



Neutral Citation Number: [2024] EWHC 846 (Ch)

Case No: HP-2023-000036

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

Rolls Building  
Fetter Lane,  
London, EC4A 1NL  
Date: 18 April 2024

**Before :**

**MR JUSTICE RICHARDS**  
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**Between :**

- (1) **LENOVO GROUP LIMITED**  
**(a company incorporated under the laws of Hong Kong, China)**
- (2) **LENOVO (UNITED STATES) INC.**  
**(a company incorporated under the laws of Delaware, USA)**
- (3) **LENOVO TECHNOLOGY (UNITED KINGDOM) LIMITED**
- (4) **MOTOROLA MOBILITY LLC**  
**(a company incorporated under the laws of Delaware, USA)**
- (5) **MOTOROLA MOBILITY UK LIMITED**

**Claimants**

**- and -**

- (1) **TELEFONAKTIEBOLAGET LM ERICSSON (publ)**  
**(a company incorporated under the laws of the Kingdom of Sweden)**

**Defendants**

- (2) **ERICSSON LIMITED**

**Michael Bloch KC, James Segan KC, and Femi Adekoya (instructed by Kirkland & Ellis International LLP) for the Claimants**  
**Sarah Abram KC and Josephine Davies KC (instructed by Taylor Wessing LLP and Pinsent Masons LLP) for the Defendants**

Hearing date: 12 and 13 March 2024  
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**Approved Judgment**

This judgment was handed down remotely at 10.30am on 18 April 2024 by circulation to the parties or their representatives by e-mail and by release to the National Archives

Approved Judgment**Mr Justice Richards:**

1. This is my judgment on the following applications:
  - i) the Defendants' application of 5 December 2023 contesting jurisdiction as regards certain aspects of the Claimants' claims and applying to strike out part of those claims;
  - ii) the Claimants' application of 15 December 2023 for permission to amend their claim form and Particulars of Claim and to serve the claim as amended out of the jurisdiction;
  - iii) the Defendants' application, as an alternative to that set out in paragraph (i), that the claims be stayed on case management grounds; and
  - iv) the Claimants' application of 28 November 2023 for expedition of the trial of these proceedings.

**A. BACKGROUND TO THE PROCEEDINGS**

2. The applications that are before me can only be understood in the context of the background to proceedings between the parties, in England and Wales and elsewhere.

**The parties and their businesses**

3. The Claimants are members of the Lenovo group of companies. The Defendants are members of the Ericsson group of companies. I will tend to refer to the Claimants and the group of which they are members as "Lenovo" and the Defendants, and their group, as "Ericsson". However, where more precision is necessary, I will refer to specific legal entities.
4. Both Lenovo and Ericsson own standard-essential patents ("SEPs") which have been declared to various cellular standards promulgated by the European Telecommunications Standards Institute ("ETSI"). It follows that, pursuant to ETSI's policy on intellectual property rights (the "ETSI IPR"), both Lenovo and Ericsson have given undertakings (the "FRAND Commitment") to offer licences of those SEPs to implementers on terms that are fair, reasonable and non-discriminatory ("FRAND"). As is now well understood, the FRAND Commitment creates rights and obligations under a contract governed by French law to which the English courts will give effect.
5. In addition, both Lenovo and Ericsson sell products that are compatible with technical standards set by ETSI and other standard-setting organisations ("SSOs"). Accordingly, each group's business seeks, to an extent, to exploit patented inventions of the other group.
6. D1 is a company incorporated in Sweden. It owns a number of patents that are registered in various jurisdictions including two UK patents (the "Challenged Patents"): EP (UK) 3,245,744 and EP (UK) 3,453,212. D1 has submitted a declaration to ETSI that the Challenged Patents are essential to various 5G standards.
7. D2 is a company incorporated in the United Kingdom. D2 does not itself hold any patents that are relevant to these proceedings. It has not itself submitted any

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declarations in relation to the Challenged Patents to ETSI. D2 describes itself in its Annual Report and Financial Statements for the year ended 31 December 2022 as “a major product and service provider to fixed and mobile telecommunications systems operators in the UK”.

8. C4 is the proprietor of EP (UK) 3,780,758 (the “Lenovo Patent”) which features in these proceedings. C2 has made a declaration to ETSI that the Lenovo Patent is essential to various 5G standards.
9. It is common ground that both C2 and D1 have given undertakings to ETSI under Clause 6.1 of the ETSI IPR in respect of the Lenovo Patent and the Challenged Patents respectively. Both have undertaken to offer FRAND licences of these SEPs to all members of a group of companies that wishes to implement them, conditional on the implementers offering a FRAND licence of their own ETSI FRAND-encumbered SEPs. It follows that, at least in principle, Lenovo and Ericsson have an obligation to offer each other’s groups FRAND licences covering the Lenovo Patent and Challenged Patents respectively (a “cross-licence”).

**Ongoing proceedings in other jurisdictions**

10. Lenovo and Ericsson have been in negotiations on the terms of a global cross-licence for over a decade. Those negotiations have still not concluded satisfactorily and have been punctuated by litigation in various jurisdictions throughout the world. The following aspects of the proceedings in other jurisdictions are relevant to the applications before me.

**The Eastern District of North Carolina**

11. On 11 October 2023, D1 filed a complaint (the “EDNC Proceedings”) in the federal court for the Eastern District of North Carolina (the “EDNC”) against a number of Lenovo companies including C1, C2 and C4. The specifics of the EDNC Proceedings will be considered in more detail later in this judgment. It is sufficient at this point to note that D1 alleges that Lenovo is infringing on four of Ericsson’s US patents and that Lenovo is in breach of contractual obligations under the ETSI IPR.
12. Significantly for these proceedings, Count 7 of D1’s complaint asked (i) for a declaration that Ericsson’s offer of a global cross-licence made to Lenovo on 11 October 2023 complied with its FRAND commitment under the ETSI IPR and (ii) if the EDNC considered that offer not to be FRAND, that the EDNC declare a FRAND rate for a global cross-licence of SEPs between the two groups. Whether this formulation of Count 7 (when considered together with Lenovo’s counterclaim discussed below) will result in the EDNC adjudicating on the terms of a global FRAND cross-licence is a point on which the parties are far from agreed. D1 requested that its complaint be determined following a jury trial.
13. In December 2023, various Lenovo claimants made a counterclaim that largely mirrored D1’s original complaint and included an allegation that Ericsson was infringing various Lenovo patents. Count 3 of that counterclaim sought a declaration from the EDNC setting FRAND royalty rates for a global patent cross-licence of SEPs between Ericsson and Lenovo.

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14. Neither Ericsson nor Lenovo disputes the jurisdiction of the EDNC to determine the various complaints that have been raised in that court although Lenovo's position is that the English courts are a better forum. Ericsson's acceptance of the EDNC as an available forum is demonstrated by the fact that it chose to issue the EDNC Proceedings. Lenovo has demonstrated its own acceptance by issuing its counterclaim and also applying (unsuccessfully) to the EDNC for an anti-suit injunction restraining Ericsson from continuing with the proceedings in Brazil and Colombia discussed below.

