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HP-2024-000028

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

**18 March 2025**

**Before:**

**MR JUSTICE LEECH**

**B E T W E E N:**

**(1) MEDIATEK, INC**  
**(a company incorporated under the laws of Taiwan)**  
**(2) HFI INNOVATION, INC**  
**(a company incorporated under the laws of Taiwan)**  
**(3) MTK WIRELESS LIMITED**

**Claimants**

**- and -**

**(1) HUAWEI TECHNOLOGIES CO, LTD**  
**(a company incorporated under the laws of**  
**the People's Republic of China)**  
**(2) HUAWEI TECHNOLOGIES (UK) CO LTD**

**Defendants**

**MR THOMAS RAPHAEL KC, MR HENRY FORBES SMITH KC and MR ADAM GAMS**  
**SA (instructed by Allen Overy Shearman Sterling LLP) on behalf of the Defendants.**

**MR ANDREW LYKIARDOPOULOS KC, MS JEMIMA STRATFORD KC and MR THOMAS JONES**  
**(instructed by Kirkland & Ellis International LLP) appeared on behalf of the Claimants**

Hearing dates: 18 to 20 December 2024

Judgment circulated on 11 March 2025

**APPROVED JUDGMENT**

**There are two versions of this judgment. The full and unredacted version has been made available to the parties and their legal advisers only and should be made available only to those who have been included at the appropriate level of confidentiality in the Confidentiality Orders which the Court has made. The redacted version is published on the National Archives website. Both versions were handed down on Tuesday 18 March 2025.**

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**Mr Justice Leech:**

**I. The Applications**

1. The Claimants are three companies in the MediaTek group and I will refer to them in this judgment collectively as “**MediaTek**”. The first two Claimants are companies incorporated under the laws of Taiwan and the Third Claimant is incorporated under the Companies Act 2006 and registered in England and Wales. The Defendants are two companies within the Huawei group of companies and I will refer to them collectively in this judgment as “**Huawei**”. The First Defendant is a company incorporated under the laws of the People’s Republic of China and the Second Defendant is incorporated under the Companies Act 2006 and also registered in England and Wales.
2. On 15 July 2024 the Claim Form in this action was issued with Particulars of Claim, Particulars of Infringement and Particulars of Invalidity attached and I will refer to it as the “**English Claim**”. By Order dated 8 August 2024 (the “**Service Order**”) Master Brightwell granted permission for service of these documents together with any other supporting documents on the First Defendant out of the jurisdiction and for service by alternative means upon the First Defendant’s solicitors, Allen Overy Shearman Sterling LLP (“**A&O Shearman**”), by post, DX or email.
3. By Acknowledgments of service dated 9 September 2024 and 31 July 2024 the First and Second Defendants acknowledged service of the Claim Form and accompanying documents but ticked the box stating that they intended to contest the jurisdiction of the Court. Without prejudice to this position, the First Defendant served a Defence to the invalidity and revocation claim and the Second Defendant served a technical Defence to the claim for infringement.
4. By Application Notices dated 14 August 2024 and 23 September 2024 (the “**Jurisdiction Applications**”) Huawei applied for declarations that the Court did not have jurisdiction to try the claims (other than the invalidity claim), that the Court should not exercise any jurisdiction to try the claims because it was not the proper forum or the *forum conveniens* for them and that the Service Order and the service (or purported service) of the Claim Form and the Particulars of Claim should be set aside. In the alternative, Huawei applied for a stay of proceedings on case management grounds.

5. By Application Notice dated 30 September 2024 (the “**Strike Out Application**”) Huawei applied to strike out MediaTek’s claim that Huawei had abused its dominant position and for the strike out of all of the claims made by the Third Claimant. This application was also made without prejudice to the Jurisdiction Applications.
6. By Application Notices dated 28 October 2024 and 8 December 2024 (the “**Amendment Applications**”) MediaTek applied for permission to amend the Claim Form and Particulars of Claim and by Application Notices dated 2 December 2024 and 28 October 2024 (and 8 December 2024) respectively Huawei and MediaTek applied for permission to rely on expert evidence of Chinese law (the “**Expert Evidence Applications**”). I will refer to all of these applications collectively as the “**Applications**”.
7. On 18 to 20 December 2024 the hearing of the Applications took place. Mr Thomas Raphael KC made oral submissions on behalf of Huawei. Mr Andrew Lykiardopoulos KC made oral submissions on behalf of MediaTek on the patent and service issues, Ms Jemima Stratford KC addressed the Court in relation to the case management stay and alternative service and Mr Thomas Jones addressed the Court in relation to full and frank disclosure. I am grateful to them all for their submissions and to their respective teams.
8. Neither party objected to the other relying on expert evidence at the hearing and I was not addressed separately on the Expert Evidence Applications. Mr Raphael did not oppose the Amendment Application if I dismissed the Jurisdiction Applications and the Strike Out Application. Nor did he submit that I could not look at the most recent version of the draft Amended Particulars of Claim dated 8 December 2024 in deciding the Applications. For the purpose of deciding the remaining Applications I assume that the Court will grant permission to amend the Particulars of Claim unless the Jurisdiction Applications and the Strike Out Application are successful.

## **II. Background**

### **A. The Parties**

#### *(1) MediaTek*

9. MediaTek’s headquarters are in Taiwan and it makes and supplies cellular baseband chipsets globally. These chipsets are incorporated into devices like mobile phones by

other manufacturers but they provide the technology which enables mobile phones to connect to cellular networks. Mr Daniel Cheng Yong Lim, a partner in Kirkland & Ellis International LLP (“**Kirkland & Ellis**”) made two witness statements dated 15 July 2024 and 8 August 2024 in support of MediaTek’s application to serve out before Master Brightwell. He made three further witness statements dated 28 October 2024, 8 December 2024 and 20 January 2025 in answer to the applications. I will refer to these witness statements as “**Lim 1**”, “**Lim 2**”, “**Lim 3**”, “**Lim 4**” and “**Lim 5**”. Mr Lim gave evidence that as of 2024 Q1 MediaTek was ranked first in global smartphone chipset market share (by shipments) and that its products are important components for a number of products sold worldwide. Mr Pascal Lemasson, who is the Associate Vice-President (Sales Europe) for MediaTek, also made two witness statements dated 28 October 2024 and 8 December 2024 (“**Lemasson 1**” and “**Lemasson 2**”).

(2) *Huawei*

10. Huawei’s headquarters are in mainland China and it makes and supplies handsets and infrastructure equipment which operate using 4G and 5G technology. But it also has a presence in the chipset market as a competitor to MediaTek. Mr Neville Cordell, who is a partner in A&O Shearman, made five witness statements dated 14 August 2024, 23 September 2024, 2 December 2024, 16 December 2024 and 15 January 2025 in support of Huawei’s applications and I will refer to them as “**Cordell 1**”, “**Cordell 2**”, “**Cordell 3**”, “**Cordell 4**” and “**Cordell 5**”. Mr Mark Heaney and Ms Jill Ge, who are also partners in AO Shearman, both made witness statements dated 23 September 2024 in support of the Applications (to which I will refer as “**Heaney 1**” and “**Ge 1**” respectively).
11. Mr Cordell gave evidence that Huawei is ranked first in the world as the owner of 4G and 5G patents which have been declared to be essential to the European Telecommunications Standards Institute (“**ETSI**”) and are thus standard essential patents or “**SEPs**”. He also gave evidence that it manufactures 100% of its handsets and the majority of its infrastructure equipment in China. Mr Cordell also gave evidence that on 13 October 2022 the UK Government ordered that all Huawei technology must be removed from the UK’s 5G public network by the end of 2027. His evidence was that the removal of all of its technology was expected to be completed by the end of 2027.

B. The Dispute

12. Mr Lim's evidence was that the two largest chipset suppliers for mobile devices are MediaTek and Qualcomm, that their principal customers are the mobile device manufacturers or "**OEMs**" and that the existing practice in the telecommunications industry has been for SEP holders to seek royalty-bearing licences from the "downstream" OEMs rather than "upstream" chipset manufacturers and that any licence which the SEP holder grants will license the use of the SEP in the chips as well as in the use of the mobile device (unless the SEP holder includes a "carve-out" for the chipset manufacturers).
13. It was also his evidence that towards the end of March 2022 Huawei approached MediaTek for the first time to require MediaTek to take a licence of the Huawei Portfolio and offered terms which he asserts were not fair, reasonable and non-discriminatory ("**FRAND**"). MediaTek's case is that Huawei has singled it out for discriminatory treatment by demanding that it enter into a royalty-bearing licence at the chipset level for **[REDACTED]**. But he also gave evidence that **[REDACTED]**.

(1) *The Chinese Claims*

14. On 26 January 2024 Huawei submitted a request for mediation to the China Council for the Promotion of International Trade ("**CCPIT**"). MediaTek did not immediately agree to mediation by the CCPIT and on 14 May 2024 Huawei commenced four separate actions against MediaTek in the Shenzhen Intermediate People's Court. The first claim involved a rate-setting action to determine FRAND terms on which Huawei would grant a licence to MediaTek for its Chinese patents (which I will call the "**Shenzhen Claim**"). Mr Cordell gave the following evidence in Cordell 2 about why Huawei did not seek a global determination:

"I understand from Mr Zhang that the reason why Huawei China did not seek a global FRAND determination in the Shenzhen proceedings is because Huawei takes the policy position that, absent the parties' mutual agreement to a certain venue determining global FRAND terms, and in view of the national nature of patent rights, it is more appropriate for a national court to determine national FRAND terms and conditions rather than a global FRAND determination. That stance does not prevent MediaTek from bringing a worldwide FRAND determination in China."

15. At the same time Huawei issued infringement claims in relation to two patents declared essential to 4G and one patent declared essential to 5G seeking injunctive relief in the

Shenzhen Court. On 17 June 2024 and 19 July 2024 MediaTek challenged the Court’s jurisdiction in relation to all four claims but on 11 September 2024 the Court dismissed those applications. On 12 October 2024 MediaTek appealed that decision to the IP Chamber of the Supreme Court. On 19 November 2024 the appeals were dismissed.

16. On 16 August 2024 Huawei began to issue a second “wave” of claims in China. On that date Huawei issued an infringement claim in the Shanghai Intellectual Property Court in respect of three of its 5G patents, on 19 August 2024 it issued an infringement claim in the Beijing Intellectual Property Court, on 20 August 2024 it issued an infringement claim in the Guangzhou Intellectual Property Court in relation to two 5G SEPs and on 21 August 2024 it issued an infringement claim in Hangzhou in relation to two 5G SEPs.
17. On 12 July 2024 MediaTek responded by issuing three infringement claims in Shenzhen, Zhengzhou and Hangzhou relating to both 4G and 5G patents and seeking an injunction. I will refer to all of the claims for infringement issued by both Huawei and MediaTek in China as the “**Infringement Claims**”. On 12 July 2024 MediaTek also commenced an anti-trust claim in the Beijing Court (the “**Anti-Trust Claim**”). Mr Raphael placed significant reliance upon the Anti-Trust Claim and took me through the principal allegations in his oral submissions and which I set out below.
18. Mr Cordell set out a summary of the Chinese proceedings in Cordell 2. In summary, Huawei has issued Infringement Claims in five courts and the Shenzhen Claim for a determination of a royalty rate for the Huawei portfolio and I will refer to all of those claims collectively as the “**Huawei Claims**”. MediaTek has challenged jurisdiction in all of those claims although unsuccessfully to date. MediaTek has also issued Infringement Claims in three courts and the Anti-Trust Claim in Beijing and I will refer to those claims collectively as the “**MediaTek Claims**”. Finally, I will refer to all of the claims issued in the Chinese courts as the “**Chinese Claims**”.
19. Ms Xu Jing, a partner at King Wood & Mallesons (“**KWM**”), who act for Huawei in the Shenzhen Claim and the other Huawei Claims, made four witness statements dated 2 December 2024, 9 December 2024, 16 December 2024 and 22 January 2025 in relation to the Chinese Claims and I will refer to them as “**Xu 1**”, “**Xu 2**”, “**Xu 3**” and “**Xu 4**”. Huawei also sought permission to rely on the first expert report of Professor Wang Yanfang dated 2 December 2024 (“**Wang 1**”) on Chinese law in relation to the Chinese



Claims. I give permission to Huawei to rely on the expert evidence of Professor Wang in relation to Chinese law.

20. Mr Guanbin Xie, who is the senior partner of Lifang & Partners, and who advises MediaTek in relation to the FRAND aspects of the Chinese Claims, has also made four witness statements dated 28 October 2024, 8 December 2024, 11 December 2024 and 24 January 2025 in answer to Huawei’s evidence. I will refer to those statements as “**Xie 1**”, “**Xie 2**”, “**Xie 3**” and “**Xie 4**.” MediaTek applied for permission to rely on Xie 2 as expert evidence of Chinese law in relation to the Chinese Claims. I also give permission to MediaTek to rely on the expert evidence of Mr Xie in relation to Chinese law.

(2) *The German Claim*

21. For completeness, I add that on 12 July 2024 MediaTek commenced claims for infringement in Germany (the “**German Claim**”). I was not taken to the German Claim documents and neither of the parties relied on it. I do not consider it any further in this judgment although it does demonstrate that the parties have made other claims outside China.

C. The Anti-Trust Claim

22. For the overlap between the Chinese Claims and the present claim, Mr Raphael placed most emphasis on the Anti-Trust Claim and he took me in detail through an English translation of the originating process. It is headed “**Civil Complaint**” and I will refer to it in this way. The Plaintiff is identified as the First Claimant in the present claim, Defendant 1 is identified as the First Defendant and Defendant 2 is identified as “Huawei Digital Technologies Co Ltd”. At the outset, therefore, I note that there is not complete identity of the parties.
23. The two causes of action which MediaTek advances in the Anti-Trust Claim are as follows: “Dispute over Monopoly” and “Dispute over Monopoly Pricing and Dispute over Differential Treatment”. MediaTek also advances three numbered claims against the Defendants (which appears to me to be the equivalent of a prayer for relief):

“1. To request a determination from the Court that acts of the two Defendants during the license negotiation violate their fair, reasonable, and non-discriminatory (FRAND) obligations, an order requiring the

Defendants to immediately cease the monopoly and infringement including but not limited to overpricing and differential treatment, and a declaration that the Plaintiff reserves the right to claim against the two Defendants for other acts during the proceedings.

2. To request an order from the Court requiring the Defendants to compensate for all economic losses thereof incurred by the Plaintiff, temporarily amounting to CNY 10 million by the date of complaint, and a declaration that the Plaintiff reserves the right to claim against the two Defendants for other monopoly acts during the proceedings.

3. To request an order from the Court requiring the Defendants to bear the court costs of this case and reasonable expenses for the Plaintiffs rights protection, temporarily amounting to CNY 1 million by the date of complaint.”

24. Under the heading “Facts and Reasons” MediaTek then set out its pleaded case. The preliminary paragraphs set out the background much as it has been set out in the Particulars of Claim (below). Mr Raphael relied on the following paragraph in which MediaTek pleaded that there was, in effect, a global market:

“Because the licensing, use, and protection of patents are all regional, a regional market of each wireless communications SEP that constitutes an independent relevant product market is a specific country or region. In this case, the Defendants include their wireless SEPs in different countries and regions in a portfolio for global portfolio licensing. The relevant regional market for wireless SEP licensing is a collection of national or regional markets of global wireless SEPs held by the Defendants, that is, the global market.”

25. Part IV of the Civil Complaint is headed “Abuse of dominant positions in the wireless SEP market, exclusion and limitation of competition, and infringement of the Plaintiff’s legitimate rights and interests.” The first allegation which MediaTek makes under that heading is as follows:

**“(I) The Defendants’ exercise of intellectual property rights has exceeded the reasonable limits permitted by law, which constitutes the abuse of intellectual property rights.**

As mentioned in Part II, the concept of the “fair, reasonable, and non-discriminatory” (FRAND) principle is usually involved in the SEP license negotiation. It is derived from the related IPR policies of the standard setting organizations, and requires standard participants to disclose the patents they own or actually control to the standard setting organizations (SSOs) in time, and to make commitments to licensing all standard implementers to use their patents on FRAND terms. This is the FRAND obligations that SEP patentees must comply with in the licensing and use

of SEPs. As world-famous communications equipment manufacturers, the Defendants have joined multiple wireless communications standard organizations such as the ETSI and participated in the formulation of wireless communications standards such as 3G, 4G, and 5G. The Defendants have alleged to own a large number of SEPs under wireless communications standards, including a large number of Chinese SEPs. In addition, the Defendants have made commitments to the standard organizations such as ETSI that they would license their wireless communications SEPs on FRAND terms. Therefore, the Defendants have the obligations to license the SEPs held and controlled by the Defendants on FRAND terms. Such obligations run through the entire process of negotiating, signing, and performing their licensing of wireless communications SEPs.

When the Defendants make commitments to the standard organizations on fair, reasonable, and non-discriminatory ("FRAND") licensing, the potential licensees accordingly generate reliance interests, and the SEP patentees are obliged to negotiate the licensing of the SEPs with the licensees in accordance with their FRAND commitments. During the license negotiation between the parties, the Defendants have obviously violated the FRAND licensing obligations in their commitments to the standard organizations and the principle of good faith, causing damages to the Plaintiff's interests. The Defendants' execution of IPRs has obviously exceeded the reasonable limits of laws and administrative regulations, which constitutes the abuse of IPRs. [REDACTED].

These acts of the Defendants have violated the FRAND licensing obligations and the principle of good faith to the standard organizations, and infringed the Plaintiff's reliance interests. In addition, these acts have constituted illegal acts violating Articles 7, 22, and 68 of the Anti-monopoly Law in terms of abuse of dominant market positions and abuse of IPRs, severely excluded and limited competition in the relevant market and caused losses to the Plaintiff."

26. In Part IV, section (II) MediaTek alleged that Huawei implemented differential treatment between it and its competitors. It also claimed Huawei were seeking 4G and 5G royalties on the following basis:

“[REDACTED]”

27. MediaTek also alleged that Huawei's differential treatment would severely limit and exclude the competition in the chip baseband market and that the licences which Huawei had granted to its competitors constituted differential treatment. In Part IV, section (III) MediaTek then alleged that Huawei had licensed SEPs at unfairly high prices and insisted on excessively high royalty rates:

“(III) The Defendants license wireless communications SEPs at

**unfairly high prices.**

Article 22(1) of the Anti-monopoly Law explicitly prohibits undertakings holding dominant market positions from selling commodities at unfairly high prices or buying commodities at unfairly low prices ("overpricing") by abusing their dominant market positions. In this case, the Defendants make use of their dominant positions in the SEP license market, claim an excessively high royalty rate when licensing SEPs, and have committed an overpricing act suspected of violating the Anti-monopoly Law. The royalty rates claimed by the Defendants for wireless communications SEPs are obviously excessively high, violating their FRAND obligations.

**1. The Defendants have been insisting on their excessively high royalty offer without reasonable reasons, and failed to fulfil their obligations for license negotiations in good faith.**

[REDACTED]"

28. Part IV, section (IV) is headed: "The Defendants other violations of FRAND obligations during the negotiation". In that part of the Civil Complaint MediaTek expressly alleges that Huawei has failed to comply with its FRAND obligations as a willing licensee:

**"3. When the Plaintiff has provided a FRAND offer for the 4G/5G SEPs held by the Plaintiff, the Defendants refuse to provide a counteroffer without reasonable reasons.**

According to related ETSI policies, when submitting FRAND licensing declarations to the ETSI, the parties need to select the check box "This irrevocable undertaking is made subject to the condition that those who seek licenses agree to reciprocate". In other words, the parties have made special FRAND licensing commitments to the ETSI on the premise that the counterparty agrees on reciprocity. This implies that the parties have equivalent FRAND obligations. This reflects the equity and reciprocity of the obligations of the parties in the practice of SEP licensing. It not only requires that patentees holding SEPs should be reciprocally licensed, but also requires that the party as the licensee be obliged to negotiate in good faith.

As the patentees, the Defendants fail to provide necessary patent information in good time, and fail to provide reasonable explanations for their offer, which violate their FRAND obligations. [REDACTED]. The Plaintiff has made a commitment to willingly licensing its SEPs to the Defendants in accordance with the FRAND principles, provided a sufficient number of claim charts in batches to the Defendants, and conducted full technical discussions. The Plaintiff has fulfilled its FRAND obligations in good faith. The Plaintiff has provided the Defendants with a FRAND offer for its 4G/5G SEPs, a full explanation of the offer, and necessary information. However, the Defendants refuse to offer a counteroffer. The Defendants' acts are obviously not in good faith and violate the equity and reciprocity requirements contained in their FRAND commitments."

29. Finally, Part V of the Civil Complaint is headed: “The Defendants shall bear the corresponding legal liability to the Plaintiff to stop the infringement and compensate for the loss in respect of its monopoly civil infringement.” In it, MediaTek makes the following claim for compensation:

“Article 60 of the Anti-monopoly Law stipulates: “Where an undertaking implements a monopolistic conduct, thereby causing loss to a third party, the undertaking shall bear civil liability in accordance with the law.” The wireless communications terminal manufacturing industry is a highly competitive industry. The Defendants’ acts will improperly increase the Plaintiffs costs, affect R&D and design of the Plaintiffs products, and restrict the Plaintiffs participation in relevant market competition, and also directly affect the Plaintiffs ability to participate in market competition and the global market landscape, severely restricting competition. The Plaintiff preliminarily estimated that the economic loss caused by the Defendants’ relevant acts to the Plaintiff was about CNY 10 million. The amount may be adjusted with the evidence further known to the Plaintiff or the Defendants’ further monopoly and improper acts of violating FRAND obligations.

In addition, in order to stop the Defendants’ infringement, the Plaintiff also paid attorney fees, notarization fees, investigation and evidence collection fees, and other fees tentatively totalling CNY 1 million, which should also be compensated by the Defendants according to law. Meanwhile, the Plaintiff reserves the right to increase the compensation amount.

Therefore, the Plaintiff hereby files this lawsuit on the basis of the above facts and reasons, and pleads to the Court for supporting all the Plaintiffs claims to protect the Plaintiffs legitimate rights and interests according to law.”

D. The Particulars of Claim

30. The Particulars of Claim have been through a number of changes in draft. Where I refer to sections and paragraphs in this judgment, I make it clear that I intend to refer to sections and paragraphs in the most recent draft dated 8 December 2024 (unless I state otherwise). For ease of understanding, I also set out below the key parts of the pleading without underlining or crossing through any of the text or using the colours to denote either amendments or confidentiality.

*(1) MediaTek’s case*

31. Section A is headed “Introduction to Claim” and it contains a high level summary of MediaTek’s case. It expressly alleges that Huawei’s conduct in seeking to obtain a one

way royalty-bearing licence is not FRAND and that a cross-licence of both portfolios would be FRAND. It also contends that Huawei's conduct amounts to a radical departure from existing industry practice:

“7. Further, though MediaTek contends that as to overall structure, a FRAND licence would involve a global cross-licence of the MediaTek and Huawei Portfolios (as defined below). However, should this Court determine a different licensing structure to be FRAND between the parties in all the circumstances (e.g. respective one-way licences for the MediaTek and Huawei Portfolios), MediaTek hereby undertakes to the Court to offer and enter into a licence on whatever terms are determined to be FRAND by this Court in respect of the parties' respective patents.”

“10. For a number of years, and to date, it has been the practice in the wireless telecommunications industry that royalty-bearing licences are sought by SEP holders from the mobile device OEMs. According to that practice, licensing of portfolios of wireless telecommunications SEPs was undertaken on the basis that, in those circumstances, no additional licences were sought or required from those upstream who supplied chips (or chipsets) which enabled those devices to operate in accordance with the standards (since the devices themselves were licensed in any event), or from downstream mobile device purchasers. Licensing undertaken in this way is and has long been the existing way in which licensing of SEPs for wireless telecommunications is conducted, including by Huawei in respect of OEM manufacturers that use MediaTek and/or Qualcomm and/or Unisoc chipsets.

10A. The consequence of this industry practice is that the industry (in particular the manufacturing supply chain) is structured on this basis, and that chipset manufacturers (such as MediaTek and its competitors) have established businesses with that foundation. The Claimants will provide particulars of this industry practice and why it is FRAND in their FRAND Statement of Case.

11. Contrary to this existing industry licensing practice Huawei has proposed to MediaTek (and, to the best of MediaTek's knowledge, to MediaTek alone) a radical change in the approach to licensing. Under this proposed new approach:

(i) Huawei continues to enter into licences to its portfolio of SEPs with OEMs, including OEMs that use chipsets provided by other chipset manufacturers such as Qualcomm and Unisoc.

(ii) MediaTek infers (given that Huawei has commenced infringement proceedings against MediaTek in relation to SEPs which Huawei has otherwise licensed to MediaTek's customers) that such licences must exclude from their scope (solely) devices which incorporate chipsets supplied by MediaTek.

(iii) In relation to such devices (and only those), Huawei then purports to require MediaTek to enter into a licence to Huawei's SEP portfolio [REDACTED] which would put MediaTek at a significant competitive

disadvantage compared to its principal competitors (such as Qualcomm and Unisoc, whose customers continue to be licensed and of whom MediaTek understands such chipset-level licensing demands have not been made.)

(iv) Moreover, Huawei makes no concession to the fundamental differences between MediaTek and the price and other characteristics of the chipset products it sells, relative to that of mobile devices sold by OEMs.

(v) This approach has never hitherto been the case between the parties, and, aside from a non-practising entity ([REDACTED], which does not appear to be a genuine arms-length entity vis-a-vis Huawei) to which Huawei recently divested a number of patents in its SEP portfolio (a transaction which does not appear to be a genuine arms-length transaction), no other SEP holder has asked MediaTek to take a directly royalty-bearing licence to its portfolio in this way.

(vi) As part of its strategy to pursue this novel outlier approach, and with the intended result of requiring MediaTek to take a licence on terms which are not FRAND, Huawei has recently sued MediaTek in the Chinese courts for infringement of certain of its SEPs and claims injunctive relief in relation to MediaTek's chipset products."

32. In section A MediaTek also sets out why it alleges that the Chinese Claims are not the suitable vehicle to determine the terms of a FRAND licence and why it alleges that it has been necessary to issue proceedings in this jurisdiction:

"14. Huawei brought an action in the Shenzhen Court on 14 May 2024 for the determination of the FRAND rate for a China-only licence in respect of the Huawei portfolio of Chinese SEPs. Those proceedings will not determine the licensing terms on a worldwide basis and, in particular, will not licence acts undertaken in the UK. Further, the terms put forward by Huawei at an evidence exchange hearing held by the Shenzhen Court on 27-29 November 2024 are for a China-only licence covering the period 1 January 2019 – 31 December 2030 and with a running royalty licensing fee structure.

14A. For Huawei to fulfil the requirements of its ETSI undertaking with respect to its patents and its FRAND obligations requires the offer of a FRAND cross-licence (or at least reciprocity) of broader scope than the China-only royalty terms it has asked the Shenzhen Court to determine. In particular, MediaTek wishes that its acts in respect of standardised technology covered by the First Defendants' non-China SEPs (to the extent that those acts are distinguishable from the acts of its downstream customers who MediaTek contend should continue to conclude royalty-bearing licences with Huawei), and in particular those potentially infringing acts of the Third Claimant undertaken in the United Kingdom, take place under licence, and invokes the First Defendants' obligation to reciprocate in the taking and granting of FRAND licenses accordingly.

15. In the circumstances, including those in which Huawei has recently sued MediaTek in the Chinese courts seeking injunctions in relation to MediaTek's chipset products, presumably to try to force MediaTek into a licence which is not FRAND, it is necessary and appropriate for MediaTek to bring proceedings against Huawei in this Court, which is an appropriate, experienced court for disputes of this kind, on appropriate patents to regulate the position in the UK and to facilitate the conclusion of licensing arrangements between the parties on FRAND terms (which MediaTek says ought to be a worldwide cross-licence) that in particular do not improperly damage MediaTek's business in a manner contrary to the ETSI scheme which applies to the patents in issue.

16. In the circumstances of this case which will be particularised more fully in due course, the English Court is well-positioned to undertake that exercise, having regard to this Court's widely recognised experience, jurisdictional approaches and procedures. The English Court is highly experienced in applying the appropriate governing law to the ETSI undertaking (namely French law) and in reaching a conclusion as to what terms are FRAND in accordance with accepted standards in the industry and in conformity with the requirements of the parties' undertakings to ETSI with respect to the parties' respective cellular SEPs."

(2) *The underlying facts*

33. In section B MediaTek pleads the parties, the products and the patents at issue and gives greater detail of the Chinese Claims. Those underlying facts are broadly the same facts as it alleges in the Civil Complaint save for the identification of different parties. However, MediaTek also alleges that the Chinese Claims (and the German Claim) will not result in the determination of a global FRAND licence:

"47A. MediaTek has also instituted proceedings before the Munich Regional Court in Germany and before the courts of Shenzhen, Hangzhou and Zhengzhou in the PRC, asserting patent infringement by Huawei of German and Chinese patents. In addition, MediaTek has brought an anti-trust claim in the Beijing Intellectual Property Court. None of the said claims will result in the determination of a global FRAND licence for Huawei in respect of the MediaTek portfolio or in a cross-licence (or other reciprocal licence arrangement) to the same; in particular none will result in a licence covering Huawei or MediaTek's acts undertaken in the UK."

34. In section C MediaTek pleads the market practice of SEP licensing in the wireless telecommunications industry and in section D the relevant dealings between Huawei and MediaTek or its customers. Again, subject to the detail which the authors of the document have chosen to stress, the underlying complaints about Huawei's conduct in the negotiations are much the same as in the Civil Complaint. MediaTek also pleads



expressly that Huawei has been guilty of discrimination:

“92A. In the circumstances, it is inferred that Huawei has specifically selected MediaTek for “aggressive collection” of royalties through its present enforcement campaign, when Huawei does not intend to approach other Independent Chipset Suppliers seeking royalties on chipset sales, much less to threaten pursuit of or in fact to pursue injunctive relief against them and/or to seek terms of a similar nature (and indeed could not do so without “double-dipping”, if MediaTek is correct in its inferences about there being a MediaTek-only carve-out from Huawei’s licence arrangements with OEMs as addressed in paragraph 71 above).”

“97. However, Huawei’s conduct appears calculated to disadvantage and damage MediaTek’s business, in particular because: (i) Huawei is seeking royalties from MediaTek at a level which will not be sustainable for MediaTek as a business; (ii) In any event, by Huawei singling out MediaTek for differential, discriminatory treatment, MediaTek’s commercial position will be very significantly weakened by comparison to its principal competitors in the supply of chipsets.

98. It is MediaTek’s case that Huawei’s conduct is in breach of Huawei’s FRAND Commitment.

99. MediaTek’s primary case is that, as an Independent Chipset Supplier and in light of the existing industry practice, Huawei should not single out MediaTek for exceptional, discriminatory treatment by demanding that it enter into a one-way royalty-bearing licence at the chipset level [REDACTED]. Instead, Huawei should continue to adopt a consistent approach to its licensing practices with respect to Independent Chipset Suppliers (as it appears to do generally and per existing industry practice, other than in respect of MediaTek). The consequence of Huawei reverting to a consistent application of existing industry practice would be that MediaTek would enter into a cross-licence with Huawei (which term includes any other sort of reciprocal licensing structure), wherein the royalty payable is calculated on the basis that no separate payment is required of MediaTek in respect of the Huawei Portfolio because royalty-bearing licences will continue to be sought and granted at the OEM level in accordance with industry practice.”

(3) *The terms of a licence*

35. In section E MediaTek pleads the basis on which it is entitled to require Huawei to take a licence of the MediaTek Portfolio. It refers to the “**Asserted Patents**” which I define below and which are the subject matter of section G. MediaTek’s case is that if its infringement claims succeed, then Huawei will have to accept a licence on FRAND terms or MediaTek will be entitled to assert its claim for damages and, importantly, damages for historic infringement to the extent that they are not barred by limitation:

“103. As pleaded above, MediaTek (and its subsidiary HFI) is the owner of the MediaTek Portfolio, which includes both 4G and 5G SEPs, including the Asserted Patents pleaded below. As addressed further below, MediaTek has given a FRAND commitment in respect of patents in the MediaTek portfolio.

104. To the extent that the said SEPs are valid and essential, they are necessarily infringed by Huawei devices operating in accordance with the applicable standards. MediaTek pleads below a case of infringement of a number of specific UK wireless telecommunications SEPs within the MediaTek Portfolio.

105. The MediaTek Portfolio and the Huawei Portfolio are in each case encumbered by Licensing Declarations made to ETSI and, thus, subject to the FRAND Commitment described in Section H below. MediaTek seeks that Huawei enters into a cross-licence (or other reciprocal licensing arrangement) covering the MediaTek Portfolio on terms that are FRAND and that includes payment of an appropriate royalty for the periods of Huawei’s unlicensed activity.

106. Should MediaTek establish by these proceedings that its Asserted Patents (or any of them) are valid and essential, it seeks a determination from this Court as to the terms of a FRAND licence covering the MediaTek Portfolio.

107. Absent Huawei undertaking, by no later than the date on which the Court makes a finding of infringement in respect of one of the Asserted Patents, to enter into a licence covering the MediaTek Portfolio on whatever terms the Court determines to be FRAND, MediaTek will be entitled to past damages, which MediaTek will say should be assessed at a portfolio rate, and an injunction preventing Huawei from (at least) infringing its SEPs in this jurisdiction until such time as Huawei gives the undertaking in question or enters into the FRAND licence determined by the Court, or the relevant Asserted Patent expires, whichever is the earlier.

