

Implementation of the case law of the CJEU into German and UK law and the practical implications of the EC Communication

Dr. Claudia Tapia LL.M.

Chair of the 4iP Council Executive Board

Ericsson Director IPR Policy

claudia.tapia@ericsson.com

info@4ipcouncil.com

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Ericsson at a glance



Segments:

- Networks
- Digital Services
- Managed Services
- Emerging Business

By the numbers:

- 180+ countries
- R&D: investing around 15% of global revenues
- 94,499 employees
- 45,000 patents

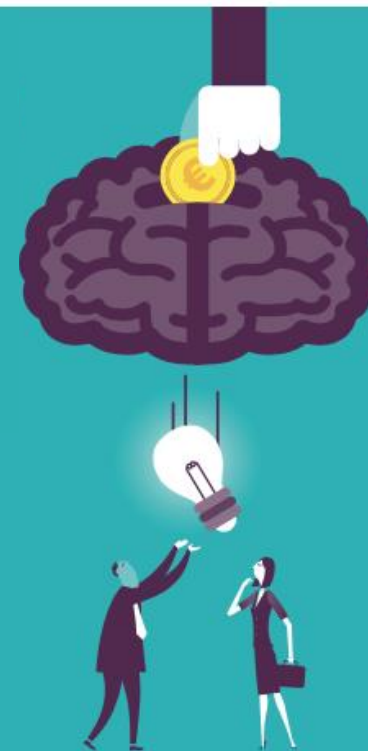
Image: Ericsson headquarters, Kista, Sweden



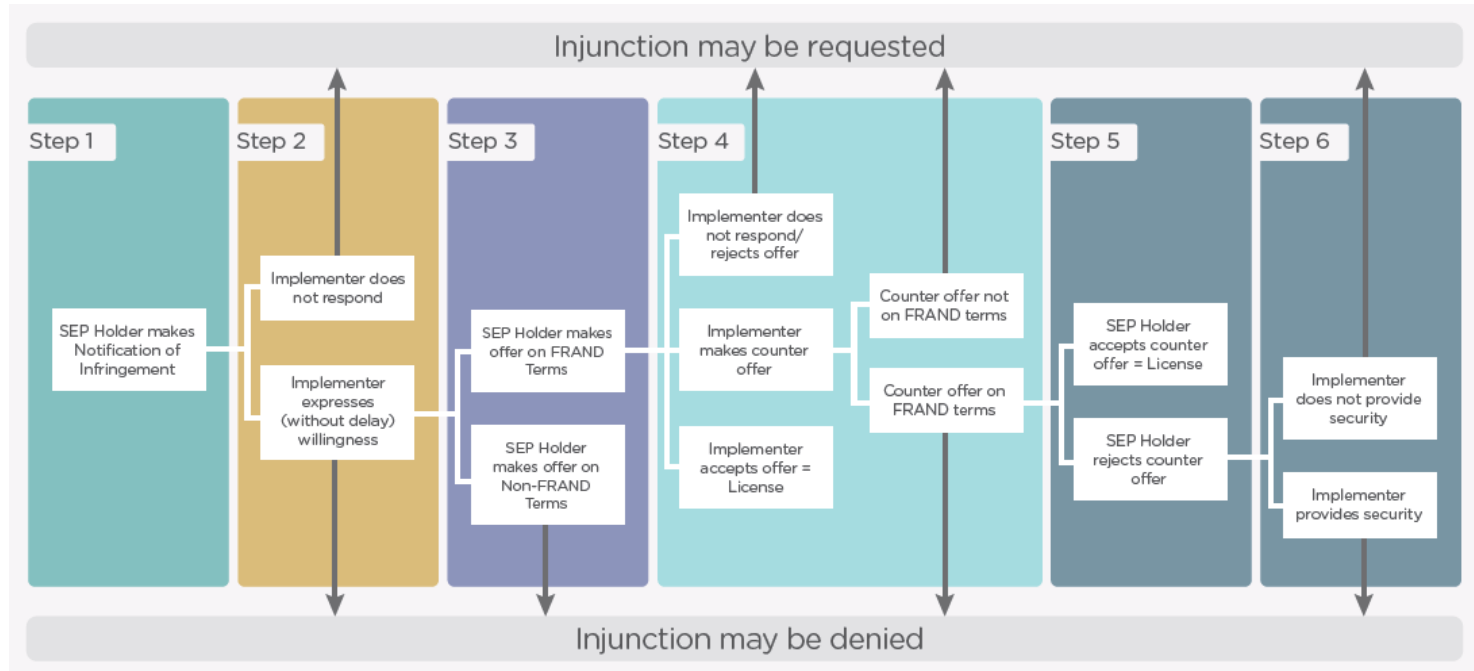
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research on
intellectual property