**Brazil and Colombia**

15. In November 2023, Ericsson sought and obtained preliminary injunctions in Brazil restraining Lenovo from infringing certain of Ericsson's patents said to be essential to the 5G cellular standard. The effect of that injunction is that Lenovo is not able to sell freely its 5G products in Brazil without risking becoming liable to a penalty. Brazil was previously Lenovo's second largest market for the sale of smartphones.
16. Between 20 November 2023 and 1 December 2023, Ericsson filed some 30 lawsuits, including preliminary injunction applications, against Lenovo in the Colombian courts alleging infringement of its SEPs. The courts in Colombia have issued two preliminary injunctions that prohibit various members of the Lenovo group from selling 5G-capable smartphones in Colombia. Lenovo was previously one of the top smartphone suppliers in Colombia.

**The US International Trade Commission**

17. In October 2023, Ericsson commenced patent infringement proceedings against Lenovo in the US International Trade Commission (the "ITC"). In those proceedings, Ericsson seeks a "limited exclusion order" and a "cease and desist order" which would instruct the US Customs authorities to exclude various of Lenovo's products from the US.
18. In December 2023, Lenovo commenced its own patent infringement proceedings against Ericsson in the ITC seeking relief similar to that sought by Ericsson.

**The English Proceedings**

19. The Claimants issued Part 7 proceedings (the "English Proceedings") against the Defendants on 13 October 2023. In its original Particulars of Claim (the "POC") served on 15 October 2023, the Claimants sought the following relief, so far as material for present purposes:
- i) A declaration that the Lenovo Patent is essential to the ETSI 5G standard and that D1 and D2 have infringed the Lenovo Patent (the "Lenovo SEP Infringement Claim").
  - ii) Declarations that the Challenged Patents (i) are invalid (ii) are not essential to relevant ETSI standards and (iii) would not be infringed by certain actions. Relatedly, the Claimants seek an order for revocation of the Challenged Patents. I refer to this aspect of Lenovo's claim as the "Ericsson Patents Challenge".
  - iii) Declarations ("FRAND Declarations") as to the meaning and effect of various aspects of Ericsson's FRAND Commitment namely:

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- a) That Ericsson is in breach of its FRAND Commitment;
  - b) That by virtue of Ericsson’s FRAND Commitment, Lenovo already has the benefit of licences of various components of Ericsson’s patent portfolio on FRAND terms yet to be ascertained or alternatively that Ericsson is required to grant licences on terms to be determined;
  - c) What FRAND terms would be for a cross-licence between Lenovo and Ericsson covering “Ericsson and Lenovo’s UK SEPs, the Challenged Patents and Lenovo Patent, and the other patents in the Ericsson Portfolio and Lenovo Portfolio”. It will be seen this request is cast somewhat wider than the requests before the EDNC which focus on SEPs.
- iv) A declaration (the “Competition Law Declaration”) that Ericsson has abused its dominant position pursuant to s18 of the Competition Act 1998. The Claimants said through their counsel, Mr Bloch KC, that they no longer seek permission to serve out in relation to this claim which, as clarified in response to Part 18 requests, was being pursued only as against D1. That obviously means that the application for the Competition Law Declaration cannot proceed..
20. On 18 October 2023, Master Kaye gave the Claimants permission on a without-notice basis to serve the proceedings out of the jurisdiction on D1. Since D2 is a company incorporated in England and Wales, no permission to serve out was needed, and none was sought, in relation to D2.
21. Both Defendants have filed Acknowledgements of Service indicating that they intended to contest the jurisdiction of the English court.
22. By their draft Amended Particulars of Claim (the “APOC”) the Claimants seek to supplement these claims with the following:
- i) A claim for an injunction (the “FRAND Injunction”) restraining the Defendants from infringing the Lenovo Patent with that injunction to be lifted “insofar as the Defendants enter into a licence for ‘the Patents’ on FRAND terms”.
  - ii) Declarations (“Interim Declarations”) to the effect that:
    - a) willing licensors and licensees would agree and actually enter into an interim licence arrangement pending final determination of FRAND terms; and
    - b) what the terms of such an interim licence would be.

**B. THE PARTIES’ POSITIONS ON THE JURISDICTION, AMENDMENT AND STRIKE OUT APPLICATIONS****Agreed principles of law**

23. A party seeking to strike out a claim in particulars of claim under CPR 3.4(2) must show that the particulars of claim disclose no reasonable grounds for bringing it. A party seeking to amend a pleading under CPR 17.3 to include a new claim, as distinct from providing further particulars of an existing claim, must show that the new claim

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has a real prospect of success. A party seeking permission of the court under CPR 6.37 to serve a claim out of the jurisdiction must show that the claim raises a serious issue to be tried.

24. All of these matters involve the application of some kind of “merits test” which are differently phrased. However, the parties agree that all three tests that I have described in paragraph 23. above amount, at least in this case, to the same thing and I therefore refer to them compendiously as “merits tests”. They agree that I should adopt the following approach to all of these merits tests which was set out in the judgment of Popplewell LJ at [18] of *Kawasaki Kisen Kaisha Ltd v James Kemball Ltd* [2023] EWCA Civ 33:
  - i) It is not enough that the claim in question is merely arguable; it must carry some degree of conviction.
  - ii) To satisfy each merits test, the claim in question must be pleaded coherently and properly particularised.
  - iii) The pleading in question must be supported by evidence which establishes a factual basis which meets the merits test. It is not sufficient simply to plead allegations which, if true, would establish a claim; there must be evidential material which establishes a sufficiently arguable case that the allegations are correct.
25. On jurisdiction questions specifically, the following propositions of law are common ground:
  - i) The court has jurisdiction over D2 since it is a company incorporated in England and Wales. D2 has been properly served within the jurisdiction. However, in principle, the court can still decline jurisdiction on the grounds of *forum non conveniens*. There was some dispute between the parties as to whether D2 has made a proper application in this regard. However, if such an application is properly before the court, the parties agreed that the burden would be on D2 to show that a forum other than the English courts is the “natural or appropriate forum” for the claims.
  - ii) To the extent that CPR 63.14(2)(a) applies to the claims made in the POC and the APOC, the Claimants do not need any permission of the court to serve out on D1.
  - iii) To the extent that CPR 63.14(2)(a) does not apply, the Claimants need the permission of the court in order to be able to serve out on D1.
26. Where the Claimants require permission to serve out, they bear the burden of satisfying the court on the following matters summarised at [71] of the judgment of Lord Collins in *AK Investment CJSC v Kyrgyz Mobil Tel Ltd* [2011] UKPC 7:
  - i) The merits test is satisfied;
  - ii) There is a good arguable case that the claim falls within one of the “gateways” in paragraph 3.1 of Practice Direction 6B (“PD 6B”). This means that one side has a better argument than the other on the available material (see [9] of *Goldman Sachs Int. v Novo Banco SA* [2018] UKSC 34);

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- iii) England and Wales is the proper place in which to bring the claim in the sense of being “clearly or distinctly the appropriate forum for the trial of the dispute” and in all the circumstances, the court ought to exercise its discretion to permit service out of the jurisdiction.
27. The requirements set out in paragraph 26. must be satisfied by reference to each claim that the Claimants seek to bring against defendants out of the jurisdiction. As Lord Bingham put it at [21] of *Donohue v Armco Inc* [2001] UKHL 64, the existence of one permissible claim cannot be used as a “Trojan horse” to permit other claims to be made for which the court would lack jurisdiction in their own right.
  28. To decide whether the courts of England and Wales are the appropriate forum, the parties agree that I should apply the “two-stage” analysis set out in *Spiliada Maritime Corp v Cansulex Ltd* [1987] AC 460. That requires:
    - i) First a consideration of whether England and Wales is the “natural or appropriate forum”. Even though, in relation to the claim against D1, the burden of proof is on the Claimants (see paragraph 26. above), there is nevertheless an evidential burden on D1 to show that there is another “available forum” (the EDNC in the context of this case).
    - ii) Even if the courts of England and Wales are not the natural or appropriate forum, it would be open to the Claimants to argue that their claims should nevertheless be tried here. However, the Claimants advance no such arguments in the context of the present applications and, accordingly, the parties agreed that the “convenient forum” issue can be disposed of simply by considering whether England and Wales is the natural or appropriate forum.