108. MediaTek hereby undertakes to enter into a licence on whatever terms are determined to be FRAND by this Court.

109. In such premises MediaTek’s primary position is that the licence which would be FRAND as between MediaTek and Huawei is a global lump-sum cross-licence covering both the MediaTek Portfolio and the Huawei Portfolio. MediaTek’s position is that, in circumstances where both MediaTek and Huawei have relevant cellular SEP portfolios of substantial size, where MediaTek and Huawei have both given a FRAND commitment, where both continue to produce and sell products supporting cellular standards globally, and [REDACTED] it is inappropriate for Huawei to seek to extract a one-way only licence to the Huawei Portfolio from MediaTek. Further or in the alternative paragraph 7 above is repeated.

110. Cross-licensing according to the principle of reciprocity under the ETSI FRAND regime is the approach which is almost universally adopted where both parties to the licence are SEP holders and are also active in the manufacture or sale of devices that comply with Relevant Standards.

MediaTek therefore avers that it is both entitled to insist upon a reciprocal licencing approach and in any event that it is the approach that would be taken by a willing licensor and willing licensee in the positions of MediaTek and Huawei and, therefore, FRAND.”

(4) *The Patent Claims*

36. MediaTek alleges that the First Claimant is the owner of two patents and the Second Claimant is the owner of a third patent. They are: EP (UK) 3 476 158 (“**EP 158**”), EP (UK) 3 469 722 (“**EP 722**”) and EP (UK) 2 596 659 (“**EP 659**”). They are defined in the Particulars of Claim as the “**Asserted Patents**” and I adopt that term. MediaTek alleges that the first two are essential to 5G standards promulgated by ETSI and the third is essential to its 4G standards and that they have been declared to ETSI as being essential. It then asserts that it is willing to enter into a licence on FRAND terms but then advances a conventional infringement claim for damages and a FRAND injunction:

“121. The Claimants are, and at all material times has have been, willing to negotiate with the Defendants and to grant a licence under the Asserted Patents and other essential patents owned by the First and Second Claimant on FRAND terms, within the meaning of ETSI IPR Policy under the ETSI Rules of Procedure dated 12 December 2022.

122. The Defendants and each of them have infringed the Asserted Patents and/or threaten to infringe the Asserted Patents in the manner set out in the Particulars of Infringement served with these Particulars of Claim. Further, the First Defendant is jointly liable for the Second Defendant’s acts of patent infringement as set out in the Particulars of Infringement served with these Particulars of Claim.

123. By reason of the matters set out above the Claimant has suffered loss and damage.

124. Further, the Defendants threaten and intend to continue the acts of which the Claimants complain whereby the Claimants will suffer further loss and damage.”

37. MediaTek also alleges that the First Defendant is the registered proprietor of EP (UK) 3 493 598 (“**EP 598**”). It is defined as the “**Challenged Patent**” and again I adopt that term. MediaTek alleges that the Challenged Patent is invalid and liable to be revoked but that if it is valid, it is entitled to a licence on FRAND terms. The basis on which this entitlement is pleaded is as follows:

“128. The Challenged Patent is and always has been invalid for the reasons set out in the Grounds of Invalidity served with these Particulars of Claim. However, if valid, for the purposes of these proceedings only, MediaTek

accepts that MediaTek's UK activities (distinguishable from those of its downstream customers) fall within the claims thereof, which activities MediaTek wish to continue under a FRAND licence. More generally, MediaTek accepts that amongst the Huawei UK Portfolio a portfolio of declared 4G and 5G SEPs as large as that possessed by the Second Defendant and MediaTek in the UK, it is likely that at least one of those UK SEPs will be valid, essential and infringed by relevant acts performed in the UK with respect to implementation of the 4G and 5G standards.

128A. On 14 November 2014, Huawei were asked to confirm whether they disclaimed reliance on any FRAND defence as against the Asserted Patents and to acknowledge within 7 days that no act done or proposed to be done in the UK by MediaTek or any of MediaTek's customers in using or operating MediaTek chips in accordance with the 3GPP Standards in the UK (including as described in ¶¶7, 10, 16-18, 24-29 and 33-34 of the Confidential First Witness Statement of Pascal Lemasson) constitutes or would constitute an infringement by MediaTek of any SEP owned by the Second Defendant (including but not limited to the Challenged Patent, if valid) in the UK. Huawei has not given any such acknowledgement.

128B. In the premises, MediaTek relies on Huawei Technology's ETSI undertaking and has a legal and enforceable right to the determination of a FRAND licence (or to be offered FRAND terms capable of acceptance and determined by this Court) in respect of the UK patents in the Huawei Portfolio (including the Challenged Patent) in respect of MediaTek's activities in the UK and against liability for any activities of its UK customers in the UK. As pleaded to above, MediaTek says that such a licence should be a lump sum reciprocal licence(s) and should be global in scope.

129. Huawei Technology has not offered to enter into a licence on FRAND terms in respect of the Huawei Portfolio, including the Challenged Patent, and MediaTek is entitled to relief in this regard. As stated above, MediaTek's principal case is that (in accordance with the principle of reciprocity) a FRAND licence would be a worldwide cross-licence under the parties' respective portfolios of SEPs for the Relevant Standards (or at least take account of both portfolios). By failing to make a FRAND licensing offer Huawei has failed in this regard to comply with its FRAND Commitments and the ETSI IPR Policy and other relevant requirements of law as set out herein."

(5) *The FRAND Commitment*

38. In section H MediaTek pleads clause 6.1 of the ETSI intellectual property rights policy (the "**ETSI IPR Policy**") and its effect as a matter of French law. MediaTek pleads that the licensing declarations which entities make to ETSI give rise to contractual obligations under French law which MediaTek defines as the "**FRAND Commitment**": see paragraph 55. It also pleads that both the Huawei and MediaTek portfolios are encumbered by FRAND declarations and it pleads the terms of the licensing declarations

which the First Claimant and First Defendant have given in relation to the Asserted Patents and the Challenged Patent: see paragraphs 130 and 131. Finally, MediaTek also pleads that in reliance upon the obligations of good faith imposed by the FRAND Commitment under French law, Huawei has the following obligations:

“138. Further or alternatively, Huawei’s obligations of good faith under the FRAND Commitment require it to refrain from: (i) denying MediaTek’s entitlement to a FRAND licence covering Huawei’s SEPs (and/or its UK SEPs and/or the Challenged Patent); and/or (ii) seeking to enjoin, prevent or otherwise restrict MediaTek from practising those SEPs or supporting the Relevant Standards to which they have been declared; and/or (iii) seeking to enjoin, prevent or otherwise restrict MediaTek from practising other patents in the Huawei portfolio with a view to extracting excessive and/or supra-FRAND terms for Huawei’s SEPs.

139. On the assumption that Huawei will provide an unconditional undertaking to this Court not to: (i) enjoin, prevent or otherwise restrict MediaTek from practising those SEPs or supporting the Relevant Standards to which they have been declared; nor (ii) enjoin, prevent or otherwise restrict MediaTek from practising other patents in the Huawei Portfolio with a view to extracting excessive and/or supra-FRAND terms for Huawei’s SEPs, MediaTek would be prepared to undertake unconditionally to this Court that it will not: (i) Seek to enjoin, prevent or otherwise restrict Huawei from practising MediaTek’s SEPs (and/or its UK SEPs and/or the Asserted Patents) or supporting the Relevant Standards to which they have been declared; and (ii) Seek to enjoin, prevent or otherwise restrict Huawei from practising other patents in the MediaTek Portfolio.”

(6) *Prayer for relief*

39. In section I MediaTek sets out the consequences which it claims must follow from Huawei’s failure to comply with its FRAND Commitment. In section J MediaTek had pleaded abuse of a dominant position but no longer advances such a claim. In section K it pleads a claim for damages and in section L it asserts a willingness to engage in alternative dispute resolution. The relief which it claims is as follows:

- “(1) A declaration that the Asserted Patents and each of them is essential to the standards relied upon in relation to each Asserted Patent;
- (2) A declaration that the Asserted Patents and each of them is valid and has been, is being and will be infringed by the Defendants;
- (3) Save insofar as the Defendants and each of them is entitled to take, and:
  - (a) unconditionally commits to take; or (b) does take, a licence to the Asserted Patents on FRAND terms (in accordance with the declarations referred to above and the ETSI IPR Policy), and save insofar as the

Claimants are and remain required to grant such a FRAND licence:

(i) An injunction to restrain the Defendants and each of them (whether acting by their directors, officers, servants, agents or otherwise howsoever) from infringing the Asserted Patents or any of them;

(ii) An order for delivery up or (at the Claimants' option) destruction upon oath of all articles and materials in the possession, custody or control of the Defendants (or each of them) the making, offer to dispose, keeping, use or disposal of which would be a breach of the foregoing injunction;  
and

(iii) An order that the Defendants and each of them take all steps within their power to retrieve from the channels of distribution by third parties all products the sale, disposal or keeping of which would infringe the Patents or any of them;

(4) A declaration that the Challenged Patent is invalid;

(5) An order that the Challenged Patent be revoked;

(6) A determination and declaration of what the FRAND terms would be for a licence between MediaTek and Huawei covering the MediaTek and Huawei Portfolios; alternatively a determination and declaration of what the FRAND terms would be for a licence between MediaTek and Huawei;

(7) A declaration that MediaTek is a beneficiary of Huawei's FRAND Commitment in accordance with Clause 6.1 of the ETSI IPR Policy;

(10) An enquiry as to damages (such enquiry to take into account the effect of the Intellectual Property (Enforcement etc.) Regulations 2006) in respect of each and every act of infringement of the Asserted Patents, or, at the Claimants' option, an account of profits made by the Defendants and each of them by their acts of infringement of the Patents;

(13) Interest on all damages awarded pursuant to section 35A of the Senior Courts Act 1981 and/or pursuant to the equitable jurisdiction of the Court at such rate and for such time as the Court deems fit;

(14) An Order pursuant to paragraph 26.2 of the Practice Direction accompanying CPR Part 63 for appropriate measures for the dissemination and publication of any trial judgment to be undertaken at the Defendants' expense;

(15) Costs together with interest thereon; and

(16) Further or other relief including such further declarations as may be appropriate, together with interim and protective relief and appropriate orders to require mediation resolution as the Court deems fit."

40. For the purposes of this judgment, I will refer to claims (1), (2), (3) and (10) as the **"Asserted Patents Claims"**, claims (4) and (5) as the **"Challenged Patent Claims"** and claims (6) and (7) as the **"FRAND Claims"**. Finally, I will refer to the claims for ancillary relief in (13) to (16) as the **"Ancillary Claims"**.

41. To accompany the Particulars of Claim, MediaTek also served Particulars of Infringement and Grounds of Invalidity both of which were dated 15 July 2024. MediaTek relied on a number of specifications in support of the claim that the Asserted Patents were essential (all of which were said to be subject to reciprocal declaration) and provided detailed particulars of alleged acts of infringement.
42. On 14 August 2024 Huawei served the Defence of the First Defendant to the Challenged Patent Claims of invalidity and revocation without prejudice to its jurisdiction challenge. Huawei denied that the Challenged Patent was invalid or that MediaTek was entitled to the relief claimed. There was, however, no counter-claim for a declaration of validity or for infringement.
43. On 25 September 2024 Huawei also served the Technical Defence of the Second Defendant and Grounds of Invalidity. It denied that the Asserted Patents were essential, asserted that they were invalid but admitted acts which might amount to infringement. Huawei did not, however, rely on the ETSI IPR Policy or assert any entitlement to a licence on FRAND terms:

“18. As to ¶¶1-19, the Second Defendant admits that it has carried out at least one act of the type listed in section 60 Patents Act 1977 (as amended) in relation to at least one example in each category of accused product, namely: a Huawei 4G Mobile Device, a Huawei 5G Mobile Device and a Huawei Infrastructure Equipment. The Second Defendant denies that those acts constitute infringement of the Asserted Patents because the Asserted Patents are not Essential and are invalid for the reasons pleaded below and in the Grounds of Invalidity.”

### **III. The Evidence**

#### **E. Business Activities**

##### *(1) MediaTek*

44. Mr Lim’s evidence in Lim 2 was that the Second and Third Claimants are directly, wholly-owned subsidiaries of the First Claimant and that the Second Claimant holds a number of patents within the MediaTek portfolio (including one of the Asserted Patents). He gave evidence that MediaTek had a substantial UK presence, that the Third Claimant operated across two sites in the UK and employed [REDACTED], that one office was located at Maidstone in Kent and had [REDACTED] (including engineers) and was

engaged in radio frequency integrated circuit design, which was also relevant to radio frequency chips that were part of MediaTek's cellular modern chipset. He also gave evidence that a second office was located in Cambourne, Cambridge and had [REDACTED] engaged in technical research and development. Finally, he gave evidence that there was a small team of [REDACTED] carrying out research and development in relation to artificial intelligence.

45. Mr Lim's evidence in Lim 2 was that the UK was a substantial market for MediaTek and that [REDACTED]. He also gave evidence that the Third Claimant provided an important research and development hub for MediaTek with a turnover in relation to such services of £24.1 million.
46. Mr Cordell did not challenge Mr Lim's evidence about MediaTek's UK presence. But he gave evidence in Cordell 2 that China was MediaTek's largest market and its top 10 customers were Chinese enterprises located in China. He also gave evidence that China accounted for about 82% of MediaTek's global sales. He stated that it appeared that MediaTek did not supply any chipsets directly to any customers in the UK. He also challenged Mr Lim's evidence that MediaTek had carried out any infringing acts in the UK and asserted that Mr Lim's evidence about its estimated revenue from sales of handsets in the UK was misleading because the revenue was generated in China and the handsets sold by OEMs in the UK.
47. Mr Lim challenged Mr Cordell's evidence about MediaTek's sales on the basis that MediaTek's principal customers did not operate exclusively in China, that its top six customers had twice as many sites outside China and that for the most part they made the majority of their sales outside mainland China. Mr Lemasson also gave detailed evidence in Lemasson 1 about MediaTek's worldwide sales and markets. His evidence was that the detailed figures which he had given were consistent with a proportional shift away from mainland China and towards other global regions such as Europe and the Asia Pacific regions (excluding mainland China). [REDACTED].
48. Mr Lemasson also gave detailed evidence in Lemasson 1 about MediaTek's R&D and product development functions in the UK. His evidence was that it necessarily required the testing of prototypes by connecting to and communicating over the 4G and 5G networks and gave confidential evidence about its testing and verification operations.



**[REDACTED].**

49. Mr Cordell challenged all of Mr Lemasson's evidence in Cordell 3 and Cordell 4. There was no order permitting the service of further evidence and most of this evidence was hearsay and much of it consisted of argument and comment. One of the comments which Mr Cordell made was that Mr Lemasson had effectively confirmed that MediaTek had made no sales or offers to sell chipsets in the UK. He also analysed Mr Lemasson's evidence in relation to MediaTek's testing and verification operations and the logistics of its delivery of products to its key customers.
50. Huawei also served a Request for Further Information arising out of MediaTek's reply evidence and, in particular, Lemasson 1. Mr Lemasson addressed these requests in Lemasson 2 in which he gave further evidence about MediaTek's testing and verification operations and the delivery of chipsets to its customers. His evidence was that MediaTek did not know where the chips it sells went once the buyer had taken possession of them but it did know the location to which it had been requested by the OEMs to ship them. His evidence was that only one of its principal customers requested MediaTek to ship chips to mainland China.
51. Mr Raphael and his team submitted that this action was concerned with activity, infringement and licensing value which was preponderantly China focused, overwhelmingly in Asia and only minimally connected with the UK. In support of this submission he submitted that 82% of MediaTek's sales and deliveries were to mainland China, that MediaTek did not infringe any of Huawei's patents by selling products in the UK and that the vast bulk of all infringement by MediaTek would be covered by Chinese infringement litigation. He also submitted that the effect of a licence granted by Huawei in the course of the Chinese Claim would be to exhaust or "frank" the vast bulk of any downstream infringement by MediaTek with respect to chipsets. Finally, he submitted that the only activities which MediaTek suggested could infringe in the UK were the testing and verification activities and that these were a tiny proportion of its worldwide R&D.
52. I am unable to accept these submissions on the basis of the evidence before me. If these issues went to trial, then in my judgment MediaTek has a real as opposed to fanciful prospect of proving that it has a substantial presence in the UK, that its R&D, testing and

verification activities in the UK are significant and that there is a real risk that these activities infringe Huawei's portfolio of SEPs (including the Challenged Patent). Likewise, I am also satisfied that MediaTek has a real and more than fanciful prospect of proving that it does not sell 82% of its products in mainland China but makes substantial sales outside it. Indeed, Mr Cordell gave evidence himself that in 2024 [REDACTED] of smartphones incorporating MediaTek's chips were sold in mainland China and that only [REDACTED] of phones incorporating its chips were sold by customers headquartered in China. For reasons which I explain below, I also consider that Huawei's reliance on the doctrine of "exhaustion" was misconceived.

(2) *Huawei*

53. Mr Lim gave evidence in Lim 2 that the UK was also a substantial market for Huawei and that the Second Defendant had reported a turnover of £359.1 million for the year ended 31 December 2022. He expressed the view that it was unlikely that Huawei would leave the UK market altogether rather than have a FRAND dispute determined by the English Courts. He gave the following evidence about infringement of the MediaTek portfolio:

"112. The Particulars of Infringement give clear examples of Huawei's acts complained of and explains why MediaTek considers that those acts constitute infringement under sections 60(1)(a), 60(1)(b), 60(1)(c) and/or 60(2) of the Patents Act 1977. In particular:

(a) information and advertising on the Huawei UK Website shows that the Second Defendant has and/or is: (i) offering for sale the Huawei Mobile Devices in the UK (see paragraph 10 of the Particulars of Infringement); (ii) offering for use in the UK the methods identified in paragraph 6 of the Particulars of Infringement; and (iii) supplying or offering to supply the Huawei Mobile Devices and/or the Huawei Infrastructure Equipment in the UK to a person other than a licensee or other person entitled to work the invention with means essential for putting the invention of EP 158, EP 722 and EP 659 into effect knowing, or where it is obvious to a reasonable person in the circumstances, that those means are suitable for putting, and are intended to put, the invention into effect in the UK (see paragraphs 12, 14 and 16 of the Particulars of Infringement);

(b) information in the 2023 Annual Report of the Huawei Group indicates that the First Defendant has, without the consent of MediaTek, (i) offered for sale and sold, and/or (ii) supplied and/or offered to supply the Huawei Infrastructure Equipment in the UK to a person other than a licensee or other person entitled to work the invention with means essential for putting the invention of EP 158 and EP 659 into effect knowing, or where it is obvious to a reasonable person in the circumstances, that those means are

suitable for putting, and are intended to put, the invention into effect in the UK (see paragraphs 20 and 22 of the Particulars of Infringement).

113. The Particulars of Infringement also explain why MediaTek considers that the First Defendant has procured that the Second Defendant undertake the acts set out at paragraph 112(a) above and/or those acts are carried out pursuant to a common design between the First Defendant and the Second Defendant that they be so undertaken (see paragraph 20 of the Particulars of Infringement).

114. The Particulars of Infringement further explain why MediaTek considers that the Defendants are jointly and severally liable with other third-party infringers of the Asserted Patents in paragraphs 26 and 27 of the Particulars of Infringement.”

54. Mr Cordell gave evidence in answer in Cordell 1 that Huawei shipped over [REDACTED] handsets in China but [REDACTED] to the UK in 2023 and [REDACTED] in 2024 and that 100% of its handsets were manufactured in China. He also stated that the majority of Huawei’s infrastructure sales and manufacture took place in China and that it had not had any sales of infrastructure hardware or equipment since the first quarter of 2021. He stated that all of the handsets sold in the UK in the six years before the issue of the Claim Form were manufactured in China.

55. [REDACTED] He made the point that any global licence of Huawei’s portfolio would have to take into account past sales [REDACTED]. He also gave evidence that the Chinese Claims would not determine the key non-financial terms of a FRAND licence and gave examples of the kind of term which would be important. He gave the following evidence of the global operations which would have to be covered by a FRAND licence (footnotes omitted):

“a. Huawei’s global website shows that Huawei maintains over 100 websites dedicated to specific locations other than mainland China, which are available in native languages. Amongst those, Huawei continues to conduct direct online sales through dedicated Huawei e-commerce platforms in 25 locations outside of mainland China, located on every continent, and specifically including Japan, Mexico, South Africa, Turkey, and various European countries, which are all jurisdictions in which MediaTek owns 4G and 5G SEPs.

b. Huawei’s annual reports show that despite the hit Huawei took after the imposition of US trade sanctions and to the restrictions in 2019, Huawei has continued to generate significant revenue outside of mainland China, particularly in the EMEA region, where revenue for 2023 (145,343 million CNY, or approximately US\$20 billion at the closing exchange rate for the end of 2023) (see Exhibit DCYL-21) is not far off the revenue for that

same region in 2017 (164,603 million CNY, or approximately US\$25 billion at the closing exchange rate for the end of 2017) (see Exhibit DCYL-22).

c. In relation to 4G mobile phone sales: **[REDACTED]** (see Confidential Exhibit DCYL-18).

d. In relation to infrastructure: between 2019 and 1H 2024, Huawei continues to be the clear market leader in revenue share in the telecoms infrastructure segment, with approx. 28% of market share in 2022. The majority (70.8%) of Huawei's infrastructure revenues for 4G sales come outside of mainland China. The breakdown of revenue outside of mainland China is 26.3% in the Asia Pacific (excluding mainland China), 19.2% in Europe, 16.2% in Middle East and Africa, 7.8% in Caribbean and Latin America, and 1.3% in North America. While the majority of Huawei's 5G infrastructure sales currently are in mainland China, the percentage of sales outside of mainland China has steadily increased from 15.7% in 2019 to 26.8% in 2023. This is consistent with reporting on Huawei's global infrastructure business, which has described Huawei as "close to being a de facto choice for advanced telecom infrastructure in Africa, the Middle East and Latin America" (see Exhibit DCYL-19, being a recent September 2024 report of an interview with Huawei's top IP executive, Alan Fan). Despite UK network operators being required to remove all Huawei equipment from their 5G network infrastructure by 2027, Huawei equipment remains present in the 5G network infrastructure of three of the UK's four mobile network operators (BT, Three and Vodafone) and replacement efforts have proceeded slowly. This is consistent with the fact that Huawei UK continues to generate hundreds of millions of pounds in revenue (£229.6 million in 2023 according to its latest annual report, exhibited to this witness statement as Exhibit DCYL-21).

e. Huawei's global position and ambition is clearly stated in Huawei's annual reports. For example, in Huawei's most recent annual report, for the year 2023 (page 11): "on the operations side, Huawei is committed to globalized operations and diversifying our supply chains to ensure long-term, continuous, and stable supply, and to lay the foundations for more sustainable development. We have established long-term partnerships with over 10,000 suppliers and partners around the world", (page 21): "In Europe, the Middle East, and Africa (EMEA), ICT infrastructure such as 5G and optical networks was being constructed rapidly and industries sped up digital, intelligent, and low-carbon transformation. As a result, our cloud computing business grew rapidly, our ICT infrastructure business remained steady, and the performance of our digital power business was in line with forecast." (page 37): "The world is ready for 5.5G: Global commercialization of 5.5G commences in 2024" (Exhibit DCYL-21)."

56. Mr Cordell gave evidence in Cordell 2 that the Huawei Claims would "for all intents and purposes be global in respect of infrastructure equipment with regard to the infringements they cover" given that the majority of sales and manufacture of infrastructure took place in China. However, in Cordell 3 and in answer to a Request for Further Information, Mr

Cordell gave the following evidence about Huawei's UK activities:

"I am instructed that out of Huawei UK's £229.6 million revenue in 2023, approximately [REDACTED] million is attributable to 4G and 5G wireless infrastructure hardware, software, and maintenance in the UK. By way of comparison, the 2023 revenue of Huawei that is attributable to wireless hardware (namely, 4G and 5G base stations (not including antennas)), software, and their maintenance was approximately USD [REDACTED] billion in the greater Chinese region (including Hong Kong and Macau), and approximately USD [REDACTED] billion in mainland China. In other words, using an exchange rate of USD\$1 = £0.79, the revenue attributable to wireless hardware (namely, 4G and 5G base stations), software, and their maintenance in the UK is approximately [REDACTED] of the equivalent figure in mainland China for 2023 (or conversely, this revenue in mainland China was approximately [REDACTED] times higher than in the UK in 2023)."

57. Mr Cordell did not provide figures for earlier years [REDACTED]. Mr Lim replied to this evidence in Lim 4 giving evidence that between 2016 and 2024 Huawei sold [REDACTED] in the UK corresponding to a total value of [REDACTED]. He also estimated that Huawei's infrastructure revenue for the same period was [REDACTED]. He also gave the following evidence about Huawei's 2023 annual report (again footnotes omitted):

"17. The 2023 Annual Report discloses a substantial revenue of £229.6 million made by Huawei UK in 2023, of which more than 58% (about £133.6 million) was generated from the UK. Of Huawei UK's total revenue in 2023, about 34.5% (about £79.2 million) was generated from "sales of products", about 29.5% (about £67.8 million) from "rendering of services", and about 36% (about £82.6 million) from "rendering of services to other group undertakings".

18. Further, the 2023 Annual Report indicates that Huawei UK has maintained substantial stocks of goods on hand, valued at about £24.3 million, which "comprise inventories of finished goods for resale and work in progress and are stated at the lower of cost and net realisable value". Almost all of Huawei UK's stocks on hand (about £24 million, or 98.7% of its stocks) are listed as "finished goods".

19. As to employee headcounts, the 2023 Annual Report indicates that Huawei UK continued in 2023 to maintain a monthly average of about 260 staff, with 113 employed in "sales", 69 employed in "services" and 78 classified as "others". In another words, Huawei UK continued to employ an average of 182 employees (or 70% of its total staff) to engage in sales and provide services to its customers which include UK telecommunication operators.

20. The 2023 Annual Report also indicates that the directors of Huawei

UK have assessed that, having taken into account all relevant factors, “there is no longer significant doubt over the Company’s ability to continue as a going concern”, and that “the Company has managed to stabilise its business through careful management of its scale of operation since 2020, and has maintained stable profitability”.”

58. Mr Cordell came back on this evidence in Cordell 4. He stated that in the time available Huawei had not been able to determine its historic infrastructure revenue in the UK. But he suggested that based on published information the figure of [REDACTED] was too high but he accepted that its revenue from Europe between 2019 and 2024 was [REDACTED] and suggested that its revenue in the UK might be as high as [REDACTED]. The only evidence which he gave about Huawei’s current activities was as follows:

“25. In paragraphs 14 to 22 of Lim 4, Mr Lim relies upon certain figures and general statements made in Huawei UK’s annual report for the year ended 31 December 2023 to imply that Huawei UK currently, and will in future, perform a substantial degree of activity that could potentially constitute an infringement of the UK patents in the MediaTek Portfolio. However, Huawei UK has other business units with no relevance to the implementation of 4G and 5G standards in the UK, such as digital power and fixed networks.

26. Furthermore, there are revenue-generating aspects of Huawei UK’s business activities related to 4G and 5G standards in the UK that may not constitute acts which infringe the UK patents in the MediaTek Portfolio. For example, the repair of its customers’ 5G infrastructure equipment may well not constitute an act of infringement of a patent that is held to be essential to 5G. I note that there is no pleaded claim that Huawei has infringed through any such acts of repair.”

59. Mr Raphael and his team submitted that the only remaining activity of Huawei in the UK beyond *de minimis* handset sales which might potentially infringe was infrastructure support and maintenance and that MediaTek had not made out “a concrete case for infringement”. They also submitted that this infringement “relates to small revenues commercially inconsequential in the scale of this litigation – which will be smaller yet, quite possibly *de minimis* by the time of any English FRAND trial”. They did not submit that claims for past sales were *de minimis* but submitted that they were still a very small percentage of global revenues.

60. Again, I am unable to accept these submissions on the basis of the evidence before me. In my judgment, MediaTek has a real as opposed to fanciful prospect of proving at trial

that both the First Defendant and the Second Defendant have infringed the Asserted Patents and that they will continue to infringe those patents unless restrained by injunction. Mr Raphael did not challenge the Particulars of Infringement or Mr Lim's evidence in support of them (above) or submit that they had no real prospect of success in either his Skeleton Argument or in his oral submissions.

61. Mr Lim relied on Huawei's 2023 annual report as evidence that it was continuing to commit acts of infringement. Mr Cordell did not challenge that evidence or give evidence that Huawei was no longer carrying out the same activities. Indeed, all that he was able to say was that it had other business units who were unlikely to be infringing. Moreover, he could have given direct evidence about Huawei's current activities on instructions (or Huawei could have submitted evidence from witnesses who had direct knowledge of those activities). But he did not do so or give any explanation for this omission.
62. I am also satisfied that MediaTek has a real as opposed to fanciful prospect of proving at trial that it is entitled to substantial damages from both Defendants for their historic infringement. Mr Lim's evidence was that Huawei's revenue from handsets in the UK was [REDACTED] and from infrastructure was [REDACTED] and Mr Cordell had to accept that the Second Defendant's revenue from infrastructure for the financial year 2023 was [REDACTED]. He made a number of criticisms of Mr Lim's figures but Huawei did not adduce any evidence of the actual figures either for the sale of handsets or its revenue from infrastructure. Given the huge volume of evidence which Huawei filed in support of the Applications both before and after the hearing, I do not accept that it could not have produced both figures if it had wanted to do so.

(3) *The patent portfolios*

63. Mr Lim gave evidence in Lim 3 that Huawei owned 11,205 declared 4G and 5G SEP families globally of which 10,760 included a family member in the PRC, 30 included a family member in Taiwan, 7,499 included a family member in the US and 7,195 included a family member in Europe. He also gave evidence that MediaTek owned a total of 848 declared 4G and 5G SEP families globally, of which 825 included a family member in the PRC, 589 included a family member in Taiwan, 847 included a family member in the US and 351 included a family member in Europe. He also gave evidence that Taiwanese patents were discrete and separate from Chinese patents.

64. Mr Cordell gave evidence in Cordell 1 that MediaTek's 5G portfolio contained 5.81% of the SEPs in Huawei's portfolio and that its 4G portfolio contained 3.16% of the SEPs in Huawei's portfolio. He also gave evidence that for many of MediaTek's Chinese patents there was no UK equivalent and that the disparity between the size of each portfolio had been recognised in a number of published sources. He did not accept the evidence given by Mr Lim in relation to "essentiality rates" but asserted that even if that evidence was accepted, Huawei had 6.7 times the number of essential patents as MediaTek. There was no real dispute about this evidence and I accept it for the purposes of the Applications.

(4) *Industry practice*

65. Mr Lim gave evidence in Lim 2 that under existing industry practice royalties were not sought or paid at the chipset level [REDACTED]. His evidence was that Huawei's exclusive pursuit of MediaTek to take a royalty-bearing licence of the Huawei portfolio was discriminatory and out of step with existing industry practice and Huawei's own licensing practices in relation to other chipset suppliers. Mr Xie gave the following evidence about the way in which the Beijing Court would approach this conduct in deciding the Civil Complaint:

"24. Antitrust proceedings before courts in the PRC will consider (by reference to the claims made and forms of anticompetitive conduct alleged in any given action) whether anticompetitive conduct has taken place and whether the alleged conduct has had the claimed effect on competition in the relevant market in the PRC. Under Chinese law and precedent, the provisions of the Antitrust Law of the People's Republic of China shall apply to monopolistic practices outside the territory of the PRC if they eliminate or restrict market competition inside the PRC. In other words, PRC courts have jurisdiction over competition law breaches arising out of conduct taking place abroad as long as they affect market competition in the PRC.

25. With respect to antitrust actions relating to the licensing conduct of an SEP holder, allegations of anticompetitive conduct in the form of the violation of FRAND licensing obligations, overpricing and discriminatory differential treatment by the party in question are typically pleaded. Given such claims, the court will need to evaluate the conduct of the party accused of anticompetitive behaviour and, in respect of each issue of conduct that forms the subject of the claim, assess whether the accused party engaged in the anticompetitive practice alleged.

26. Whilst the evaluation in respect of certain alleged forms of anticompetitive conduct (e.g. unfair high pricing conduct and violating FRAND obligations) will inevitably involve an assessment of whether licensing offers from the SEP holder are excessively high, that assessment



is most likely to be qualitative rather than a detailed evaluation and endorsement of specific rates and/or other terms of a putative FRAND licence between the parties. This is essentially the same FRAND-related assessment exercise as that described above in respect of a SEP infringement action where injunctive relief is sought, and not a definitive determination of the FRAND licensing terms between the parties.

27. Moreover, as also previously explained, the order and operative findings that will be made in proceedings before courts in the PRC will depend on the scope of the claim that is made in the proceedings – accordingly, in an antitrust action alleging monopolistic behaviour and seeking relief in relation to the same the ruling of the court will be limited to confirming whether the alleged anticompetitive behaviours took place and whether the relevant conduct should be prohibited. Any evaluation of the factors underlying that ultimate decision, including the assessment of offers made by the SEP holder, will not result in a determination of the FRAND licensing terms between the parties.

