

Provisional translation

Source: The summary version of the report: Actual State of Settling Disputes over SEPs (Japanese) (「標準必須特許を巡る紛争の解決実態に関する調査研究」の要約版)

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List of Recent Court Decisions on Standard Essential Patents (SEPs)

(1) Recent Court decisions on SEPs in the U.S.

#	TITLE OF THE CASE	OUTLINE OF THE CASE
1	Federal Trade Commission (FTC) v. Qualcomm (U.S. District Court in 2018)	The Federal Trade Commission (FTC) sued Qualcomm, Inc., arguing that the Qualcomm violated the antitrust law, i.e., Article 5 of the Federal Trade Commission Act (FTCA), by refusing to license its SEPs based on its anticompetitive tactics. In the case, the court ruled that, based on the intellectual property rights (IPR) policies of standard-setting organizations (SSOs), etc., Qualcomm has an obligation to provide licenses to competing modem chip suppliers.
2	IP Bridge v. TCL (U.S. District Court in 2018)	The case was contested as to whether or not IP Bridge's licensing offer practices violated the antitrust laws. In the court decision, the court dismissed the TCL's counterclaims with prejudice on the basis that their claims and supporting evidence would be futile, and the court determined that IP Bridge's licensing practices cannot be recognized to violate Sections 1 and 2 of the Sherman Act.
3	ASUS v. InterDigital (U.S. District Court in 2018)	The case was contested on summary judgments as to whether or not InterDigital's SEP licensing practices breached its fair, reasonable and non-discriminatory (FRAND) obligations and violated the antitrust law, i.e., the Sherman Act. In the ruling, the court denied ASUS's motion for summary judgment on the issue of whether InterDigital breached its FRAND obligations based on the existence of several "genuine issues of material fact."
4	u-blox v. InterDigital (U.S. District Court in 2019)	The case was contested on u-blox's motion, alleging that InterDigital's SEP licensing practices violated the antitrust laws, as well as on u-blox's motion for a preliminary injunction order to block InterDigital from contacting or attempting to collect royalties from any u-blox customer. In the ruling, the court denied u-blox's motions, finding that u-blox had not provided sufficient evidence to show InterDigital's violation of the antitrust laws and irreparable damage to u-blox's customer relationships.

5	SLC v. Motorola (U.S. District Court in 2018)	In a SEP infringement case brought by Saint Lawrence Communications (SLC) against Motorola (Motorola), Motorola's equitable defenses of SLC's patent misuse based on the violation of its FRAND obligations was contested. In the case, the court determined that a breach of FRAND obligations by rights holders is not determinative of patent misuse.
6	Core Wireless Licensing v. Apple (U.S., Court of Appeals for the Federal Circuit (CAFC) in 2018)	This appeal arose from a patent infringement action brought in the U.S. District Court by Core Wireless Licensing against Apple, which claimed compensation for damages. In response to this action, Apple claimed equitable defenses, arguing that the asserted patent was unenforceable due to "implied waiver" because of a breach of the obligation to disclose the patent involving technology, for which the inventor's proposal was rejected by the European Telecommunications Standards Institute (ETSI) in the standard-setting process. In the court of the second instance at the CAFC, whether or not the Apple's defenses could be affirmed was contested. In the judgment, the CAFC determined that, considering the IPR policy of the ETSI, it was not affirmed that its member might not have a duty to disclose its patent application to the ETSI in case the member's submitted technical proposal for a standard was rejected.
7	Momenta v. Amphastar (U.S. District Court in 2018)	Momenta, which owns a SEP on a testing procedure for drugs, filed a complaint alleging that Amphastar infringed its SEP and sought a preliminary injunction order against the infringement. With regard to the infringement, Amphastar argued that Momenta breached the obligation to disclose its patent application to the United States Pharmacopeia (USP), a scientific, standard-setting organization (SSO), and that this conduct could fall under "implied waiver." The case was contested as to whether or not the Amphastar's argument of implied waiver could be affirmed. In the judgment, the court found that, based on the Rules and Procedures of the USP Council of Experts (USP Expert Rules), participants in the USP have a duty to disclose their patent applications to the USP, and determined that Momenta had waived its ability to enforce the patent due to its violation of the disclosure obligation.
8	Cellular Eqpt v. ZTE (U.S. District Court in 2018)	Cellular Communications Equipment (CCE) filed a complaint alleging that ZTE infringed its SEP. In this infringement lawsuit, after submitting its statement to the court regarding the asserted patents that it considers standards essential and for which it made a FRAND declaration (FRAND Statement), CCE argued against ZTE's FRAND defenses and counterclaims, asserting that its declared essential patents are not necessarily essential. Based on this, CCE filed a motion for summary judgment to dismiss ZTE's FRAND defenses and counterclaims. The case was contested as to whether this motion for summary judgment could be affirmed. In the ruling, since the court found that CCE's statement

