a degree of misunderstanding and/or misdescriptions by litigants of the effect of orders made by other courts. In this regard, I specifically agree with and endorse Meade J.'s observations about the desirability of better



communication between EPC judges handling SEP/(F)RAND cases – see his [104]. However, the primary responsibility must lie with the representatives of the parties to make a fair and accurate presentation of the situation and also to address and correct any apparent misunderstanding on the part of the Court. Particularly where an application is made *ex parte*, this is a heavy responsibility.

- ii) Second, an apparent *perception*, on the part of foreign courts, that the English Court, when granting an interim licence declaration, imposes a *de facto* prohibition on litigation brought to enforce the equivalent SEP rights in their jurisdictions. This perception is incorrect. An interim licence declaration is not an anti-suit injunction. The same point must also apply to a final (F)RAND determination made by the English Court. A more colloquial description of this point is the perception that the English Court is telling the foreign courts what to do.
  - iii) Third, and more generally, the difference between, on the one hand, the contractual analysis of these (F)RAND cases in English proceedings as against, on the other hand, the unqualified patent right approach of the German and UPC Courts, ameliorated only by any anti-competition defence, analysed in accordance with *Huawei v ZTE*.
396. The first two points are closely intertwined, which I can illustrate as follows. The SEP holders in this sphere tend to be experienced litigants in (F)RAND cases, with experienced legal representatives. I very much doubt that SEP holders really understood or understand that an interim licence declaration granted by the English Court *prevents* them bringing infringement claims in either the German or UPC courts. Their experienced legal representation will know that an interim licence declaration is *not* an anti-suit injunction. Equally, I very much doubt that the grant of an interim licence declaration by the English Court would really *discourage* SEP holders from bringing infringement proceedings if they thought it would serve their purposes to do so. Experience shows that SEP holders will do whatever they consider will further their interests, irrespective of any Court disapproval.
397. Two consequences follow. The first I have already mentioned: the duty on legal representatives to make a fair and accurate presentation of the situation. The second is the need to examine with a critical eye the assertions made by them on behalf of their client, to ensure they are not generating greater conflict than exists in reality.
398. In his most recent judgment, Meade J. had to consider a number of arguments made by InterDigital on the alleged effect or lack of clarity in his AASI Order. These arguments required him to consider a number of concerns expressed by InterDigital and/or the UPC. It is worth emphasising, however, that the only purpose of his AASI Order was to protect the jurisdiction of the English Court to determine Amazon's claim of substantive legal rights that was (subject to InterDigital's challenge to jurisdiction) properly before it.
399. First, as Meade J. said at [55]:
- ‘55. From the UPC's directions order of 14 October and from the note of the hearing of 14 November, it is clear that the UPC is concerned about the effect of final RAND relief if Amazon

obtains any, and in particular if it obtains an order for specific performance requiring InterDigital to give a licence with global terms, and this is one of the matters on which InterDigital says that the AASI Order should be clarified.’

400. As Meade J. said at [58], Amazon itself sought the clarification which InterDigital said was necessary. Amazon’s clarification of its position (as set out in these sub-paragraphs in [56] seems to me to be generally applicable – i.e. it is not limited to the particular AASI Order made by Meade J., but would be likely to apply generally to an interim licence declaration):

56. Amazon has been cooperative in making its position clear. It says that:

i) If it succeeds at the Final RAND Trial in this Court next year (including getting specific performance) it will have a licence.

ii) It would assert such a licence as a defence in other proceedings, including in the UPC, Germany, and elsewhere.

iii) InterDigital is free to bring and continue infringement proceedings in the meantime, and after the Final RAND Trial. It says that InterDigital’s existing proceedings for infringement are not blocked by the AASI Order (I interject that this is plainly correct) and nor would any future infringement claims be (also plainly correct).

iv) InterDigital would be free to argue in Germany or the UPC (or anywhere else outside the UK) that such a licence does not in fact provide a defence, or should not be recognised, or should not be enforced, or is otherwise ineffective. The AASI does not block InterDigital from arguing this (again, I consider this is plainly correct).

v) InterDigital is free to commence and continue its own rate-setting claims (although Amazon might, in the court(s) where they are brought, challenge them on their merits, or seek a stay of them for *lis pendens* or case management reasons, or challenge jurisdiction, just as InterDigital is doing in this action). Once again, Amazon says that the AASI does not prevent this and once again I agree that that is clearly so.