**The Lenovo SEP Infringement Claim and the Ericsson Patents Challenge**

29. These claims are advanced in the POC and so do not require the Claimants to make any application to amend. The Defendants do not seek to strike out these claims and do not deny the English court’s jurisdiction to determine them.
30. Rather, the Defendants’ position is that once questions of jurisdiction are resolved so that there is more clarity about which claims are going ahead and in which courts (whether in England or in the EDNC), appropriate case management directions can be made dealing with the Lenovo SEP Infringement Claim and the Ericsson Patents Challenge.

**The FRAND Injunction**

31. D1 and D2 argue that the Claimants should be refused permission to amend under CPR 17.3 so as to include the claim for the FRAND Injunction as the claim for such an injunction fails the merits test.
32. If that argument fails, the Defendants argue that the Claimants should be permitted to make a claim only for a more limited FRAND Injunction that falls away if the Defendants enter into any FRAND licence that covers the Lenovo Patents, whether that licence is determined by the English courts or otherwise.

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33. These points aside, the Defendants make no separate challenge to the English court's jurisdiction to make a FRAND Injunction. Of course, if as the Defendants argue, the claim for a FRAND Injunction fails the merits test, then permission to serve out should not be given. However, that is not a separate argument on jurisdiction since, if the claim for the FRAND Injunction fails the merits test, then permission to amend will be refused and there is nothing that needs to be served out.
34. The Defendants accept that, if permission to amend is granted in relation to the FRAND Injunction, that claim passes through Gateway 9 in PD 6B.

**The FRAND Declarations**

35. D1 and D2 argue that there is no basis for seeking the FRAND Declarations as against D2 which, having not given any undertakings to ETSI, cannot have any FRAND Commitment. Accordingly, whatever view is taken on the other challenges to the FRAND Declarations, D2 argues that any claim for these declarations as against it should be struck out under CPR 3.4(2)(a).
36. The Defendants also argue that in any event the claim for FRAND Declarations against both Defendants should be struck out under CPR 3.4(2)(a) for reasons considered below.
37. If the Claimants are granted permission to amend so as to include the claim for the FRAND Injunction, D1 accepts that the claim for the FRAND Declarations passes through Gateway 4A in PD 6B.
38. However, if the Claimants are not permitted to amend so as to include a claim for the FRAND Injunction, the Defendants argue that there is no gateway through which a claim for the FRAND Declarations can pass. The Claimants argue that either (i) CPR 63.14(2) permitted the claim for the FRAND Declarations to be served out on the basis that those declarations relates to a "registered right" or (ii) any one of Gateways 11, 4A or 3 are available.
39. Even if the claims for FRAND Declarations satisfy the merits test and pass through an applicable gateway, the Defendants argue that (i) the English courts have no jurisdiction as regards the claim for a declaration against D1 since the appropriate forum for a determination of FRAND issues is the EDNC and (ii) although the English court does have jurisdiction to make such a declaration against D2, the Court should decline jurisdiction on the basis that the EDNC is a more appropriate forum.

**The Interim Declarations**

40. Both sides adopt essentially the same position in relation to the Interim Declarations as in relation to the FRAND Declarations. That said, the Defendants stress different points in arguing that the claim for Interim Declarations fails the merits test from those on which they relied in connection with the FRAND Declarations.

**C. PRELIMINARY FINDINGS**

41. The bundle for the hearing contained six witness statements from Lenovo's English solicitor, Ms Dagg and one witness statement from their English solicitor Mr Baldwin.



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The Claimants also relied on a witness statement from Mr Bennett, a US lawyer who practises before the courts of North Carolina, and other courts.

42. The Defendants relied on factual evidence in the form of three witness statements from Mr Foster, their English solicitor.
43. There were also expert reports from The Honorable Arthur J Gajarsa (“Justice Gajarsa”) on behalf of the Claimants and the Honorable Paul Michel (“Justice Michel”) on behalf of the Defendants.
44. None of these witnesses were cross-examined. Accordingly, where there is a dispute, either in the factual evidence or in the expert evidence, I have no basis for preferring the evidence of one witness or expert over another. I can, however, review the expert and factual evidence to see what matters are in dispute and which are common ground.

**Would Ericsson be a net recipient of royalties under a global FRAND cross-licence?**

45. Ericsson’s position, as set out in the skeleton argument of their counsel, Ms Abram KC and Miss Davies KC, was that it was self-evident that Ericsson would be a net recipient of royalties under any global FRAND cross-licence of relevant SEPs between the Lenovo and Ericsson groups. Ericsson, through its counsel, expressed surprise that Lenovo did not accept this proposition as it was not understood to be in dispute. However, it was not said that the point had ever been the subject of any admission and Ericsson sought to demonstrate the truth of the proposition from the evidence that was before me.
46. Ericsson points to paragraphs 66 to 68 of Ms Dagg’s first witness statement made in support of the Interim Declarations. The Claimants sought declarations to the effect that a willing licensor and licensee would enter into an interim licence until global FRAND terms could be agreed with one aspect of the interim licence said to involve:

*a reasonable sum will be set aside by the Claimants by payment into court or otherwise to protect the interests of the Defendants.*

47. Ms Dagg’s witness statement elaborated on this aspect of the Interim Declarations and set out Lenovo’s offer to pay a significant sum (specified in her witness statement, but not included in this judgment for reasons of confidentiality) into court so as to perform Lenovo’s end of the bargain. That, argues Ericsson, clearly demonstrates that Lenovo is acting on the basis that it will be a net payer to Ericsson as it would scarcely offer to pay such a substantial sum into court if it thought otherwise.
48. I was also referred to the terms of an offer of a final licence that Lenovo made to Ericsson in the course of negotiations. Ms Dagg explained that that this offer was of a FRAND licence comprising “Ericsson’s ‘Cellular SEPs’ and the other terms for global patent peace in accordance with industry standards”. Lenovo’s offer was for a certain sum per unit (not included in this judgment for reasons of confidentiality) and was based on the “cellular stack extrapolated from the *Optis v Apple* case and the *Interdigital v Lenovo* case, applying Ericsson’s estimated stack share and taking an average of the outputs generated from the starting points for the calculation given by those two cases”. I was not satisfied that this set out a proposed net royalty that would be payable under a cross-licence. Rather, I consider that it represented an offer of the price that Lenovo was prepared to pay for the “Ericsson component” of a global cross-

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licence. I do not see how it could be an offer of a net royalty since it is apparently calculated by reference only to the Lenovo units. Moreover, if the fee was a net figure for a cross-licence, I would have expected it to take into account Lenovo's "estimated stack share" and not just that of Ericsson.