		clearly indicates that it considered the patents to be standards essential, the court denied CCE's motion for summary judgement.
9	Netlist v. SK Hynix (United States International Trade Commission (ITC) in 2017)	Netlist filed a lawsuit in the ITC for patent infringement against SK Hynix, arguing that Administrative Law Judge (ALJ) of the ITC should recommend the ITC to issue a limited exclusion order (LEO) directed to the SK Hynix's importation and sales of certain memory modules and components, in order to exclude any articles that infringe one or more claims of the Netlist's asserted patents. The case was contested as to whether the LEO by the ITC could be affirmed. In the Initial Determination (ID), the ITC noted that it investigated, from the perspectives of public interest factors, whether or not Netlist's licensing practices breached its reasonable and non-discriminatory (RAND) obligation, and the ITC determined no violation of the RAND obligation because SK Hynix was not able to establish that Netlist's licensing offers were a breach of contract or unfairly discriminatory.
10	Philips v. Feit Electric (U.S. ITC in 2018)	Philips filed a complaint in the ITC for its SEP infringement against Feit Electric, alleging that Feit's importation and sales of certain LED lighting devices had violated section 337 of the Tariff Act and sought an exclusion order. In response to this, Feit claimed defenses of Philips' patent misuse. The case was contested as to whether or not the defenses could be affirmed. In the case, the ITC determined that Feit failed to sufficiently allege necessary evidence of the facts that constitute Philips' patent misuse and that Feit identified no anti-competitive effects of alleged improper SEP licensing activity. Based on these, the ITC denied the affirmative defenses of patent misuse raised by Feit.
11	Fujifilm v. Sony (U.S. ITC in 2018)	In the ITC's investigation, which was based on a complaint filed by Fujifilm to seek issuing an exclusion order directed at Sony, the case was contested as to whether or not the Fujifilm's asserted patents were SEPs. In the case, although the ITC found that some of the patents were not essential, it also found that Fujifilm did not breach its obligations under the agreement. Based on these the ITC determined that the public interest factors do not preclude issuance of a limited exclusion order against Sony's products that infringe the patent.
12	Exmark v. Briggs (U.S., CAFC in 2018)	Exmark filed a suit against Briggs in the U.S. District Court, alleging infringement of its patent directed to a lawn mower having improved flow control baffles, and sought compensation for damages. In the judgment, the district court permitted Exmark to use the sales price of the accused mower as the royalty base and awarded the enhanced compensatory damages for Briggs's willful infringement. Briggs appealed to the CAFC, in complaint of these district

		court's orders, and the case was contested as to whether the sales price of the accused mower should be used as the royalty base. The CAFC determined that, since the asserted patent claim is, in fact, directed to the lawn mower as a whole, using the accused lawn mower sales as the royalty base is appropriate in this case.
13	HTC v. Ericsson (U.S. District Court in 2019)	In this case, HTC claimed that FRAND assurance and obligations had required Ericsson to offer licenses based on estimated profit on the "smallest salable patent-practicing unit" (SSPPU) in the phones. In response to this, Ericsson argued that the FRAND commitment does not require an owner of SEPs to offer a license using a royalty based on the SSPPU (the Motion). The case was contested as to whether or not this Ericsson's Motion could be granted. In the judgment, the court determined that the FRAND commitment embodied in the ETSI IPR policy does not require a FRAND license using a royalty based on the SSPPU.
14	TCL v. Ericsson (U.S. District Court in 2018)	In response to the court's ruling, which provided its own calculation of TCL's royalty rate for Ericsson's SEPs, Ericsson filed a motion to amend the court's factual and legal findings, including the obligations imposed by the nondiscrimination aspect of the FRAND licensing requirement (while TCL did not ask the court to correct the ruling). In the case, based on the ETSI IPR Policy, etc., the court determined that there is no need to amend the "non-discriminatory" requirement of FRAND licensing.
15	Optis v. Huawei (U.S. District Court in 2018)	In the case, Optis claimed that it has complied with its FRAND obligations for its patents, which have been declared to be essential to the cellular standards of the ETSI, and requested to receive royalties for licensing of the patents-in-suit, including the patent that has not been declared essential to any cellular standard. In response, Huawei denied its infringement of the Optis' patents and claimed to deny the essentiality of the patents-in-suit. The case was contested as to what a reasonable royalty should be like for patents declared as essential and for a patent not declared as essential. In the final jury instructions, the court explained that, in determining the reasonable royalty, the determination regarding patents declared as essential needs to take into account the FRAND obligations, but the determination regarding the patent not declared as essential does not need to take into account any FRAND obligations.
16	Core Wireless Licensing v. LG (U.S. District Court in 2018)	Core Wireless Licensing filed a lawsuit against LG Electronics, alleging that LG infringed its SEPs. In response to this, LG denied its infringement and the essentiality of the patents-in-suit. The case was contested as to the reasonable royalty of the SEPs. In the judgment, the court ruled that evidence was insufficient to determine any additional values that the