401. In the same vein, at [57], Meade J. quoted a passage from Amazon’s Skeleton Argument for that hearing, which also seems to me to be generally applicable to an interim licence declaration:

‘(3) The relief sought in these English proceedings would not prevent any foreign Court from (i) determining for itself whether or not to enforce the property right granted by that country or (ii) determining the effect of an English Court ordered licence if raised as a defence (including considerations of *ordre public* and

the appropriate national law); nor would it prevent InterDigital from bringing any such proceedings or arguing correspondingly; and nor would the AASI have that effect, as rightly recognised by the Court (and thus, neither InterDigital nor any third party would be exposed to sanctions for breach of the AASI as there would be no breach).’

402. Second, a concern raised by InterDigital that the AASI Order prevented it from bringing overlapping rate-setting claims in other courts. As Meade J. said at [60], this was another point where clarity and comity interact. He addressed this concern in [61]:

‘61. InterDigital argued that it was implicit in Amazon’s position, or the attitude of this Court, that only a UK court could deal with a claim to set global RAND terms, or that it is in some way a superior court to the German court or the UPC. This is also incorrect. It was and is not Amazon’s argument, or the attitude of this Court. Since Unwired Planet the UK courts have been willing to address global (F)RAND terms, and other courts have taken or may take similar views (see below in relation to comity). But that has not involved saying that only a UK court can do it. It is a consequence of the ETSI and ITU rules and policies not containing a dispute resolution mechanism or choice of forum that the same issues about licence scope, terms and rates might be raised in more than one court in parallel. That would be much better avoided, as Arnold LJ has often pointed out, but if it happens then there are mechanisms for seeking to address it, by *lis pendens* or case management stays, by one court voluntarily declining jurisdiction in favour of another, or by the operation of *res judicata*. It should be noted that these are all mechanisms by which a court might decide within its own procedures not to proceed with global rate setting: none is a mechanism by which one court tells another in a different jurisdiction what to do or what not to do. These are points that may to some extent be under consideration at the Jurisdiction Hearing.’

403. Later in his Judgment at [84]-[96], Meade J. turned to consider Comity. Although all those paragraphs are important, I will not further lengthen this judgment by quoting them, because, as the judge himself recognised, the points were a repetition of what he had already said.

404. With that overlong discussion in mind, I can revert to the issues which I have to decide.

### *Standard of Proof*

405. The parties were agreed that this is the trial of the Claimants’ applications for interim licence declarations because the issues which arise will not be reconsidered at the trial of these actions. It follows that the applicable standard of proof is the balance of probabilities. By contrast, if any issue will be reconsidered at the trial, then I must be satisfied to a high degree of assurance that the Claimants are correct.

**Is Nokia in breach? /The Claimants' entitlement to the declarations**

406. Nokia addressed these issues under the first heading and the Claimants under the second.
407. As I have already commented, it is not surprising that, once faced with these actions which also signalled a clear intent on the part of the Claimants to apply for interim licence declarations, Nokia sought to ameliorate their position as far as was possible. This manifested itself in the making of their Arbitration offers and their Adjustable Arbitration Offers.
408. Indeed, as I have already discussed, Nokia placed heavy reliance on their Adjustable Arbitration Offers as being RAND and as having satisfied their obligation to the ITU-T and the beneficiaries of Nokia's ITU-T commitment. However, as already discussed, I have concluded that Nokia's Adjustable Arbitration Offers are not offers of a RAND licence capable of acceptance. They are offers of a *process* which leads to RAND licence terms being determined. I acknowledge that RAND covers the process by which licensor and licensee should move to agreeing RAND licence terms. However, the ITU-T Commitment covers not just the process but also the required end result. Only at the point of determination of RAND terms would the offer of RAND licence terms be capable of acceptance.
409. In this regard, I note that Nokia submitted in terms that their RAND commitment imposes only an obligation to negotiate in good faith and no further. This is nothing more than the very start of the process.
410. In their Skeleton, Nokia encapsulated their position in this paragraph:
- ‘Although the actual offer or grant of a RAND licence is not therefore an obligation under the ITU-T contract (and could not be, as we address above), the system nonetheless forms a cohesive and coherent whole. The obligation on Nokia is to negotiate in good faith towards a RAND licence with any implementer who also meets the standards of good faith required by Swiss law. Where, therefore, both sides are behaving as required they will come to make offers which are in fact RAND, and then enter into a RAND licence. No doubt also that the making of a RAND offer can discharge the patentee's obligation, and an implementer acting in good faith will accept it; but neither making the offer nor granting the licence is part of the obligation itself. The obligation is the journey, and the making and acceptance of the RAND offer the destination.’
411. In fact, to state that the obligation is ‘the journey’ does not appear to me accurately to encapsulate Nokia's position. It would be more accurate to say that Nokia accepted the obligation required them merely to *start* the journey (towards an agreed RAND licence) by negotiating in good faith. The journey would involve the making of offers which are in fact RAND, but Nokia clearly do not accept that is part of their ITU-T Commitment.
412. In any event, whether Nokia are in breach depends on a wider assessment. It is necessary to assess Nokia's conduct generally in relation to each set of Claimants.