49. My interpretation set out in paragraph 48. is consistent with Ms Dagg's explanation, in her sixth witness statement, of the terms of a more recent cross-licence offer that Lenovo made to Ericsson in February 2024. Ms Dagg explained that this offer was for a per-unit royalty slightly more than that comprised in the offer referred to in paragraph 48. for a licence under Ericsson's portfolio with the proposal that Ericsson pay a separate ad valorem rate for a licence under Lenovo's portfolio. The fact that (i) the February 2024 offer dealt explicitly with the terms of a licence under Lenovo's portfolio and (ii) the royalty offered for the licence of Ericsson patents is slightly higher, but not dissimilar to, the price referred to in paragraph 48. supports the conclusion that the offer described in paragraph 48. was not for a net royalty payment, but related to Ericsson patents only. Lenovo's letter of 18 February 2024 setting out the terms of that offer only reinforces the point. That letter described the earlier offer, summarised in paragraph 48. as "Lenovo's prior one-way license offer" in contrast to the "revised offer for a cross-license between Ericsson and Lenovo".
50. Ms Dagg explained in her sixth witness statement that, if the February 2024 offer had been accepted, the result would have been a net payment from Ericsson to Lenovo. In her oral submissions Ms Abram suggested that this witness statement had been carefully worded so as to focus on the particular offer made and a particular selection of SEPs so as to skirt around the question of whether Lenovo believed that it would ultimately be a net payer or a net recipient. However, I will not make that finding in circumstances where Ms Dagg has not been cross-examined.
51. I conclude from Ms Dagg's evidence that both Ericsson and Lenovo own significant numbers of 5G SEP patents with Lenovo holding around 60% of the number of patents that Ericsson hold. However, a global cross-licence would have to deal with 3G and 4G as well and so I am not satisfied that the fact that Ericsson holds more 5G patents will necessarily make it a net recipient. In her reply submissions, Ms Abram stated that Ericsson holds a large number of 3G and 4G patents. I do not doubt that, but a general statement such as this made by counsel on instructions is not enough to demonstrate the proposition that Ericsson will necessarily be a net recipient of royalty under a cross-licence.
52. Lenovo's offer to pay a significant amount into court is possibly suggestive of a belief that it will be a net payer under some form of cross-licence. However, it is not conclusive. First, such a belief would sit oddly with its February 2024 offer which, at least on Ms Dagg's arithmetic, would have resulted in Ericsson paying Lenovo. Moreover, Lenovo is clearly concerned at the effect the injunctions in Brazil and Colombia have had on its business. Sums that Lenovo pays into court are not lost forever. It is plausible that it might be prepared to pay more into court than it believes it owes in the hope that this produces favourable Interim Declarations that make it harder for overseas injunctions to be maintained. More generally, I am not satisfied that arguments based on assertions as to Lenovo's beliefs provide a secure basis for deciding that Ericsson would necessarily be a net recipient under a cross-licence.

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53. I attach little significance to the terms of a licence concluded between Lenovo and Ericsson in 2011 which I consider to have been agreed so long ago as not to be a reliable guide to royalties that would be payable now.
54. Overall, I am not able to conclude on the basis of the evidence before me that Ericsson will necessarily be a net recipient under any FRAND global cross-licence that emerges either from the EDNC or the English court proceedings. There are simply too many variables for me to make such a finding at an interlocutory stage on the basis of untested evidence. I do not even know at this stage which patents will ultimately be the subject of any cross-licence: as I have explained, the EDNC Proceedings appear to be concerned with SEPs specifically whereas in the English Proceedings, the Claimants at least appear to be asking for determination of terms of a cross-licence that could extend beyond SEPs.

**What will the EDNC determine and when is it likely to reach its determination?**

55. My overall conclusion which I explain below is as follows:
- i) The EDNC has never previously determined a FRAND rate for Cellular SEPs. In that respect, it is like many courts in the world. The EDNC could certainly do so, but the EDNC Proceedings will be a new kind of proceeding for it.
  - ii) On the basis of the evidence I have been shown, there is a possibility that the EDNC will not ultimately determine a FRAND rate for a global cross-licence of Cellular SEPs between Lenovo and Ericsson.
  - iii) If it does determine such a rate, the EDNC will necessarily have to have regard to the high-level terms of the FRAND global cross-licence since, without an appreciation of those high-level terms, it could not fix a rate.
  - iv) However, the EDNC will not produce a full draft of the legal terms of the cross-licence.
  - v) A trial in the EDNC is unlikely to take place before late 2026.
56. The factual conclusion set out in paragraph 55.i) was common ground.
57. The conclusion set out in paragraph 55.ii) was not common ground. During the hearing before me I expressed to the parties my concern that the debate on this issue was rooted in a degree of mutual suspicion arising out of the terms of parties' undertakings in relation to the EDNC Proceedings. I invited the parties to have discussions that moved on from drafting points on undertakings or proposed undertakings and to identify those issues on which they would actively co-operate and ask the EDNC to determine.
58. This invitation achieved modest success. It prompted Ericsson to confirm that it no longer asks the EDNC to declare that Lenovo has lost its right under the ETSI IPR to any licence in respect of Ericsson's SEPs. That was significant because, so long as Ericsson reserves the right to ask for that declaration, there was the obvious risk that it would be successful with the result that the EDNC would not go on to consider the terms of a FRAND licence of Ericsson's SEPs.

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59. Also significant, in my judgment, was the confirmation that Ericsson gave through counsel to the effect that the Defendants are committed to ensuring that the EDNC Proceedings determine the FRAND terms of a cross-licence agreement.
60. Nevertheless, Lenovo remains concerned that the EDNC Proceedings will not determine a FRAND cross-licence at all. Lenovo characterises the questions to the EDNC that I have described in paragraph 12. as involving, in the first instance, a “yes/no referendum” on Ericsson’s initial offer of 11 October 2023 which gives rise to uncertainty because so much turns on what the referendum question means. Lenovo’s chief concern was that the referendum question might be interpreted as involving some sort of behavioural analysis of Ericsson’s offer to ascertain whether it was made in good faith and, even if not FRAND, was a reasonable starting point for negotiations. If that approach is followed, Lenovo are worried that the answer to the referendum question might be a simple “yes” and the question of what a FRAND rate, or licence, actually is would go unresolved.
61. I note that, at an earlier hearing in these proceedings before Meade J on 8 December 2023, Lenovo said through counsel that it is “prepared to agree determination of global cross-licence terms before the EDNC if Ericsson agrees not to seek [pursue or maintain] its injunctions and exclusion orders in the meantime anywhere in the world”. I do not regard that confirmation as inconsistent with the concern that Lenovo now articulates. Lenovo’s point, as I understand it, is that much depends on the question that is put to the EDNC. I can understand that Lenovo might be prepared to have the dispute resolved in the EDNC if what it considers to be the “right” question is put in those proceedings. Its present objection is that Ericsson’s proposed formulation does not involve the “right” question being asked so that there might be no determination of global cross-licence terms by the EDNC.
62. Justice Gajarsa explained in his expert report that there is a conceptual difference between an “offer” and a “FRAND rate”. His first point, that even if a court determines a FRAND rate it is unlikely to require parties to enter into a contract giving effect to it, does not matter greatly. Lenovo’s objection to the EDNC Proceedings is not that they lack desirable compulsion on the parties. More significant is Justice Gajarsa’s conclusion that there have been other cases such as *Microsoft Corp. v Motorola Inc.*, No. 10-cv-1823 (W.D. Wash.) in which US district courts interpreted obligations owed by patentees to the ITU and the IEEE (SSOs other than ETSI) as requiring only that initial offers be made in good faith. Accordingly in the *Motorola* case, the patent holder was held to have complied with its (F)RAND obligation owed to the ITU and the IEEE by making a non-FRAND initial offer as part of the process that was ultimately intended to lead to a (F)RAND licence.
63. I consider that there is some potential read-across between the *Motorola* case and the EDNC Proceedings. In paragraphs (j) to (l) of its prayer in the EDNC Proceedings, Ericsson requests the EDNC to do the following:
- (j) Adjudge and declare that Ericsson has complied with its F/RAND commitments and all applicable laws;*
- (k) Adjudge and declare that Ericsson has complied with the ETSI IPR Policy and all other applicable laws that would affect Ericsson’s prospective license to Defendants;*