28. As explained above, although the claims are not the same and consequently the content of the respective judgments will not be the same, an antitrust case concerning allegations of violation of FRAND obligations and a SEP infringement case seeking injunctive relief will both involve some consideration of the same fact, i.e. whether the SEP holder's offers are consistent with the fulfilment of their FRAND obligations. However, just as separate infringement cases can come to different conclusions as to the FRAND-compliance of a party's offers, the conclusion reached in antitrust proceedings can differ from that reached in infringement proceedings. This is consistent with my view that the FRAND-related assessments in antitrust and infringement proceedings cannot be regarded as any sort of binding determination of the FRAND terms that should be entered into between parties."

66. Mr Cordell did not challenge Mr Lim's evidence but commented that at most the industry practice to which he referred "would consist of patentees: (i) granting royalty-bearing licences to downstream OEMs of mobile devices, and (ii) not pursuing upstream chipset makers like MediaTek to enter into licence agreements". He also gave evidence on instructions that there was no industry practice of granting "royalty-free licences". Professor Wang agreed with Mr Xie that compliance with a party's FRAND commitment could be a "decisive factor" in the Court evaluating a party's conduct:

"The inquiry to which Mr Xie refers in paragraph 25 of his statement is therefore an inquiry whether the antitrust defendant has complied with their FRAND commitment. I agree with Mr Xie that the provisions of the Antitrust Law of the PRC apply to monopolistic practices outside of the PRC, if they eliminate or restrict market competition inside the PRC. In the context of SEP disputes, the Chinese Court can rule on conduct related to a global licence provided the alleged conduct has "direct, substantial and significant effects" in China. Whether a party's offer of a global

licence complies with its FRAND commitment has been requested by MediaTek being one of the central questions to be decided in an antitrust action, as it requested in a SEP infringement action or FRAND term setting action. This is the case with MediaTek's Beijing proceedings. One of the central questions is whether Huawei's offer of a licence to MediaTek is FRAND (note that MediaTek's claims regarding breach of FRAND commitment in this proceeding will also be regarded as a factor in evaluating the discriminatory differential treatment and overpricing). Compliance with the FRAND commitment may be a decisive factor weighing against a violation of antitrust law. The ground on which MediaTek maintains that Huawei is liable in antitrust is that MediaTek maintains that Huawei has not complied with its FRAND commitment. Even if non-compliance with the FRAND commitment would not alone establish antitrust violation, compliance with that commitment would effectively be decisive against liability."

67. However, she disagreed with Mr Xie about the effect of a finding of discriminatory behaviour and the extent to which it would be binding on a Court fixing the terms of a FRAND licence:

"I disagree. If the Beijing IP Court dismisses MediaTek's claims, it is inevitable that the Beijing IP Court will need to deal with the issue of whether Huawei's offer of a global licence is FRAND or not. As Mr Xie accepts, the Chinese Courts rule on the claims presented. MediaTek has asked the Beijing IP Court to hold Huawei liable because Huawei's offer of a global licence is not FRAND. The Beijing IP Court will rule on that contention. If MediaTek does not like the answer, that answer will be legally effective upon MediaTek nonetheless, either as *res judicata* under Article 247, or through uniform application of law. If another Chinese Court has already ruled on the question, then that ruling will very likely stand in Beijing. As I have explained, it is incorrect for Mr Xie to present the Chinese legal system as a place in which there is no legal certainty because parties can simply ignore adverse reasoned decisions they dislike."

68. I return to the legal consequences of any findings in the Chinese Claims below. For present purposes, however, it is enough for me to record that Mr Raphael did not submit that there was no serious issue to be tried in relation to industry practice or that Huawei's conduct in pursuing MediaTek to take a royalty-bearing licence was inconsistent with its FRAND Commitment or that it was not open to the Beijing Court to find that this conduct was discriminatory and unlawful. But in case there is any doubt, I hold that there is a serious issue to be tried in relation to these issues.

- (5) *Who is the net payer?*

69. Mr Cordell's evidence in Cordell 3 was that in any licensing arrangement MediaTek would be the net payer. He relied on the comparative size of the two portfolios and the fact that even on Mr Lim's figures, Huawei still had 6.7 times the number of essential patents as MediaTek. He also relied on the fact that MediaTek had also been infringing for many years, that Huawei had made the first approach to MediaTek and that it had issued infringement proceedings first. Finally, he accepted that in negotiations MediaTek had consistently accepted that it would be the net payer and also that this was FRAND.
70. I would have accepted that there was no serious issue to be tried in relation to this issue but for two factors. First, Huawei chose to issue rate-setting proceedings in Shenzhen in relation to its Chinese SEPs only and it obviously considered that this gave it an advantage. The parties' conduct in relation to the Chinese Claims must be assessed in that light. But secondly, and more importantly, I have found that there is a serious issue to be tried whether Huawei's conduct in seeking a royalty-bearing licence is discriminatory and unlawful. In my judgment, therefore, there is also a serious issue to be tried whether a global licence for the Huawei portfolio on FRAND terms would involve no more than a nominal licence fee.
71. I attach little weight to Mr Cordell's evidence that there is no industry practice for "royalty-free licences" given Mr Lim's evidence that Huawei has never sought a licence from MediaTek or its competitors at all. If MediaTek is able to prove that there was (and is) a settled or fixed industry practice to charge a royalty to OEMs on each handset which incorporates MediaTek's chips and that Huawei has singled out MediaTek for discriminatory treatment, I can see no reason why an English Court should not reflect the unlawful nature of this conduct in the terms of a global FRAND licence. I hold, therefore, that there is a serious issue to be tried whether Huawei or MediaTek would be the net payer under a global FRAND licence if the Court accepted jurisdiction to try that dispute.

## F. The Chinese Claims

### *(1) Negotiations*

72. Mr Cordell gave evidence in Cordell 2 that the negotiations between Huawei and MediaTek took place between employees of both parties located in the PRC communicating in Chinese and that meetings took place in Hong Kong, Japan and Canada. He pointed out that no negotiations had taken place in the UK and that

representatives of the UK companies (i.e. the Third Claimant and the Second Defendant) had not participated in those negotiations. This evidence was not challenged and I accept it for the purposes of the Applications.

(2) *The Infringement Claims*

73. Mr Cordell's evidence in Cordell 2 was that if Huawei was found to infringe the MediaTek Chinese patents in suit, it would take the licence which the Court determined to be FRAND to avoid an injunction. However, Mr Xie's evidence was that although the Court hearing the infringement action would take into account whether the parties had complied with their FRAND declarations and consider the offers which they had made, it would not determine the terms of a FRAND licence. He also gave evidence that different views might well be expressed about the offers made in different proceedings.
74. Professor Wang disagreed with his evidence. However, she accepted that the Courts hearing the Infringement Claims would only carry out what she described as a **"Qualitative FRAND Determination"**. She also gave an example of a case in which the Court had made such a determination:

"56. As I have explained, I do not believe this is correct. It fails to recognise the important role which decisions of Chinese courts on parties' compliance with their FRAND obligations – on the FRANDness of their conduct – play in making law and guidance for the parties and resolving their dispute. One of the inherent functions of any SEP infringement proceedings is to obtain an injunction. However, as Mr Xie recognises, in order to grant an injunction, the Court is required to determine whether the parties have complied with their FRAND obligations, of which there are two key aspects: (a) the behaviour of the parties in the negotiations; and (b) the offers made by the parties, and whether those offers are in a 'FRAND range'.

57. The scope of this FRAND assessment does not only include the behaviours and offers in the course of negotiation before the litigation, but can also extend to behaviour and offers made during the litigation proceedings.

58. Although the Chinese Court, in this scenario of SEP infringement proceedings, would not determine the rate unless either party requested it to, it will conduct an overall and qualitative assessment as to the offers made by the parties in the negotiations – I will refer to this assessment as the **"Qualitative FRAND Determination"**.

59. A notable example of the Chinese Courts making a Qualitative FRAND Determination is in the SEP infringement proceedings that Huawei issued in the Shenzhen Court against Samsung, who Mr Xie

represented in that case. The Shenzhen Court analysed the history of negotiations between the parties, giving its opinion in the judgment on the offer and counter-offers by both parties, which included consideration of the respective rates proposed by the parties, and stating which offers are within the FRAND range and which are not. I exhibit an extract of a certified English translation of the Shenzhen Court's judgment that includes key parts of the Qualitative FRAND Determination at Exhibit YW-8.

60. Although the Court did not determine the numbers or terms of the FRAND licence (as it would in a FRAND term-setting claim), the Court did provide its opinion as to the FRAND position. In other words, the Court made a Qualitative FRAND determination i.e. it determined whether the parties' behaviour and offers were FRAND and provided guidance on the same. This guidance was then relevant to whether Samsung faced an injunction and the determination as to what constituted FRAND is what avoidance of that injunction was predicated upon. For example, if one party then insisted on a FRAND rate which the Court had stated was not FRAND, resulting in a failure to conclude a FRAND license agreement between the parties, that party would be denied an injunction, if the patentee, and subjected to an injunction, if the implementer. The Court's Qualitative FRAND determination would stand."

75. As I understood Professor Wang's evidence, it was common ground that the Courts deciding the Infringement Claims would not determine the rate or terms of any FRAND licence but if a party later refused to accept terms which were consistent with their Qualitative FRAND Determinations, the Court would either grant or refuse an injunction (depending on whether that party was the SEP holder or implementer). She did not suggest that either a Chinese Court or an English Court would be bound by a Qualitative FRAND Determination in setting the rates or terms of a FRAND licence.

(3) *The Shenzhen Claim*

76. Mr Raphael and his team accepted that the Shenzhen Claim was limited to Chinese SEPs only and that the most recent offer which Huawei had put before the Court related exclusively to those Chinese SEPs. Mr Xie's evidence was that the Court's enquiry was limited to the scope of the relief requested, the matters put in issue by the parties and the statutory regime. He also gave evidence that typically the Court would set the rate but not decide any other terms of the licence unless there was an express request for the determination of this issue. Finally, he gave evidence that: "What PRC Courts have not done is to settle the whole set of licence terms in a form ready for execution by the parties." Again, Professor Wang did not agree with this conclusion:

“I do not agree with this statement. In proceedings such as the Shenzhen Court FRAND Action, the Chinese Court will determine all FRAND licence terms that cannot be agreed by the parties as per the plaintiffs’ request. In addition, either party is entitled to amend, specify, or clarify their claims, e.g. including adding additional claims such as other licence terms, for the court to determine, before the end of oral hearing. Indeed, as I understand from Ms. Xu Jing from KWM, Huawei has submitted term sheets, which consist of two one-way licences (one for a licence of the Huawei Portfolio and the other for a licence of the MediaTek Portfolio), to the Shenzhen Court. Accordingly, the Shenzhen Court needs to decide the terms as claimed by Huawei, and will do so. The characterisation by Mr Xie of Huawei’s claim in the Shenzhen Court and of the ability of the Chinese Court to determine other terms outside of the rate is not accurate, either as a matter of law or in the practical example of this particular case.”

77. Again, as I understood Professor Wang’s evidence she did not dispute that the scope of the Shenzhen Claim was to set the rate for Huawei’s and MediaTek’s Chinese SEPs and that the Court would only decide that issue on the basis of the term sheets which Huawei and MediaTek had put forward. There was also an issue between Mr Xie, Ms Xu and Professor Wang whether Huawei had put forward a “Claim Explanation” in which it attempted to extend the Shenzhen Claim to a cross-licence for both portfolios. There appeared to be no issue between the witnesses that Huawei had made such an attempt and the issue between them was whether this was a procedural irregularity and, if so, whether Huawei needed the equivalent of permission to amend.
78. Professor Wang cited the text of Article 247 of the Interpretation of the Supreme Court on the Application of the Civil Procedure Law of the People’s Republic of China which states as follows:

“Where, in the course of an action or after a judgment takes effect, a party institutes another action against matters for which an action has been instituted, and the another action meets the following conditions at the same time, it constitutes a repeated action: (1) the parties to the latter action and those to the former action are the same; (2) the subject matter of action in the latter action and that in the former action are the same; and (3) the claims in the latter action and those in the former action are the same, or the claims in the latter action substantially deny the judgment in the conclusion in the former action.

Where a party institutes a repeated action, the People’s Court shall rule not to accept the action; if the repeated action has been accepted, the People’s Court shall rule to dismiss the action, unless otherwise as prescribed in laws or judicial interpretations.”

79. She also gave evidence about the effect of a decision by one Chinese Court of first instance on the decisions of other Courts of concomitant jurisdiction where the subject matter was not precisely the same:

“In cases which fall outside the scope of Article 247, where the subject-matter is not the same but is related, while the decisions of one Chinese court will not bind another Chinese court, a decision issued first in time by one of the six courts involved will not strictly bind the other courts, but it will have a very strong reference value when the subsequent court is making a decision. If no new facts or evidence are submitted to the subsequent Court, then, even outside Article 247, it is expected that the initial first instance decision from the other Court would be strongly influential to the decision of the subsequent court, even though it is not binding on the subsequent Court, so that it will very likely be followed.”

80. As Mr Lykiardopoulos and his team pointed out, Professor Wang did not express the opinion that the determination of the Shenzhen Claim would be *res judicata* and I am not satisfied that the determination of the Shenzhen Claim will be binding on the English Court or give rise to the risk of irreconcilable judgments. In my judgment, this is, at the very least, a serious issue to be tried. In particular, Professor Wang did not give evidence that a Chinese Court would consider the subject matter of the English Claim and the Shenzhen Claim to be the same and for good reason. The English Court is being asked to make a determination of the terms of a global FRAND licence and the Shenzhen Court is being asked to make a determination of the terms of a FRAND licence in relation to the parties' Chinese SEPs only.
81. Furthermore, if the subject matter of the Shenzhen Claim and the English Claim are not the same then I understood Professor Wang to accept that the decision of the Shenzhen Court would be persuasive only on another Court of concomitant jurisdiction. This is what one would expect. MediaTek did not submit that the English Court should have no regard to the decision of the Shenzhen Court and, in particular, in relation to the rate which it set. But equally, the English Court would not be bound to decide that a global FRAND licence should only be available on exactly the same terms. For example, an English Court might decide that a lump sum royalty rather than a running royalty was more suitable or that it should extend over a longer period than the Chinese limitation period.

(4) *The Anti-Trust Claim*

82. Mr Raphael placed significant emphasis on the Civil Complaint in the Anti-Trust Claim and drew attention to the very close similarity between the allegations which MediaTek makes in those proceedings and the allegations which it makes in the Particulars of Claim. I accept not only that the allegations in both claims are very similar but also that the core complaint is essentially the same, namely, that Huawei has been guilty of discriminatory and anti-competitive conduct.
83. However, I am not satisfied that the determination of the Anti-Trust Claim will be binding on the English Court either or that it will give rise to the risk of irreconcilable judgments. Again, in my judgment these questions are, at the very least, serious issues to be tried. It is not possible for me to decide whether Mr Xie or Professor Wang is correct and that a finding on the one hand that Huawei's conduct was discriminatory and unlawful or on the other that it was FRAND, would fall within Article 247 and give rise to a binding issue estoppel. But even if it were, Professor Wang did not suggest that the Beijing Court hearing the Civil Complaint would set a rate or fix the terms of a FRAND Licence. Indeed, it is clear from Part V that MediaTek's claim is for damages for its anti-competitive conduct rather than the terms of a FRAND licence.
84. But even if the English Court is bound by the findings made by the Court in the Anti-Trust Claim, I see no reason why this Court cannot give effect to those findings in its FRAND determination. In the Particulars of Claim MediaTek expressly undertakes to offer and enter into a licence on whatever terms are determined to be FRAND by the English Court. The extent to which this Court is bound by the findings of the Beijing Court in the Anti-Trust Claim will, no doubt, be a matter for detailed argument on both English and Chinese law. But the existence of those proceedings and the similarity between the issues in both actions does not prevent this Court from assuming jurisdiction or carrying out a FRAND determination.
85. Finally, I record that there was an issue between Ms Xu and Mr Xie in relation to the calculation of damages in the Anti-Trust Claim. Ms Xu gave evidence that the Beijing Court would assess damages on a global basis whereas Mr Xie gave evidence that it was limited to the damage arising from the breach of Chinese competition law. This is not an issue which I can decide. Neither witness gave any detailed evidence about the way in which damages would be assessed or the difference between their two methods or how the Beijing Court would resolve this issue of law. But in case there is any doubt, I hold



that this dispute also gives rise to a serious issue to be tried.

(5) *Mediation*

86. Ms Xu gave evidence in Xu 1 that in the Shenzhen court session which took place on 29 November 2024 MediaTek proposed the use of the Shenzhen court mediation scheme in respect of both portfolios. She also stated that it was possible to propose mediation of claims which went beyond the issues in dispute in the claim, that Huawei agreed to mediation and that the Court confirmed its agreement. Mr Xie gave evidence in Xie 3 that MediaTek's position was that the Shenzhen court mediation scheme should be limited to the dispute before the court (and, therefore, to the parties' Chinese SEPs).

87. Mr Lim also gave evidence in Lim 5 that the Shenzhen court process required the parties to submit "refreshed negotiation" proposals to one another by 8 January 2025. He stated that no mediation sessions have been held or are planned and no mediation statements or papers are ordered. His evidence was that these were in effect court sponsored negotiations. His summary of the mediation procedure was as follows:

"In the circumstances the full ambit of the mediation before the Shenzhen Court is relevantly captured in the following short potted summary:

(i) the Shenzhen Court proposed mediation of the FRAND dispute the subject of the proceedings before it, to which MediaTek (as a willing licensee) agreed on 6 December 2024. It is entirely usual for parties to Chinese litigation, when asked by the Court to enter into such a mediation, to agree to do so – particularly when there is a requirement to be a willing licensee in order to rely on a FRAND defence;

(ii) the Shenzhen Court ordered the parties to make refreshed negotiation proposals to the other side by 8 January 2025;

(iii) the parties complied with that order (MediaTek on 7 January 2025 and Huawei on 8 January 2025), in MediaTek's case by reiterating the last proposal it had recently put forward in the negotiations (on 15 November 2024) that being for a short-term, one-way licence to the Huawei Portfolio only;

(iv) the Shenzhen Court noted the parties' compliance with its order, thanked the parties and encouraged them to continue to discuss their respective offers in bilateral negotiations;

(v) no further steps or developments in this process have been scheduled or are otherwise anticipated."

88. Ms Xu did not accept this description of the mediation process in Xu 4. She accepted that

no formal agreement had been made on how to proceed and that Chinese Courts adopt a flexible approach to mediation. She also stated that she was surprised to learn on reading Lim 5 that the mediation was effectively at an end and that MediaTek had not informed her of this or the Shenzhen Court. She also gave evidence that in the Anti-Trust Claim the Beijing Court had asked about mediation:

“On 16 January 2025, when the Beijing Court asked whether MediaTek and Huawei were willing to have a mediation, both parties confirmed that they would be happy to do so. Since the Beijing claim is an anti-trust claim which relates to the global licensing behaviour of Huawei, each parties’ proposed global licences will be considered throughout the mediation negotiations. The mediation is therefore inherently global in scope. It therefore appears inconsistent that MediaTek state before the UK courts that they wish to terminate the Shenzhen mediation at the same time as commencing a mediation before the Beijing Court. This appears to be another positive step by MediaTek to mediate on a global basis in China in relation to both portfolios. This signifies yet another voluntary submission to global licensing by MediaTek before the Chinese Courts.”

89. Mr Xie responded to this evidence in Xie 4. He stated that he stood by the summary given by Mr Lim in Lim 5. He also challenged Ms Xu’s evidence that MediaTek had taken a new position. Finally, he stated that on 10 January 2025 the Shenzhen court “clearly and unequivocally informed both parties that the refreshed offers did not form part of the factual issues in the litigation before it”. He also challenged Ms Xu’s evidence that there was any ongoing mediation before the Beijing Court.
90. Although both parties devoted great attention to the mediation in the Shenzhen Claim and whether it did or did not extend to a global licence and filed a substantial number of witness statements after the hearing dealing with this issue, I attach little or no weight to this evidence and I consider it unnecessary to resolve the question whether the mediation was intended to be global or limited to Huawei’s Chinese SEPs. It is always open to the parties to negotiate a global licence consensually and mediation is simply one particular avenue for those negotiations. Indeed, I would have been surprised if no such negotiations were taking place. But Huawei did not suggest that the terms of the mediation could have any effect on the scope of the Shenzhen Claim without the consent of MediaTek or that MediaTek had unequivocally undertaken to accept a global licence on the terms set by any of the Chinese Courts.

(5) *Interim licence proposal*

91. Ms Xu also gave evidence in Xu 2 that on 3 December 2024 MediaTek submitted an interim licence proposal to the Shenzhen Court. She exhibited the term sheet and identified the following significant points about it:

“**[REDACTED]**”

92. Mr Cordell also gave evidence in Cordell 5 that on 7 January 2025 MediaTek emailed Huawei to renew its offer to enter into an interim licence and that MediaTek confirmed to the Shenzhen Court that its interim licence proposal was also its mediation proposal. Mr Lim accepted in Lim 5 that on 7 January 2025 MediaTek had emailed Huawei to renew its former interim licence proposal. He stated that this was independent of any “court-mandated process” and intended to demonstrate good faith. He also stated that **[REDACTED]**. He also picked up Ms Xu’s reference to a “**[REDACTED]**”. Ms Xu challenged Mr Lim’s characterisation of her evidence in Xu 4 and stated that Mr Cordell’s description of the **[REDACTED]**.

93. Again, I attach little or no weight to this evidence and I do not consider it necessary to resolve the dispute over the scope of the interim licence proposal. As Mr Lim made clear, the offer was made outside the Court process and was submitted as evidence that MediaTek had conducted negotiations with Huawei consistently with its FRAND declarations. Moreover, I understood Ms Xu to accept this in the passage which I have quoted from her evidence and also to accept that the Shenzhen Court is not being asked to set the rate for an interim licence or fix its terms (if, indeed, it has the jurisdiction to do so).

(6) *“Franked” goods*

94. Mr Cordell gave evidence in Cordell 3 that once the Court had determined the Shenzhen Claim and Huawei had taken a licence of MediaTek’s patents, any importation or supply of infringing products by Huawei into the UK would be “franked” because MediaTek’s patent rights had been exhausted. In my judgment, this argument is misconceived. If Mr Cordell were correct, then it would only be necessary for an implementer to obtain a FRAND licence from a SEP holder in respect of patents registered in one jurisdiction in order to distribute them all over the world.

(7) *Conclusion*

95. Mr Cordell gave evidence in Cordell 2 that the FRAND Claims were already in issue before the Court in the Shenzhen Claim. He also gave evidence in Cordell 3 that MediaTek had brought substantially the same claim in the Anti-Trust Claim and that the determination of the Court in the Chinese Claims would give rise to a plea of *res judicata* in the English Claim. For the reasons which I have set out in this section of the judgment, I reject that evidence on these Applications. Moreover, even if the findings of the Beijing Court give rise to an issue estoppel in the Anti-Trust Claim, this does not give rise to a risk of irreconcilable judgments for the reasons which I have given.
96. Mr Raphael and his team did not put their case quite so high in their Skeleton Argument. Having accepted that the Shenzhen Claim was limited to Chinese SEPs for both portfolios, they submitted that in practice the decision would be a global one because it would determine the rate for “the vast majority of the parties’ relevant activities which are China focussed”. I reject that submission for the reasons which I have given in section E (above). In my judgment, the extent of the parties’ activities both in the UK and outside mainland China give rise to serious issues to be tried in relation to both portfolios. Despite the huge volume of authorities which he cited, Mr Raphael did not take me to any case in which the Court has held that it is an abuse of process to bring substantial claims in relation to UK patents, even though both parties conducted their principal activities in another jurisdiction.

## G. The English Claim

### *(1) Service*

97. There were two important factual issues which were in dispute in the English Claim. The first related to the time which it would take to serve the First Defendant in accordance with the Hague Service Convention (the “HSC”) in mainland China and whether there was a special or exceptional reason other than delay to permit an alternative method of service. Mr Lim’s evidence in Lim 2 before Master Brightwell was that the Foreign Process Section at the Royal Courts of Justice (the “FPS”) was currently experiencing a three month delay in processing service requests and that it estimated that effecting service in the PRC might take over a year under the HSC. Kirkland & Ellis produced an attendance note of the call made by Mr Brett Van Der Merwe to the FPS.
98. Mr Heaney gave evidence that the FPS had given his firm very much the same

information. An associate was told that it could take up to 11 weeks to process a service request and that it could take “up to a year” to effect service in China. However, Ms Ge also gave evidence that a member of her team contacted the PRC Ministry of Justice, the designated central authority for handling foreign service requests, and was currently told that such requests were being processed in a time period of 4 to 6 months. Mr Raphael and his team accepted in their Skeleton Argument that the entire process could take between 6 to 8 or 7 to 9 months. In the light of that evidence I accept that it is likely to take between 6 to 9 months to serve Huawei in the PRC under the HSC although I also accept that it may take up to and even more than a year.

99. Mr Heaney devoted (by my calculation) twelve dense paragraphs of his witness statement to analysing Mr Van Der Merwe’s attendance note to demonstrate that he must have been told that it would take up to year rather than more than a year and that Mr Lim had misled the Court: see Heaney 1, ¶¶68 to ¶¶79 and ¶¶84. I consider that exercise to be totally inappropriate in a witness statement and I reject that evidence. Both parties were relying on information provided by the FPS and I am fully prepared to accept that they were not told precisely the same thing. Mr Heaney had no relevant evidence to give on this issue and he should have resisted the temptation to be unnecessarily argumentative.

(2) *Cross-licensing*

100. There was an issue between the parties whether it was open to the English Court to make a FRAND determination for a cross-licence of both portfolios. This issue turned in part on whether Huawei and MediaTek had ticked the relevant box on their ETSI declarations giving an undertaking to grant reciprocal licences. Mr Lim gave evidence in Lim 3 that MediaTek had given a global undertaking:

“MediaTek has confirmed (and re-affirms) that it will offer and enter into any licence that the Court determines to be FRAND for use of its portfolio by Huawei, on condition that Huawei likewise commits to offer and enter into whatever licence the Court determines to be FRAND for MediaTek’s use of the Huawei Portfolio.”

101. Mr Cordell gave evidence in Cordell 3 that MediaTek had only given the relevant undertaking in relation to EP 158 but not EP 659 and EP 722. He did not address the question whether Huawei had given the relevant undertaking in relation to the Challenged Patent and in their Skeleton Argument Mr Raphael and his team submitted that:

“MediaTek has not adduced evidence as to whether Huawei’s ETSI undertakings tick the box which mean that they are ‘made subject to the condition that those who seek licences agree to reciprocate’ and Huawei has not had time to address what this might mean.” They also submitted that the global undertaking was of no effect because the previous undertakings were irrevocable.

102. In his oral submissions, Mr Lykiardopoulos took me to the ETSI declaration for the Challenged Patent in which Huawei had clearly ticked the relevant box. He also pointed out that for many patents the SEP holder will make separate ETSI declarations for 4G and 5G technology and he took me to the two ETSI declarations for EP 659 and showed me that MediaTek had ticked the relevant box on one. He also suggested that Huawei was playing games in relation to this issue. In a letter dated 6 January 2025 to the Court A&O Shearman finally accepted that MediaTek had given the relevant undertaking in relation to EP 158 and EP 659 but vehemently denied the charge of “game-playing”.
103. I am satisfied that if the Challenged Patent Claims or the FRAND Claims go to trial (as currently pleaded) and the First Claimant elects to take a licence on FRAND terms, then it will be bound to reciprocate in accordance with its ETSI declarations in relation to EP 158 and EP 659. I am also satisfied that if the Asserted Patents Claims go to trial (as currently pleaded) and the First Defendant elects to take a licence on FRAND terms, then it will also be bound to reciprocate in accordance with its ETSI declaration.
104. Mr Raphael and his team did not submit that the Court could not decide that it was FRAND to require the parties to enter into a cross-licence if both parties had given ETSI undertakings to grant reciprocal licences and I return to his submissions on the law below. Indeed, it is clear from the translation of Huawei’s Claim Explanation (above) that this is precisely what Huawei itself has asked the Court to do in relation to both portfolios of Chinese SEPs (original emphasis):

“Huawei and MediaTek are both holders of 4G and 5G standard essential patents, and each owns a portfolio of Chinese 4G and 5G standard essential patents. In addition to requiring MediaTek to pay licensing fees during licensing negotiations with MediaTek, Huawei has always expressed its willingness to obtain a license from MediaTek. Therefore, the two parties actually negotiated on the following two aspects in the standard essential patent licensing negotiations but failed to reach an agreement: (1) the licensing fee conditions that MediaTek should pay to Huawei for Chinese 4G and 5G standard essential patent portfolios owned by Huawei; and (2)

the licensing fee conditions that Huawei should pay to MediaTek for Chinese 4G and 5G standard essential patent portfolios owned by MediaTek. Therefore, in this case, the "licensing fee conditions" in the plaintiffs' first claim mean that the court should separately rule on the licensing fee conditions (1) and (2) mentioned above, and finally conclude that MediaTek, as the final net payer for the standard essential patent licensing matters negotiated by both parties, should pay Huawei a net licensing fee for its 4G and 5G end-user device chip products, in compliance with the principles of fairness, reasonableness, and non-discrimination, i.e., the difference between (1) and (2)."

105. In my judgment, the question whether a cross-licence is FRAND is a serious issue to be tried at any FRAND trial. It is possible that MediaTek would not be bound by any obligation of reciprocity if the only Asserted Patents Claim which succeeds is the claim in relation to EP 722. But Mr Raphael did not explore the question whether it was open to the Court to determine that it was FRAND to require the parties to enter into a single licence for both portfolios or reciprocal licences for each portfolio given that Huawei is itself bound by an undertaking to reciprocate in the ETSI declaration for the Challenged Patent. In my judgment, this is also a serious issue to be tried and must be a matter for any FRAND trial.
106. Furthermore, it was both Mr Lim's evidence and MediaTek's pleaded case that on 24 October 2024 it had made a general declaration to ETSI that it relied on reciprocity for the whole of the MediaTek portfolio: see the Particulars of Claim, paragraph 132A. Mr Raphael did not submit that this allegation had no prospect of success or should be struck out if the rest of the English Claim survived (although he complained generally about the multiple amendments). In my judgment, this is also a serious issue to be tried and must also be a matter for any FRAND trial.
107. Finally, I am prepared to accept that Mr Cordell did not deliberately obscure the position in relation to EP 659 and overlooked the second ETSI declaration. But I see no reason why Mr Cordell could not have told the Court in straightforward terms that Huawei had given the relevant undertaking and was bound by an obligation of reciprocity instead of leaving it to his counsel team to obscure the position. In my judgment, this was also a point which should not have been taken.

#### **IV. The Law**

##### **H. Jurisdiction**

108. There is no dispute that the Second Defendant is registered within the jurisdiction and that it has been served with the Claim Form and Particulars of Claim (in their unamended and amended form). In relation to the First Defendant there was an issue whether the Defendant was served within the jurisdiction under CPR Part 63.14(2) and, if not, whether the claims against the First Defendant fell within any of the gateways identified in Practice Direction 6B (“**PD6B**”) (each a “**Gateway**” and together the “**Gateways**”). I begin, therefore, with the relevant Civil Procedure Rules.

(1) *CPR Part 63.14*

109. CPR Part 63 appears in Civil Procedure (2024 ed) Vol 2 under the headings “Specialist Proceedings” and “Intellectual Property Claims”. CPR Part 63.14 provides for service on a patent holder at the address registered for it at the UK Patent Office:

**“63.14— Service of documents**

(1) Subject to paragraph (2), Part 6 applies to service of a claim form and any document in any proceedings under this Part.

(2) A claim form relating to a registered right may be served— (a) on a party who has registered the right at the address for service given for that right in the appropriate register at— (i) the United Kingdom Patent Office; or (ii) [Omitted]

(b) in accordance with rule 6.33(1) or 6.33(2) on a party who has registered the right at the address for service given for that right in the appropriate register at— (i) the United Kingdom Patent Office. (ii) [Omitted]

(3) Where a party seeks any remedy (whether by claim form, counterclaim or application notice), which would if granted affect an entry in any United Kingdom Patent Office register, that party must serve on the Comptroller or registrar— (a) the claim form, counterclaim or application notice;

(b) any other statement of case where relevant (including any amended statement of case); and (c) any accompanying documents.”

110. It is common ground that MediaTek validly served the Challenged Patent Claims on the First Defendant in accordance with CPR Part 63.14(2). It was also common ground that MediaTek could not validly serve the Asserted Patents Claims on the First Defendant at its registered address and that it had to pass through one of the Gateways. The issue between the parties was whether service under CPR Part 63.14 was effective to confer jurisdiction in relation to the FRAND Claims.



111. It was also common ground that the leading authority on this issue is the decision of the Court of Appeal in *Actavis Group HF v Eli Lilly & Co* [2013] EWCA Civ 517, [2013] RPC 37 (“*Actavis*”). In that case Kitchin LJ set out the scope of the rule at [80] to [82]:

“80. Actavis describe their argument as simple. It is that the foreign designations of the Patent are inescapably “related” to the registered right because they are all designations of the same patent and have identical wording. It necessarily follows that claims for declarations about the interpretation and non-infringement of the foreign designations are related to the Patent too.

81. The argument is indeed simple but in my view it is also clearly wrong and the judge was right to reject it. CPR 63.14(2)(a) is intended to provide a means for service of claims concerning patents under the 1977 Act and in respect of which an address for service has been given in the UK Patent Office register, provided that address is in the UK. If the address for service is out of the jurisdiction then the claim may be served in accordance with r.6.32(1), r6.33(1) or r6.33(2). CPR 63.14 is specific in its terms and correspondingly limited in its scope.