- **Empirical third party research** on IPR & innovation
- Represents **leading inventors & innovators in Europe**
- Research is **multi-industry** and **cross sector**
- Work **with academia, policy makers and regulators** to facilitate deeper understanding

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FRAND Licensing: CJEU's incremental approach



<https://caselaw.4ipcouncil.com/guidance-national-courts>


CJEU's Incremental Approach



	Term	Country	Interpretation	Case reference
Step 1	Notification of infringement	Germany	SEP holder's notification of infringement does not have to contain either the original written FRAND declaration, nor proof that a FRAND declaration has been made during the development of the standard, provided that SEP holder leaves no doubt that it is bound by a FRAND licensing commitment.	Pioneer v Acer, > LG Mannheim, 8 January 2016 -Case No. 7 O 96/14
		Germany	SEP holder's notification of infringement has to (1) specify the infringed patent, including its number, (2) inform that the patent has been declared standard-essential, (3) name the relevant standard, (4) inform that the implementer uses patent's teachings as well as (5) indicate which technical functionality of the challenged embodiment makes use of the patent. The level of detail depends on the specific circumstances of the case, particularly the technological knowledge of the implementer (or the availability of external expertise gained by reasonable efforts). However, the information does not need to be as substantiated as facts submitted with a statement of claim in patent litigation. As a rule, reference to claim charts succes.	NTT DoCoMo v HTC, > LG Mannheim, 29 January 2016 Case No. 7 O 66/15 Philips v Archos, > LG Mannheim, 1 July 2016 Case No. 7 O 209/15 Philips v Archos, > LG Mannheim, 17 November 2016 Case No. 7 O 19/16

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Summaries Case-Law post *Huawei v ZTE*



Case Law post CJEU ruling *Huawei v ZTE*

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Authors & contributors

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Use the menu above to find cases by national court, filter cases by the following keywords, or use CTRL+F to search for specific terms:

Abuse of market power	Claim charts	Claim preclusion	Comparable agreements	Confidentiality	Country by country licensing	Cross-licensing	Damages	Essentiality	ETSI declaration	Exhaustion	FRAND declaration
FRAND range	Hold-out	Hold-up	Huawei framework	Implementer's reaction to offer	Non-disclosure agreement	Non-discrimination	Non-transitional and transitional cases		Notification of infringement		
Obligations of SEP holder and alleged infringer (Huawei Obligations)			Patent pools	Portfolio licensing	Recall of products	Recognised commercial practice		Relevant market	Rendering of accounts	SEP owner's offer	SSPPU
Technical and FRAND-related trials				Transfer of SEP	True FRAND rate	Validity	Willingness	Worldwide (portfolio) licenses			

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Cases not referenced here? Let us know...

Preliminary remarks

The following summaries relate to court decisions rendered after the Court of Justice of the European Union (CJEU or ECJ) handed down its ruling in case C170/13 Huawei v ZTE on 16 July 2015.

The summaries focus on the core issue raised by the Huawei decision, namely the conditions under which a standard essential patent holder may seek injunctive relief for infringement of his patents or where a standard implementer can raise a competition law-based defense to an action brought by a SEP holder. Occasionally, related and additional aspects of a decision are included into the summary because of their importance for understanding the context of FRAND licensing. In general, though, non-Huawei-related issues are omitted, such as, for instance, general procedural or patent law aspects (venue, patent description, validity, infringement, etc.).