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*(l) If Ericsson's offer is determined not to be consistent with its F/RAND commitments, adjudge and declare a F/RAND rate for a global cross-license between Ericsson and Defendants covering Essential Patents*

64. Ericsson argues that any risk of the EDNC applying a *Motorola* approach in the context of these requests is removed by the following undertaking that Ericsson was prepared to offer (strictly without prejudice to its contention that the English court does not have jurisdiction and that the EDNC is the proper venue for the determination of FRAND terms):

*LM Ericsson has asked the Eastern District of North Carolina ("EDNC") Court to adjudicate whether its cellular essential patent cross license offer to Lenovo complies with FRAND. If LM Ericsson's offer is found to be FRAND, LM Ericsson will provide Lenovo 30 days from the EDNC Court's entry of final judgment to enter into a global cellular essential patent cross licensing agreement consistent with Ericsson's offered rate. If LM Ericsson's offer is found to not comply with FRAND, LM Ericsson has already requested that the EDNC Court declare how LM Ericsson should revise its rates to bring them into compliance with FRAND and will provide Lenovo 30 days from the EDNC Court's entry of final judgment to enter into a global cellular essential patent cross licensing agreement consistent with the EDNC Court's ruling*

65. I do not, however, agree that this disposes of the point. Given Justice Gajarsa's evidence and the way in which the request to the EDNC is framed, it appears conceptually possible that the EDNC could decide that Ericsson "complied with its F/RAND commitment" even though its offer was not FRAND in its own terms. Correspondence between the parties that I was shown indicates that Ericsson is not willing to rephrase paragraph (l) of the prayer for relief in the EDNC Proceedings so that it requests simply that the EDNC "adjudge and declare a F/RAND rate for a global cross-licence between Ericsson and Defendants covering Essential Patents". If the prayer had been worded in this way, I consider that it would have dealt with Justice Gajarsa's concern. Since Ericsson is not prepared to make this amendment, I conclude that the concern remains.
66. In reaching this conclusion, I am articulating a risk and am not of course doubting the answer that counsel gave to my question which I have recorded in paragraph 59.. The risk may not materialise since the EDNC might construe Ericsson's FRAND commitment to ETSI differently from the way it construed the commitments to the ITU and IEEE in *Motorola*. It might hold that Ericsson had not complied with its FRAND obligations and so proceed to the second stage of its analysis. However, notwithstanding these points, the risk remains, hence my conclusion in paragraph 55.ii).
67. I did not understand the conclusions and paragraphs 55.iii) and 55.iv) to be controversial although the parties had different perspectives on the significance of the EDNC not producing an actual licence.
68. Much of the argument as to the timetable within which the EDNC Proceedings would come to trial involved allegation and counter-allegation, as distinct from evidence.

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Lenovo accuses Ericsson of proposing an unrealistic trial timetable in the EDNC Proceedings, suggesting a trial in December 2024. For its part, Ericsson accuses Lenovo of dragging its heels in the EDNC Proceedings and proposing an unrealistic trial timetable in the English Proceedings. I am not able to conduct an audit of the parties' respective behaviours so as to make findings on these competing allegations.

69. However, once there is appropriate focus on the evidence, it is clear to me that a trial in the EDNC Proceedings is unlikely before late 2026. That follows clearly from the evidence of Mr Bennett which, being untested in cross examination, I accept to be true since it is not implausible. Mr Bennett explained that while parties might well have aspirations as to trial date, ultimately the EDNC will fix the trial date in accordance with, among other considerations, its own resources and availability. The median length of time between filing proceedings in the EDNC and obtaining a trial is 36 months. For Judge Boyle, who is docketed to this case, it is 45 months. Moreover, the EDNC is currently undergoing a particularly busy period because of claims relating to water contamination at a military base, Camp LeJeune, in Jacksonville North Carolina. Reuters has described these claims as “one of the largest mass litigations in history”.
70. Proceedings in England to set a FRAND rate for licences of SEPs are time-consuming and complicated. There is no reason to expect that they will be any different in the EDNC. Complicated cases require more disclosure and take longer to come to trial than more straightforward cases. My suspicion is that the EDNC Proceedings would take longer than the median length of time to come to trial. However, even if they just took the median length of time, I conclude that a trial before October 2026 would be unlikely.

**Convenient forum**

71. In determining the question of “convenient forum”, I will apply the following approach which I did not understand to be controversial:
- i) A necessary precondition to determining the appropriate forum is to characterise the “case”. The “case” for these purposes is not restricted to an analysis of the claim and the relief sought by the Claimants. Rather, it is important to have regard to the totality of the dispute including, where necessary, the Defendants' answer to the claim. This characterisation must be performed in a way which does not risk pre-judging the analysis of where the appropriate forum lies. So, for example, in *re Harrods (Buenos Aires) Ltd* [1992] Ch 72, the judge at first instance was wrong to characterise the case as an “unfair prejudice petition under the English Companies Act in respect of an English company” in circumstances where the company concerned was treated under local, Argentinian law, as if it were an Argentinian company (see [32] to [35] of the judgment of Floyd LJ in *Conversant Wireless Licensing S.a.r.L v Huawei Technologies Co Ltd* [2019] EWCA Civ 38 “*Conversant v Huawei CA*”).
  - ii) Neither side raises arguments on the second stage of the *Spiliada* test (see paragraph 28.ii) above). Accordingly, the dispute about appropriate forum in this case will be decided by determining (with due regard to the burden of proof) the most natural forum for determination of the case. The most natural forum will be that with which the action has the most real and substantial connection once the case has been appropriately identified.