82. Foreign designations of a UK patent are not patents under the 1977 Act and CRP 63.14 does not provide a means of service in relation to them. Nor is the position any different if the claim form also includes a claim in respect of the UK designation. In such a case the claim form must be regarded as including separate claims in respect of each designation and CRP 63.14 only provides a means for its service in so far as it relates to the UK designation. Were the position otherwise, the provisions of CRP 63.14 could be circumvented by, as Lilly puts it, convoying claims in respect of foreign patents with a claim in respect of a corresponding UK patent. That would be an absurd result and one which cannot have been intended.”

112. In *Tesla Inc v IDAC Holdings Inc* [2024] EWHC 1815 (Ch) (“*Tesla*”) the principal issue for the Court was whether Tesla could use the representative procedure in order to found jurisdiction and Fancourt J decided that it could not. However, he briefly considered the effect of CPR Part 63.14. Tesla had brought claims to challenge the validity of three UK SEPs following the guidance in *Vestel* (below). Tesla had also brought FRAND claims which the judge set out at [47] with the following commentary:

“47. Tesla has structured its claim so as to fit within the mould established by previous case law, in particular *Kigen* and *Vestel*. Indeed, the central declarations that it seeks are the same as those that, in *Vestel*, Birss LJ said would have justified a conclusion that gateway (11) was satisfied. The principal declarations sought on the licensing claim are:

"(5) A declaration that the terms of the [Avanci Licence] in so far as they relate to any patents in the Avanci 5G Pool which designate the United Kingdom are not FRAND and therefore do not comply with the relevant FRAND commitments given under clause 6.1 of the ETSI IPR Policy; alternatively a declaration as to the terms which are FRAND for those patents (alternatively, such patents within that pool as are owned by InterDigital)

(6) A declaration that a FRAND licence covering the Challenged Patents, the InterDigital UK SEP Portfolio, the InterDigital International Portfolio or the portfolio(s) of any and each other Avanci 5G Pool Member (whether examining only United Kingdom patents or more broadly) is a licence (i) between Tesla and Avanci, (ii) that is worldwide in scope and (iii) covers the entirety of the Avanci 5G Pool."

113. The judge rejected an argument that the claim to challenge the three UK SEPs was an abuse of process because it was no more than a "hook" for the FRAND claims: see [61] to [73]. However, he considered that no useful purpose would be served by granting the declarations sought: see [102]. But he expressed the view obiter that the FRAND claims fell within CPR Part 63.14(2) at [103]:

"The same conclusion will be reached even if, as Tesla argued, it has validly served its licensing claim on IDPH under rule 63.14(2) (which InterDigital disputed, on the basis of a restrictive interpretation of that rule and its purpose). There is no real prospect of the Court being able and willing to make FRAND declarations against IDPH alone. That means that IDH and Avanci cannot be joined as necessary and proper parties by this means. I would have held that the claim to a FRAND licence of the patents in suit, in the alternative to the patent claim, was a claim relating to those registered rights, within the meaning of rule 63.14(2); but it takes Tesla no further, because a licensing claim against IDPH alone would be struck out, on the basis that it cannot effectually be tried and that declarations relating to the interests of 65+ non-parties would not be made."

(2) *CPR Part 6.36 and PD6B*

114. CPR Part 6.36 provides that in any proceedings to which 6.32 or 6.33 does not apply, the claimant may serve a claim form out of the jurisdiction with the permission of the court if any of the grounds set out in paragraph 3.1 of PD6B apply. It is common ground that CPR Parts 6.32 and 6.33 do not apply and that it was necessary for MediaTek to establish one of those grounds. Paragraph 3.1 provides as follows (so far as relevant):

"The claimant may serve a claim form out of the jurisdiction with the

permission of the court under rule 6.36 where—

### **General grounds**

(2) A claim is made for an injunction ordering the defendant to do or refrain from doing an act within the jurisdiction.

(3) A claim is made against a person (“the defendant”) on whom the claim form has been or will be served (otherwise than in reliance on this paragraph) and— (a) there is between the claimant and the defendant a real issue which it is reasonable for the court to try; and (b) the claimant wishes to serve the claim form on another person who is a necessary or proper party to that claim.

(4A) A claim is made against the defendant which— (a) was served on the defendant within the jurisdiction without the need for the defendant’s agreement to accept such service; (b) falls within CPR Rule 6.33; or (c) falls within one or more of paragraphs (1A), (2), (6) to (16A) or (19) to (22A), and a further claim is made against the same defendant which arises out of the same or closely connected facts.

### **Claims in tort**

(9) A claim is made in tort where— (a) damage was sustained, or will be sustained, within the jurisdiction; (b) damage which has been or will be sustained results from an act committed, or likely to be committed, within the jurisdiction; or (c) the claim is governed by the law of England and Wales.

### **Claims about property within the jurisdiction**

(11) 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.

### **Declarations of non-liability**

(16A) 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)).”

115. It was common ground that MediaTek had to satisfy three requirements: (i) that there was a serious issue to be tried on the merits, (ii) that there was a good arguable case that the claim falls within one of the Gateways and (iii) that the English Court was clearly and distinctly the appropriate forum and the Court should exercise the discretion to permit service out of the jurisdiction. Huawei cited the judgment of Lord Collins in *Altimo Holdings and Investment Ltd and others v Kyrgyz Mobil Tel Ltd* [2011] UKPC 7, [2012] 1 WLR 1804 (“*Altimo*”) at [71] as authority for these three propositions:

“On an application for permission to serve a foreign defendant (including an additional defendant to counterclaim) out of the jurisdiction, the claimant (or counterclaimant) has to satisfy three requirements: *Seaconsar Far East Ltd v Bank Markazi Jomhouri Islami Iran* [1994] 1 AC 438, 453–457. First, the claimant must satisfy the court that in relation to the foreign defendant there is a serious issue to be tried on the merits, ie a substantial question of fact or law, or both. The current practice in England is that this is the same test as for summary judgment, namely whether there is a real (as opposed to a fanciful) prospect of success: eg *Carvill America Inc v Camperdown UK Ltd* [2005] 2 Lloyd’s Rep 457, para 24. Second, the claimant must satisfy the court that there is a good arguable case that the claim falls within one or more classes of case in which permission to serve out may be given. In this context “good arguable case” connotes that one side has a much better argument than the other: see *Canada Trust Co v Stolzenberg (No 2)* [1998] 1 WLR 547, 555–557, per Waller LJ affirmed [2002] 1 AC 1; *Bols Distilleries BV v Superior Yacht Services (trading as Bols Royal Distilleries)* [2007] 1 WLR 12, paras 26–28. Third, the claimant must satisfy the court that in all the circumstances the Isle of Man 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.

116. MediaTek submitted that requirement (i) was met if it satisfied the summary judgment test and established that it had a real as opposed to fanciful prospect of success: see *Kawasaki Kisen Kaisha Ltd v James Kimball Ltd* [2021] EWCA Civ 33, [2021] 3 All ER 978 (“*Kawasaki*”) at [16] to [18] (Popplewell LJ). Huawei did not challenge this submission and I accept it. MediaTek also relied on the gloss put on requirement (ii) by Lord Sumption JSC in *Four Seasons Holdings Inc v Brownlie* [2017] UKSC 80, [2018] 1 WLR 192 (“*Brownlie*”) at [7]:

“In my opinion it is a serviceable test, provided that it is correctly understood. The reference to “a much better argument on the material available” is not a reversion to the civil burden of proof which the House of Lords had rejected in *Vitkovice*. What is meant is (i) that the claimant must supply a plausible evidential basis for the application of a relevant jurisdictional gateway; (ii) that if there is an issue of fact about it, or some other reason for doubting whether it applies, the court must take a view on the material available if it can reliably do so; but (iii) the nature of the issue and the limitations of the material available at the interlocutory stage may be such that no reliable assessment can be made, in which case there is a good arguable case for the application of the gateway if there is a plausible (albeit contested) evidential basis for it. I do not believe that anything is gained by the word “much”, which suggests a superior standard of conviction that is both uncertain and unwarranted in this context.

117. Huawei did not challenge the application of these principles either and I apply them.

Finally, MediaTek relied on the judgment of Lord Briggs JSC in *Lungowe v Vedanta Resources plc* [2019] UKSC 20, [2020] AC 1045 (“*Vedanta*”) for the application of requirement (iii). In that case Lord Briggs stated this at [66] to [68]:

“66...The best known fleshed-out description of the concept is to be found in Lord Goff of Chieveley's famous speech in the *Spiliada* case [1987] AC 460 , 475–484, summarised much more recently by Lord Collins JSC in the *Altimo* case [2012] 1 WLR 1804 , para 88 as follows: “the task of the court is to identify the forum in which the case can be suitably tried for the interests of all the parties and for the ends of justice ...” That concept generally requires a summary examination of connecting factors between the case and one or more jurisdictions in which it could be litigated. Those include matters of practical convenience such as accessibility to courts for parties and witnesses and the availability of a common language so as to minimise the expense and potential for distortion involved in translation of evidence. Although they are important, they are not necessarily conclusive. Connecting factors also include matters such as the system of law which will be applied to decide the issues, the place where the wrongful act or omission occurred and the place where the harm occurred.

67. Thus far, the search for these connecting factors gives rise to no difficult issues of principle, even though they may not all point in the same direction. The problems thrown up by this appeal all arise from the combination of two factors. The first is that the “case” involves multiple defendants domiciled in different jurisdictions. The second is that, following *Owusu v Jackson* [2005] QB 801, the court is disabled from the exercise of its traditional common law power to stay the proceedings against the domiciled anchor defendant by reason of article 4 : see paras 23–41 above.

68. There can be no doubt that, when Lord Goff originally formulated the concept quoted above, he would have regarded the phrase “in which the case can be suitably tried for the interests of all the parties” as referring to the case as a whole, and therefore as including the anchor defendant among the parties. Although the persuasive burden was reversed, as between permission to serve out against the foreign defendant and the stay of proceedings against the anchor defendant, the court was addressing a single piece of multi-defendant litigation and seeking to decide where it should, as a whole, be tried. The concept behind the phrases “the forum” and “the proper place” is that the court is looking for a single jurisdiction in which the claims against all the defendants may most suitably be tried. The *Altimo* case [2012] 1 WLR 1804 also involved multiple defendants. Although it was decided after *Owusu v Jackson* [2005] QB 801, it concerned the international jurisdiction of the courts of the Isle of Man, so that the particular problems thrown up by this appeal did not arise.”

118. Again, Huawei did not challenge the relevance of these observations in the present case and I follow them in deciding whether requirement (iii) is satisfied. For ease of reference I will refer to each of the three requirements which Lord Collins identified in *Altimo*

(above) as “*Altimo 1*”, “*Altimo 2*” and “*Altimo 3*”. In assessing whether each one is satisfied I also have firmly in mind the guidance of Lord Hamblen JSC in *Okpabi v Royal Dutch Shell plc* [2021] UKSC 3, [2021] 1 WLR 1294 (“*Okpabi*”) that the Court should approach the jurisdiction challenge by reference to the Particulars of Claim and not be drawn into a mini-trial (as occurred in that case). He stated as follows at [103] to [107]:

“103. This was a jurisdiction challenge and concerned whether it was appropriate to grant permission to serve proceedings out of the jurisdiction on a foreign defendant. Those proceedings were meant to be as defined in the particulars of claim for which permission to serve out was sought. In this case the challenge was made on the grounds that the claimants had no arguable case against the anchor defendant. Where, as in this case, there are particulars of claim, that is an issue which should ordinarily fall to be addressed by reference to the pleaded case.

104. If the issues are addressed by reference to the pleaded case, then the focus of the inquiry is clearly circumscribed and problems of lack of proportionality should generally be avoided.

105. In the present case, not only did the parties choose to swamp the court with evidence, but it appears that the claimants chose not to update their pleadings to reflect the evidence. We were told that this is because they wanted to avoid producing various iterations of the pleading, but if they wanted to advance a case which was not reflected by their existing pleading then they should have amended it. In that way the proper focus of the inquiry can be maintained. Whilst one can understand that this may not have been possible in relation to documents produced during the appeal hearing, the claimants’ laissez-faire attitude to the pleadings set in long before that.

106. This was a matter which caused concern to Fraser J. As he stated at para 10 of his judgment: “The current approach of parties in litigation such as this is wholly self-defeating, and contrary to cost-efficient conduct of litigation. This case is an ideal example of one with ‘masses of documents, long witness statements, detailed analysis of the issues, and long argument’ being deployed on both sides. The costs burden upon the parties must be enormous, and this approach is, in my judgment, diametrically opposed to that required under the overriding objective in CPR Pt 1.”

107. The result is that instead of focusing on the pleaded case and whether that discloses an arguable claim, the court is drawn into an evaluation of the weight of the evidence and the exercise of a judgment based on that evidence. That is not its task at this interlocutory stage. The factual averments made in support of the claim should be accepted unless, exceptionally, they are demonstrably untrue or unsupportable.”

119. In the present case, there was a dispute even before the hearing began whether a three

day time estimate was sufficient to hear a jurisdiction challenge and an attempt by Huawei to persuade the Court to hold a procedural hearing in advance to deal with evidence and timetable. Moreover, the parties traded witness statements and correspondence for over a month after the hearing was concluded and until 22 January 2025 on the question whether the mediations taking place in China were “global” and whether the undertaking which Huawei was offering should prevent the Court from assuming jurisdiction. None of this should really have been necessary if the parties had followed the guidance of Lord Hamblen.

(i) Gateway 11

120. MediaTek relied principally on the decision of the Court of Appeal in *Vestel Elektronik Sanayi Ve Ticaret AS v Access Advance LLC* [2021] EWCA Civ 440, [2021] 4 WLR 60 (“*Vestel*”) in relation to Gateway 11. In that case, Vestel sought a series of declarations that it was entitled to licence on FRAND terms. The principal objection to jurisdiction under Gateway 11 was that since Vestel was seeking a global licence of SEPs in every jurisdiction and the UK SEPs represented only 5% of the pool, the claim did not relate to property wholly or principally within the jurisdiction: see [20]. His Honour Judge Hacon (sitting as a judge of the Chancery Division) declined jurisdiction: see [63]. But before the appeal Vestel applied to amend. Even so, the Court of Appeal dismissed the appeal.
121. In the course of his judgment, Birss LJ explained how a valid claim to FRAND declarations could be brought at [66] to [71]. He also left open the question whether it was sufficient to seek a declaration which fell within the inherent jurisdiction of the Court at [72]:

“66. On appeal and as a result of the various amendments, Vestel now put the case they wish to advance in the following way. The sole claim is for declaration or declarations of what the FRAND terms would be for a licence under the UK SEPs which are in the HEVC Advance pool. That claim can be brought under the court's inherent jurisdiction because it would serve a useful purpose (*Rolls-Royce plc v Unite the Union* [2009] EWCA Civ 387; [2010] 1 WLR 318). It serves a useful purpose because it establishes the licence which Vestel would need to avoid infringing those patents in the UK by carrying out its activity here, such as selling standard-compliant televisions. The subject matter of the claim is UK property—ie the UK patents. That is because it is a claim about what terms are available for a licence in respect of that property. Therefore the subject matter of the claim relates wholly or principally to property within the jurisdiction and so the case falls within gateway 11. The fact that the licences of the UK

patents which would be FRAND would also license patents from other countries, cannot alter the fact that what Vestel is entitled to and is seeking is a licence under the UK patents. This paragraph is not a quote from Vestel's skeleton argument but it fairly reflects how Vestel put their case.

67. The respondents contend that Vestel's claim cannot be brought under the inherent jurisdiction in this way at all, because no legal right is involved. They also contend that Vestel cannot fall within the gateway for the same reasons Vestel's claim below did not fall within the gateway, ie because the licences in issue license patents worldwide and the UK patents only make up 5% or less of that property.

68. Thus the debate between the parties relates not only to whether the claim, whatever it is, falls within gateway 11 but also relates to whether the claim, put in the way it is in order to satisfy the gateway, has a reasonable prospect of success. In other words both the first and second limbs of the test as summarised in *Brownlie* are engaged. The difficulty posed by the way Vestel now put their case is that to answer the first limb (the gateway issue) involves examining with some care the claim Vestel are actually making, which is an issue which more naturally falls into the second limb. The gateway presupposes that the claimant has a claim of some sort, whose subject matter can be considered and found to be property wholly or principally within the jurisdiction.

69. As has already been said, Vestel have identified no legal right to the declarations sought. The most they have is a legal proceeding which asks the court to exercise its inherent jurisdiction to grant these declarations.

70. Although the point was not taken before us, I would interpret the reference to a "claim" in gateway 11 (CPR PD 6B, para 3.1(11)) as a reference to a legal claim. In other words it refers to a claim concerning a legal right of some kind and in some way. It may be a claim for which the only remedy sought is declaratory eg so as to vindicate a claim to possess some property right. That remedy may be framed in a positive way but could also be a negative declaration such as to the absence of a legal right or non-liability in some way. However there must be a legal claim of some kind.

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.



72. However Vestel's "claim" here is for the court to exercise the inherent jurisdiction to make a FRAND declaration despite the absence of an assertion of a right to such a licence. Vestel contend that this would nevertheless be a proper exercise of the court's jurisdiction based essentially on something I said in *Pfizer Ltd v F Hoffmann-La Roche AG* [2019] EWHC 1520 (Pat). I can see that if what Vestel seeks would be a proper exercise of the court's jurisdiction then it might be a "claim" within gateway 11 but I do not agree with Vestel's reasoning, as I shall explain."

122. In *Tesla* Fancourt J considered that Birss LJ was right in principle in *Vestel* and saw no reason why a claimant could not assert a right to a FRAND licence of certain SEPs and also assert that a global licence would be FRAND: see [45]. In *Alcatel Lucent SAS v Amazon Digital UK Ltd* [2024] EWHC 1291 (Pat) ("*Alcatel HC*"), where the question was whether Amazon was entitled to a licence on RAND terms under Swiss law, Zacaroli J (as he then was) agreed with Fancourt J in *Tesla*. He also explained in terms which I found particularly helpful in the present case, why it was permissible to seek a declaration that the claimant was entitled to a global licence 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."

123. On 28 January 2025 the Court of Appeal handed down judgment following an appeal: see [2025] EWCA Civ 43 ("*Alcatel CA*"). The Court reversed Zacaroli J's decision refusing to grant Amazon permission to make the amendments raising their claim to declarations for an interim licence following *Panasonic Holdings Corp v Xiaomi Technology UK Ltd* [2024] EWCA Civ 1143 ("*Panasonic*"). However, there was no challenge to the judge's decision in relation to Gateway 11 or his reasoning in relation to jurisdiction. The parties did not make any further submissions in relation to *Alcatel CA* and I did not invite them to do so. I make no further reference to the decision, therefore, in this judgment.

(ii) Gateway 2

124. In *Conversant Wireless Licensing SARL v Huawei Technologies Co Ltd* [2018] EWHC 808 (Pat), [2018] RPC 16 (“*Conversant HC*”) Henry Carr J held that it was arguable that a FRAND injunction fell within Gateway 2: see [100] to [107]. By FRAND injunction what the judge meant was an injunction “in respect of UK patents found valid and infringed which will last unless and until the defendants enter into the licence that the court considers to be FRAND”: see [6]. His third reason for finding there was an issue to be tried was as follows (at [105]):

“Thirdly, and significantly, despite repeated requests in correspondence the Huawei and ZTE Defendants have not confirmed the following: (a) that they are willing to take a licence on FRAND terms determined by the English court; (b) that in so far as there is any dispute as to whether a licence structure or other terms are FRAND, it is not for the defendants to reserve to themselves the right to resolve that dispute; (c) that their willingness to take a licence on FRAND terms is unconditional, both as to the circumstances in which and timing at which they will enter into a licence.”

(iii) Gateway 4A

125. There was no real dispute that the Court had jurisdiction in relation to Claim (3) under Gateway 4A. The real issue was whether the FRAND Claims also fell within Gateway 4A on the basis that they arose out of the same or closely connected facts. Huawei relied on *Eli Lilly and Co v Genentech Inc* [2017] EWHC 3104 (Pat), [2018] 1 WLR 1755 (“*Genentech*”) for the proposition that the question whether MediaTek could pass through Gateway 4A depended on the overlap between the issues to be tried. In that case Birss J (as he then was) stated as follows at [32] and [33]:

“32. Gateway (4A) is certainly not as wide as the ambit of the court's power to try distinct domestic cases together, where no jurisdictional question arises, but it seems to me that essentially the same practical considerations indicate what the provision is aimed at. Given that the defendant is already properly subject to the court's jurisdiction, pragmatic factors are appropriate matters to take into account in deciding whether the connection between the facts is sufficiently close to justify service out having regard to the overall justice of the circumstances. The purpose of gateway (4A) is to allow the joinder of a further claim against the same defendant based on the same or closely connected facts so as to further the interests of justice, including taking into account practical considerations such as procedural economy and an avoidance of inconsistent results.

33. If facts unique to the second claim include disputed matters of primary fact and would require extensive cross-examination and disclosure resolve,

then that would support a conclusion that the connection between the facts is not sufficiently close to justify service out. But if the key factual issues in the second claim are facts it has in common with the anchor claim and the difference in the relevant facts is only on matters which are undisputed or which can readily be dealt with without substantial disclosure and little or no cross-examination, then the factual connection may be sufficiently close to justify service out.”

126. Huawei also relied on *Erste Group Bank AG v JSC VMZ Red October* [2015] EWCA Civ 379, [2015] 1 CLC 706 (“*Erste*”) by analogy. In that case the Court of Appeal held that a claimant could not pass through Gateway 3 unless the claim against the anchor defendant satisfied the jurisdictional test in isolation and then go on and consider whether the other defendant was a necessary and proper party: see [38]. Mr Raphael submitted that the Court should adopt the same approach to Gateway 4A and that if the anchor claim (i.e. Claim (3)) did not satisfy the threshold requirement or was stayed on *forum conveniens* or case management grounds, then the additional claims (i.e. Claims (6) and (7)) could not pass through Gateway 4A. I accept that submission which seems to me correct in principle.
127. However, Mr Lykiardopoulos pointed out that in *Conversant HC* Henry Carr J held that the other claims passed through Gateway 4A once he had held that the threshold test for Gateway 2 was satisfied: see [98]. It is not so clear from the report of the decision at first instance what other relief *Conversant* was claiming. But Floyd LJ set out the prayer for relief in his judgment in the Court of Appeal: see [2019] EWCA Civ 38, [2019] RPC 6 (“*Conversant CA*”). It included a declaration that the offers which it had made were FRAND or, alternatively, a determination of the FRAND terms for the relevant patents and a declaration that they were FRAND: see [22].

(iv) Gateway 3

128. MediaTek also relied on Gateway 3 and submitted that the First Defendant was a necessary or proper party to the claim against the Second Defendant on the basis that it was alleged that the two Huawei Defendants were joint tortfeasors and that the First Defendant was the SEP holder who would be required to grant the reciprocal licence. However, MediaTek did not challenge Huawei’s submission that it was necessary to establish that there was a serious issue to be tried on the merits in relation to the claim against the Second Defendant before going on to consider whether the First Defendant

was able to pass through Gateway 3. In my judgment, there was no serious argument that the Claimants could have pursued a claim against the Second Defendant unless the First Defendant had been a party to the English Claim and I do not consider Gateway 3 any further.

(v) Gateways 9 and 16A

129. MediaTek also relied on Gateway 9 in relation to the Asserted Patents Claim on the basis that damage was sustained in the UK and Gateway 16A in relation to the Challenged Patents Claim on the basis that it would be able to establish that it was not liable for infringement in the UK. Again, the reliance on these Gateways did not, in my judgment, provide an independent basis for the Court to assume jurisdiction for the FRAND Claims if MediaTek was unable to pass through Gateways 2, 3, 4A or 11 and I do not consider them further either.

(vi) Forum Conveniens

130. Mr Raphael and his team identified five principles in their Skeleton Argument. The first was that there are two stages to the *Spiliada* analysis: first, whether another forum was more appropriate and, secondly, whether a substantial injustice would be done if the matter proceeded in that form. Mr Lykiardopoulos and his team did not submit otherwise and I agree. In *Kumar v Dyson Technology Ltd* [2024] EWCA Civ 1564 (“*Kumar*”) Popplewell LJ (with whom Sir Geoffrey Vos MR and Warby LJ agreed) has recently set out the general principles applicable to a *forum conveniens* challenge in both “service out cases” and also “service in cases” at [22] and [23]:

“22. In a service in case, the burden is on the defendant to show that there is another available forum which is clearly and distinctly more appropriate. The burden reflects the fact that in such a case the claimant has served the defendant as of right which is an advantage which will not lightly be disturbed (*Spiliada* at p. 476F, 477E). In a service out case, the burden is on the claimant to show that England is clearly the appropriate forum, which is simply the obverse of the position in a service in case (*Spiliada* at p. 481E). In both cases appropriate forum means that in which the case may be tried more suitably for the interests of all the parties and the ends of justice (*Spiliada* p. 476C, *Lungowe v Vedanta Resources Plc* [2019] UKSC 20 [2020] AC 1045 at [66]). In determining the appropriateness of the forum, the court looks at connecting factors to determine with which forum the action has the most real and substantial connection (*Spiliada* at p. 478A). These include not only factors affecting convenience or expense,

but also other factors such as governing law, the place where the parties reside or carry on business, and where the wrongful acts and harm occurred (*Spiliada* p. 478A-B, *Vedanta* at [66]). The risk of multiplicity of proceedings giving rise to a risk of inconsistent judgments is only one factor, although a very important one (*Vedanta* at [69]). In applying these connecting factors to cases involving multiple defendants, their relative status and importance in the case should be taken into account, such that greater weight is given to the claims against those who may be described as a principal or major party or chief protagonist: *JSC BTA Bank v Granton Trade Limited* [2010] EWHC 2577 (Comm) per Christopher Clarke J at [28].

23. For both service in and service out cases, if the court concludes that the foreign court is more appropriate by reference to connecting factors, applying the relevant burden of proof, the court will nevertheless retain jurisdiction if the claimant can show by cogent evidence that there is a real risk that it will not be able to obtain substantial justice in the appropriate foreign jurisdiction (*Vedanta* at [88]). Cogent evidence does not mean unchallenged evidence (*Vedanta* at [96]). This is often conveniently treated as a second stage in the analysis because it usually calls for an assessment of different evidence, but it does not involve a different question: if there is a real risk of denial of justice in a particular forum it is unlikely to be an appropriate one in which the case can most suitably be tried in the interests of the parties and for the ends of justice: *Vedanta* at [88]. In this case the parties and the Judge adopted that two-stage approach, labelling the first stage as “appropriate forum” and the second stage as “access to justice”. I will adopt the same structure, whilst keeping in mind that second stage factors may also be relevant to the first stage in what is juridically a single holistic exercise in seeking to identify where the case can most suitably be tried in the interests of the parties and for the ends of justice.”

131. It was also common ground that in order to frame the proper application of two limbs of the *Spiliada* test and the principles set out in *Kumar*, it is necessary to characterise the claims. This was Mr Raphael’s second principle. But he also submitted that for characterisation “tails do not wag dogs” and that a claimant cannot prejudge the issue by conjoining separate claims or bringing inconsequential claims as jurisdictional hooks. In very general terms, I would accept that submission and that the commercial authorities upon which he relied supported it.
132. Thirdly, Mr Raphael submitted that it is for the party bearing the burden of proof to establish that the forum is available not merely more suitable or appropriate. Fourthly, he submitted that in assessing whether an alternative forum was more appropriate the connecting factors include the places where the parties reside or carry on business, location of witnesses and evidence, governing law, the place where harm occurred and

matter of practical convenience. He placed particular emphasis on business centres. Fifthly, and finally, he submitted that a *lis pendens* in a foreign jurisdiction on the same or overlapping matters is a weighty factor. For example, in *The Abidin Daver* [1984] AC 398 Lord Brandon emphasised the importance of avoiding either conflicting judgments or an “ugly rush” to judgment at 422F to 423C:

“With great respect to the members of the Court of Appeal in the present case, I think that they have fallen into error by giving insufficient weight to the epithet “mere” in the expressions “mere balance of convenience” and “mere disadvantage of multiplicity of suits,” as these expressions, or other expressions similar to them, are used in the authorities. Mere balance of convenience cannot, of itself, be decisive in tilting the scales; but strong, and a fortiori overwhelming, balance of convenience may easily, and in most cases probably will, be so. Similarly, the mere disadvantage of multiplicity of suits cannot of itself be decisive in tilting the scales; but multiplicity of suits involving serious consequences with regard to expense or other matters, may well do so. In this connection it is right to point out that, if concurrent actions in respect of the same subject matter proceed together in two different countries, as seems likely if a stay is refused in the present case, one or other of two undesirable consequences may follow: first, there may be two conflicting judgments of the two courts concerned; or, secondly, there may be an ugly rush to get one action decided ahead of the other, in order to create a situation of *res judicata* or issue estoppel in the latter.”

133. In broad terms I accept all of these submissions. In particular, I accept that if a party has commenced and then prosecuted proceedings in another jurisdiction in relation to the same or substantially the same subject matter before issuing proceedings in this jurisdiction, that is a strong indication (outside patent cases) that the foreign jurisdiction is more appropriate even if the claimant has not made a formal election or submitted exclusively to the jurisdiction. However, Mr Raphael fairly recognised that in order to succeed on *forum conveniens* Huawei had to distinguish three important authorities to which I now turn.

(vii) Characterisation

134. In *Conversant CA* the Court of Appeal gave very clear guidance about how to characterise the type of claims which MediaTek has advanced in the present case. In *Conversant HC* Henry Carr J had characterised Conversant’s claims as claims for infringement of four UK patents as a matter of substance rather than form. He also rejected the characterisation of the claims as “foreign portfolio infringement claims”: see

[65] and [66]. He also characterised it as “a case which concerns allegations of infringement of UK patents, and for relief in terms of a global FRAND licence”: see [73]. The Court of Appeal agreed with him and Floyd LJ gave the following guidance at [99] to [103]:

“99. Conversant’s claim in the present case is closely analogous to the claim advanced in the *Unwired Planet* case. It is (i) that the UK patents are essential to the standard, (ii) that it has complied with its ETSI undertaking, in that the offers which it has made are FRAND, (iii) that Huawei and ZTE have not so complied without any reasonable ground for so doing, and (iv) that it is therefore entitled to enforce its UK SEPs and obtain the usual relief for infringement, including a FRAND injunction and damages. Conversant also seeks a determination as to the terms which are FRAND for the licensing of its portfolio. Huawei’s and ZTE’s answer is likely to be (i) that Conversant’s patents are neither essential nor valid, and (ii) that Conversant has not complied with its FRAND undertaking and so is not entitled to an injunction even if it establishes that its UK patents are valid and essential. The content of Conversant’s FRAND undertaking is thus an inseparable part of the dispute about whether Conversant is entitled to relief for infringement of valid UK patents.

100. I do not accept that this analysis, by referring throughout to the UK patents in Conversant’s portfolio, commits the error which the Court of Appeal identified in *re Harrods (Buenos Aires)*. In that case the dispute was about prejudice to the minority shareholders of a company registered in England. By focussing on the place of registration of the company and on the specific remedy of a buyout provided in English law, Harman J. had prejudged the question of appropriate forum, particularly as, through the lens of Argentine law, the company was an Argentine company. If the case were to be tried in Argentina, the relief available would be different, but the underlying dispute would be the same. The facts relied on to establish prejudice would be the same, as would the shareholdings, and the company, about which the parties were fighting. It was possible to say that the appropriate forum for deciding *that dispute* was Argentina.

101. In the present case, leaving Conversant to seek a remedy in China would be to compel them to advance a case based on different patents. The Chinese patents are not the UK patents viewed through the lens of Chinese law, but are different property rights applied for and registered in China. They are not even in the same families as the UK patents. They will have different claims. Different prior art will be relevant to their validity. The issue of essentiality of those patents will give rise to wholly different technical issues from the issues which would arise on the essentiality of the UK patents. The acts of infringement relied on will be acts in China, not acts in the UK. I find it impossible to view such a dispute as being the same dispute as that which would arise in the English court.

102. I therefore do not accept it is legitimate to generalise out the claim made in the present proceedings and characterise it as a claim for infringement of a “local” patent. That characterisation suggests that it is a

matter of indifference to Conversant which national patents they sue on, when that is plainly not the case. It is a way of characterising the dispute so as to make it suitable for determination in any jurisdiction where Conversant has a patent, no matter how different the scope of that patent may be to the scope of the UK patents in suit. Of the two ways in which the parties seek to characterise the dispute, it seems to me that the appellants' way is the one which offends against the warnings in *Harrods Buenos Aires* against building the answer into the way in which one formulates the question.

103. It is also not legitimate to characterise the claim as one for enforcement of a global portfolio right. No such right exists, as this court readily accepted in *Unwired CA*. I therefore reject the appellants' challenge to the way in which the dispute is to be characterised. The question which the judge asked himself was the correct one."