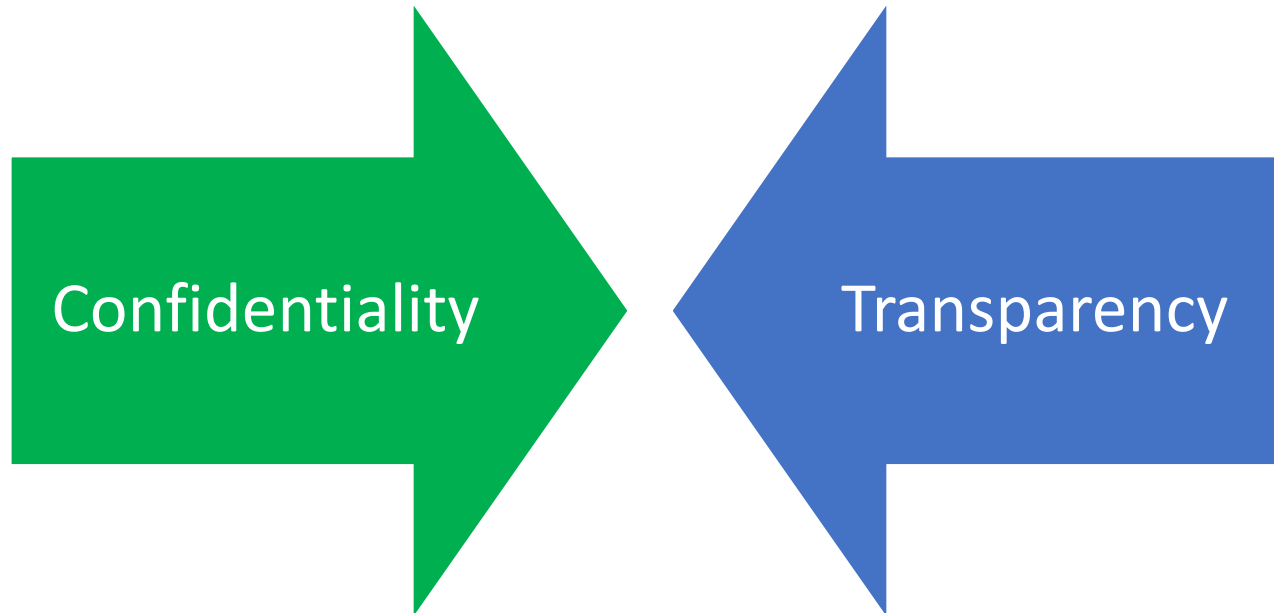
However, it is likely that some pre-Huawei decisions will continue to be of relevance, inter alia where national courts deem the Huawei-rules inapplicable. [\[1\]](#)

Benefits of FRAND case-law

Clarification:

- How to notify infringement
- Approximate timing (although case-by-case) to express willingness to enter into FRAND agreement
- Worldwide portfolio offer = FRAND
- FRAND is a range
- The role of comparable licensing agreements to determine FRAND
- ...

Challenges of FRAND case-law



Protecting commercial interests



Confidentiality clauses in FRAND Agreements

To avoid access to **sensitive information** of licensee and/or licensor to competitors such as:

- business plans of the parties,
- sales forecast,
- pricing terms,
- purchase commitments,
- collaboration agreements
- technology transfers
- guaranteed minimum payment terms, etc....

Exceptions to confidentiality



For example, if disclosure is **required by:**

- (i) **law,**
- (ii) **regulation,**
- (iii) **stock exchange rules,**
- (iv) the relevant information has been made **available to the public** by other means than breach of confidentiality undertaking.

What happens when third parties can access licensing contracts?