413. I have set out the detail above and here I highlight what appear to me to be the salient points.
414. The Claimants have operated technology in their products which utilise the H.264 and H.265 standards for years.
415. The Claimants have taken licences from the operators of the three patent pools which operate in this field – Via LA, and these pools account for over 90% of all patents declared essential to these standards.
416. However, it is clear that one of the principal reasons why Nokia and these Claimants have not been able to agree on licence terms concerns a fundamental disagreement as to the appropriate royalty rate. In their evidence, the Claimants explained their case as to the appropriate royalty rate, which is very much based on the rates charged by the pools. Even including a 50% uplift, the Acer and ASUS Claimants say the appropriate rate is \$0.03 per unit. By contrast, Nokia say that the appropriate royalty rate is more than 20x as much - \$0.69 per unit – and Nokia say they have a large number of licences which support such a rate.
417. One reason put forward for part of the disparity was the fact that patent pool rates are generally somewhat lower than the rates charged in bilateral licences. I acknowledge that general point, but it in no way can possibly account for the disparity here. I cannot determine who is right or what the RAND rate is. Those are all matters for the final trial of these actions.
418. The Claimants identify other points in dispute, concerning the extent to which Nokia are obliged to licence certain of their encoding patents which are necessarily infringed by the use of the decoding technology in the standards. This gives rise to a dispute which I determine later.
419. Since I have found that Nokia's Adjustable Arbitration Offer is not an offer of RAND terms capable of acceptance, Nokia has adopted a position of conditional willingness, the condition being that the Claimants must consent to arbitration.
420. Overall, in so far as is necessary, I find Nokia in breach of their ITU-T Commitment. I do not find it necessary to make any more specific findings as to Nokia's behaviour or Nokia's adoption of its Position, beyond the respects in which I have already rejected it. Suffice to say, in my view, I have ample basis on which to grant the declarations which I consider below.

### **Useful Purpose**

421. For understandable reasons, the Claimants' cases on useful purpose underwent some change. It is convenient to set out Nokia's points before summarising where, in the light of observations I made in the course of argument, the Claimants ended up on useful purpose.

### **Nokia's arguments.**

422. On useful purpose, Nokia made three main contentions:

- i) First, the basic law of ‘useful purpose’ is well known, and was summarised by Leech J in *Panasonic v ZTE* at [77] – [85],
  - ii) Second, the need for declaratory relief to be based on a legal right to the declarations sought - *Vestel CA* [69] – [72], and *Tesla CA* at [234], [245].
  - iii) Third, that the Court should follow Phillips LJ in *Tesla CA*, in view of the divergence of opinion in the Court of Appeal caselaw.
423. The first two contentions I accept, but the third requires some discussion. Nokia submitted that there is some divergence in the Court of Appeal caselaw about the relevance of whether “forcing” a patentee to “reconsider their position”, may constitute a valid ‘useful purpose’. On the one hand, the Court of Appeal has relied upon this in *Lenovo CA* at [142], *Panasonic CA* at [90]; but on the other hand it was subject to trenchant criticism by Phillips LJ in the Court of Appeal’s most recent decision, *Tesla CA* at [234]:
- ‘234. At [96] to [97] Arnold LJ prays in aid the possibility, or perhaps likelihood, that a declaration as to the FRAND terms of a licence of the Avanci 5G platform would “force Avanci to reconsider its position” as to the rate charged. That again may be so, but the fact that a party may be forced to comply with an order of the court is not in itself justification for making the order.’
424. Nokia submitted that the most recent decision, in *Tesla CA*, should be followed. Their argument was that a modest hope that a party may reconsider its position in the light of a declaration cannot constitute a legitimate basis for making that declaration itself. In every declaratory case the parties are disagreed as to something, and the making of a declaration is always potentially going to force the losing party to reconsider. After all the Court has said that they were wrong. Were it to be correct that that can constitute a legitimate useful purpose, then that would strip useful purpose of any real meaning. Accordingly, Nokia submitted that that cannot be correct, and cannot justify the making of such an order. Phillip LJ was, Nokia submitted, correct in his decision in *Tesla CA* and this Court should follow that decision.
425. On the facts, Nokia’s main point was that (without prejudice to the challenge to jurisdiction) their Adjustable Arbitration Offers are RAND, so not only was there no serious issue to be tried, but there was no basis for declarations to ‘force’ Nokia to do anything.
426. Nokia made it very clear that if I was against them on those points, and that the Claimants’ adjustable licence offers were RAND, Nokia would not offer such licences and will seek to appeal.
427. Nokia’s final point was that the interim declarations sought were nothing more than an attempt to interfere with the progress of litigation in other competent jurisdictions. I address this argument below.