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- iii) There is no closed list of factors to which the court must have regard in determining the appropriate forum since, as Lord Goff said at p478A to B of *Spiliada*, the relevant factors are “legion”. Accordingly, the focus should be on factors that connect this action with either the EDNC or with England & Wales.
  - iv) Those connecting factors include not only factors affecting convenience or expense (such as the availability of witnesses) but also other factors such as governing law and the places where parties respectively reside or carry on business. Since the focus is on connecting factors, the task at *Spiliada* stage one is not to seek to compare the “quality” of other legal systems with that of England & Wales.
72. The parties are not agreed on the question of characterisation raised in the paragraph 71.i) above. Ericsson submits that the case should be analysed as a dispute about what the FRAND rate for a global cross-licence of ETSI-encumbered SEPs should be. It argues that Lenovo itself acknowledges that to be the correct characterisation in its witness evidence. For example, paragraph 102 of Ms Dagg’s first witness statement describes the FRAND question as the “real nub of the commercial issue between the parties”. Paragraph 23 of Ms Dagg’s fourth witness statement describes Lenovo’s proposed “FRAND first” approach as having a benefit of prioritising and focusing on the “core commercial dispute”. Paragraph 60.2 of the Claimants’ skeleton argument describes the FRAND dispute as the “central commercial issue” between the parties.
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.
74. Lenovo has brought a claim for infringement of the Lenovo Patent. The court has not yet seen Ericsson’s defence or counterclaim since Ericsson has been contesting jurisdiction. However, there is no suggestion that either D1 or D2 accept that they are infringing. During the hearing before me, Ericsson stressed that it does not accept the validity of the Lenovo Patent. Both D1 and D2 earn substantial revenue from businesses that include the sale of products related to mobile telecommunications. Of course, there is no way for me to tell at this early stage of the proceedings how much of that revenue relies on Ericsson implementing the Lenovo Patent. However, there is no suggestion that, having now been put on notice that Lenovo asserts it to be infringing, either Defendant proposes simply to cease implementation that relies on the Lenovo Patent. It is entirely reasonable to assume that the Defendants will argue that Lenovo’s FRAND Commitment obliges it to offer a FRAND licence to Ericsson.
75. In those circumstances, I prefer Lenovo’s characterisation of the “case” as being, both in form and in substance, about the vindication of the rights inherent in the Lenovo Patent, raising questions about whether that patent is valid and/or infringed, with Ericsson being likely to raise a contractual defence based on Lenovo’s FRAND

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Commitment. That was a formulation of the nature of the case that found favour with the Court of Appeal in both *Conversant v Huawei CA* and in *Nokia v OPPO* [2022] EWCA Civ 947 (“*Nokia v OPPO CA*”). That said, I accept that the Court of Appeal’s judgments on that issue are not binding on me (since conceptually the case before me could be different from those cases under consideration in the Court of Appeal).

76. Ericsson points to some considerations which they submit to make the present case different from those considered in *Conversant v Huawei CA* and *Nokia v OPPO CA*.
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



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(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.
82. Next, Ericsson argues that the case cannot be about infringement of the Lenovo SEP since (i) Lenovo did not seek a FRAND injunction when it originally brought its claim and has only done so by way of amendment and (ii) Lenovo argues that technical trials are not needed and so it asks that the English Proceedings be case-managed on a “FRAND first” basis.
83. I do not accept those arguments. It does not matter when Lenovo decided to seek a FRAND injunction. Its case as currently presented seeks such an injunction and the question of characterisation and convenient forum must be determined by reference to the claim it seeks to make now. As to technical trials, it is for Ericsson to decide whether it wishes to challenge the validity of the Lenovo SEP and/or argue that it is not infringing. As matters stand, Ericsson has said through counsel that it does wish to contest validity. Lenovo does not, and could not, deny Ericsson the opportunity to do so. Ultimately either a FRAND determination must happen first or questions of infringement/validity must be determined first. I do not consider that the parties’ competing perceptions on that question of case management have much to say about the proper characterisation of the dispute.
84. I acknowledge that the claim for the FRAND Declarations is a possible pointer in favour of Ericsson’s proposed characterisation. In seeking those declarations, Lenovo seeks determinations as to the scope of Ericsson’s FRAND Commitment. Lenovo also pro-actively seeks a determination of the terms of a FRAND cross-licence without leaving it to Ericsson to raise that issue as a defence to the Lenovo SEP Infringement Claim. Those factors suggest that the claim might in substance be for the determination of a FRAND cross-licence.

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85. If it were clear that Ericsson would necessarily be a net recipient of royalty under a FRAND cross-licence, this point would have more force. However, given my earlier finding on this issue, its force is diminished. In any event, an analysis of whether Ericsson has complied with its own FRAND commitment is of potential relevance to the Lenovo SEP Infringement Claim. If Ericsson has not complied, Lenovo's own obligation to offer a FRAND licence of the Lenovo SEP might not be triggered given that, under the ETSI IPR, Lenovo's obligation to offer such a licence is conditional on Ericsson offering such a licence of those ETSI FRAND-encumbered SEPs which Ericsson wishes to implement. Nor do I consider that much turns on the fact that, in seeking a determination of FRAND terms for a cross-licence, Lenovo is anticipating a defence to the Lenovo SEP Infringement Claim that Ericsson has not yet raised. Ericsson does not accept that it is infringing the Lenovo SEP. There is no indication at this stage that it will decline to raise any FRAND defence to the Lenovo SEP Infringement Claim.
86. At [104] of *Conversant v Huawei CA* Floyd LJ held that, if a claim is analysed on the basis that I favour, then a UK forum is clearly the most appropriate forum and indeed the only possible forum where the claim can be tried. I did not understand Ericsson to argue to the contrary. I conclude that a UK forum is clearly the most appropriate. I reach that conclusion based on the appropriate characterisation of the claim and I do not feel it necessary to have recourse to the burden of proof.

## **D. CONSIDERATION OF THE STRIKE OUT, AMENDMENT AND JURISDICTION APPLICATIONS**

### **The claim for a FRAND Injunction**

#### The merits test

87. In support of their arguments that the claim for the FRAND Injunction fails the merits test, the Defendants make two broad points:
- i) Under any cross-licence agreement, Ericsson would be a net recipient of patent royalties and Lenovo would be a net payer. In those circumstances, even if Ericsson has been infringing, Lenovo have suffered no financial loss. A FRAND Injunction would serve no useful purpose since Ericsson would have an obvious interest in obtaining the net royalty due to it and an injunction would accordingly not incentivise it to do so.
  - ii) There is no utility in making a FRAND Injunction that falls away on an English court's determination of a FRAND cross-licence in circumstances where there are proceedings before the EDNC that will determine a FRAND cross-licence. It is for Ericsson, as "net licensor" to determine the jurisdiction in which a FRAND cross-licence is determined.
88. For reasons that follow, I do not accept those arguments. As I have explained, I am not satisfied for the purposes of the present applications that Ericsson will necessarily be a net recipient of royalty under any FRAND global cross-licence. Both arguments set out in paragraph 87. take that proposition as their starting point and accordingly fail for that reason.

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89. However, even if Ericsson had established that it was likely to be a net recipient of royalty under a FRAND global licence, I would still have held that the claim for the FRAND Injunction satisfies the merits test. After all, Meade J's judgment in *Nokia v OPPO HC* indicates that if, as is presently the case, Ericsson is unwilling to give an undertaking to take a licence on terms the English court considers to be FRAND, it risks being subjected to an injunction. If that is right, there must be at least a realistic possibility that an English court would make a FRAND injunction against Ericsson, if it was infringing, with that being lifted on Ericsson entering into a FRAND licence.
90. Ericsson's arguments that there would necessarily be no point to an English court granting a FRAND Injunction because the EDNC would be engaged in a process of determining a FRAND global cross-licence are diminished in their force by my finding that there is a realistic prospect that the EDNC Proceedings will not determine the terms of such a licence.
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.
93. In saying this, I should not be taken as making findings that the factual position is as described in the hypothetical scenario set out in paragraph 91.. I make no such findings since it is too early to do so. However, the fact that there is a real-world scenario in which the FRAND Injunction could be made points firmly against the conclusion that the claim for such an injunction fails the merits test.
94. Nor, for reasons set out in paragraphs 80. and 81. above do I accept Ericsson's argument that an English court would necessarily refrain from making a FRAND Injunction because to do so would subvert the "established position" set out in paragraphs [269] to [272] of *Nokia v OPPO HC* that a licensor is entitled to choose which FRAND terms to offer whether those terms are set by an English court or an overseas court.