“In *Apple v. Samsung*, the court found that Samsung had **used** Apple’s **confidential licensing information in subsequent licensing negotiations** with Nokia **and** in preparation **for an arbitration** with Ericsson, even though in that arbitration, discovery of Apple’s licenses had not been obtained. (Song Decl., Ex. C (*Apple Inc. v. Samsung Elecs. Co.*, No. 11-CV-01846-LHK, Dkt. No. 2934, at 4-6 (N.D. Cal. Jan. 29, 2014)).)”

Document filed by Apple on 10 May 2016 *TCL Communication Technology Holdings v Telefonaktiebolaget LM Ericsson*, US District Court Central District of California, Case No. 8:14-CV-00341 JVS-DFMx, Case No. 2:15-CV-02370 JVS-DFMx, Document 1159-1. See also *In re Elec. Arts, Inc.*, 298 Fed. App’x 568, 569-70 (9th Cir. 2008); *AMC Tech., L.L.C. v. Cisco Sys.*, No. 11-CV-03403, 2012 U.S. Dist. LEXIS 9934, at *5 (N.D. Cal. Jan. 27, 2012); *TriQuint Semiconductor v. Avago Techs.*, No. 09-CV- 1531, 2011 WL 4947343, at *2-3 (D. Ariz. Oct. 18, 2011); *Pecover v. Elec. Arts, Inc.*, No. C 08-2820 CW, 2013 WL 174063, at *1 (N.D. Cal. Jan. 16, 2013); *Ovonic Battery Co. v. Sanyo Elec. Co.*, No. 14-cv-01637, 2014 WL 2758756, at *2-3 (N.D. Cal. Jun. 17, 2014

Comparable licences in litigation v confidentiality clauses



The *Regional Court of Düsseldorf* requested from the SEP user to make an **offer for an NDA** on the following terms:

- The confidential information used only in the context of litigation.
- Information available “only” to 4 company representatives of the Defendant.
- These persons shall be themselves obliged to confidentiality by the Defendant.
- If confidentiality is breached, payment of EUR 1 million

Regional Court Düsseldorf, 17 January 2017, Case No. I-2 U 31/16

No court order!

German approach



- **Seemingly incompatible** with the vast majority of confidentiality clauses
- **If following German approach:**
 - Commercial advantage of defendant (potentially unwilling licensee) over competitors (willing licensees)
 - Discourage flexibility in FRAND negotiations
 - Makes it more difficult to agree on confidentiality clauses, thus more difficult to agree on FRAND contracts

UK approach



➔ USE OF „EXTERNAL-EYES-ONLY“-MECHANISMS TO PROTECT COMPARABLE LICENCES IN LITIGATION?

↪ If parties agree: YES

↪ If parties do not agree: ONLY IN “EXCEPTIONAL CASES”

- **Criterion:** the role which the documents are expected to play in the proceedings:
 - Documents with **limited**, if any, **relevance** to the proceedings could be protected, if their disclosure could be unnecessarily damaging for the party asserting confidentiality
 - Documents of “**greater relevance**” can be protected, in certain exceptional cases, at least at an **interim stage** of the proceedings
 - Documents key to the case cannot be subject to “external-eyes-only”-mechanisms; violation of party’s right to a fair hearing according to Article 6 of the European Convention on Human Rights.
- As a rule, **comparable licences** will be **key documents**

TQ Delta LLC v Zyxel Communications and Ors., UK High Court of Justice, 13 June 2018, Case No. HP-2017-000045, [2018] EWHC 1515 (Ch) (paras. 15 and 23 et seq.)

Confidentiality Challenges - Reflections



General legal framework regarding limited disclosure – Germany

- **“External eyes only”** established in some contexts, e.g. in the assessment of confidentiality under Sec. 140c German Patent Act (*“Düsseldorfer Verfahren”/“Düsseldorf Proceedings”*)
- **In camera assessment** of (potentially) confidential documents
 - Provided for e.g. in Sec. 99(2) German Code of Administrative Procedure, Sec. 138(2) German Telecommunications Act

See Prof Picht slides at

https://www.4ipcouncil.com/application/files/9915/4296/7285/2018.11.22-_4iP_Council_Prof_Picht_Webinar.pdf

Questions?