## The Claimants' arguments

428. These were tailored to each declaration sought and so I address each declaration in turn.

Declaration 12: A declaration that in accordance with the contractual obligations on the part of Nokia a willing licensor and willing licensee would agree to enter into and actually enter into an interim licence pending a final determination of such terms as determined by the Court (Acer/ASUS PoC Claim (12), Hisense Amended PoC Claim (6A)).

429. Counsel for the Claimants referred to this as the 'legal principle' claim, contending it reflects the Swiss law issues, the meaning of the ITU-T Commitment and whether there is an enforceable obligation on Nokia to grant licences to the UK SEPs. Since there were substantial disputes on each of these matters of principle, the Claimants submitted that the Court should not only determine those disputes but declare the results of those determinations.

Declaration 13: A declaration of the terms of an Interim Licence (Acer/ASUS PoC Claim (13) & Hisense Amended PoC Claim (6B)).

430. This declaration is of the terms which the Claimants say should be agreed pending the RAND trial, but the real meat of this declaration lies in the actual terms of each Interim Licence, which are confidential. Counsel identified three useful purposes of this declaration:

- i) First, the terms tell each Claimant and Nokia whether money should be paid now and in what amount.
- ii) Second, that information will assist the parties understanding the dispute and potentially assisting settlement.
- iii) Counsel elucidated those first two points on two bases:
  - a) First, the Claimants each have a substantial business in the UK and each has a real interest in knowing what they should pay now to be licensed in the UK. The combined annual turnover of the Claimants in the UK is about £800m.
  - b) Second, the dispute is in any event a global one, but the parties have reached an impasse in negotiations and are far apart. Even a declaration reflecting a 'split the difference' payment will assist because the difference might be bridgeable by negotiation.
- iv) Third, they assist with the issue on the encoding claims (albeit this does not apply to Hisense) in the sense that once the issue of encoding claims was raised at the August CMC, that resulted in agreement that encoding claims could be covered in an interim declaration, albeit there remains a dispute (which I resolve later) as to the appropriate wording.

431. The terms of each Interim Licence provide for adjustment and amendment of the interim terms so that they align with those determined to be RAND at the UK RAND trial. In this regard, I considered whether to make the adjustment jurisdiction neutral, but, as the Claimants pointed out, there is no other alternative forum so there seems to be no point in doing so. Nokia stressed again the desirability of arbitration, but if any of the Claimants change their minds and wish to go to arbitration, they have the ability to make that choice.

Declaration 15: A declaration that if, within seven days of the Court's order declaring the terms of an Interim Licence, Nokia refuses to offer the interim licence, Nokia is in breach of its RAND commitment and is an unwilling licensor. (Acer/ASUS PoC Claim (15) and Hisense Amended PoC (6C)).

432. The terms of this declaration speak for themselves, but before I decide which, if any of these declarations to make, I must consider comity.