135. Furthermore, Floyd LJ considered that once the claims had been properly characterised, the *forum conveniens* question answered itself. Resolution of the dispute would involve the determination of infringement, essentiality and validity of UK patents and a UK forum was the only possible forum for the dispute to be tried: see [104]. He rejected Huawei's argument that the dispute should be treated as if it were a claim to enforce a global right. He stated as follows at [106] to [108]:

"106. Many of the appellants' submissions appeared to treat the claim as if it were a claim to enforce a global right. In his written submissions Mr Layton referred to the influence of "the place where the tort is committed" as a factor of particular importance. He contended that this was China because that was where the manufacture and the majority of infringements by sale took place. Such a consideration would only be relevant if one were considering a unitary global right and deciding where the preponderance of the infringement occurred. It does not apply in a case concerned with national territorial rights where the tort is committed in each individual jurisdiction. A case where such a consideration was relevant was *Kinahan v Kinahan* (1895) LR 45 Ch D 78 where leave to serve English proceedings for infringement of a UK trade mark case on an Irish company in Ireland (Ireland then being part of the UK) was refused on *forum non conveniens* grounds, the preponderance of the business in question being conducted in Ireland. The UK trade mark was a right which extended territorially to both England and Ireland, and so the right in question would have been the same whether the action was brought in England or Ireland. That would not be the case if Conversant were obliged to sue on their different, Chinese rights.

107. Likewise this is not a case where it is possible to say that Chinese law is the law which governs the dispute between the parties, or that the Chinese patents are the key patents which determine the dispute. All these submissions are based on a characterisation of the dispute which ignores the fact that Conversant is seeking to enforce UK patents, governed by



English law.

108. It is of course true that if Conversant were to sue on its Chinese patents in China, then the Chinese court would be scrutinising the validity and essentiality of the Chinese patents (the first of Mr Layton’s big reasons). That in itself is not a reason for saying that the English court is not the appropriate forum for deciding the validity and essentiality of the UK patents. In any event, as the judge pointed out, it is likely that the results of the Chinese proceedings will be known before the English court determines the terms of the licence, so that those results can be factored in to the court’s determination.”

136. In *Nokia Technologies Oy v Oneplus Technology (Shenzhen) Co Ltd* [2022] EWCA Civ 947, [2023] FSR 11 (“*Nokia CA*”) OPPO contended that the correct characterisation of the dispute was “a dispute over the FRAND terms for a global licence of Nokia’s SEP portfolio”: see [34]. It also contended that the Court could ignore the issues of validity, essentiality and infringement because in all likelihood it would not be necessary to determine them and that they constituted: “the tail of an elephant the body of which is the dispute between the parties as to what terms for a global licence of Nokia’s SEP portfolio are FRAND”: see [35]. Arnold LJ rejected this characterisation for the following reasons:

“39. I agree that OPPO’s acceptance that they need a global licence and their expressed willingness to take one represents a factual distinction between the present case and *Conversant*, where Huawei and ZTE neither accepted the need for a global licence nor expressed a willingness to take one. I do not accept that this is a relevant distinction, however. My reasons are as follows.

40. First, if the dispute was purely about the terms of a global licence, there would be no need for three five-day trials of the validity, essentiality and infringement of the UK Patents (Trials A-C). Nor would there be any need for a trial of whether OPPO can rely upon Nokia’s FRAND obligation without undertaking to the English court to take a licence on terms determined by the English court to be FRAND (Trial E). Rather, the parties could proceed straight to the determination of what terms are FRAND (Trial D). When asked whether OPPO were willing to dispense with their challenges to the validity, essentiality and infringement of the UK Patents (which OPPO could do purely for the purpose of this claim and without any admission that the UK Patents are in fact valid, essential or infringed), counsel for OPPO’s answer was that OPPO are not willing to do that. On the contrary, OPPO are insistent upon exercising their right to challenge validity, essentiality and infringement of the UK Patents (although, as noted above, OPPO say that it should not be necessary to determine those issues). It follows that only if Nokia prove that at least one of the UK Patents is valid, essential and infringed absent a licence will it become necessary to determine whether OPPO can rely upon Nokia’s FRAND

obligation by way of defence and if so upon what licence terms.

41. Counsel for OPPO accepted that this confirmed that the dispute included issues as to the validity, essentiality and infringement of the UK patents, but he argued that this was merely a jurisdictional “hook” which did not detract from the fact that the “meat” of the dispute was over the terms of a global licence. This does not distinguish the present case from *Conversant*, however, as can be seen from the passage from Floyd LJ’s judgment I have quoted.

42. Secondly, OPPO’s undertaking to Nokia is only to take a global licence upon the terms determined to be FRAND by the Chongqing court. OPPO have offered no undertaking to take a global licence upon the terms determined to be FRAND by the English court. Nor have OPPO offered an undertaking to take a global licence upon the terms determined to be FRAND by an arbitral tribunal. In other words, OPPO’s characterisation of the dispute is not in truth forum-neutral, but amounts to an attempt by a sleight of hand to build the answer as to forum into the question of how the dispute is to be characterised. As *Re Harrods (Buenos Aires) Ltd* [1992] Ch 72 establishes, that is an illegitimate approach to characterisation.

43. Thirdly, even if the point about the nature of OPPO’s undertaking is put on one side, the question remains as to how Nokia are to enforce their right to obtain compensation for OPPO’s exploitation of their portfolio. As explained above, the SEP holder’s FRAND obligation operates by way of defence to an infringement claim in order to prevent hold up. Like any SEP holder, the only remedy available to Nokia for preventing hold out by an implementer is an injunction to restrain unlicensed infringement of their patents. OPPO’s characterisation of the dispute as being purely about the terms of a global licence ignores this critical dimension of the dispute. The point can be illustrated in this way. Obviously, OPPO have commenced proceedings in Chongqing in the belief that the Chongqing court will set a lower royalty rate or rates than the English court. But the royalty rate which is determined to be FRAND makes no difference to the question of enforcement. What happens if the Chongqing court, contrary to OPPO’s expectation, determines a FRAND rate that is higher than OPPO are willing to pay? Unless the determination of the Chongqing court can be directly enforced against OPPO, a question I will return to in the context of considering the appropriate forum, the only way for Nokia to enforce their rights will be to obtain an injunction to restrain patent infringement. Nokia will therefore have to bring claims for infringement of their SEPs in the PRC even if they have not done so before then. Thus Nokia’s claim for an injunction to enforce their SEPs is inescapably a key aspect of the dispute between the parties, and since patents are territorial any proceedings in a national court are inescapably founded upon the SEPs asserted by Nokia in that jurisdiction. As the judge put it at [45]: “... I do not agree that broadening out the dispute between the parties so that it becomes viewed from a global perspective leads to the result that it can be correctly characterised as a dispute about FRAND terms. That is only possible if the allegations by Nokia of infringement of its SEPs in the various jurisdictions are brushed aside. Alternatively, if they are included

with[in] the overall picture of the dispute, those allegations must be characterised as being concerned with the essentiality, infringement and validity of local patents in their various jurisdictions.”

44. I therefore consider that the judge correctly characterised the dispute between the parties in the present case. As Floyd LJ noted in *Conversant* if the dispute is correctly characterised as a claim to enforce UK patents, raising issues as to the validity, essentiality and infringement of those patents and as to a defence seeking to enforce the patentee’s FRAND obligation, there can only be one answer to the question as to which is the appropriate forum in which to try that dispute. OPPO do not dispute this, and accordingly their second ground of appeal challenging the judge’s conclusion as to the appropriate forum is contingent upon the success of their first ground of appeal. I shall nevertheless consider the issue for completeness.”

137. Finally, in *Lenovo Group Ltd v Telefonaktiebolaget LM Ericsson* [2024] EWHC 846 (Ch) (“*Lenovo I*”) Richards J followed both *Conversant CA* and *Nokia CA* in characterising the claim as being both in form and substance about the vindication of Lenovo’s patent. *Lenovo* is an important decision because Ericsson sought to distinguish both earlier decisions on grounds which are directly relevant to the present case. In *Lenovo* Ericsson argued that because Lenovo would be a “net payer” and because it was seeking a cross-licence, it should not be characterised as a claim to enforce a UK patent. The judge dealt with those issues at [77] to [81] as follows:

“77. First, it relies on the proposition Ericsson will be the net recipient of royalties under a cross-licence. It argues that it would be absurd if a net payer such as Lenovo could, simply by virtue of holding some SEPs, play a “jurisdictional trump card” by alleging infringement of those SEPs so as to bring the determination of FRAND terms within the English court’s jurisdiction. I do not accept that. First, as I have explained, Ericsson has not established in these interlocutory proceedings that it will necessarily be a “net recipient” of a patent royalty. In any event, whoever is ultimately the net recipient, Lenovo clearly has a significant portfolio of SEPs of its own. True it is that it “anchors” its claim for a FRAND determination in the English courts in its claim for infringement of a single UK SEP. However, the proposition that a claim for a FRAND determination can be “anchored” in this way is now well established. It is no more objectionable for Lenovo to anchor its claim for a FRAND determination by reference to a single UK SEP than it is for Ericsson to anchor its claim in the EDNC Proceedings in four US patents.

78. Relatedly, Ericsson argues that in *Conversant v Huawei CA* and *Nokia v OPPO CA* it was an implementer who was arguing that the case should be characterised as a dispute about a FRAND licence. By contrast, in the present case Ericsson, who claims to be a “net licensor” argues that the case is really about a FRAND licence with Lenovo, the “net licensee”

characterising it as a dispute about patent infringement. However, the premise of that argument is not obviously correct since, as noted at [25] of *Nokia v OPPO CA*, both Nokia and OPPO were entitled to a FRAND cross-licence of each other's SEPs and it is not clear from that paragraph which would be a net recipient. In any event, I do not consider that it makes much of a difference which party seeks to characterise the dispute as being about a FRAND licence and which characterises it as being about patent infringement. Ultimately, the present case has to be characterised for the purpose of the convenient forum analysis and the characterisation adopted has to be the same for both Lenovo and Ericsson. A still further objection is that Ericsson has not established to my satisfaction that it will be a "net licensor".

79. Nor do I accept Ericsson's related argument that, since Lenovo will be a "net licensee" the case cannot be about Lenovo enforcing its rights to obtain proper compensation for Ericsson's use of the Lenovo SEP. Quite apart from the fact that I am not satisfied that Lenovo is a "net licensee", Lenovo has a significant portfolio of SEPs of its own. Bringing an action in England and Wales for infringement of the Lenovo SEP remains a means of securing proper reward for Ericsson's implementation of that SEP even if, conceptually, Lenovo could have adopted other means of securing that reward by making its case on the appropriate FRAND licence in the EDNC Proceedings.

80. Ericsson also relies on the proposition that as a "net licensor", it has the right to choose the single jurisdiction in which a FRAND determination takes place by parity of reasoning with the judgment of Meade J at [271] of *Nokia v OPPO* [2023] EWHC 1912 (Pat) ("*Nokia v OPPO HC*"). That argument fails because I am not satisfied for the purposes of the present applications that Ericsson is indeed a net licensor. However, even if it is, Meade J's conclusion in *Nokia v OPPO HC* would at most give it a right to choose which of different FRAND offers it wishes to make to Lenovo. I am not satisfied that this automatically confers on it a "right to choose", at the jurisdiction stage, a single venue in which FRAND terms are to be determined.

81. Ericsson objects that, if it is denied a "right to choose" at this stage, then the outcome will be parallel proceedings in both the English courts and the EDNC, both potentially leading to a determination of FRAND terms. I do not necessarily disagree with this diagnosis of the problem. It strikes me as extraordinarily wasteful that the parties should seriously contemplate having two sets of proceedings on foot that are directed at the same issue. I would have thought that the parties' resources could be used much more wisely by agreeing between themselves a single venue for a determination of a global FRAND cross-licence and a sensible regime to apply in the interim. However, I do not accept the treatment for this diagnosis that Ericsson wishes to administer. If the English court has jurisdiction then, subject to the analysis of the application for a case-management stay that follows, I do not see why Ericsson should have the unilateral right to require the English court not to exercise that jurisdiction. As Arnold LJ noted at [17] of his judgment in *Nokia v OPPO CA*, the risk of parallel proceedings inevitably arises since national courts have

jurisdiction to determine questions of validity and infringement of their domestic patents and so of FRAND issues arising where those patents are FRAND-encumbered.”

138. On 28 February 2025 the Court of Appeal also handed down judgment in *Lenovo I*: see [2025] EWCA 182 (“*Lenovo CA*”). Again, the Court reversed Richards J’s decision refusing to grant declarations for an interim licence following *Panasonic*. But, again, there was no challenge to the judge’s decision in relation to characterisation or *forum conveniens*. Again, the parties did not make any further submissions in relation to *Lenovo CA* and I did not invite them to do so and, again, I make no further reference to the decision in this judgment.

(viii) Available alternative forum

139. It was common ground that Huawei had to establish that there was an available alternative forum. In *Unwired Planet International Ltd v Huawei Technologies Co Ltd* [2020] UKSC 37, [2020] RPC 21 (“*UPSC*”) the Supreme Court held that it was necessary for the challenger to identify some other forum which has jurisdiction to determine the dispute but that China did not have jurisdiction to determine the terms of a global FRAND licence. The Court held, therefore, that the jurisdiction challenge failed at the first hurdle:

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

97. After hearing extensive expert evidence, the judge found that the Chinese courts do not, at present, have jurisdiction to determine the terms of a global FRAND licence, at least in the absence of agreement by all parties that they should do so. Even in the event of such an agreement, he

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

140. By the time that *Nokia CA* had been decided, Chinese jurisprudence in this area had moved on. At first instance His Honour Judge Hacon held that the Chongqing Court was an available alternative forum and Arnold LJ accepted that this was correct if the claim was correctly characterised as one over the terms of a global FRAND licence: see [45] to [51].

(ix) Appropriate alternative forum

141. Finally, it is necessary in a service out case for the claimant to demonstrate clearly that England is the appropriate forum and in a service in case for the defendant or challenger to demonstrate that the foreign jurisdiction is the appropriate forum. Mr Raphael relied on the general principle that the Court should give significant weight to the "fundamental and legal focus of this litigation": see *Erste* at [148]. In *Conversant HC*, however, Henry Carr J declined to stay the claim on *forum conveniens* grounds despite the "China-centric" nature of the defendants' business and even though 0.07% of their turnover at that stage was generated in the UK. He stated this at [10]:

"At the forefront of the defendants' arguments is the "China-centric" nature of their businesses. In the case of the Huawei Defendants, China accounts for 56% of the Huawei group's worldwide sales on which royalties are claimed by Conversant. Moreover, since China is the place of manufacture of the alleged infringements, Conversant relies on its Chinese patents to claim royalties on a further share (some 19%) of global sales made in countries where Conversant has no patents. Therefore, if the Chinese patents are not infringed, or are invalid, then (according to the Huawei Defendants) some 75% of the worldwide royalty claim would fall away. By contrast, the United Kingdom accounts for only 1% of the worldwide sales on which royalties are claimed. In the case of the ZTE

Defendants, the manufacture of mobile phones takes place in China and 60% of the ZTE group's operating revenue was from China in the first six months of 2017. By contrast, the ZTE group does very little business in the UK with only 0.07% of turnover being generated in the UK."

142. The judge went on to identify a number of connecting factors which the Defendants had identified, many of which were advanced in the present case. However, he concluded that they did not make China the appropriate alternative forum for the following reasons which he set out at [72] to [74]:

"72. The defendants relied upon several other factors, which they submitted were objective connections with the case to China. It was contended that:

(i) Huawei China and ZTE China are Chinese companies and Conversant is a Luxembourg company with no connection with the UK. Huawei UK and ZTE UK are amongst many local subsidiaries whose involvement is said to be wholly peripheral;

(ii) the defendants wish to call witnesses of fact and expert witnesses whose language is Chinese;

(iii) in relation to validity, the commercial importance of the Chinese patents to the royalty claim means that China is the more appropriate forum than England. China has specialist patentability courts that can better and more accurately decide whether the key Chinese patents are valid than the English court. Furthermore, it is more democratic and legitimate that disputes concerning patent validity, and thus the existence of monopolies affecting a given territorial population and the price that it pays, should be made in the country whose patents are centrally in issue;

(iv) in relation to patent essentiality and infringement, the Chinese infringement court can liaise with and respond to the Chinese validity court in a better more responsive manner than the English court could do, and any conflicts arising between validity and infringement determinations can ultimately be resolved on appeal in a common Supreme Court;

(v) China is more appropriate than England by reference to the place of the tort as the place of manufacture and the place where most of the allegedly infringing sales were made;

(vi) in relation to language, the Chinese courts are more appropriate than the English courts because the Chinese patents are in the Chinese language, and there is a Chinese version of the standards to which reference can be made. There may also be Chinese language transactions or material which are said to be comparable or have a bearing on essentiality;

(vii) if the global FRAND determination takes place in China, the costs are expected to be about £200,000 per side rather than several million pounds which will be required for litigation in the United Kingdom;

(viii) Chinese law is more central than English law to this dispute and that is so in a developing and controversial area of law. Chinese law governs the validity of the patents and their infringement, as well as the party's negotiations and any good faith and FRAND obligations towards each other, in relation to the Chinese patents. The parties' negotiations took place in China;

(ix) insofar as ETSI obligations are relevant, they are governed by French law which is not a factor which points in favour of England;

(x) the case is already underway in China and the argument for the first validity challenge will be heard in March 2018;

(xi) when Conversant first tried to enforce its patent portfolio against other market participants it did so in France and the United States, and not in the UK.

73. There is no dispute that, in relation to the Chinese patents, validity and infringement will be determined in China. Many of the factors relied upon by the defendants are addressed to that proposition, which is common ground. This does not mean that China is the natural forum for a case which concerns allegations of infringement of UK patents, and for relief in terms of a global FRAND licence. In my judgment, it plainly is not the natural forum.

74. As to the defendants' suggestion that they wish to call Chinese witnesses of fact, they are entitled to do so, but there will be little scope for evidence of fact in the technical trials (where product and process descriptions will be expected) or in a FRAND hearing. As to expert evidence, the Huawei Defendants relied upon English-speaking experts in the Unwired Planet FRAND trial. If the defendants wish to rely upon Chinese experts, they are entitled to do so, but it does not follow that the UK is other than the natural forum for this dispute. As to legal costs, I do not accept that the comparison relied on by the defendants is a connecting factor to China. In any event the comparison is flawed as it assumes that this FRAND trial will require the same time and costs as the Unwired Planet trial. Unwired Planet established the relevant principles and if they are upheld on appeal then subsequent cases will be very significantly shorter. In addition, the defendants' alleged concerns about legal costs sit uneasily with suggestions that they wish to pursue patent by patent challenges in numerous different jurisdictions."

143. In *Nokia CA* the Court of Appeal also considered the weight to be attached to the various factors connecting the dispute with China. Arnold LJ held that none of these factors made one jurisdiction more appropriate than another. He stated this at [53] to [55]:

"53. OPPO rely upon seven factors as connecting the dispute more closely with Chongqing than England. The first, sixth and seventh factors can be taken together. The first is that the Chongqing court is an available forum. This is not a connecting factor, however, but a pre-condition for the question as to which forum is appropriate to arise. The sixth factor is that



the Chongqing court is already seised of the dispute. This does no more than confirm its availability as a forum, however. The seventh factor is the risk of irreconcilable judgments. This simply arises from the fact that, after the commencement of this claim, OPPO brought duplicative proceedings in the alternative forum. It does not show that the alternative forum is the appropriate forum.

54. The second factor is that OPPO are based in the PRC whereas Nokia are Finnish. This ignores the fact that two of the Defendants are English. In any event, the domicile of corporate parties is of little weight as a connecting factor (the location of witnesses and documents may be of more weight, but OPPO do not rely upon those factors).

55. Counsel for OPPO placed most weight on the third, fourth and fifth factors, which again can be taken together. These are that most of the devices covered by the dispute are manufactured in the PRC and a significant quantity in Chongqing; the majority of the devices are sold in the PRC, India and Indonesia, with Europe accounting for less than 5% of global sales and the UK less than 0.5%; and the main source of revenue from the putative licence will be the PRC. I am not persuaded that these factors connect the dispute with Chongqing rather than England, however. On OPPO's own characterisation of the dispute, it is over the terms of a global FRAND licence, and in particular the applicable royalty rate(s). The key factor in the assessment will be the value of a global licence of Nokia's SEP portfolio (taking into account the value of a cross-licence of OPPO's SEP portfolio) which will depend on (i) the strength (in terms of validity and essentiality) of that portfolio and (ii) the contribution of that portfolio to the standards in question. As such, the determination of the dispute will depend very largely upon expert technical and valuation evidence taking into account any comparable licences. Thus the dispute over the terms of the licence could be determined by any competent national court or by a supranational arbitral tribunal. It has no real connection with any territory."

## I. Other Issues

### *(1) Case management stay*

144. In *UPSC* the Supreme Court cited *Reichhold Norway ASA v Goldman Sachs International* [2000] 1 WLR 173 ("**Reichhold**") and stated that a stay of proceedings would only be justified in rare and compelling cases: see [99]. Mr Raphael submitted that if this was the test, it was a misapplication of *Reichhold* where Lord Bingham CJ was not intending to lay down a prescriptive test but merely making a "statistical prediction". Mr Raphael also cited *Athena Capital Fund SICAV-FIS SCA v Secretariat of State for the Holy See* [2021] EWCA 1051, [2022] 1 WLR 4570 ("**Athena**") as authority for the proposition that the test is more open-textured than this and the Court is simply required

to decide whether a case management stay is in the interests of justice. Males LJ stated this at [59]:

“There is, as it seems to me, no reason to doubt that it is only in rare and compelling cases that it will be in the interests of justice to grant a stay on case management grounds in order to await the outcome of proceedings abroad. After all, the usual function of a court is to decide cases and not to decline to do so, and access to justice is a fundamental principle under both the common law and article 6 ECHR. The court will therefore need a powerful reason to depart from its usual course and such cases will by their nature be exceptional. In my judgment all of the guidance in the cases which I have cited is valuable and instructive, but the single test remains whether in the particular circumstances it is in the interests of justice for a case management stay to be granted. There is not a separate test in “parallel proceedings” cases. Rather, considerations such as the existence of an exclusive English jurisdiction clause and the danger of circumventing a statutory scheme for the allocation of jurisdiction (such as the Judgments Regulation) will be weighty and often decisive factors pointing to where the interests of justice lie.”

145. Mr Raphael also took me to an example of a case in which the Court had granted a case management stay applying the wider test: see *NTT Ltd v Goodall* [2024] EWHC 445 (Comm) (Dame Clare Moulder DBE). He also reminded me that it was open to the Court to grant a case management stay on the basis that the order will contain permission to apply and MediaTek can always apply to lift the stay if Huawei does not prosecute the Chinese Claims with reasonable dispatch or there is a change of circumstances which might justify the Court permitting the current proceedings to continue. He cited as an example *The Glenluce* (1929) 34 Lloyd’s Rep 407.

146. As a matter of general principle, I accept that I must apply the broader test based on the interests of justice and that I must bear in mind that a case management stay can always be lifted. However, the difficulty for Mr Raphael is that the authorities in this field all provide evidence of Lord Bingham’s “statistical prediction” once the Court had determined the *forum conveniens* argument against the defendant. In *Conversant CA* Floyd LJ refused a case management stay on the following grounds at [111]:

“I can also see no basis for a case management stay, so as to allow the patent issues to be determined up to but not including the grant of an injunction. Such a stay would only work if there were some proceedings on foot elsewhere which will result in an adjudication on the offers made by the parties and determine the terms of a global FRAND licence, or at least some licence which would extend to the UK. At present the

proceedings in China only seek a FRAND determination in respect of the Chinese patents. A FRAND licence under the Chinese patents determined by the Chinese courts would not clear away the obstacles to the enforcement of the UK patents or provide Huawei with an answer to the claim for infringement of the UK SEPs. The age of the Conversant Portfolio is also a factor which weighs against the grant of such a stay.”

147. Further, in *Nokia CA* the Court of Appeal upheld the judge’s decision that no case management stay was justified on the basis that the English proceedings should wait until the Chinese proceedings had been determined. Arnold LJ dealt with this point at [77] to [79]:

“77. Counsel for OPPO argued that this did not matter, because time and money could in any event be saved by waiting for the decision of the Chongqing court and then reactivating the English proceedings if and to the extent necessary. I do not accept this argument. If the English proceedings are stayed pending the decision of the Chongqing court, time and money will only be saved if the Chongqing decision proves to be determinative of the issues between the parties. Otherwise, the effect will merely be to delay the resolution of the English proceedings. For the reasons explained above, it is by no means certain that the Chongqing decision will be determinative of the issues between the parties.

78. If OPPO really wanted an expeditious determination of the terms of a FRAND licence and to save a lot of money on legal costs, they could have achieved this by dispensing with their invalidity and non-essentiality challenges in this jurisdiction. That would have enabled directions to be given for a trial of the FRAND issues as soon as these proceedings were commenced. If that had been done, the FRAND trial could have been scheduled for July 2022 or at worst October 2022. OPPO were not even prepared to agree to the FRAND issues being tried first and the technical issues later if necessary. The reality is that OPPO are not concerned to save time or legal costs, they just want the FRAND issues to be determined in the forum of their choice having commenced duplicative proceedings there after the commencement of the present claim. That is not a good reason for a case management stay.

79. Accordingly, I am not persuaded that the judge made any error in his assessment which would justify this Court setting his decision aside. Even if this Court were to re-exercise the discretion, I see no reason to reach a different conclusion to the judge. Indeed, I would be inclined to give some of the factors relied upon by Nokia in favour of refusing a stay more weight than the judge did. In particular, I disagree with the judge’s view that a legitimate juridical advantage which is available to the claimant if the claim proceeds in this jurisdiction is not a reason for a refusing a stay on case management grounds, and therefore I would give weight in this context to the evidence that the Chongqing court would apply Chinese law rather than French law to Nokia’s disadvantage.”

(2) *Full and frank disclosure*

148. It was common ground that MediaTek had a duty of candour when it applied for permission to serve out of the jurisdiction. There was no issue either about the principle to be applied. In *Tesla* Fancourt J cited the decision of Warby J in *Sloutsker v Romanova* [2015] EWHC 545 (QB), [2015] 2 Costs LR 321 at [51]:

“(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: *Brinks Mat v Elcombe* [1988] 1 WLR 1350, 1356 (1) and (2) (Ralph Gibson LJ). 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”: *ABCI v Banque Franco-Tunisienne* [1996] 1 Lloyd’s Rep 485, 489 (Waller J).

(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. See *Brinks Mat* at pp.1357 (6) and (7) and 358 (Balcombe LJ).

(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: *NML Capital Ltd v Republic of Argentina* [2011] UKSC 31; [2011] 2 AC 495, [136] (Lord Collins).”

149. The judge found that Tesla had failed to make a fair presentation of the obvious facts and arguments which InterDigital would be likely to want to raise in relation to jurisdiction and that far too much of the evidence in support of the without application notice for service out was devoted to arguing the merits of the claim: see [156]. However, he held that the appropriate sanction was in costs rather than for the Court to decline jurisdiction altogether:

“157. The question whether the Court – a specialist patents judge, as it happened – was misled by this inadequate presentation is irrelevant, as the authorities consistently state. The question whether the non-disclosure was

innocent is more important. The failure to engage in pre-action correspondence with InterDigital was obviously not an oversight, or accidental. I do not consider that the failure of full and frank disclosure was deliberately misleading, but neither was it wholly innocent, in the way that sometimes an applicant is unaware of material facts or misunderstands their relevance. The problem here was that, in several respects, Tesla did not really engage on the process of fair presentation. A few superficial points using the words “full and frank disclosure” were included, but these were perfunctory and inadequate.

158. Had I otherwise upheld service out on any of the defendants, I would not have set it aside solely on the basis of these disclosure failings, serious though they were. As there is no time limit for Tesla’s claim, if service out were otherwise justified, Tesla would simply have re-applied for permission to serve out, which could not then have been refused if correctly applied for. I would instead have imposed a costs sanction against Tesla. However, as I have instead determined that the court should decline jurisdiction, it is unnecessary to go into that.”

(3) *CPR Part 6.15*

150. CPR Part 6.37(5)(b) provides that where the Court gives permission to serve out of the jurisdiction it may give directions about the method of service. CPR Part 6.15(1) provides that where it appears that there is good reason to do so, the Court may authorise service by an alternative method or at an alternative place to those otherwise permitted under the Civil Procedure Rules. In *Godo Kaisha IP Bridge I v Huawei Technologies Co Ltd* [2021] EWHC 1261 (Pat), [2021] FSR 33 (“*IP Bridge*”) Nicholas Caddick QC (sitting as a Deputy High Court Judge) set out a number of principles derived from the authorities dealing with service under the HSC at [12]:

“a. Where the court gives permission to serve a claim form out of the jurisdiction, it also has power, by reason of CPR r.6.37(5)(b)(i) and r.6.15(1), to make an order permitting service by an alternative method or at an alternative address (*Celgard* [2020] FSR 37 at [115] and *GHS* [2021] EWHC 488 (Ch) at [10]).

b. Such an order can only be made if the court is satisfied that there is “a good reason”. If there is a good reason, the most important aspect of the jurisdiction is to ensure that the defendant is adequately informed of the contents of the claim form and the nature of the claim (*Celgard* [2020] FSR 37 at [116]).

c. Where a defendant is resident in a country that is party to a convention as regards service, then service in accordance with that convention is “the prime way of service” in that country (*Deutsche Bank* [2014] EWHC 112 (Comm) at [27]). Further, where a country has (like China) stated its objection under art.10 of the HSC to service otherwise than through the

authority that it has designated to deal with service under the HSC, an order for alternative service will only be made in “exceptional circumstances” (sometimes referred to as “special circumstances”) (*Société Générale* [2017] EWHC 667 (Comm) at [49(9)(b)] endorsed at [2018] EWCA Civ 1093 at [31]–[35]), *Marashen* [2017] EWHC 1706 (Ch) at [57] and *M v N* [2021] EWHC 360 (Comm) at [8(iv)]).

d. In determining whether exceptional circumstances exist, each case will turn on its own particular facts and involves balancing the various factors (*GHS* [2021] EWHC 488 (Ch) at [12]).

e. Mere delay or additional expense arising from having to serve in accordance with the HSC do not, without more, constitute exceptional circumstances (*Société Générale* [2017] EWHC 667 (Comm) at [49(9)(a)] and [2018] EWCA Civ 1093 at [31]–[35]). However, delay might suffice when coupled with another factor or factors such as, for example, some form of litigation prejudice or where it is of such exceptional length as to be incompatible with the due administration of justice (*Marashen* [2017] EWHC 1706 (Ch) at [57] and *Celgard* [2020] FSR 37 at [119]).

f. Some examples of the sort of factors which might help establish the existence of exceptional circumstances are set out in *M v N* [2021] EWHC 360 (Comm) at [9] and [10]. They include, for example, the need for urgent interim injunctive relief or for relief under the Arbitration Act 1996.”

151. The judge set out the evidence of service on Huawei in the PRC at [14] and [15]. He held that on the evidence before him, it could take up to 12 months to effect service in China but that there was some prospect that it might take less: see [16]. He rejected arguments that there were exceptional or special circumstances because it is desirable that a patentee ought to be entitled to enforce its rights and that it was seeking an injunction (although he accepted that the position might be different if the claimant could show that this was an example of “hold out”): see [19] to [24]. He also rejected the claimant’s concern that the defendant might obtain relief from the Chinese Court which would prejudice its position in the English proceedings: see [27] to [29]. Finally, he rejected the argument that these were claims of direct infringement and one party could be served within the jurisdiction. He stated this at [30] and [31]:

“30. Another factor raised by the claimant relates to the nature of the claims in the English proceedings and, in particular, the fact that they involve claims of direct infringement by the first and second defendants as well as acts of infringement by the third defendant, a subsidiary. Given this, the claimant argues that it is unsatisfactory that the case against the first and second defendants should be delayed whilst the case against the third defendant (which does not challenge jurisdiction and is not seeking a stay) continues, giving rise to what Mr Saunders referred to as “duplicative proceedings”.

31. This is clearly a relevant factor and I accept that it would be more convenient if all parties were before the English court now so that the claims against them could be progressed together. Having said that, the fact that one defendant can easily be served as it is in the jurisdiction, whilst service of others is delayed because they are based in HSC countries is a fairly normal situation in commercial and patent litigation. Further, I am not convinced that the action against the third defendant would have proceeded particularly far during the period of delay in serving the first and second defendants. As Mr Purvis points out, the claim against the third defendant is likely to be complex and to require four separate trials (three as to liability and a fourth to deal with FRAND issues). Moreover, as appears from the claimant's own evidence, the progress of the claim is likely to be dictated to some extent by what happens in the German proceedings. Further, it seems unlikely that the third defendant would have taken any step that would be inconsistent with the interests of the first and second defendants. On this basis, it seems likely that once the first and second defendants have been served, the proceedings should be capable of case management so as to minimise further unnecessary delay. On balance, and even taken with the other factors, I do not see that this factor takes the present circumstances from the normal to the exceptional so as to justify a departure from normal service under the HSC."

(4) *Implied licence or exhaustion*

152. Mr Raphael also relied on the doctrine of exhaustion or the implied licence granted to a purchaser to dispose of products manufactured under licence, in support of the proposition that a FRAND licence entered into on the terms fixed by the Chinese Court in relation to Chinese patents would permit Huawei to import and sell goods into the United Kingdom. He placed particular reliance on *HTC Corporation v Nokia Corporation* [2013] EWHC 3247, [2014] RPC 19 ("*HTC*"). In that case, Arnold J dismissed a defence that certain infringement activities had been licensed by the patentee because the covenant to sue upon which the infringer relied (and which was governed by the law of Delaware) contained an express limitation.