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95. I agree with Ericsson that there are some imperfections in the drafting of the claim for a FRAND Injunction. Paragraph 1A of the APOC envisages that the claim is for an injunction to be granted which falls away on any of the Defendants entering into a licence which covers the Lenovo Patent on terms that the English court determines to be FRAND. By contrast, paragraph 10A of the prayer for relief contained in the APOC envisages that the FRAND Injunction will be lifted “insofar as the Defendants enter into a licence for the Patents on FRAND terms”. The term “Patents” is not defined and the trigger for lifting of the FRAND Injunction is not consistent with that set out in Paragraph 1A.
96. Lenovo should certainly deal with these drafting glitches in a revised APOC which the court is to be invited to approve. However, I do not consider that they raise problems of substance. As explained above, an English court might realistically consider granting a FRAND Injunction that is lifted on entry into of a FRAND licence on terms approved by the English courts. Alternatively, if the EDNC Proceedings have concluded by the time the English court considers the question of a FRAND injunction, it might be prepared to frame an injunction in terms that it is lifted on entry into a FRAND licence determined by the EDNC. The type of FRAND injunction, if any, that will be granted can only be considered in the light of circumstances prevailing at the time. Therefore, the fact that Lenovo appear to have multiple possibilities in mind does not strike me as detracting from the prospects that there is a realistic prospect of obtaining a FRAND Injunction on one of those formulations. The problem is the inconsistency which should be addressed by way of drafting clarification.

Ericsson’s other objections

97. Given Ericsson’s acceptance in paragraph 34., the claim for the FRAND Injunction passes through Gateway 9. Ericsson’s objections based on convenient forum are dismissed given my conclusion set out in paragraph 86..

**The claim for FRAND Declarations**Merits test

98. Given my conclusion in the previous section, I do not need to deal with Ericsson’s arguments that relied on the court accepting that the claim for the FRAND Injunction failed the merits test.
99. Putting those arguments to one side, Ericsson’s remaining overarching point was that the prospect of the court making the FRAND Declarations is so slender, in circumstances where FRAND issues are being considered by the EDNC, as not to satisfy the merits test.
100. However, the force of this argument is diminished by my conclusion set out in paragraph 55.. Whether or not an English court chooses to make the FRAND Declarations will depend on circumstances in existence at the time. I have found that there is a possibility that the EDNC will not determine the terms of a FRAND cross-licence. It follows that there is a realistic prospect that an English court will not face a situation in which it is asked to make FRAND Declarations that the EDNC will also be making.

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101. Contrary to Ericsson's arguments, there is utility to the FRAND Declarations. Given my conclusion on the FRAND Injunction, there is at least a realistic prospect that an English court may choose to restrain Ericsson from infringing the Lenovo Patent until it enters into a FRAND global cross-licence. Looking at matters at this early stage in proceedings, there is in my judgment some utility in an English court having the flexibility to declare what the terms of such a cross-licence would be. It is too early for an English court to say that there is no realistically foreseeable utility in such a declaration.
102. Ericsson also makes some more specific objections to aspects of the claim for the FRAND Declarations. First, it argues that there is no realistic prospect of making these declarations as against D2, as distinct from D1, since D2 has no contractual obligations under the ETSI IPR, not being a declarant to ETSI.
103. That is true, but it is a point of drafting rather than of substance. The FRAND Declarations are reflected in paragraphs (8), (9) and (10) of the prayer for relief in the APOC. Paragraph (8) does not reference D2 at all. Paragraph (10) requests a determination of what FRAND terms would be for an agreement between "Lenovo and Ericsson". Given the "reciprocal" and "group-wide" nature of both Lenovo and Ericsson's undertakings to ETSI described in paragraph 9. above, the English court would be deciding the terms of a FRAND cross-licence covering both groups. In those circumstances, the wording of paragraph (10) is a perfectly acceptable shorthand that imposes no incremental liability on D2.
104. There is a flaw in paragraph (9) of the prayer. That requests a declaration that "Ericsson is required to enter into an agreement with Lenovo..." by virtue of the FRAND Commitment. The generic reference to "Ericsson" in this context is insufficiently lacking in precision. D2 itself has no obligation to ETSI. However, it is realistically arguable that D1's compliance with its obligation to ETSI would lead to D2 having the benefit and burden of a global cross-licence. Lenovo should simply sort out the drafting glitch in the APOC.
105. Ericsson's next objection is to paragraph (8) of the prayer which requests a declaration that Lenovo is already licensed because of the operation of Ericsson's FRAND Commitment. Meade J has considered, and rejected, a similar argument in *Nokia v OPPO HC*. However, this may not be the final word on the matter. The law in this area is developing and Meade J gave permission for OPPO to approach the Supreme Court for permission to appeal on a "leapfrog" basis. In the event, that permission was not pursued. However, the considerations I have set out in this paragraph suggest to me that there is a realistic prospect of Lenovo successfully asking a judge to depart from Meade J's conclusion. I will not, therefore, conclude that this aspect of the FRAND Declarations fails the merits test.
106. I agree with Ericsson that the declaration sought in paragraph (5) of the prayer in the APOC relating to "Ericsson's commitments to other SSOs" has, as pleaded, no reasonable prospect of success. No particulars are given of any SSOs other than ETSI to whom Ericsson has given FRAND Commitments.
107. Subject to the points of detail set out above, the claim for FRAND Declarations satisfies the merits test.

**Approved Judgment****Other objections**

108. The claim for FRAND Declarations passes through Gateway 4A given (i) that I have granted permission to amend so as to include the claim for a FRAND Injunction and (ii) Ericsson's acceptance recorded in paragraph 37. above. The objection based on convenient forum fails for reasons that I have already given.

**The claim for Interim Declarations****Merits test**

109. Ericsson made the following specific criticisms of the claim for Interim Declarations:

- i) There is no reasonable prospect of those declarations being made as against D2 which has no FRAND Commitment.
- ii) There is insufficient specificity in the request for a declaration that a willing licensor and a willing licensee would take certain steps "in accordance with contractual obligations on the part of the Defendants by virtue of undertakings, declarations and/or declarations of essentiality made by or behalf of them to ETSI". In her oral submissions, Ms Abram argued that Lenovo had failed to plead a "legal springboard" that provided a basis for the English court to make findings as to how a "willing licensor" and "willing licensee" would behave in the period before trial.

110. The point made in paragraph 109.i) is correct as far as it goes but relatively unimportant. The declarations sought are not as to rights and obligations of D2 specifically but rather as to how a "willing licensor" or "willing licensee" would behave. There is a drafting glitch in that the basis for determining the actions of a "willing licensor" and "willing licensee" is, in essence, the FRAND Commitment of the "Defendants". If it is accepted that D2 has no FRAND Commitment, the drafting glitch should simply be fixed by referring only to D1's FRAND Commitment. If it is asserted that D2 has FRAND Commitments as well, they should be specified.