### Comity

433. Counsel for the Claimants submitted that none of the declarations sought involve any trespass on comity. He drew attention to the fact that in *Amazon v Nokia*, the US ITC took an interest in what was happening between the parties in the UK, posing a series of questions as to the possible effect of interim licence declarations in the UK. He characterised that as the opposite of the US ITC saying it was contrary to comity for the UK Court to make interim declarations. Counsel accepted, of course, that the US ITC was not bound by anything said by the UK court.
434. It is apparent that the German courts and at least certain divisions of the UPC take a different attitude. As many English Judges have stressed (as I have done myself), it is for the foreign court (alone) to decide what to do in the proceedings before it. I acknowledge that statements to that effect do not automatically mean there is no comity concern because it is necessary to focus on the *effect* of the declarations (cf *Samsung CA* at [77]-[78]). It is necessary to ensure that any interim declaration only has effect on the litigants before the Court and does not amount to an instruction to a foreign court or any interference in foreign proceedings.
435. Nonetheless, it is apparent from the UPC decision in *Amazon v InterDigital* that at least that division of the UPC perceive an English interim licence declaration as a *de facto* prohibition on the SEP holder bringing infringement proceedings in the UPC. As Meade J. has endeavoured to explain, this perception is founded on a misunderstanding of the declarations and their effect. We consider that these interim licence declarations do not interfere in any foreign proceedings, so there is no comity issue. However, the reaction of the UPC in *Amazon v InterDigital*, in the form of the ASI, unfortunately directly interfered in the UK proceedings, preventing Amazon from pursuing their legitimate claim to interim declaratory relief.
436. Due to the present unfortunate conflict between this Court and Munich 1 and UPC Mannheim, I have previously commented that some de-escalation is desirable, otherwise we will be at risk that the grant of ASIs and AASIs becomes the norm, without advancing matters one way or the other. This was also the clear message from Birss LJ, as mentioned above.



437. The English Court can de-escalate by being careful only to grant interim declarations that have a proper useful purpose in the UK.
438. Nonetheless, on the current approach of Munich 1 and UPC Mannheim courts, there remains an acute risk of conflict. Furthermore, although it is entirely up to the German and UPC courts to decide what to do, it appears that the risk of conflict will remain unless or until those courts recognise a contractual licence defence to a SEP infringement claim.
439. In that regard, there is nothing special about a defendant to an infringement claim seeking to establish that their defence is that they have a contractual license. The licence may well be global, in which case it can be invoked against patents in many jurisdictions. Naturally, it will be for each local court to decide whether to give effect to the (alleged) licence.
440. By way of example, if the Court in Chongqing decides global FRAND terms between two litigants, and one of them then relies on a contractual defence to SEP infringement here, we would not perceive there to be any comity problem, but would give effect to the licence defence if it was justified, applying the usual principles. The same would be true with respect to any other court which decided global (F)RAND terms.
441. Finally, I take note of what Birss LJ said in [84], that the concept of an interim licence is inherent in *Huawei v ZTE*. I acknowledge that there is no particular reason why the current method used in the UK for calculating the appropriate (adjustable) sum to be paid for an interim licence (in the absence of particular factors militating otherwise, the mid-point between the offers from each side) should be employed elsewhere for the purposes of calculating an appropriate security payment to avoid an injunction, but if security payments can be made (which presuppose a later final setting of (F)RAND terms, either by the Court or by negotiation), then the principle is the same. As Birss LJ said *‘The implementer is demonstrating their willingness to pay for the licence, once the terms can be agreed or resolved, and so, in the meantime the SEP holder ought not be able to take the implementer’s products off the market by means of an injunction. In other words, what the implementer gets in return for the financial commitment is, at least implicitly, a form of licence pending the final resolution of the dispute.’*

### **Analysis and Conclusions**

442. It is necessary to take a step back from the detail. First, I think it is necessary to address an overarching question whether the Claimants’ arguments on useful purpose are ‘window dressing’ designed to draw a veil over the real purpose of the declarations – to influence foreign courts. This is Nokia’s argument, which I summarised in [427] above.
443. That has never been the sole or principal purpose of any of these interim licence declarations, since the authorities are clear (see [367] above). The declarations are made to assist and influence the parties. Provided a legitimate useful purpose can be identified which operates in the UK and does not offend principles of comity, it may be a proper exercise of the Court’s discretion to make such declarations. So I answer that overarching question in the negative.
444. I turn to consider each of the declarations sought.

445. Regarding declaration 12, I agree that I should make a declaration which reflects my findings as to the ITU-T Commitment, the effects of Swiss law and the resulting obligations on Nokia. Those are all useful purposes served by this declaration. It uses willing licensor and willing licensee terminology, which Birss LJ suggests perhaps should be avoided, but in this instance, the generality of the wording is appropriate, in my view.
446. Declaration 13 plainly has a useful purpose, for the reasons advanced by the Claimants as summarised in [430] and [431] above.
447. As for Declaration 15, largely for the reasons indicated by Birss LJ, I doubt that this interim declaration would serve a useful purpose. Making it would not cause Nokia to change course. Nokia made their position very clear and it includes, as I understand matters, a firm resolve to appeal the Order resulting from this judgment as far as is possible, including to the UK Supreme Court in an attempt to overturn *Unwired Planet SC*.
448. In addition, there is much to be said for leaving to the RAND trial decisions about whether either side is willing or unwilling and the possible consequences, which the parties are well able to appreciate.
449. Overall, I conclude that the declarations I propose to make (12 and 13) do not give rise to any comity concerns.