153. Arnold J accepted that where a patentee sold a patented product, then the purchaser had a right to dispose of it and that this right extended outside the territorial jurisdiction to importing it into the UK and selling it here. But he also held that this implied right could be excluded by the express terms of the relevant licence and he made it clear that this is a principle which is limited to a purchaser from the patentee and not a purchaser from a licensee:

"154. Where a patentee sells a patented product, then, absent an agreement

to the contrary, the purchaser has the right to dispose of the product. If the sale is abroad, the purchaser's rights extend to importing the product into the UK and selling it here. This was established by the well-known case of *Betts v Willmott* (1870–71) LR 6 Ch App 239. In that case Betts owned both English and French patents for the same invention. He claimed that his English patent had been infringed by Willmott. It appeared that the infringing articles had been manufactured by a factory owned by Betts in France (or, at least, Betts could not prove that this was not the case). Betts argued that, if he sold a patented article in France, it was for the French market and that did not justify a person buying that article in France and importing it into England. Lord Hatherley L.C. held that in these circumstances the use of the invention in England had been authorised by Betts. As he said in a much-cited passage at p.245:

“But where a man carries on the two manufactories himself, and himself disposes of the article abroad, unless it can be shewn, not that there is some clear injunction to his agents, but that there is some clear communication to the party to whom the article is sold, I apprehend that, inasmuch as he has the right of vending the goods in France or Belgium or England, or in any other quarter of the globe, he transfers with the goods necessarily the license to use them wherever the purchaser pleases. When a man has purchased an article he expects to have the control of it, and there must be some clear and explicit agreement to the contrary to justify the vendor in saying that he has not given the purchaser his license to sell the article, or to use it wherever he pleases as against himself.”

155. As Lord Hoffmann pointed out in *United Wire Ltd v Screen Repair Services (Scotland) Ltd* [2001] R.P.C. 24, [2001] F.S.R. 24, at [68]–[69], this reasoning amounts to saying that the patentee has impliedly licensed the acts complained of, but an alternative explanation adopted by some other legal systems is that of exhaustion of rights. As Lord Hoffman noted:

“The difference in the two theories is that an implied licence may be excluded by express contrary agreement or made subject to conditions while the exhaustion doctrine leaves no patent rights to be enforced.”

156. As a result of this distinction, the patentee may exclude such an implied licence by expressly limiting the rights granted to the purchaser. To be effective, however, this limitation must be notified to subsequent purchasers of the goods. As Jacob J. stated in *Roussel Uclaf SA v Hockley International Ltd* [1996] R.P.C. 441 at p.443:

“It is the law that where the patentee supplies his product and at the time of the supply informs the person supplied (normally via the contract) that there are limitations as to what may be done with the product supplied then, provided those terms are brought home first to the person originally supplied and, second, to subsequent dealers in the product, no licence to carry out or do any act outside the terms of the licence runs with the goods. If no limited licence is imposed on them at the time of the first supply no amount of notice thereafter either to the original supplyee (if that is the appropriate word) or persons who derive title



from him can turn the general licence into a limited licence.”

157. Where a patented product has been sold abroad by a licensee of the patentee, rather than the patentee himself, the position is different. In *Societe' Anonyme des Manufactures de Glaces v Tilghman's Patent Sand Blast Company* (1883) 25 ChD 1 the defendant owned patents in England and Belgium. The defendant granted the plaintiff a licence to manufacture the patented product in Belgium. The plaintiff sold products made in Belgium in England. The plaintiff brought a claim for threats out of circulars issued by the defendant. The Court of Appeal held that a licence under a Belgian patent was not the same thing as a licence under the English patent and thus did not prevent the patentee from exercising its right to prevent import and sale in England. Cotton L.J. distinguished *Betts v Willmott* at p.9 as follows:

“In my opinion the license to use a patented invention under a foreign patent stands in a very different position from the sale of an article manufactured under either a foreign or an English patent. When an article is sold without any restriction on the buyer, whether it is manufactured under one or the other patent, that, in my opinion, as against the vendor gives the purchaser an absolute right to deal with that which he so buys in any way he thinks fit, and of course that includes selling in any country where there is a patent in the possession of and owned by the vendor. Here, as is pointed out, it is simply a license to manufacture.””

154. After considering a number of authorities in different jurisdictions Arnold J concluded that “the post-*Tilghman* cases are authority for the proposition that a purchaser from a licensee can only acquire such rights as the licensee has”: see [162]. He also rejected a number of arguments for extending the principle from a patentee to a licensee. In particular, he concluded that there was a fundamental difference between the sale of a product and the grant of a licence under patent. Where a product is sold, the purchaser acquires all rights which are not expressly reserved. But where a patent is licensed, the licensee acquires only those rights which were expressly or necessarily granted: see [163].

155. In my judgment, therefore, *HTC* provides no authority for the proposition that the payment of royalties under a licence which Huawei granted for its Chinese SEPs pursuant to a FRAND determination in the Shenzhen Claim would licence MediaTek to import and sell either handsets or infrastructure into the UK as a matter of necessary implication or by any separate doctrine of exhaustion. Likewise, it provides no authority for the proposition that any damages awarded by any of the Courts in the Infringement Claims would have the same effect.

(5) *Panasonic*

156. Before turning to the application of the principles above, I remind myself of certain general principles or features of FRAND litigation which I must keep in mind when considering the applications. These principles are conveniently set out in *Panasonic* and the first is that the declaration by a patentee that it is prepared to grant a licence on FRAND terms and the willingness expressed by an implementer to accept one does not simply result in an outcome, namely, a licence on those terms. It also imposes duties on the parties during the process (however it takes effect). Arnold LJ stated this at [21]:

“Although the expression "FRAND" primarily refers to a result, it has been increasingly recognised since the decision of the Court of Justice of the European Union in Case C-170/13 *Huawei Technologies Co Ltd v ZTE Corp* [EU:C:2015:477 ] that the FRAND obligation extends to the process by which the parties negotiate for a licence: see *UPSC* at [64]. What this means is that a SEP holder is required to behave consistently with its obligation to grant a licence on FRAND terms, and an implementer is required to behave consistently with its need to take a licence on FRAND terms. Thus the SEP holder should not behave in a manner which promotes hold up, and the implementer should not behave in a manner which promotes hold out. On the contrary, both parties should attempt in good faith to negotiate terms which are FRAND.”

157. In *Panasonic* Arnold LJ also emphasised that the implementer is entitled to a licence on FRAND terms from the first day on which it implements the standard provided that it is willing to take a licence on those terms. The Court is entitled, therefore, to view the conduct of the parties in other jurisdictions in that context. In *Panasonic* itself both the SEP holder and the implementer had undertaken to accept a licence on FRAND terms to be determined by the English Court. However, the SEP holder claimed to be free to pursue its claims for an injunction in a German Court until after the FRAND trial and the judge had delivered judgment. Arnold LJ disagreed at [82] to [86]:

“82. In those circumstances, I return to the question I posed in paragraph 45 above. What is the point of *Panasonic* pursuing the German Proceedings with all their attendant effort and expense in these circumstances? As the judge noted at [95], *Panasonic* is candid that its objective is to obtain injunctions in order to achieve a negotiated settlement with Xiaomi rather than await the determination of the Patents Court. What purpose is served by this given that (i) *Panasonic* is assured of getting FRAND terms anyway as a result of the Patents Court's decision and (ii) nothing in the English proceedings prevents the parties from negotiating an earlier settlement of their dispute? As counsel for *Panasonic*

had to accept during the course of argument in this Court, Panasonic seeks to achieve better terms than those determined by the Patents Court. Put bluntly, Panasonic wishes to use the exclusionary power of injunctions granted by the German courts and/or the UPC to try to force Xiaomi to pay more than the English courts would order. Panasonic must think that there is some prospect of the German Proceedings achieving this, otherwise it would not be wasting a large amount of time and money on them. Contrary to Panasonic's submission, it is no answer to this that a range of terms may be FRAND, because that will be taken into account by the Patents Court in its determination.

83. The judge did not confront this question. He appears to have been diverted by Xiaomi's criticisms of the German courts' approach into addressing a different question, which is whether the German courts' approach to the FRAND defence (or that of the UPC) would force Xiaomi to accept a supra-FRAND offer from Panasonic. I am sure that the German courts do not consider that their approach forces implementers to accept supra-FRAND offers from SEP holders. But in this case Panasonic has itself invoked the jurisdiction of the English courts to determine what is FRAND on a global basis, and has undertaken to accept the determination of the Patents Court on that question. It is wholly inconsistent with that for Panasonic to try to force Xiaomi to agree to terms more favourable to Panasonic than the English courts would order by pursuing proceedings elsewhere with all the attendant cost and expense for both parties. This would be true whether the foreign proceedings were in Germany or the UPC or anywhere else in the world. In other words, the correct focus is upon Panasonic's conduct, and not upon the foreign courts' potential decisions as a result of that conduct.

84. Furthermore, Xiaomi have offered to take an interim licence with the payment of royalties to Panasonic pending the determination of the Patents Court. Any rational SEP holder in the position of Panasonic would want to be paid sooner rather than later. Thus any rational SEP holder in the position of Panasonic would positively want the implementer to enter into an interim licence. Why is Panasonic unwilling to agree to this when Xiaomi are offering to do so? Again, the judge did not ask himself this question. Panasonic's reluctance is only explicable on the basis that it is seeking to compel Xiaomi to accept terms more favourable to Panasonic than the Patents Court would order.

85. Panasonic has attempted to defuse this point with its revised Non-Enforcement Proposal, but that is not an answer to it. What this shows is that, in reality, Panasonic appreciates that there should be an interim licence rather than continued litigation in multiple jurisdictions, and that the real dispute is over the terms. Panasonic wants terms that would require Xiaomi to pay the full amount demanded by Panasonic for a licence until 2029. Not only is that manifestly unreasonable when the interim licence will only last for a few months from now, but also it would, if accepted prior to 13 September 2024, have resulted in a substantial overpayment by Xiaomi.

86. The next question is whether in these circumstances, Panasonic is

acting in good faith in negotiating a licence with Xiaomi on FRAND terms as required by clause 6.1 of the ETSI IPR Policy. As the judge recognised, the fact that Panasonic may believe that it is entitled to adopt this course does not compel the conclusion that, upon an objective assessment, Panasonic is acting in good faith. In my judgment Panasonic's conduct is indefensible. As discussed above, FRAND is a process and not merely an end-point. Panasonic is not complying with its obligation to negotiate a licence with Xiaomi in good faith, and thereby avoid hold-up, but aiming to coerce Xiaomi into accepting terms more favourable to Panasonic than the Patents Court would determine to be FRAND.”

## **V. Application**

158. As Mr Raphael and his team acknowledged at the beginning of their Skeleton Argument, the “real fight” is between the First Claimant and the First Defendant and the English companies have a limited role to play in this litigation. I begin, therefore, by considering the claims against the First Defendant before going on to consider the claims against the Second Defendant and whether they should continue in the light of my decision in relation to the First Defendant.

### **J. The First Defendant**

159. Huawei accepted in its Skeleton Argument that it was not necessary to address the Challenged Patent Claims in relation to jurisdiction and accepted that the Asserted Patents Claims “fit within gateways” although it sought a stay of all of those claims. The principal jurisdictional dispute between the parties related to the FRAND Claims. However, even this issue does not arise if the First Defendant was served with the FRAND Claims pursuant to CPR Part 63.14. I begin, therefore, by considering this issue.

#### ***(1) CPR Part 63.14***

160. Huawei accepted that the Challenged Patent Claims were validly served under 63.14(2) and MediaTek accepted that this rule could not be used for service of the Asserted Patents Claims. The issue between the parties was whether the FRAND Claims were validly served under the rule and this question turned on whether those claims are claims “relating to a registered right” (the registered right in question being the Challenged Patent).

161. Mr Raphael submitted that Claim (6) was a claim for a worldwide licence over worldwide patents and was not a claim in the sense permitted by *Actavis*. He also submitted that

*Tesla* was unsupported by any reasoning but that it could be distinguished on the basis that Claim (6) extended not only to the Huawei portfolio of patents but also to the MediaTek portfolio. The claim relating to the MediaTek portfolio was not related, so he submitted, to the Challenged Patents. Finally, he submitted that Claim (6) was not a claim under the PA 1977 or CPR Part 63 but a claim to enforce a contractual right under the ETSI IPR Policy.

162. I reject those submissions. In my judgment, Fancourt J’s *obiter* conclusion in *Tesla* was correct and I follow it. I do so for the reason given by Zacaroli J in *Alcatel HC*. Mr Raphael’s argument confuses the *licence* claimed by MediaTek as relief with the subject matter of the *claim* itself. The FRAND Claims are brought to enforce the contractual obligations of Huawei pursuant to the ETSI declaration which it has made in respect of the Challenged Patent even though the relief claimed is a licence which covers the worldwide portfolios of both Huawei and MediaTek patents.
163. Although Zacaroli J was considering Gateway 11 and not CPR Part 63.14(2) the question was essentially the same. Does the claim to a FRAND determination “relate” to the patent registered within the jurisdiction? Indeed, as Ms Stratford submitted, it is easier to satisfy CPR Part 63.14(2) than to pass through Gateway 11 because all that it requires is a relevant relationship between the claim and the registered right whereas Gateway 11 requires a claimant to establish not only a relevant relationship but also that the claim relates “wholly or principally” to the registered patent.
164. In the present case MediaTek alleges in the Particulars of Claim that its FRAND declarations require Huawei to offer a licence for both portfolios based on the principle of reciprocity: see paragraph 129. Huawei disputed whether MediaTek had ticked the box in any of its ETSI declarations making its undertaking “subject to the condition that those who seek licences seek to reciprocate” and it put MediaTek to proof in relation to its own ETSI declarations. But I have determined that issue in MediaTek’s favour and I have also held that the wider question whether MediaTek is entitled to a cross-licence is a matter for the FRAND trial.
165. Mr Raphael’s other principal objection to MediaTek’s reliance upon CPR Part 63.14(2) was that Claim (6) did not expressly refer to the Challenged Patent and was not qualified by wording which made it clear that the Court could only grant such a declaration

“insofar” as it relates to the Challenged Patent. In my judgment, this is a pleading point and not one of substance. Claims (6) and (7) have to be read together with Claims (4) and (5) and against the background of *Vestel* and the authorities which follow. When read in that context, it is obvious that Claims (6) and (7) are intended to assert the “claim of right” which Arnold LJ clearly accepted that an implementer is entitled to make in *Panasonic*: see [79].

166. Furthermore, I am also satisfied that Claims (6) and (7) are anchored by Claims (4) and (5) and do not suffer from the vice which Birss LJ identified in *Vestel*. It might have been better if Claim (7) had preceded Claim (6) since MediaTek is not entitled to a licence on FRAND terms unless it is a beneficiary of Huawei’s ETSI declaration in relation to the Challenged Patent. But in any event, the term “**FRAND Commitment**” is clearly defined by reference to all of Huawei’s ETSI declarations: see paragraph 55. MediaTek also pleads in terms that the relevant declarations include the FRAND declarations in relation to both the Asserted Patents and the Challenged Patent: see paragraphs 130 and 131. I, therefore, dismiss this objection.

167. Accordingly, I hold that the First Defendant has been served in the jurisdiction with the FRAND Claims in accordance with CPR Part 63.14(2). The question whether those declarations are an appropriate form of relief must be decided at the FRAND trial unless Huawei is able to persuade the Court (as in *Tesla*) that the declarations in the form of the FRAND Claims would not serve any useful purpose. This is a point to which I return in relation to the application for a case management stay.

(2) *CPR Part 6.36 and PD 6B*

(i) The Asserted Patents Claims

168. Mr Raphael and his team accepted in their Skeleton Argument that jurisdiction was not challenged in relation to Claims (1) and (2) although they sought a case management stay. They only challenged Claim (3) on *forum conveniens* grounds and discretion. They did not directly address Claim (10) but it appeared to be common ground that Claim (10) was parasitic on Claims (1) and (2). In case there is any doubt, I am satisfied that the three requirements of the *Altimo* test are satisfied in relation to all of the Asserted Patents Claims for reasons which I briefly explain.

169. *Altimo I*. MediaTek has served detailed Particulars of Infringement supported by witness evidence in which the First Defendant claims that Huawei's mobile devices and infrastructure equipment were means which related to an essential element of the methods claimed in each of the three Asserted Patents. The First Defendant has served a Technical Defence in which it denies that any of the alleged inventions claimed in the three Asserted Patents are patentable inventions having regard to certain technical information. Huawei did not submit that MediaTek had no real prospects of success in relation to its claims of infringement or that the Court could determine any of the technical issues on this application. In my judgment, there are clearly serious issues to be tried in relation to the particulars of infringement.
170. Huawei did submit, however, that the Court should refuse to grant permission to MediaTek to amend the Particulars of Claim, paragraph 107 on the basis that it had no real prospect of success:

“New Damages Claim (AMPOC 2, §107). The draft 2 amendments at AMPOC 2, §107 seek to introduce a new claim for “past damages, which MediaTek say should be assessed at a portfolio rate”. It is not clear what is being claimed. Huawei have therefore asked MediaTek to explain, in particular as to whether MediaTek is claiming for damages for infringement outside the UK. An unclear answer has been given which seems to leave open the possibility of such damages being claimed following appeal. Further clarity is being sought, but at present Huawei can only proceed on the basis that there is a potential for this claim to become global. However, (1) if the claim is for global damages it would have no real prospects of success as the infringement of UK patents can only justify damages as to the consequences of UK infringement: *IPCOM v HTC* [2020] EWHC 2941; (2) such a claim would not fall within any jurisdictional gateway and Huawei would deny the Court's jurisdiction over it, or that it should exercise any such jurisdiction (see below). In the circumstances, permission to amend should be refused over this claim so far as it contains a claim for global damages, even if the main jurisdiction challenges are refused.”

171. My understanding of paragraph 107 was that MediaTek was seeking to do no more than make it clear that it would pursue a claim for damages for historic infringement of the Asserted Patents as well as a FRAND injunction. It was also my understanding that the reference to a “portfolio rate” was simply to the way in which damages would be calculated and not intended to be a claim for damages for infringement of patents which are not registered in the UK. It was important to MediaTek to assert the claim for damages

for jurisdictional reasons to meet Huawei's point that it was either no longer infringing or no longer intended to do so. But in any event, I will not grant permission to amend at this stage until MediaTek has clarified its position.

172. *Altimo* 2. Mr Heaney gave evidence that Huawei did not deny that there was a good arguable case that Claims (1), (2) and (10) fall within one or more of the Gateways. In my judgment, this concession was properly made and all three claims fall within Gateway 11. I am also satisfied that there is an arguable case that Claim (3) falls within both Gateway 2 and Gateway 11. I see no material distinction between the FRAND injunction claimed by MediaTek in this action and the FRAND injunction claimed in *Conversant HC*: see [124] (above). Moreover, I am also satisfied that Claim (3) falls within Gateway 4A on the basis that it arises out of the same or substantially the same facts as Claims (1), (2) and (10).
173. *Altimo* 3. There was no dispute that the third limb of the *Altimo* test was satisfied for Claims (1), (2) and (10) or that the English Court is clearly and distinctly the appropriate forum to hear these claims. The Asserted Patents Claims relate to the infringement of three patents of which the Claimants are the owners and which are registered in the United Kingdom and Claims (1) and (2) are for declarations of essentiality and validity. Moreover, the English Court would ordinarily be the appropriate forum to decide whether to grant a permanent injunction to enforce the SEP holders' rights and to restrain infringement of those patents. However, Huawei argued that because Claim (3) potentially involved a FRAND determination, MediaTek could not establish that the English Court was clearly the appropriate forum because the Chinese Courts were the more appropriate forum for a FRAND rate-setting exercise.
174. I reject that submission. It was based on the assumption that Claim (3) was: "if it proceeded, likely give rise to facts as to FRAND determinations (if Huawei defended the injunction on FRAND grounds, which it can be realistically inferred it would)". However, I am not prepared to draw that inference. Huawei has not pleaded a FRAND defence in answer to the Particulars of Claim or the Particulars of Infringement and by letter dated 14 November 2024 Kirkland wrote to A&O Shearman inviting Huawei to make its position clear and, in particular, to give the following undertaking:

"Irrevocably and unconditionally undertake to the Court that they will not seek to rely on MediaTek's FRAND obligations as a defence to a claim for



infringement of any of MediaTek's UK SEPs at any stage in these proceedings and, if found to infringe a valid UK SEP, will submit to an injunction and damages in respect of Huawei 4G or 5G enabled infrastructure and portable devices in the UK (including use of the same in the UK) or, if not, explain why not."

175. Huawei had still not provided a clear answer to this request by the time of the hearing or, indeed, in any of the correspondence which followed it. Indeed, by letter dated 10 December 2024 A&O Shearman made it clear that Huawei intended to keep its options open and stated that under English law an implementer has to elect whether to take any FRAND licence to be determined by the English Court at the hearing following the technical trial. If Huawei chooses not to take a FRAND licence at that stage, then there could be no jurisdictional objection to the Court granting a permanent injunction to restrain infringement. Huawei cannot have it both ways and invite the Court to draw an inference that it will take a FRAND licence when it is not prepared to commit itself at this stage. I am, therefore, satisfied that the Court had jurisdiction to permit service out of the jurisdiction in relation to all of the Asserted Patents Claims.

176. In *Nokia Technologies Oy v Oneplus Technology (Shenzhen) Co Ltd* [2023] EWHC 1912 (Pat), [2024] RPC 1 ("*Nokia E*") Meade J held that the fact that it was uncertain whether the implementer would ultimately accept a FRAND licence was not a reason for refusing an injunction: see [255]. Further, in *Lenovo I* Richards J gave an example of circumstances in which the Court might grant a FRAND injunction even if the implementer was a net payer. He stated this at [91] and [92]:

"91. Moreover, there are in my judgment real-world scenarios in which the court might make a FRAND Injunction even if (i) the English courts chose to look beyond Ericsson's refusal to give an undertaking to accept an English court's determination of a FRAND licence and (ii) Ericsson would be a net recipient of royalty under a FRAND cross-licence. Suppose, for example, that Ericsson was engaging in non-FRAND behaviour that consisted in securing injunctions in various jurisdictions in order to pressure Lenovo into agreeing a licence at supra-FRAND rates. Suppose, by the time the English Proceedings come to trial, the EDNC Proceedings have still not concluded and Ericsson is found to be engaging in delaying tactics in relation to those proceedings. If that were the factual position, and an English court found that Ericsson was infringing the Lenovo Patent, it might well conclude that the balance comes down in favour of making some kind of FRAND Injunction.

92. Ericsson objects, submitting that even in the circumstances set out in

paragraph 91, Lenovo would not be coming to an English court with clean hands because it would necessarily owe Ericsson a net sum of money under a global FRAND cross-licence once that is concluded. However, I do not accept that this conclusion necessarily follows. If Ericsson was found to be largely responsible for the fact that no FRAND cross-licence had been concluded, I regard it as at least reasonably possible that an English court might grant Lenovo a FRAND Injunction as to do otherwise could result in Lenovo obtaining no adequate remedy for any infringement of the Lenovo SEP.”

(ii) The FRAND Claims

177. If I am wrong about the scope of CPR Part 63.14(2) I now consider whether the Court had jurisdiction to permit service out of the jurisdiction of those claims under CPR Part 6.36 and PD 6B. As I have stated, it is now established law that an implementer is entitled to a licence on FRAND terms as of right: see *Panasonic* at [79]. In the normal course, therefore, an implementer ought to be able to pass through (at least) Gateways 11 and 16A and invoke the Court’s jurisdiction to make a FRAND determination by bringing a claim challenging one or more SEPs registered in the United Kingdom. Indeed, the FRAND Claims are in very similar terms to the claims made in *Tesla*: see [47]. However, Huawei sought to distinguish these authorities on a number of grounds.
178. *Altimo 1*. Mr Raphael and his team did not specifically address the first limb of the *Altimo* test in relation to the First Defendant or dispute that it was satisfied. In particular, they did not argue that the allegations of discriminatory conduct had no real prospects of success either in the Civil Complaint in China or before the English Court and in relation to any FRAND determination. But in case there is any doubt, I am satisfied that MediaTek has a real as opposed to fanciful prospect of success in relation to that issue whether it is a matter of Chinese law or English law.
179. Indeed, Mr Raphael and his team took only one point on the merits of the FRAND Claims. They submitted that the Particulars of Claim, paragraphs 128A and 128B had no real prospect of success for the following reason:

“New licence claim: at 128A-B. A new claim is raised alleging a right to a licence over the UK patents in the Huawei portfolio and seeking declarations on that basis. This is an artificial dodge (as a way to seek to get within gateways – see below). In fact what MediaTek want and are really claiming for is a licence over the Huawei portfolio worldwide. But

if narrowed this way the claim has no real prospects. Declarations must have a useful purpose (*Panasonic v Xiaomi* (CA) [27]). But MediaTek do not need a licence over Huawei's UK portfolio, as Huawei has undertaken not to claim for infringement. So there is no useful purpose for a declaration so narrowed."

180. I deal with Huawei's proposed undertaking below but in terms of the pleading itself, I reject that submission. Paragraph 128A contains a purely factual allegation, namely, that Huawei has refused to confirm whether it will rely on a FRAND defence to the Asserted Patents Claim or to acknowledge that MediaTek itself has not infringed any of Huawei's SEPs in the UK. Huawei did not submit that MediaTek had no real prospect of proving these allegations and I am satisfied that it does.
181. In particular, I have held that MediaTek has a real as opposed to fanciful prospect of proving that its R&D, testing and verification activities in the UK are significant and that there is a real risk they would involve the infringement of Huawei's portfolio (including the Challenged Patent). I have also set out an extract from the letter dated 14 November 2024 and subject to the effect of the proposed undertaking, I am satisfied that paragraph 128A contains an accurate (or arguably accurate) summary of the correspondence.
182. The first sentence of paragraph 128B sets out the consequences which MediaTek contends should follow from Huawei's stance as pleaded in paragraph 128A, namely, that it is necessary for MediaTek to assert its right to rely on Huawei's ETSI declarations and to apply to Court for a FRAND determination. In my judgment, this is not a claim to a freestanding global licence but a claim to a licence on FRAND terms as of right and an assertion of the terms which it contends are most favourable. In my judgment, this claim has a real prospect of success and supports the declarations in each of Claims (6) and (7).
183. *Altimo* 2. Mr Raphael and his team submitted that the Court should distinguish *Vestel*, *Tesla* and *Alcatel* and that the FRAND Claims did not pass through any relevant Gateways because it was seeking a declaration that global licence of both portfolios would be FRAND. Huawei put this point in a number of different ways:

"a. First, claim 6 is not a claim to the terms of a licence under the UK SEPs in the Huawei Portfolio, nor even to the UK SEPS in the Huawei and MediaTek Portfolios. It is a claim as to what the FRAND terms would be for licence as to the terms covering the whole of both Huawei and MediaTek Portfolios, worldwide. An attempt has been made to conceal

this by deleting the word “worldwide” at points in AMPOC 2 but it doesn’t change the reality: AMPOC 2, §§102, 105, 109, 129. Nor is this changed by the fact that in AMPOC 2, an attempt is made at points to put the claim by reference only to a licence “for the UK Patents in the Huawei portfolio” which is said to be a “lumpsum reciprocal licence” (eg at §128B). The reality is that this claim as sought, and as pleaded overall, is about patents worldwide in both portfolios. Further the heart of this claim is about trying to prevent Huawei from seeking a licence from MediaTek at all, or from seeking a royalty bearing licence. See unamended POC at §4-5, and also AMPOC 2 §§99-100 and Lim 2, §§17-18.

b. Second, there is no pleaded or any legal right to claim 6 which is coextensive with the declaration sought. Whatever the position on the supposed new claim at AMPOC 2 §128A-B as to a right to a licence to the Huawei Portfolio, allegedly enforcing Huawei’s ETSI undertaking, MediaTek has no legal claim to a right to the licence to the MediaTek portfolio, and anyway has not pleaded any such claim. Huawei’s contractual undertaking applies only to its own portfolio. In that regard:

i. MediaTek has not adduced evidence as to whether Huawei’s ETSI undertakings tick the box which mean that they are “made subject to the condition that those who seek licences agree to reciprocate”, and Huawei has not had time to address what this might mean. But even assuming they do without complication, that does not impose a legal obligation on Huawei to licence the MediaTek portfolio, only a condition on MediaTek if it seeks a licence from Huawei. Further, an implementer does not have a legal obligation to give a FRAND licence or cross licence to a patentee: rather the patentee can claim for infringement and failing undertaking by the implementer to enter a FRAND licence (if there is a valid and essential SEP), can obtain an injunction: *Nokia v Oppo* (Meade J) [2024] RPC 1, [109], [118].

ii. No pleaded case to a legal right to the contrary is identified in AMPOC 2 §128(B). It may be that a vague plea intended to go this way is contained in the new wording in §129 which adds “in accordance with the principle of reciprocity” but what this is is not explained. There is no legal right of that kind to a licence. If some new idea later comes up, it has not been explained in evidence or at all. It is too late for such an issue to be relied on, when it would have required evidence.

c. Again, MediaTek’s case here is inconsistent with its case on forum: for forum it says that its case is all about infringement of the MediaTek patents. Here it is saying that its case is “wholly or principally” about the Huawei UK patents.

d. Third, since there is no legal claim, Gateway 11 is not satisfied per *Vestel* [70].

e. Alternatively, at most this is a claim for a declaration in the Court’s inherent jurisdiction. As such it is within *Vestel* [72] which left open

whether such claim was within Gateway 11. The matter can be assessed freely. Standing back, as a matter of common sense and basic logic, the subject matter of this claim is clearly not “wholly or principally” about property in England, but is about contractual claims as to property worldwide (and in particular in China) and centrally about whether MediaTek are able not to pay Huawei for a licence. If, contrary to the above, there is anything in *Vestel* [71] or Alcatel inconsistent with the above, Huawei would also respectfully submit that is wrong.

f. A further problem for MediaTek is that if its claim were (artificially) reinterpreted as solely a licence to Huawei’s UK SEPs (to fit within Vestel), it would have no real prospects of success, as already explained under §58 above: the claim would have no utility because MediaTek is not infringing in the UK save at most as to the minimal R&D/testing/verification, which Huawei is content to undertake not to sue for infringement in respect of, if jurisdiction fails.”

184. I deal with each submission in turn. Submission (a) does not accurately reflect *Vestel* and suffers from the same vice as Huawei’s submission in relation to CPR Part 63.14(2). Claim (6) is not a freestanding claim for a licence covering the whole of both portfolios. It is a claim to enforce the contractual obligation of the First Defendant pursuant to the declaration which it made in respect of the Challenged Patent to grant a licence on FRAND terms. As such, it relates to property within the jurisdiction and passes through Gateway 11 because it relates to property within the UK, namely, the Challenged Patent. It also passes through Gateway 16A: see *Alcatel HC* at [111]. Huawei’s argument involves a conflation between the subject matter of the claim and the form of relief.
185. Moreover, I am not satisfied that this analysis is affected by the claim that MediaTek is entitled to a “royalty-free” licence of the Huawei portfolio. One of the critical issues to be tried is whether a FRAND licence of the Huawei portfolio would involve the payment of a licence fee if other chip manufacturers are paying no licence fee for the portfolio and “downstream” manufacturers or distributors are already paying a licence fee for incorporating MediaTek’s chips or chipsets into their handsets or infrastructure.
186. In both *Alcatel HC* and *Lenovo Group Ltd v Interdigital Technology Corporation* [2024] EWHC 1036 (Pat) (“*Lenovo 2*”) (Richards J) similar arguments were advanced and in both cases those claims were held to satisfy the first two limbs of the *Altimo* test. Zacaroli J dealt with this point at [55] to [62]:

“55. These points, however, only take Amazon so far. It is not enough to

show that a pool licence, covering patents owned by several proprietors, is capable of being RAND. In order to survive the strike out application, Amazon must show that it has a sufficiently arguable case that, in order to be RAND in the circumstances of this case, it is necessary that a licence granted by Nokia would include an option to a right to use the Alcatel NEPs. It seeks to do so on the basis that, in view of the likelihood that Nokia grants licences to others on such a basis, it would be discriminatory not to offer such a licence to Amazon.

56. Nokia and Alcatel contend, first, that Amazon's case is legally flawed, because the RAND obligation relates to, and only to, SEPs. The obligation requires Nokia to offer a licence to SEPs on terms that are non-discriminatory. The "non-discriminatory" requirement focuses on the consideration demanded by Nokia in return for the licence of the SEPs. The fact (if it be the case) that Nokia offers a licence to others to a portfolio of patents, including SEPs and NEPs cannot require it (pursuant to the non-discriminatory requirement) to offer such a portfolio to Amazon.

57. Nokia and Alcatel accept that the fact that licences offered elsewhere included NEPs would be a relevant factor, but only to the extent of determining whether the consideration required for the licence in respect of the SEPs was discriminatory. If, for example, Nokia offered to others a portfolio of SEPs and NEPs for an overall price of £x, and offered a portfolio of only the same SEPs to Amazon for an overall price of £x, then it might be said that this was discriminatory because part of the consideration payable by others was referable to the NEPs, so that they were being required to pay less for the SEPs. The discriminatory aspect related, however, to the consideration, not to the fact that the right to use SEPs and NEPs was offered to others.

58. Powerful as this argument is, I am not prepared to conclude, at this strike-out stage, that discrimination could not also be established by reference to the content of the package of rights offered to other licensees. I accept that there are arguably logistical and other benefits, beyond purely financial benefits, in an implementer having a licence (or right to use) related NEPs as part of a portfolio licence.