111. I do not accept the argument made in paragraph 109.ii). The FRAND Commitments of both Ericsson and of Lenovo, and the way those commitments are analysed by the English courts, necessarily mean that questions of "willingness" will arise in the English Proceedings. A licensee who is "unwilling" to take a FRAND licence risks being determined to fall outside the class of beneficiaries of a licensor's FRAND Commitment. A licensor who is perceived to be "unwilling" is unlikely to obtain an injunction restraining an implementer. The legal "springboard" for the claim for the Interim Declarations therefore consists of a combination of (i) undertakings that both D1 and C2 have given to ETSI, (ii) the way those undertakings are analysed in English infringement proceedings and (iii) the court's power under CPR 25 to make interim declarations as to how "willing" licensors and licensees might be expected to behave.

112. Ericsson's argument that an English court is unlikely to make the Interim Declarations was stronger. Ericsson argues that the Interim Declarations sought would simply amount to abstract statements of how hypothetical "willing licensors" and "willing licensees" might act which lack any utility in the English Proceedings. It argues that, if Lenovo seeks an interim licence, it should do so in jurisdictions such as Brazil and

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Colombia in which it is presently facing injunction proceedings rather than asking the English court to sort out what is essentially a foreign problem. It characterises the Interim Declarations as objectionable attempts to influence injunction proceedings that Ericsson has brought or might seek to bring in foreign courts. Ericsson goes as far as to argue that the Interim Declarations amounts to an anti-suit injunction by the back door.

113. There is force in those points. In the past weeks I have accepted some similar arguments in refusing an application for a declaration that a particular form of interim licence agreement would be FRAND in *Lenovo Group Limited and others v InterDigital Technology Corporation and others* [2024] EWHC 596 (Ch). However, it does not follow from the fact that I refused the application in *Lenovo v InterDigital* that the claim for Interim Declarations fails the merits test. The jurisprudence in this area is developing. Moreover, over the past few months a number of cases have come to the court in which implementers complain that SEP holders are using the threat of foreign injunctions as a means to secure supra-FRAND rates. I make no finding as to whether those complaints are justified in this or any other case. However, the fact that implementers are making these complaints suggests that there is some demand for a court-sponsored interim regime to regularise the position until FRAND licences or cross-licences are determined. Even though valid criticisms can be made of the Interim Declarations that Lenovo seeks, it is, in my judgment, too early to say that they fail the merits test.

**Other objections**

114. Ericsson's other objections fail for reasons that are essentially the same as those set out in paragraph 108. above. Even if CPR 63.14(2) does not apply, given Ericsson's acceptance in paragraph 37., the claim for Interim Declarations would pass through Gateway 4A. The *forum non conveniens* challenge fails for reasons already given.

**CPR 63.14(2)**

115. As I have noted in paragraphs 97. and 108. above, the claims for the FRAND Declarations and the Interim Declarations pass through Gateway 4A. The permission to serve out that Lenovo sought and obtained from Master Kaye in relation to these claims does not need to be set aside. It follows that there is no need for me to consider Lenovo's fall-back arguments based on CPR 63.14(2). Those arguments are best considered in a case where they would actually affect the outcome.

**E. CASE MANAGEMENT ISSUES****The application for the case management stay**

116. At [67] of *Conversant Wireless Licensing SARL v Huawei Technologies Co Ltd and others* [2020] UKSC 37, the Supreme Court noted the English court's power to stay proceedings behind parallel proceedings overseas as follows:

*A temporary stay may be ordered where there are parallel proceedings in another jurisdiction, raising similar or related issues between the same or related parties, where the earlier resolution of those issues in the foreign proceedings would better serve the interests of justice than by allowing the English proceedings to*

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*continue without a temporary stay ...But this would be justified only in rare or compelling circumstances.*

117. I will not stay the English Proceedings behind the EDNC Proceedings. My findings in paragraph 55. suggest to me that there will be no “earlier resolution” in the EDNC Proceedings since a trial in the EDNC cannot be expected until late 2026. Even if the English Proceedings are not expedited, they can be expected to come to trial earlier than that.
118. Nor do I consider that there are “rare or compelling” circumstances that justify a case management stay, particularly given that there is some doubt as to whether the EDNC Proceedings will determine a FRAND global cross-licence in any event.

**Expedition**

119. At [25] of his judgment in *WL Gore & Associates GMBH v Geox SpA* [2008] EWCA Civ 622, Neuberger LJ identified four relevant factors when considering applications for expedition:

*The first is whether the applicants ... have shown good reason for expedition; the second is whether expedition would interfere with the good administration of justice; the third is whether expedition would cause prejudice to the other party; and the fourth is whether there are any other special factors.*

120. I will limit myself in this judgment to considering the first factor. I am satisfied that there is a good reason for expedition. The injunction proceedings that Ericsson has taken in Brazil and Colombia demonstrate that Lenovo is suffering very real disruption to its business in the absence of any global cross-licence of Cellular SEPs. It is not just Ericsson that is bringing injunction proceedings: Lenovo seeks an injunction in the UK in parallel English proceedings. Both sides are seeking to exclude each other’s products from the US market in proceedings before the ITC. I respectfully agree with the observation of Meade J in *Panasonic v Xiaomi* [2023] EWHC 2872 (Pat) that litigation of this kind is potentially “wasteful”. The sooner it is brought to an end by the determination of a FRAND global cross-licence the better.
121. However, it seems to me that it would be unwise for the court to make a ruling on “expedition” in the abstract. The other three factors identified in *WL Gore* can only properly be examined by considering matters such as the degree of expedition proposed, the precise trial length envisaged and the case-management milestones that are necessary in order to bring the case to trial. I can see those considerations being complicated by Lenovo’s application for Interim Declarations which, following my determination above, are now permitted to proceed. It will be necessary to factor into any case-management timetable, the time necessary for both sides to prepare for a hearing of the application for Interim Declarations.
122. At the hearing before me, both sides realistically accepted that there would have to be a further CMC following handing down of this judgment regulating those claims that can proceed. I will, therefore, order that such a CMC should take place. In advance of that CMC, the parties should seek to agree between themselves a realistic timetable going up to trial that makes provision for the application for Interim Declarations. They should obviously seek to agree in principle how long a FRAND-only trial would take.



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Those discussions should take place on the basis that the court is seriously considering allowing a measure of expedition provided, of course, it can be satisfied as to the other three factors addressed in *WL Gore*.

123. I am not in a position at this stage to decide whether a FRAND trial should take place before, or after, any technical trials. I hope that the parties will be able to have a more focused discussion on that issue in the light of my decision to the effect that the English Proceedings will be working towards a resolution of FRAND issues. If necessary, the question can be considered at the CMC.

**F. DISPOSITION**

124. Ericsson's strike-out application largely fails. Lenovo's application to amend largely succeeds. Ericsson's application to set aside permission to serve out largely fails. I have set out in relevant passages of this judgment aspects of the APOC that will need to be fixed in order for permission to amend to be given and for permission to serve out to be granted in relation to the APOC. I hope that, in the light of this judgment, the parties can agree the form of an APOC which complies with the various decisions that I have made.
125. Ericsson's application for a case-management stay is refused.
126. Lenovo's application for expedition satisfies the first criterion identified in *WL Gore*. The court is, at this stage, sympathetic to it, but will not be able to make a final decision until a further CMC.