**The sums due from each Claimant in return for their respective interim licence**

450. As already mentioned, the gap between the rates proposed by the parties is very large indeed. Although Nokia say they have 76 licence agreements which support their \$0.70 rate, and the Claimants rely on the fact that the SEP pools in this field cover more than 90% of all SEPs, I am not in a position to decide whether Nokia or the Claimants are right, or, for that matter, which of them might be closer to the RAND rate.
451. In a letter dated 20 October 2025, Nokia set out their position as to the sums payable by way of refundable and non-refundable amounts, applying what is said to be the ‘mid-point’ approach proposed by the Court of Appeal. The Claimants complained that this was the first time Nokia had mentioned such an approach, it not being mentioned in any of their evidence or skeleton argument.
452. Notwithstanding that, I consider that the only option open to me is to adopt the rate at the mid-point between the rate proposed by each side.
453. However, there was a problem with Nokia’s mid-point calculations which calculated a lump sum due at the mid-point rate until the end of the proposed licence period at the end of 2029. However, if accepted, the interim licence will not be in place for that length of time. By contrast, Hisense proposed an interim licence term of 21 months from 1 January 2025 to 1 October 2026.
454. The ASUS and Acer Claimants made two proposals:

- i) the first was a proposed ‘undisputed amount’, calculated applying their 3 cent rate, albeit with certain caveats as set out in their Confidential Skeleton Argument at [36] & [37].
- ii) The second was their ‘fully adjustable’ proposal which is based on confidential sales figures and projections down to the end of 2029, with the lump sums due based again on their 3 cent rate.

455. I find as follows:

- i) that the term of any interim licence is from 1 January 2021 for Hisense and Acer, and for ASUS, from the expiry of the previous licence in March 2022, until 1 October 2026 (at which date the result of the RAND trial should be available). If the term needs to be extended by a material period, Nokia can apply for additional payments.
- ii) that the sum payable for each interim licence comprises a lump sum calculated on the mid-point rate of \$0.365 per device sold or to be sold over the term, that sum comprising:
  - a) a non-refundable amount calculated on the rate proposed by each Claimant of \$0.03
  - b) a refundable amount comprising the difference between that sum and the mid-point lump sum, which may be credited against whatever sum the Court decides is RAND at the final RAND trial.

456. The actual sums are substantial, but are confidential. I have set out the working and the sums due in the three Confidential Annexes, one for each set of Claimants. Annex A – Acer. Annex B – Hisense. Annex C – ASUS.

**Final points on the wording.**

- 457. As mentioned above, Hisense have no interest in any encoding claims, so agreement was reached as to the wording of the interim licence terms.
- 458. So far as the ASUS and Acer Claimants are concerned, a dispute remained as to how encoding claims were to be included in the interim licence terms. This dispute arose from the underlying dispute between those Claimants and Nokia as to what the standard actually covers.
- 459. Nokia’s wording was said in correspondence to mirror the wording of the ITU-T declarations. That wording, however, would be capable of giving rise to disputes over whether a particular encoding claim was or was not essential to the standard – disputes which interim terms ought to avoid.
- 460. By contrast, the ASUS and Acer Claimants were very clear that the interim licence terms should include in its scope encoding claims which are necessarily and unavoidably infringed (i.e. cannot be avoided on technical grounds) to encode a video bitstream that is decoded in compliance with the H.264 and/or H.265 Recommendation(s). ASUS and Acer plainly have an arguable case that such claims are essential.

461. In order to avoid interim disputes over which encoding claims are covered, I direct that the wording proposed by ASUS and Acer should be included in the interim licence terms.
462. I thank the parties, their solicitors and counsel for the considerable assistance provided to me for this trial. Mr Chacksfield KC made all the submissions for Nokia. On the Claimants' side, although Mr Lykiardopoulos KC made the principal submissions, I was also addressed by Ms Pickard KC and Ms Osepciu on the jurisdiction issues and by Ms Jamal on the ASUS full and frank disclosure issue.
463. I ask the parties to seek to agree, as far as is possible, draft Orders to reflect the findings in this judgment. Outstanding issues will be decided at a form of order hearing which must be fixed as soon as possible and in any event before the end of January 2026.