59. A similar argument was accepted by Richards J in *Lenovo Group Limited v Interdigital Technology Corporation* [2024] EWHC 1036 (Pat). In that case, four companies in the InterDigital group (referred to in the judgment as "*InterDigital*") held a portfolio of patents, including SEPs declared to ETSI as being essential to 2G-5G cellular standards, SEPs declared to other SSOs, and NEPs. Lenovo brought proceedings for declarations of invalidity, non-essentiality and non-infringement of two specific UK SEPs owned by InterDigital. Lenovo claimed that InterDigital's FRAND commitment required it to offer a global portfolio licence, extending beyond the SEPs.

60. Lenovo had obtained permission to serve its claim out of the

jurisdiction in an order made on a without notice basis, and InterDigital applied to set aside that order. The only matter in issue was whether Lenovo's claim passed the merits test: was there a serious issue to be tried?

61. Lenovo's argument was as follows: (1) InterDigital had entered into portfolio licences with others; (2) the fact that it had done so, and Lenovo's own experience of InterDigital's practices, was suggestive of some wider pattern of behaviour under which licences were not limited to Cellular SEPs, but also dealt with other aspects of InterDigital's wider patent portfolio; (3) given that pattern of behaviour, it would be discriminatory for InterDigital not to offer a similar deal to Lenovo; (4) accordingly, a portfolio licence would be FRAND.

62. Richards J accepted that this was sufficiently arguable to pass the merits test. He considered that Lenovo's current pleading did not sufficiently "join the dots" because they did not say in terms that if InterDigital did not offer Lenovo a portfolio licence it would be offering Lenovo a different deal from others which, being discriminatory, could not be FRAND. He nevertheless found that the argument was sufficiently set out in the evidence, and he gave Lenovo the opportunity to join the dots in its pleading to reflect the case that was set out in the evidence."

187. In *Lenovo 2* Richards J also rejected the argument that Lenovo had to establish a good arguable case that only a portfolio licence would be FRAND (and in that case the issue was whether a licence on FRAND terms would extend to other SEPs and NEPs apart from cellular SEPs): see [40]. The judge also dealt with the argument that the discrimination claim had no real prospects of success at [41] to [45]:

"40. I do not, therefore, accept InterDigital's argument that unless Lenovo can show a good arguable case that only a Portfolio Licence is FRAND, its claim for a Portfolio Licence fails the merits test. Nor do I consider that it is fatal to Lenovo's claim that it continues to assert even in the April Draft POC that the "best comparable" is the Cellular PLA which is a licence of Cellular SEPS only. Certainly, it will have to explain a possible inconsistency, but it is perfectly possible that the Cellular PLA is a good comparable in terms of rate, but other licences are good comparables in terms of coverage and whether or not a Portfolio Licence would be FRAND.

41. The next strand of InterDigital's argument is that it would be extremely surprising that by declaring essential a single SEP to ETSI either (i), a patentee suddenly becomes obliged to grant a licence over its whole patent portfolio or (ii) a particular implementer becomes immediately licensed to the patentee's whole patent portfolio, including patents unconnected with ETSI.

42. InterDigital amplifies this point by saying it would be surprising indeed for a SEP-owner to become under an obligation to license all patents when

it may well have specifically told ETSI that it was not prepared to license particular patents pursuant to the ETSI IPR Policy. However, these objections, in my judgment mischaracterise Lenovo's case. Lenovo does not argue that an owner of a single SEP necessarily immediately has to license its whole portfolio. Nor is it said that it is inevitable that a SEP-owner must license patents that it would otherwise be unwilling to license. Lenovo's point is based squarely on InterDigital's specific factual position and assertions as to InterDigital's licensing practices generally.

43. InterDigital says that Lenovo seeks a licence of Other SEPs and NEPs at no cost and that such a bold claim self-evidently fails the merits test. I do not agree as this argument involves a misreading of the pleaded case. Paragraph 66 of the April Draft POC indicates to me that Lenovo seeks to pay the going rate for a licence that deals with the whole of InterDigital's portfolio.

44. InterDigital complains that the evidence advanced to underpin the pattern of behaviour that is asserted is thin. It says that Lenovo has not substantiated a point made in submissions to the effect that InterDigital has a "universal" or "pervasive" practice of offering Portfolio Licences. InterDigital also accuses Lenovo of cherry-picking by referring to what is publicly known about InterDigital's licence with Xiaomi, without saying anything about other licences that came into Lenovo's possession following disclosure in the Earlier English Proceedings. Lenovo suggests that this is not just explicable because of concerns about CRP 31.22 or confidentiality, given Lenovo's previous breach of those requirements.

45. The particulars given are certainly not as full as they might be following disclosure, but that is because, to a large extent, they have been compiled from publicly available information. It is appropriate for me to have an eye on the evidence that will ultimately be available at trial. It is highly likely that InterDigital will be required to give disclosure of comparable licences with other counterparties. If a good proportion of those contain Portfolio Licences, then Lenovo may have a runnable case. If relatively few do, and Lenovo has been cherry-picking, InterDigital may well apply to strike out Lenovo's claim for a Portfolio Licence. Given the likely availability of evidence such as this, it is not, in my judgment, appropriate to say at this stage that the claim for a Portfolio Licence fails the merits test. It is too early to deny Lenovo the opportunity to prove at trial, by reference to the full suite of evidence, that a Portfolio Licence would be FRAND."

188. I see no relevant distinction between *Alcatel HC* and *Lenovo 2* on the one hand and the present case on the other for the purposes of jurisdiction. MediaTek is advancing a claim for discrimination in both the Civil Complaint and the present action. Mr Raphael did not submit that this claim had no real prospect of success in either jurisdiction. His argument was that this Court had no jurisdiction to hear it. But in *Alcatel HC* Zacaroli J held that it passed through Gateways 11 and 16A applying both *Vestel* and *Tesla*. In *Lenovo 2*



Richards J held that the Court had jurisdiction once he was satisfied that the implementer had a real prospect of success on the merits. I reject submission (a).

189. It is clear that submission (b)(i) is principally directed at the question of reciprocity and whether either Huawei or MediaTek had ticked the relevant box on the form. I have dealt with the evidence on this issue above and I am satisfied that both MediaTek and Huawei have given obligations to reciprocate in their ETSI declarations for two of the three Asserted Patents and the Challenged Patent. I am also satisfied there is a serious issue to be tried whether it would be FRAND to require both parties to enter into a cross-licence. Moreover, there was no dispute in *Nokia CA* that a FRAND licence of Nokia's portfolio would include a cross-licence of OPPO's portfolio and Arnold LJ accepted that the ETSI undertaking to reciprocate required an implementer to grant a cross-licence. He stated this at [24]:

“It is important to note that, in this case, it is common ground between the parties that a FRAND licence of Nokia's portfolio of SEPs, including the UK Patents, is a global licence. OPPO do not suggest that a UK only-licence would be FRAND. 25 It is also important to note that it does not appear to be disputed by OPPO that a FRAND licence of Nokia's portfolio of SEPs will include a cross-licence of OPPO's SEP portfolio. This is because Nokia exercised the option available them under clause 6.1 of the ETSI IPR Policy when making their declarations of essentiality of making their undertakings to grant licences on FRAND terms conditional upon reciprocal cross-licences on FRAND terms being granted by any implementer which has also made a declaration of essentiality.”

190. Mr Raphael did not take me to any authority for the proposition that the Court has no jurisdiction to declare that a cross-licence is FRAND or to grant a FRAND injunction unless an implementer gives an undertaking to enter into a cross-licence. Nor did he take me to any authority in which this point was argued out and in which it was submitted and accepted that Arnold LJ's dictum in *Nokia CA* (above) was wrong. Mr Raphael cited *Nokia E* as authority for the proposition that an implementer does not have an obligation to give a cross-licence to a patentee failing which a patentee can obtain an injunction. This is of course true. But there is nothing in the passages in *Nokia E* on which Mr Raphael relied to suggest that Meade J considered that the Court could not declare that a cross-licence was FRAND. I, therefore, reject submission (b)(i).

191. Submission (b)(ii) is a pure pleading point and I dismiss it. The Particulars of Claim,

paragraph 129 contains a clear plea that MediaTek is entitled to a worldwide cross-licence in accordance with the principle of reciprocity or alternatively a licence which takes into account both portfolios. In *Alcatel HC Zacaroli J* contemplated that a licence on FRAND terms might require either the SEP holder or the implementer to offer the option to take up a licence in very similar terms. In my judgment, paragraph 129 sets out a statement of the relief to which MediaTek claims to be entitled.

192. Submission (c) relates to Huawei's case that MediaTek is a "net payer". I have held in section F that there is a serious issue to be tried whether the Huawei or MediaTek would be the net payer under a global FRAND licence if the Court accepted jurisdiction to try that dispute. But even if the Court finds that a global cross-licence on FRAND terms would require MediaTek to make a net payment to Huawei, I do not consider this to be a reason for distinguishing *Vestel* or any of the other authorities on jurisdiction. In *Lenovo I Richards J* dealt with this issue in the context of characterisation. But he also pointed out that whoever was ultimately the net recipient, Lenovo had a significant portfolio of SEPs of its own and that this "anchored" its claim for a FRAND determination: see [77] (above). He also stated that it was well-established that a claim for a FRAND determination can be "anchored" by a claim for infringement of a single SEP. By parity of reasoning, a claim for a declaration of non-infringement of a single SEP will anchor a claim for a reciprocal licence of the implementer's SEPs. I, therefore, reject submission (c).
193. In my judgment, submission (d) is unarguable in the light of *Panasonic*. I also dismiss submissions (e) and (f). The argument that I should refuse to follow both *Vestel* and *Alcatel HC* and conclude that both decisions are obviously wrong is ambitious (to say the least). Even if I were satisfied that there was a potential argument that they are wrong (and I am not persuaded that there is), it is fanciful to suggest that the Court should find that there was no arguable case for the purposes of the threshold test for jurisdiction. I am satisfied that MediaTek has a good arguable case that it is entitled to pass through Gateways 11 and 16A. I am also satisfied that *Altimo 2* is satisfied.
194. Huawei addressed Claim (7) separately. Mr Raphael and his team submitted that Claim (7) was not an independent claim and should have the same analysis as Claim (6). I agree. I am also satisfied, therefore, that Claim (7) passes through Gateways 11 and 16A for the same reasons as Claim (6). Finally, Mr Raphael and his team advanced a series of reasons

why the FRAND Claims should not pass through Gateways 3 and 4A which I address only briefly. If I am wrong and the FRAND Claims are not claims to enforce the contractual obligation of the First Defendant pursuant to the declaration which it made in respect of the Challenged Patent to grant a licence on FRAND terms, then in my judgment they pass through Gateway 4A on the basis that they arise out of the same or closely connected facts as the Challenged Patent Claims.

195. *Altimo 3 (characterisation)*. The real issue between the parties was whether the appropriate forum for the determination of the FRAND Claims was the UK or China and characterisation of the dispute was central to that issue. Huawei submitted that the dispute should be characterised as a global licensing dispute. Mr Raphael and his team put Huawei's case very high:

“89. This claim should be characterised as about the FRANDness of Huawei's global licensing conduct, and the determination of FRAND terms for global licences, centrally for the Huawei portfolio. This is the “fundamental focus of the litigation”. It is not right, in any common sense fashion, to describe the case as about the vindication of the MediaTek UK patents. That is not what is really going on and not how a rational commercial observer would regard the case.

90. Alternatively, but expressing the same essential point, this claim can be separated, with: (1) The FRAND issues being the main claim, characterised as above, and stayed on grounds of forum in favour of China (2) MediaTek's infringement claims and validity claims and its damages claim being a dependent claim, not affecting characterisation of the main claim, which should then be stayed as a matter of case management, pending determination of FRAND in China. In that context, as to the injunction claim, in claim 3, one way of looking at it is it can be viewed as part of FRAND and stayed in forum conveniens. It is a matter that would only arise after a FRAND determination if a party did not take a licence on terms that had been settled. But if viewed as part of infringement of the UK patents, or otherwise something that has to happen here, then it falls into the same box as the infringement and damages claims (1 and 2 and 10) - to be stayed as a matter of case management pending determination of FRAND in China (see further below).

91. The essential point is that all the FRAND issues, which are the heart of the case, are to be characterised as centred in China, and so as we will develop, should be stayed on grounds of forum conveniens. The rest of the claims should be stayed on case management grounds awaiting the Chinese resolution.

92. This characterisation follows from the following:

a. By far the largest portfolio (17 times) is Huawei's. Huawei is clearly the net payee. [REDACTED]. It is Huawei that has sought payment, not

MediaTek. There is not, and never has been, any issue with Huawei paying for use of MediaTek's patents.

b. Both portfolios are centred in China, and so, overwhelmingly, is the relevant potentially infringing activity on both sides (see above). Any current and continuing infringements of Huawei's in England are commercially inconsequential, as Huawei does not sell material amounts of phones here and is no longer selling infrastructure, and even so far as concerns infrastructure, that is all being torn out and will be gone by end 2027. The value of FRAND licences to both portfolios is predominantly related to Chinese activity.

c. So far as concerns MediaTek, it does not substantially infringe in the UK, Huawei will not sue it for infringement here, and the vast bulk of its infringing activity is in China.

d. The real focus of the claim is, therefore, global licensing, global FRAND conduct, predominantly in China and centrally MediaTek's attempt to lower (or avoid) the net royalties it pays worldwide and indeed to challenge Huawei's right to seek a worldwide royalty bearing licence from it at all.

e. Thus, and where MediaTek is the net payer, this case is not about seeking vindication for MediaTek's UK patents. Even so far as it is concerned with revenue for its portfolio, its real focus is worldwide particularly China, which is why it sues there. While MediaTek seeks to focus on the absolute amounts of past UK sales, these were always a tiny percentage of the global figures, and would anyway be wrapped up in the global licence under which MediaTek are clearly going to be net payer. Given the inconsequentiality of any ongoing infringement by Huawei, MediaTek's targeting of UK infringement is only a jurisdictional hook.

f. The claim as to the Huawei portfolio is separable to any question of infringement of the MediaTek asserted patents. The essence of the pleading makes clear it is a separate free-standing matter. Indeed, the two portfolios are separate, are being treated separately for licensing purposes in China, and MediaTek do not have the better of the argument (indeed do not have a credible case at all) for any right to cross-licensing).

g. The correctness of Huawei's characterisation also follows from MediaTek's litigation in China. MediaTek has put essentially the same dispute before the Chinese courts."

196. Huawei also submitted that it was unnecessary for it to prove on a balance of probabilities or to the summary judgment standard that it would be the net payer and that *Conversant CA*, *Nokia CA* and *Lenovo I* could all be distinguished for the following reasons:

"a. *Conversant v Huawei (CA)*: the case was solely about Conversant's portfolio not Huawei's; and there was no issue as to the relevant infringements being centred elsewhere, nor about the value of a licence from Huawei being centred elsewhere. The Court of Appeal accepted [106] that if the claim were best viewed as about "a unitary global right" and one was considering "where the preponderance of the infringement

occurred”, and that if “the right in question would have been the same whether the action was brought in England or [abroad]”, then characterisation would have been different. See also [120] referring to artificial anchoring.

b. *Nokia v Oppo* (CA): the case was to enforce Nokia’s portfolio [24], and not about getting at Oppo’s portfolio; there was no issue as to centre of the relevant infringements by both sides being in China; it was a case as to two parties in different corners of the globe; it was undoubted Nokia would be the net payee [55]; and there was no issue as to the infringement by Oppo in the UK being commercially inconsequential. The FRAND obligation was raised only as a defence to infringement, not as an independent claim by Nokia seeking to get at the Oppo portfolio [44]. This was why the Court of Appeal could view the claim as about the vindication of Nokia’s rights to its portfolio [43].

c. *Lenovo v Ericsson*: Richards J saw the case before him as about the vindication of the Lenovo patents, but in a case where (a) he did not think that it was sufficiently clear that Ericsson would be the net payer; (b) it was conceded there would be cross licensing; (c) the facts were not focussed on a preponderance of infringement and activity in another country or value – on both sides – outside where the UK patents existed. So *Lenovo v Ericsson* is distinguishable. If any of its reasoning might suggest by a side wind that this claim should be characterised as about infringement, as necessary we will say that any such reasoning should not be followed here.”

197. I reject Huawei’s characterisation of this action as the determination of FRAND terms for global licences primarily of the Huawei portfolio. In my judgment, the Asserted Patents Claim is properly characterised as a claim to enforce UK patents, raising issues as to the validity, essentiality and infringement of those patents and the quantification of damages for past infringement. MediaTek has advanced a claim for a FRAND injunction but the question whether a global licence of both portfolios is FRAND will only arise if Huawei raises a FRAND defence and it has not committed to do so. Moreover, until or unless it does so it is at risk of an injunction. It can hardly assert, therefore, that this action is properly characterised as about “the FRANDness of Huawei’s global licensing conduct” and “the determination of FRAND terms for global licences”.

198. In my judgment, the Challenged Patent Claims are properly characterised as a dispute about a UK patent and the Challenged Patent Claims and the FRAND Claims should be characterised together as a composite claim to enforce Huawei’s ETSI declarations if the Challenged Patent is found to be valid and essential. Huawei is defending the Challenged Patent Claims and the FRAND Claims will not arise unless and until a finding of infringement is made. MediaTek has already made it clear that it wishes the English

Court to decide what licence terms would be FRAND but the English Court will not be seized with deciding that issue until the technical issues have been determined.

199. Huawei put forward no evidential basis for distinguishing *Conversant CA* and *Nokia CA* which involved the same forum choice as in the present case between the UK and China. Paragraphs 92(a) to (d) (above) are all concerned with Huawei's commercial focus on China. But in *Conversant HC* and *CA* the evidence before the Court was that the UK accounted for only 1% of the worldwide sales, the manufacture of handsets took place in China, 60% of the operating revenue came from China and only 0.07% of turnover was generated in the UK: see *Conversant HC* at [10]. In *Nokia CA* it was common ground that a FRAND licence would be global and OPPO did not dispute that it would include a cross-licence of its own portfolio: see [25] and [26] (above). The UK also accounted for less than 0.5% of global sales and the main source of revenue was China: see [55]. Contrary to Huawei's submission, it is not clear from that paragraph which of the parties would have been the net payer.

200. Furthermore, in *Lenovo I* (which did not involve the same forum choice) Richards J rejected the argument that the commercial features of the dispute should characterise the dispute. He stated as follows at [73]:

“I do not, however, accept Ericsson's submission that these references determine the question of the correct characterisation. Rather, I agree with Lenovo that what Ms Dagg is articulating is her perception of the core commercial issue between the parties. However, the focus on the characterisation question is on the legal nature of the “case” because it feeds into the question of which courts are the appropriate forum in which to try that “case”. Certainly that characterisation must be made with an open mind, and in a manner that does not itself determine the outcome (see, for example *Re Harrods (Buenos Aires)*). However, that does not mean that the categorisation of the “case” reduces to a consideration of what, commercially, one or both parties hope to gain from a resolution of the legal issues that comprise that case.”

201. I respectfully agree. In each of the three decisions which I have cited, the Court has consistently rejected the argument that the enforcement by a patentee of its UK patents is a jurisdictional “hook” which can simply be ignored. As Arnold LJ pointed out in *Nokia CA* if this action were a global dispute about the terms on which Huawei's portfolio should be licensed, there would be no dispute whether the Asserted Patents or the Challenged Patent were valid, essential and infringed: see [40] and [41]. But Huawei has

put in issue essentiality, validity and infringement in relation to all of them and there is no suggestion that damages for past infringement will be nominal even if the relevant sales in the UK are “a tiny percentage of the global figures”.

202. I reject the argument that the Challenged Patent Claims and the FRAND Claims can be treated as giving rise to a separate dispute from the Asserted Patents Claims given that both MediaTek and Huawei have entered into ETSI undertakings to reciprocate in respect of two of the three Asserted Patents and the Challenged Patent and that MediaTek has made a declaration to ETSI that it will be bound by an obligation to reciprocate globally. It follows that if either the First Claimant or the First Defendant elects to be bound by a licence on FRAND terms, both portfolios of patents will be in play. I, therefore, dismiss Huawei’s argument on characterisation.

203. Finally, in my judgment this characterisation of the individual claims is determinative of *Altimo 3* and the question of *forum conveniens*: see *Conversant CA* at [104], *Nokia CA* at [44] and *Lenovo 1* at [86]. Moreover, I have held in section E that there is a serious issue to be tried whether MediaTek is a net payer. But even if it is a net payer, this does not provide a reason for reaching a different conclusion. In *Lenovo 1* Richards J rejected the argument that a net recipient had the right to choose the forum for the determination of the dispute: see [80].

(3) *Forum conveniens*

204. I have held that the First Defendant was properly served with the Challenged Patent Claims and the FRAND Claims pursuant to CPR Part 63.14(2) and that the Court was right to grant permission to serve the Asserted Patents Claims on the First Defendant out of the jurisdiction. I have also held in the alternative that the Court was right to grant permission to serve the FRAND Claims on the First Defendant out of the jurisdiction. In making those decisions I have not found it necessary to consider Huawei’s wider argument that China is the appropriate forum for this dispute. But because this issue was fully argued, I address it now in case any of my earlier conclusions are wrong.

(i) Available alternative forum

205. There is no dispute that the Chinese Court now has the jurisdiction to set global FRAND rates. However, it is also common ground that Huawei has not invoked that jurisdiction

but issued proceedings asking the Court to fix the rates for its Chinese SEPs only. Mr Cordell’s evidence was that this was a deliberate choice taken as a matter of policy: see Cordell 2, ¶31 (above). Huawei relies instead on the fact that MediaTek could have commenced a global rate-setting action in China rather than on the fact that it has done so itself.

206. I accept Huawei’s submission that China is an available forum. But its reliance on its availability as an alternative forum would carry significantly more weight if it had chosen to invoke the Court’s jurisdiction to set global FRAND rates and not left it to MediaTek to do so. Mr Raphael and his team submit that the infringement litigation in China “will in reality likely produce a global licence”. I attach little weight to that submission for the reasons which I have set out in section E and because Huawei chose not to apply to the Shenzhen Court for that relief.

207. Finally, MediaTek relies on a number of other differences between the principles of law which the English and Shenzhen Courts will apply. In particular, it relies on the difference between Chinese and English law limitation periods and the fact that Huawei has sought a running royalty rather than a lump sum. In my judgment, these are legitimate reasons for choosing to issue proceedings in an English Court “anchored” on UK patents even if the ultimate purpose of those proceedings is to obtain a FRAND determination.

(ii) Appropriate forum

208. Mr Cordell set out a summary of the factors which he considered relevant to the question of *forum conveniens* in a table in Cordell 3, Annex 1 and the jurisdiction with which he considered they had the closest connection. I reproduce that table below without the references and with some abbreviation. Where I refer to “China” I intend to refer to the PRC or mainland China as applicable:

Factor	Evidence	Closest Connection
<i>General</i>		
Location of Huawei/MediaTek	China/Taiwan	China
Where FRAND proceedings first issued	Shenzhen	China



Principal language for FRAND negotiations	Chinese	China
Principal location for FRAND negotiations	Hong Kong, Japan and Canada	China
<i>Huawei: China factors</i>		
Highest concentration of 4G and 5G SEPs	China	China
Comparative size of Huawei and MediaTek portfolios	Huawei's portfolio is 13 x larger	China
Where Huawei's 4G and 5G handsets and infrastructure is manufactured	100% of handset and most infrastructure in China	China
4G phones sold in China from 2016 to 2024	[REDACTED]	China
5G phones sold in China from 2016 to 2024	[REDACTED]	China
Revenue for wireless hardware (i.e. 4G and 5G base stations), software and maintenance in China by comparison with UK	[REDACTED]	China
<i>Huawei: UK factors</i>		
2024: Total handset sold in UK 2024	38	China
2016 to 2024: Proportion smart phones sold	[REDACTED]	China
Sale of infrastructure	0	China
2028: Market share infrastructure	0	China
<i>MediaTek: China factors</i>		
2023: Sales to customers in Asia excluding Taiwan	90.8%	China
Proportion of global sales to Chinese customers	82%	China
Percentage 4G and 5G chips manufactured in [REDACTED]	100%	China
Number of 4G and 5G chipsets sold to OEMs located in China	[REDACTED]	China

2019 to 2024: average of 4G and 5G smartphones sold by all customers in China by value	[REDACTED]	China
2019 to 2024: average of 4G and 5G smartphones sold by Chinese customers in China by value	[REDACTED]	China
2023: Employees in mainland China as percentage of total global headcount	20.1%	China
<i>MediaTek: UK Factors</i>		
2023: proportion of net sales outside Asia and Taiwan	2.9%	China
2019 to 2024: average of 4G and 5G smartphones sold by all customers in UK by value	[REDACTED]	China
2019 to 2024: average of 4G and 5G smartphones sold by Chinese customers in UK by value	[REDACTED]	China
Percentage of chips made in UK	0%	China
Number of chipsets sold by UK companies	0	China
Number of external customers referred to in FY 2023 annual report	0	China
2023: UK R&D costs as a percentage of total global R&D costs	0.75%	China
2023: UK R&D employees as a percentage of total global R&D employees	0.66%	China
2023: UK employees as a percentage of total global employees	0.63%	China

209. Mr Cordell also provided a breakdown of the total number of employees whom MediaTek's 17 subsidiaries in China employed in Cordell 3, Annex 2. His evidence was that 20.1% of MediaTek's employees were employed by a company in mainland China compared with the 139 employees (or 0.63%) employed in the UK. Mr Cordell also gave the following evidence about the logistical and language difficulties of case management in English:

“I am instructed by Mr Zhang that the principal individuals that were negotiating on behalf of Huawei China against MediaTek Inc were Zhiyong Fan, Hongfei Shen and Bin Wang. These individuals are all Chinese nationals who speak Chinese as their first language. Mr Shen is not fluent in English and has only a basic English speaking ability. Although Mr Fan and Mr Wang are both able to speak English to a proficient level, they are much more comfortable speaking and expressing their views in their mother tongue. Furthermore, the use of Chinese has been particularly important to allow Mr Shen to consider and weigh-in during negotiations in real-time, if necessary, since he has difficulties in fully understanding and speaking English. For this reason, several times during the negotiation process, Huawei China stressed that it was important to use Chinese to avoid any potential misunderstandings that can result from using a second language. In particular, Huawei China specifically informed MediaTek Inc that where communications from MediaTek Inc were written in both Chinese and English, the English portions of the communication would not be considered by Huawei China. Huawei China always writes its communications to MediaTek in Chinese, and all meetings between MediaTek Inc and Huawei China are conducted in Chinese.”

210. For the purposes of the Applications I am prepared to accept all of this evidence subject to three qualifications. First, I have held that MediaTek has a real as opposed to fanciful prospect of proving that it has a substantial presence in the UK, that its R&D, testing and verification activities in the UK are significant and that there is a real risk that it will be liable for infringement in the UK. Secondly, I have held that MediaTek has a real and more than fanciful prospect of proving that it does not sell 82% of its products in mainland China but makes substantial sales outside it. Thirdly, and finally, I have held that MediaTek has a real as opposed to fanciful prospect of proving at trial that it is entitled to substantial damages from both Defendants for their historic infringement.
211. Mr Raphael and his team submitted that when assessing *forum conveniens* the Court is performing an overall assessment in the light of the evidence and that it is not necessary to prove any particular fact as if at trial nor to the summary judgment threshold nor that something is “necessarily so”. They also submitted that the Court takes a pragmatic approach depending on the relevant issue and may ask itself who has the more persuasive case and they cited *VTB Capital PLC v Nutritek International Corp* [2011] EWHC 3107 (Ch) (Arnold J) at [135] and [145] in support of this proposition. Although I am not persuaded that this decision provides real support for that proposition, I accept the overall submission. Where there is a factual dispute in relation to a connecting factor which the Court cannot finally resolve, then the Court should take a view on the evidence and

resolve this question by asking itself who has the better of the argument applying the *Brownlie* gloss.

212. Although I am not able to make a final determination of any of these three issues on a balance of probabilities, I am satisfied that MediaTek has the better of the argument and that MediaTek's case is both more persuasive and has a plausible evidential basis. I say this for the following reasons:

- (1) I am not prepared to accept that a company which employs [REDACTED] in the UK has no commercial presence and Huawei did not challenge this evidence or that its estimated revenue derived from chipsets incorporated into smartphones sold in the UK in 2022 was [REDACTED] or that it had a turnover from services in the UK of £24.1 million.
- (2) Huawei submitted that Mr Lim's evidence was misleading because the smartphones were sold not by MediaTek but by its own customers and the revenue was generated in China. But Huawei did not suggest that the figures were overstated or that MediaTek had not generated this revenue from products which were ultimately sold in the UK. Moreover, the relevance of this evidence goes to the value of any claim which Huawei might have and to meet Huawei's assertion that MediaTek does not substantially infringe in the UK.
- (3) Huawei's evidence tended to ignore the extent of the parties' global activities and focus on their activities either in China or in the UK. But it was Mr Cordell's own evidence that in 2024 only [REDACTED] of smartphones incorporating MediaTek's chips were sold in mainland China and, therefore, that [REDACTED] were sold outside the jurisdiction. It is difficult to reconcile this with the assertion that 82% of its chips are sold inside the jurisdiction. It is also consistent with Mr Lemasson's evidence about the destination to which MediaTek shipped its chips.
- (4) I also accept that this evidence is of particular relevance to the *forum conveniens* issue because it goes to show that the dispute is genuinely a global one and that the Shenzhen Claim and the Anti-Trust Claim will not resolve the terms of a global licence in relation to the portfolio of either party whether for products and services in the UK or anywhere else in the world outside mainland China.

- (5) For the purposes of these Applications, I am also prepared to accept Mr Lim's evidence that both Defendants are continuing to infringe the Asserted Patents and also his evidence in relation to the figures. I am also prepared to draw the inference that Huawei will be continuing to generate similar revenues from its infrastructure activities in the UK for the immediate future. Huawei had every opportunity to put its current trading figures before the Court on a confidential basis but elected not to do so.
- (6) On any view MediaTek's claim for damages for past infringement is a very substantial one if it has generated revenues in the UK of [REDACTED] for handsets and [REDACTED] for infrastructure. For purposes of the Applications, therefore, I am satisfied that the Asserted Patents and MediaTek's UK patent portfolio are valuable rights and that it was (and is) in its commercial interests to protect those rights by the Asserted Patents Claim.

213. Mr Raphael and his team submitted that the English Claim should be characterised as about Huawei's global licensing conduct and FRAND terms for global licences "centrally for the Huawei portfolio": see their Skeleton Argument, ¶89 (above). If I am wrong about the characterisation of the dispute and it is appropriate to characterise the dispute as a global licensing dispute, then I hold that England is clearly an appropriate forum for its determination for the following reasons:

- (1) Both parties addressed me at some length about the decisions in *Conversant HC* and *Nokia CA* in which the defendants advanced very similar reasons in support of their arguments that England was not the appropriate forum and that the dispute had a closer connection with China (or a particular Court in China). I see no basis for distinguishing either decision in the present case for the following reasons.
- (2) As Arnold LJ pointed out in *Nokia CA* there is no "natural" forum to determine a global licensing dispute absent any agreement to arbitrate or submission to an international tribunal: see [66]. In the present case the only jurisdiction in which either party has sought relief on a global basis is England & Wales. I fully accept that the Shenzhen Court has power to fix global rates, but Huawei has elected not to ask it to do so. Huawei relies on the fact that MediaTek could have sought a global determination in China. But MediaTek has elected not to do so either.

- (3) Mr Raphael sought to persuade me that this was not really a global dispute at all but in substance and in practice a Chinese dispute (and this is reflected in his characterisation of it). For the reasons which I have set out immediately above, I am not persuaded that this is correct and, in my judgment, MediaTek had the better of the argument on that issue on the Applications. I have also held that Huawei's argument on exhaustion or an implied licence to import and sell its products in the UK was misconceived. The Shenzhen Court cannot authorise Huawei to infringe against UK patents in deciding FRAND terms for a licence of Chinese SEPs (or, at least, it cannot do so without MediaTek's consent).
- (4) I have held that a global FRAND determination by an English Court will not create a risk of inconsistent judgments because there is no reason why the English Court cannot take into account the findings of the Beijing Court in the Anti-Trust Claim or, indeed, the rate set by the Chinese Court in the Shenzhen Claim. Indeed, these are matters for further argument in the FRAND determination. Neither party addressed me on the substantive differences between the English and Chinese competition law or what the "proper law" of a FRAND determination might be (if, indeed, there is one). I only observe, therefore, that the same or very similar issues arose in both *Conversant HC* and *Nokia CA*: see, in particular, Arnold LJ's judgment at [56] to [59].
- (5) By contrast, in *Conversant HC* Henry Carr J accepted that there was a risk of inconsistent judgments but did not consider this to be determinative: see [71]. Furthermore, in *Nokia CA* Arnold LJ did not consider that the question of how the Chinese Courts would enforce any FRAND determination pointed to one or the other jurisdiction being the appropriate forum. This is because the outcome itself will determine which party seeks to rely on the determination: see [63] and [64].
- (6) There are undoubtedly strong commercial factors connecting the business and operations of both parties with China in the case of Huawei and both China and Taiwan in the case of MediaTek. But Henry Carr J did not consider that those factors made the Chinese Courts the appropriate forum in *Conversant HC*: see [10] and [72]. In *Nokia CA*, Arnold LJ was not persuaded of this either. He did not consider that these factors connected the dispute with Chongqing rather than England because the key factors in the dispute (the strength of the patents and their

contribution to the relevant standards) were not connected to either jurisdiction but would depend on technical, expert evidence: see [55].

- (7) In my judgment, the position is the same in the present case. Furthermore, in *Conversant HC* Henry Carr J did not consider that Huawei's wish to call Chinese witnesses of fact or Chinese experts established a closer connection with China because there was little scope for evidence of fact and in *UPHC* Huawei had chosen to call English experts: see [74]. In *Nokia CA* Arnold LJ accepted that the location of witnesses and documents carried more weight than the domicile of the parties but OPPO did not actually rely on those connecting factors in that case: see [54]. I give some weight to the fact that Huawei may wish to call Chinese witnesses and experts but, in my judgment, this factor is not sufficiently strong to establish a closer connection with China in the absence of any other factors. I also note that, like OPPO in *Nokia CA*, Mr Raphael and his team did not place any weight on this factor in their Skeleton Argument.

(4) *Case management stay*

(i) Parallel proceedings

214. I have accepted Mr Raphael's submission that as a matter of law the test for a case management stay is not limited to "rare and compelling circumstances". He and his team realistically accepted that in most cases the Court is unlikely to grant a case management stay to await the outcome of parallel proceedings abroad unless that test is satisfied because it is the function of the English Court to decide cases and not to delay them. However, they submitted that it was in the interests of justice to stay all of the claims for the following reasons:

"a. The considerations relied on above in relation to forum apply here. The Chinese courts are more closely connected to the FRAND issues and are deciding them or at least the bulk of them, and their decisions are likely to resolve the matter, or lead to a global licence that would be agreed, in which case the English FRAND determinations would become unnecessary. Thus, this is a case where the outcome of the foreign proceedings "will or may" render the English proceedings unnecessary: see *Athena* at [49].

b. As already discussed, the Chinese decisions will be *res judicata* or anyway even outside strict *res judicata* (eg if there was no *res judicata*

arising from a first instance decision) it would likely be a *Henderson v Henderson* abuse for MediaTek to seek to relitigate points decided in China on litigation it had itself commenced. This would cover FRAND conduct and also rates, and not least the key issues relating to whether Huawei can seek a royalty bearing licence in the way they do. And in any event the decisions of the Chinese courts would be highly persuasive. The English courts have made clear that they will factor in the determinations of foreign courts into rate setting: *Conversant v Huawei* (Henry Carr J [18]). Thus, this is not a case where the Chinese decision would be irrelevant.

c. There would be costly and unsatisfactory duplication if FRAND were to run in parallel in the two countries. See *NTT v Goodall* at [111].

d. If and to the extent that the Chinese courts do not resolve everything, then it will be appropriate to take stock then and see what remains to be resolved. The dispute might well settle at that point. See *NTT v Goodall* at [109].

e. The parties' agreement to Chinese courts supervised mediation is a strong factor in favour of a stay, as is MediaTek putting before the Chinese courts a proposed interim licence which if agreed would terminate the English litigation.

f. Thus, by far the best course is to stay the English proceedings at least so far as regards all the FRAND issues in the case, pending resolution in China.

g. The Court will wish to know what is meant by "resolution in China" given the multiple litigation there. In this regard Professor Wang's evidence as to the steps the Chinese courts take to co-ordinate with each other is relevant (see Wang 1, §§35-47). Thus, as she explains, the Chinese courts are very likely to regard the decisions of each other as dispositive as to FRAND (§50). Thus, it may well be that it is the decisions of the main lead litigation, such as the Shenzhen claims and/or the Beijing anti-trust claim, and appeals from those, which are effectively dispositive of all the Chinese claims: see Wang 1, §§45-57, 50, 102-103. For now the appropriate order is simply to stay matters generally as a matter of case management, the intention being that this is pending the effective resolution of the issues in China, with a liberty to apply which could be used once the Chinese proceedings have sufficiently unfolded.

h. This stay should apply to anything that is FRAND or will give rise to FRAND.

i. So far as concerns claims 3 (injunctions) and 10 (damages), it should also necessarily lead to a stay of those as well, because the FRAND issues those are likely to give rise to (as discussed at §115 above) should be determined after any UK FRAND determination, and thus, in this case, after the Chinese FRAND determination. It would make no sense for these to be determined in parallel – it would lead, for example, to a risk of conflicting decisions on the FRAND issues in play in China, and the FRAND issues in play on the UK portfolio damages claim. The position would be a fortiori if MediaTek persist in seeking to maintain the possibility that the damages claim is global.



j. MediaTek might argue that at least the pleadings or early stages of some or all of these claims should proceed. It is submitted that this would be wasteful and likely to cause problems. What FRAND issues need to be resolved, if any at all, will not be clear until the Chinese litigation has concluded. Proceeding in parallel would also cause all the classic problems that arise in duplicate litigation with steps in one country affecting each other.”

215. I reject these submissions. They are, for the most part, the same submissions which Mr Raphael made in support of the *forum conveniens* argument. I have decided that the dispute is not more closely connected to the Chinese Courts than to the English Courts. I have also held that even if the findings of the Beijing Court is *res judicata* this does not lead to a risk of inconsistent decisions and that the Chinese Courts will not resolve the global dispute between the parties. Further, I do not consider the mediation or MediaTek’s offer of an interim licence to be strong factors in favour of a stay for the reasons which I have already given. For these reasons, therefore, I am not prepared to stay the English Claim pending resolution in China (even assuming in Huawei’s favour that it has the effect set out in paragraph (g) above).

216. This leaves the question of costs and the waste of Court time. I agree with Mr Raphael’s diagnosis that it will be hugely wasteful for the parties in terms of time, effort and costs to fight all of the Chinese Claims and the English Claim through to a conclusion. But I also agree with Richards J in *Lenovo 1* at [81] (above) that the correct treatment for this diagnosis is not a case management stay. I, therefore, dismiss the application for a case management stay on the grounds that there are parallel proceedings in China.

(ii) Huawei’s offer

217. This leads me to the question which I have found most difficult to decide in this case, namely, whether I should stay the Challenged Patent Claims and the FRAND Claims on the basis of an unconditional undertaking which Huawei has offered to give to take no proceedings to enforce the Huawei portfolio in the UK. A&O Shearman set out the final form of the undertaking which Huawei offered to give in a letter dated 19 December 2024:

“The First Defendant in the abovementioned proceedings (“Huawei China”) hereby undertakes that it will not enforce its UK designated patents within the Huawei Portfolio against MediaTek in respect of MediaTek’s testing and verification activities in the UK, as referred to in

(i) paragraphs 27 and 33-35 of the First Witness Statement of Pascal Lemasson, (ii) paragraphs 7-13 of the Second Witness Statement of Pascal Lemasson, and (iii) paragraphs 24-29 of the draft Amended Particulars of Claim provided to our firm on 8 December 2024. This undertaking also applies in respect of any claim that could be made in the UK against the Claimants with regards to procuring and/or acting pursuant to a common design (or being liable as joint tortfeasors in any way) in relation to infringement of its UK designated patents within the Huawei Portfolio carried out through acts by third parties.

For the avoidance of doubt, this undertaking is not, and is not intended to be, a licence to the Claimants in respect of any patents within the Huawei Portfolio.

This undertaking shall not, however, be interpreted as a waiver of any claims which Huawei may have against the Claimants in respect of any upstream acts carried out by the Claimants outside the UK (such as the supply of chipsets to any OEM customers); nor as a grant of any licence or covenant not to sue to any third party. Huawei China reserves the right to take action against any third party in respect of their acts in the UK or elsewhere.”

218. Huawei had originally offered an undertaking on the conditional basis that it would only be given if the jurisdiction challenge succeeded. However, in his oral reply submissions on 20 December 2024 Mr Raphael offered this undertaking unconditionally. This offer took MediaTek by surprise and when I raised this with Mr Lykiardopoulos, he pointed out that since November 2024 MediaTek had been asking for this kind of confirmation. By letter dated 24 December 2024 Kirkland & Ellis also objected to the form of the undertaking for the following reasons:

“This new undertaking from Huawei relates to the second claim: the “claim of right” to a FRAND licence under the Huawei portfolio of UK SEPs. This claim is based on the Challenged Patent and/or a legal right to a licence under Huawei’s UK portfolio arising from the ETSI contract and is pleaded at paragraph 128B of the PoC. It relies on *Vestel* at JA4/4 [12], [34] & [71], *Panasonic* JA3/4 [15] & [80], *Alcatel* JA1/3 [115]-[120], *Lenovo v Ericsson* JA2/2 [22]-[23], and *Tesla* JA3/13 [32]-[33]. Huawei gives this new unconditional undertaking to seek to avoid the “claim of right” by purportedly removing the “useful purpose” of such a declaration to MediaTek in the UK. It is a case of too little, too late. In particular:

(i) Despite the fact that MediaTek has a right to a FRAND licence, this undertaking expressly refuses to grant one. No explanation is given as to why.

(ii) As a covenant not to sue, it is personal to Huawei China. Accordingly, (and unlike a licence) it contains no protection in the event of a divestment or an assignment of any of the SEPs to another party. This concern is expressly pleaded in ¶¶80-82 of the PoC (B1/20/200). Nor does it provide

any protection in respect of any UK SEPs owned by Huawei Group entities other than Huawei China (if any).

(iii) Although Huawei had been prepared to go broader with the Contested Patent and cover “any infringement of that patent” (I/217), this new undertaking is restricted to the specific acts set out in Lemasson 1 and 2 and the PoC. This does not accord with Huawei’s ETSI undertaking which is to be prepared to grant licences for any acts which would otherwise infringe, not specific acts. This raises the potential for future liability under the SEPs if the specific acts change (in scope or magnitude). If Huawei wants to resolve the issues on the “claim of right”, the following amendments would be needed so that the covenant more closely reflects the licence to which MediaTek is entitled:

“The First Defendant in the abovementioned proceedings (“Huawei China”) hereby undertakes that it will not enforce its UK designated patents within the Huawei Portfolio against the Claimants MediaTek for any infringement of those UK patents. Further, the First Defendant will notify the existence of this undertaking to any assignee or exclusive licensee of any of the said UK designated patents and procure that the same undertaking be given by any such assignee or exclusive licensee as a condition of any assignment or exclusive licence. ~~in respect of MediaTek’s testing and verification activities in the UK, as referred to in (i) paragraphs 27 and 33-35 of the First Witness Statement of Pascal Lemasson, (ii) paragraphs 7-13 of the Second Witness Statement of Pascal Lemasson, and (iii) paragraphs 24-29 of the draft Amended Particulars of Claim provided to our firm on 8 December 2024.~~ This undertaking also applies in respect of any claim that could be made in the UK against the Claimants with regards to procuring and/or acting pursuant to a common design (or being liable as joint tortfeasors in any way) in relation to infringement of its UK designated patents within the Huawei Portfolio carried out through acts by third parties.

If Huawei gives the above undertaking unconditionally, then MediaTek will not pursue the Challenged Patent claim or its claim of right as pleaded in paragraphs 126-129 and claims (4)-(5) and (7) of the PoC. Claim (6) remains as it arises when Huawei relies on MediaTek’s FRAND undertaking under claim (3). When MediaTek’s ETSI undertaking is triggered by Huawei’s defence, claim (6) then reflects MediaTek’s case at the FRAND trial (although MediaTek will, of course, accept any terms which this Court holds are FRAND – see paragraphs 7 and 108 PoC).”

219. The position remained the same until the parties ceased to correspond with each other and the Court on 22 January 2025. In particular, Huawei did not offer an undertaking in the form which MediaTek had requested in its letter dated 24 December 2024. Moreover, the undertaking which Huawei offered did not answer the allegation in the Particulars of Claim, paragraph 128A because it was limited exclusively to MediaTek’s testing and verification activities in the UK and not to all acts of infringement.

220. Although I have not found this an easy question to decide, I have reached the conclusion that it is not appropriate to grant a case management stay subject to the First Defendant giving the undertaking in A&O Shearman’s letter dated 19 December 2024. I have reached this conclusion for the following reasons:

- (1) Huawei offered an unconditional undertaking to the Court at the latest possible stage of the hearing and after the Claimants had completed their submissions. It would be procedurally unfair for the Court to rely on that undertaking now, given that Mr Lykiardopoulos did not have an opportunity to address it in his oral submissions. Moreover, as he pointed out, MediaTek had been calling for Huawei to make its position clear for over a month.
- (2) It would also be unfair for the Court to accept and rely on this undertaking given that Huawei had offered to give a wider undertaking at the beginning of the hearing albeit on a conditional basis. In their letter dated 10 December 2024 A&O Shearman stated that if Huawei was successful in its jurisdiction challenge, it would not enforce its UK designated patents. In the course of his oral submissions Mr Raphael made it clear that this was an undertaking “not to sue for infringement on any of the acts identified as being possible infringements in the UK.” However, when it agreed to give an unconditional undertaking, Huawei was not prepared to give it in those terms. In a letter dated 17 December 2024 AO Shearman offered an unconditional undertaking not to sue MediaTek “for any infringement” of the Challenged Patent but did not offer a similar undertaking in relation to its other UK designated patents.
- (3) The precise form of the undertaking to be offered was, therefore, very much a moving target. Furthermore, neither counsel nor A&O Shearman explained the significance of the changes. But what is clear from Kirkland & Ellis’s letter dated 24 December 2024 and the absence of any reply from A&O Shearman is that Huawei was not prepared to give an unconditional undertaking not to sue for any infringement of its UK SEP portfolio.
- (4) If anything, this dialogue and the exchanges which continued for a month after the end of the hearing demonstrated to me the wisdom of Lord Hamblen’s observations in *Okpabi* (above) that the focus of a jurisdiction challenge should be on the

pleadings. In the present case, the First Defendant has served a defence to the Challenged Patent Claims in which it has denied invalidity and denied that MediaTek is entitled to the relief claimed. Until or unless that defence is withdrawn and the First Defendant agrees to submit to judgment, the First Claimant is entitled to pursue the Challenged Patent Claims and the Court has jurisdiction to try the FRAND Claims.

- (5) Huawei's position was that a FRAND declaration would serve no useful purpose because the First Claimant was never at risk of an injunction to enforce the Challenged Patent and so would never be put in a position in which it would be able to elect for a global licence of Huawei's portfolio. But whatever the form of undertaking, I am satisfied that MediaTek has a real prospect of persuading the Court at trial that it would serve a useful purpose to grant the declarations in Claims (6) and (7) for reasons which I now explain.
- (6) I have held that MediaTek has a good arguable case that it is able to pass through Gateway 11 for the Challenged Patent Claims and the FRAND Claims. Until or unless the First Defendant applies to amend to admit liability and withdraw its defence, that will remain the position. In *Vestel* Birss LJ dismissed the appeal because the implementer had no arguable case on Gateway 11 in the absence of any claim to a legal right justiciable by the English Court. But he left open the question whether a FRAND declaration would still serve a useful purpose even if the declarations were "untethered to any legal standard": see [79]. In my judgment, declarations in the form of Claims (6) and (7) would still serve a useful purpose if there is no threat of an injunction but Huawei continues to deny that MediaTek was (and is) entitled to a licence on FRAND terms. This is because it is entitled to a FRAND licence as of right: see *Panasonic* at [79].
- (7) Furthermore in *Panasonic* Arnold LJ considered that the critical questions (which I had failed to confront) were: (1) what was the point of Panasonic pursuing German proceedings in that case for an injunction and (2) why was Xiaomi unwilling to enter into an interim licence. He also concluded that Panasonic's reluctance was only explicable on the basis that it was seeking to compel Xiaomi to accept terms more favourable than the Patents Court would offer. Finally, he held that Panasonic's offer of the "Non-Enforcement Proposal" was a recognition

that there should be an interim licence rather than continued litigation: see [83] to [85].

- (8) I remind myself that FRAND is a process as well as a result: see *Panasonic* at [21]. I also ask myself the questions which I failed to confront in *Panasonic*, namely, what is the purpose of Huawei pursuing a FRAND determination of the Chinese SEPs in its own portfolio only and why is it reluctant to agree to a FRAND determination of both portfolios. The obvious answer is that it hopes to achieve terms more favourable to it than the Patents Court would order for a cross-licence of both global portfolios or reciprocal licences.
- (9) Further, in my judgment what Huawei's offer of an undertaking demonstrates is that Huawei appreciates that MediaTek is entitled to a FRAND licence of its UK SEPs and that it was entitled to such a licence from the day on which it implemented the standard and signed its ETSI declarations: see *Panasonic* at [80] and [85]. But, as Huawei must be well aware, the offer of an undertaking is not sufficient to fulfil its obligation under clause 6.1 of the ETSI IPR Policy. It will, therefore, serve a useful purpose to make such declarations.
- (10) Finally, even if this analysis is wholly misconceived, there is one other reason why declarations in the form of Claims (6) and (7) would serve a useful purpose. I have held that the Court has jurisdiction to try the Asserted Patents Claims and there is no basis for granting a case management stay because of the parallel proceedings in China. In my judgment, it will serve a useful purpose to make declarations in the form of Claims (6) and (7) if MediaTek succeeds on Claims (1) and (2) and satisfies the Court that it is entitled to FRAND injunction in accordance with Claim (3). It would have been better if the words in parentheses in Claim (3) had expressly referred to the declarations in Claims (6) and (7) to make it clear that this was an alternative basis for those declarations. But this is a drafting point and MediaTek's position is clear.

#### K. The Second Defendant

221. Huawei does not dispute that the Second Defendant is a company incorporated under the laws of England and Wales and that its registered office is in England. Huawei also accepts that the Second Defendant was properly served. The Second Defendant does not

challenge jurisdiction in relation to the Asserted Patents Claims but applies to stay Claim (3) on *forum conveniens* grounds and the remaining claims on case management grounds. For the reasons which I have given in relation to the First Defendant, I dismiss those applications.

L. Alternative Service

222. In a letter dated 19 December 2024 Kirkland & Ellis stated that MediaTek did not intend to pursue its argument in relation to alternative service. However, on 20 December 2024 Ms Stratford argued the point and since Mr Raphael did not rely on the earlier letter as a binding admission on this point, I must determine it. Ms Stratford accepted that a delay in service under the HSC was not sufficient to justify an order for alternative service. But she argued that there were special circumstances in the present case, namely, that under secondary legislation Huawei was required to cease operations in the UK by 2027. She argued that a delay could prevent MediaTek from forcing Huawei to make the *Optis F* election in good time.
223. I reject that submission. If MediaTek had had concerns about putting commercial pressure on Huawei to make an *Optis F* election well before 2027, then it could and should have commenced proceedings much earlier. The initial approach by Huawei to take a licence of the Huawei portfolio was made in March 2022 and I was not given an explanation for the delay between that approach and the issue of the Claim Form on 15 July 2024. But in any event, I am not satisfied that MediaTek will suffer serious prejudice if I set aside the Order for alternative service and require MediaTek to serve the First Defendant under the HSC. Even if the First Defendant is not served until March 2026 MediaTek can apply for expedition of the FRAND trial.
224. I have considered whether the fact that I have held that the Challenged Patent Claims and the FRAND Claims have been validly served under CPR Part 63.14(2) counts as special circumstances to justify alternative service. Ms Stratford did not argue this point and, on reflection, I consider that she was right to not do so. I have also considered whether the delay caused by the Applications themselves counts as special circumstances. Having decided all of the principal issues, there is no doubt in my mind that the Applications were very ambitious indeed and that Huawei was unable to distinguish most, if not all, of the principal authorities (in a number of which it had been a party). The Applications

have also taken up a substantial amount of Court and judicial time to determine.

225. I am not satisfied that either of these factors count as special circumstances. If service under CPR Part 63.14(2) was sufficient to justify alternative service, then a party would be able to extend the reach of that rule to claims which have no relationship with the patent. Further, although Huawei has generated a significant delay in the progress of the English Claim, MediaTek could have played it safe and initiated service under the HSC immediately rather than applying for an order for alternative service. It took an obvious risk in failing to do so.

226. In my judgment the appropriate course is to give MediaTek permission to apply to the Court to renew its application for alternative service if the Claim Form has not been served within 8 months and the First Defendant has refused to accept service on A&O Shearman. In the meantime, it will be a matter for MediaTek whether to pursue the Challenged Patent Claims and the FRAND Claims separately. I express no views in relation to that case management issue.

M. Full and frank disclosure

*(1) Lack of any material infringement*

227. Huawei alleged that MediaTek had committed six serious breaches of the duty of full and frank disclosure. The first allegation was that MediaTek failed to make it clear that it did not sell chips in the UK “but claimed that the UK was a substantial market for MediaTek and asserted that it generated an estimated revenue in the UK in 2022 of [REDACTED].” I dismiss this allegation. Mr Lim did not state that MediaTek had generated [REDACTED] in revenue from the sale of handsets in the UK. He clearly stated that this was the estimated revenue from chips incorporated into handsets sold in the UK. Moreover, I have held that MediaTek had the better of the argument on whether the UK is a substantial market for its R&D testing and verification services. Finally, I am not satisfied that Mr Lim’s presentation was unfair. The purpose of his evidence was not to demonstrate that MediaTek sold chips in the UK but to show that there was a significant risk of infringement in the UK if it did not obtain a FRAND licence.

*(2) Strong connections with China*



228. Secondly, Huawei alleged that MediaTek had failed to mention the strong connection with China. In particular, it alleged that MediaTek should have stated that “the core of the dispute relates to the determination of the terms of a licence to Chinese SEPs”, sales volume in China, correspondence in Chinese, negotiations in China and “the high proportion of Chinese SEPs which would account for the vast bulk of the commercial value of any licence”. I dismiss this allegation. I have rejected Huawei’s characterisation of the dispute and also found that it is not the appropriate forum for the dispute. In my judgment, the most significant connecting factor with China was not Huawei’s business activities in China or the negotiations in China but the Chinese Claims and Mr Lim dealt with those in some detail: see Lim 2, ¶¶88 to ¶¶95. He also dealt with the mediation and pre-action correspondence and negotiations: see Lim 2, ¶¶74 to ¶¶87.

(3) *Minimal UK infringement*

229. Thirdly, Huawei alleged that MediaTek did not explain that ongoing sales of Huawei handsets were *de minimis* and that no Huawei infrastructure had been sold in the UK since 2021. Again, I dismiss this allegation. Huawei failed to persuade me that Mr Lim’s evidence was inaccurate or that the nature of any ongoing infringement was minimal and I have held that MediaTek had the better of the argument.

(4) *Unfair presentation of the Chinese Claims*

230. Fourthly, Huawei alleged that MediaTek did not properly explain that the MediaTek Claims “centrally involved” the same issues as those in play in the English Claim. I also dismiss that allegation. Although I have held that the competition issues in the Anti-Trust Claim are the same or substantially the same as the issues raised in the Anti-Trust Claim, I have also held that this does not give rise to a risk of inconsistent judgments. Moreover, I am not satisfied that MediaTek or Mr Lim should have anticipated the significance of this point. Mr Raphael focussed on the Anti-Trust Claim in his oral submissions but the obvious overlap between the Chinese Claims and the English Claim related to Shenzhen Claim for rate-setting and Mr Lim drew attention to this: see Lim 2, ¶¶159.

(5) *IP Bridge*

231. Fifthly, Huawei alleged that MediaTek had failed to draw the Court’s attention to *IP Bridge* in which Huawei was also a defendant. Mr Raphael drew my attention to the

judge's summary of the evidence relating to the likely delay and his decision: see [15] and [16]. I also dismiss this allegation. The judge stated in terms that each case turned on its own facts and also that it seemed likely that service would take up to 12 months although there was some prospect that it might take less. Finally, the date of the service order in *IP Bridge* was 22 February 2021 and, in my judgment, the time taken to serve under the HSC three years earlier was a very uncertain guide to current timing.

(6) *Unfair presentation of the likely time periods for service*

232. Sixthly, and finally, Huawei alleged that MediaTek misled the Court about the time periods for service. In particular, Mr Raphael and his team stated in their Skeleton Argument that: “MediaTek’s case before the judge was that service would take around a year and a half.” Mr Raphael also stated in his oral submissions: “Mr Lim said service will take around a year and half.” He did not, however, take me to the relevant passage in Mr Lim’s evidence or any Skeleton Argument or transcript of the hearing before Master Brightwell in which MediaTek submitted that it would take a year and a half. I appreciate that time was tight and this was the very last point with which he dealt. But it is essential that a party who alleges that a counter-party has misled the Court or failed to give full and frank disclosure takes the Court to the relevant evidence or transcript and identifies the specific conduct upon which it relies.
233. Mr Lim’s evidence was that it “may take over a year” to serve the First Defendant in China: see Lim 1, ¶162 (to which Mr Jones took me in his oral submissions) and this was based on what Kirkland & Ellis had been told by the FPS. I have also rejected Mr Heaney’s attempt to demonstrate that Kirkland & Ellis inaccurately recorded and then misrepresented to the Court what they had been told by the FPS. I, therefore, dismiss this allegation.
234. Further, even if I had been satisfied that MediaTek had not given full and frank disclosure or made a fair presentation of the facts and issues to the Court, I would not have held that MediaTek deliberately misled the Court and I would not have set aside service out of the jurisdiction for the same reason which Fancourt J gave in *Tesla* at [157] and [158]. MediaTek would have immediately applied for permission to serve out again and I would not have refused to give permission. Furthermore, I have held that alternative service on the First Defendant should be set aside and MediaTek must now serve the English Claim

under the HSC.

## **VI. Other Applications**

### **N. The Strike Out Application**

#### *(1) The competition claim*

235. Finally, I deal briefly with the remaining applications. In the Strike Out Application the First Defendant applied to strike out the claims by MediaTek for a declaration that Huawei had abused its dominant position and for damages for breach of competition law or breach of contract or, alternatively, for summary judgment. In its revised draft amended Claim Form dated 8 December 2024 MediaTek withdrew that claim and withdrew the corresponding claims in the Particulars of Claim. Subject to any question of costs, it is unnecessary for me to make any order in relation to that application.

#### *(2) Third Claimant*

236. Huawei also applied to strike out the claims of the Third Claimant or, alternatively, for reverse summary judgment. In their Skeleton Argument, Mr Raphael and his team argued that the Third Claimant had no real prospect of success on any of the claims because it did not own the Asserted Patents and had no cause of action. They accepted that the Third Claimant was entitled to bring the Challenged Patent Claims but submitted that those claims were pointless.

237. I dismiss that application. It is at least arguable that the Third Claimant is a proper party to the Asserted Patents Claims. Those claims include Claim (10) for damages and since MediaTek conducts its business primarily through the Third Claimant, any loss which MediaTek has suffered in the UK is likely to have been suffered by the Third Claimant rather than either of the other parties. There may be an argument whether the First Claimant can recover damages for the losses suffered by the Third Claimant and, if so, whether that claim has been pleaded adequately. But those are for another day.

238. Furthermore, the Asserted Patents Claims include a claim for a FRAND injunction and if that injunction is refused on terms that the Defendants agree to grant a FRAND licence, then the Third Claimant may well require such a licence to work the Huawei's UK SEPs in the UK. Neither party addressed me on the scope of a FRAND licence and whether it

would extend to all group companies and, if so, whether any or all of them should be parties to the underlying claim. In my judgment, these arguments are also for later consideration. Neither party addressed them in any detail either orally or in writing and I am reluctant to address them or to strike out the Third Claimant's claims without further argument.

(3) *The Second Defendant*

239. In their Skeleton Argument, Mr Raphael and his team also applied to strike out the Challenged Patent Claims and the FRAND Claims against the Second Defendant or, alternatively, for reverse summary judgment. It is not clear to me that MediaTek is pursuing the Challenged Patent or FRAND Claims against the Second Defendant if it is not the owner of any of the patents in the Huawei portfolio. But in any event, no such application was made in the Strike Out Application Notice and no application was made before me for permission to amend it. I, therefore, dismiss this application. Since I did not rely on the Second Defendant as an anchor defendant either in relation to these claims or more generally, it may well be of little significance whether these claims continue against the Second Defendant.

O. The Amendment Application

240. Given my findings in relation to the other Applications, I grant permission to MediaTek to amend the Claim Form and Particulars of Claim in their final form dated 8 December 2024 subject to any further argument in relation to paragraph 107. I will deal with all questions of costs arising out of the amendments at any hearing on consequential matters. Huawei also opposed the amendments in paragraphs 128A and 128B but I have found the allegations in those paragraphs have a real prospect of success.

**VII. Disposal**

241. I set aside paragraphs 3 and 4 of the Service Order. But subject to this, I dismiss the Jurisdiction Applications and I hold that Master Brightwell was right to grant permission for service on the First Defendant out of the jurisdiction. Save as provided in [235] (above), I also dismiss the Strike Out Application and, subject to further argument on the Particulars of Claim, paragraph 107, I allow the second Amendment Application dated 8 December 2024. I reserve all questions of costs (including any costs order relating to the

amendments) to be dealt with at a consequential hearing to be listed by agreement between the parties. I will formally adjourn the further hearing of the Applications to the consequential hearing if the parties submit an agreed order to that effect on the hand down of this judgment.

### **VIII. Postscript**

242. After I had finalised this judgment in draft but shortly before I circulated it to the parties, the Court of Appeal handed down judgment in *Tesla Inc v Interdigital Patent Holdings Inc* [2025] EWCA Civ 193 upholding the decision of Fancourt J. Having read the decision, I was satisfied that it had no direct relevance to any of the issues which I had to decide or to the findings on which I had followed Fancourt J's judgment at first instance. Since none of the parties wrote to me suggesting that I should hear any further submissions, I circulated the judgment in draft without inviting the parties to make further submissions (as with *Alcatel CA* and *Lenovo CA*).

243. Mr Raphael and his team did, however, file a detailed note seeking to challenge the draft judgment in four respects. First, they invited me to remove the last two sentences of [107] (above). I have considered those two sentences and I do not propose to change them or, indeed, to address the lengthy submissions which Huawei advanced and which did not convince me that those observations were misplaced.

244. Secondly, Mr Raphael and his team pointed out that [239] (above) was inaccurate because Huawei had applied to strike out the claim against the Second Defendant in the first Jurisdiction Application. I accept that this is correct although that application was not contained in the Strike Out Application but in one of the two Jurisdiction Applications. MediaTek's response was as follows:

“MediaTek has been clear that it does not pursue the Challenged Patent Claim against D2. As D2 does not own any patent in the Huawei Portfolio, there is no cause of action against D2 arising out of any challenges to those patents. However, D2 continues to infringe UK SEPs in the MediaTek portfolio and has not forgone any reliance on the FRAND defence. As such the FRAND claims are correctly pursued against D2. It is clear from the rest of the draft Judgment that MediaTek is entitled to pursue the FRAND claims on the Asserted Patents against D2. The Application was therefore rightly dismissed.”

245. My initial view (as reflected in the draft judgment) was that it made little difference

whether the Challenged Patent Claims continued against the Second Defendant and that remains my view. However, since Mr Raphael and his team have pressed the point and drawn my attention to the Jurisdiction Application, I consider that it is appropriate to require MediaTek to amend the Particulars of Claim to make it clear that the Claimants do not pursue the Challenged Patent Claims and the FRAND Claims against the Second Defendant. If MediaTek is not prepared to make such an amendment or the amendment cannot be agreed, I will give permission to Huawei to apply to the Court to renew its application.

246. I agree with MediaTek that if the Asserted Patents Claims succeed and both Defendants elect to enter into a FRAND licence rather than submit to an injunction, then MediaTek will have achieved the relief which it is seeking in Claim (6) and Huawei's application to strike out the FRAND Claims against the Second Defendant will have been entirely academic. However, in my judgment, MediaTek is not entitled to pursue the FRAND Claims on a free-standing basis and in the absence of a challenge to a UK patent registered in the name of the Second Defendant to anchor such a claim.

247. Thirdly, I have made an agreed amendment to [235] above. Fourthly, and finally, Huawei drew my attention to the fact that I had inaccurately recorded Mr Lim as saying that it "may take up to a year" to serve the First Defendant in [233] as opposed to "may take over a year" (as I accurately recorded in [97]). They also drew my attention to Lim 2, ¶173(a) where Mr Lim stated:

"The very significant period of delay of around a year and a half that would ensue in these proceedings, when viewed in the light of the additional matters explained below, constitutes exceptional circumstances that justify alternative service in the present matter."

248. It is unfortunate that I misstated Mr Lim's evidence in [233]. I had intended to do no more than repeat the evidence which I had considered in [97]. Furthermore, I accept that I did not give adequate attention to Lim 2, ¶173(a). Finally, I accept that Huawei put the relevant material before the Court and that the criticism which I made of Huawei in [232] may have been unfair although, with the benefit of hindsight, it would have been far better if I had been taken to Lim 2, ¶173(a) in the course of oral submissions given the significance which Huawei now attaches to that single sentence out of the huge raft of evidence which it chose to put before the Court.

249. I have therefore considered whether I should change the conclusion which I reached in relation to full and frank disclosure. But having reconsidered the evidence before Master Brightwell, I have reached the same conclusion. Mr Lim accurately transmitted the information to the Court which had been given by the FPS. He went further than he should have done later in his evidence by suggesting that the delay might be up to a year and a half and, in doing so, he did not make a fair presentation to the Court (although he did not suggest that there was any other evidence apart from the evidence which he had given earlier in Lim 2). But I remain satisfied that he did not intend to mislead the Court and that apart from paragraphs 3 and 4 it is not appropriate to set aside the Service Order.