		patented invention could add to final products, and that profits to be increased based on the patented claim have not been properly allocated.
17	Huawei v. Samsung (U.S. District Court in 2018)	The case was contested as to whether or not a U.S. court could determine to suspend an injunction order granted by a China's court. In the ruling, based on the review of certain requirements presented by the judicial precedent, the U.S. court affirmed the Samsung's motion that asked to bar Huawei from enforcing Chinese SEP injunctions against Samsung (until a breach-of-contract question has been adjudicated in the U.S.)

(2) Recent Court Decisions on SEPs in Europe

#	TITLE OF THE CASE	OUTLINE OF THE CASE
1	LG Düsseldorf, 4c O 77/17, 4c O 81/17 (Germany, Regional Court in 2018)	The case applied the general principles provided by the Court of Justice of the European Union (CJEU) in the Huawei v. ZTE case, which set out a number of steps and guidance for SEP holders and implementers that should be followed in SEP licensing negotiations. Based on this, the case was contested as to whether or not the offer for a licensing agreement made by the claimant to the defendant was based on its FRAND terms. In the ruling, the court determined that the claimant's licensing offer was not FRAND in terms of the timeliness and the content because the claimant did not fulfil its FRAND obligations set under the CJEU framework.
2	LG Düsseldorf, 4a O 15/17, 4a O 16/17 (Germany, Regional Court in 2018)	The case, which applied the general principles provided by the CJEU in the Huawei v. ZTE case as stated above, was contested as to whether or not the licenses, which were offered by the claimant based on its patent pool, complied with FRAND rules. In the ruling, the court determined that the pool licenses were FRAND. Also, the group licenses at global level were determined to be FRAND.
3	LG Düsseldorf, 4a O 17/17 (Germany, Regional Court in 2018)	The case, which applied the general principles provided by the CJEU in the Huawei v. ZTE case as stated above, was contested as to whether or not the licenses offered by the claimant based on its patent pool were FRAND. In the ruling, the court determined that the pool licenses were FRAND. Also, the court found that the defendant's counteroffer, which offered different royalties from region to region, was not FRAND.
4	LG Düsseldorf, 4a O 63/17	The case, which applied the general principles provided by the CJEU in the Huawei v. ZTE case as stated above, was contested as to whether or not the licenses offered by the claimant based on its patent pool were FRAND. In the ruling,

	(Germany, Regional Court in 2018)	the court determined that the pool licenses were FRAND. Also, the court held that, in offering different royalties to individual implementers, the offers must be objectively fair.
5	LG Düsseldorf, 4b O 4/17 (Germany, Regional Court in 2018)	The case, which applied the general principles provided by the CJEU in the Huawei v. ZTE case as stated above, was contested as to whether or not the licenses offered by the claimant based on its patent pool were FRAND. In the ruling, the court determined that the pool licenses were FRAND. Also, the court found that the defendant's counteroffer, which was applied only for a specific portfolio in the patent pool, was not FRAND.
6	LG Mannheim, 7 O 165/16 (Germany, Regional Court in 2018)	In this case also, by applying the general principles in SEP licensing negotiations, which were provided by the CJEU in the Huawei v. ZTE case, the case was contested as to whether the timeframe set by the SEP holder was adequate for the defendant to reply to the licensing offer. In the ruling, the court determined that the claimant did not comply with its FRAND obligations because the claimant did not grant a reasonable timeframe for the defendant to adequately review the offer and make a counteroffer.
7	OLG Düsseldorf, I-2 W 8/18 (Germany, Higher Regional Court in 2018)	In an infringement lawsuit involving SEP, the case was contested as to whether or not to grant the intervener's motion for full access to the court files based on its Non-Disclosure Agreement (NDA) signed with the claimant. In the ruling, the Higher District Court determined that the District Court did not examine whether the court files could actually include confidential business information worthy of protection. Therefore, it decided to remand the case to the District Court for further clarifying the facts of the case.
8	LG Düsseldorf, 4a O 23/17 (Germany, Regional Court in 2018)	In judging FRAND defenses claimed by the defendant, the case was contested as to whether the SEP holder abused its dominant market position. In the ruling, the court determined to deny the FRAND defenses because the defendant failed to establish the fact that the SEP enabled the claimant to hold a dominant market position.
9	LG Mannheim, 7 O 28/16 (Germany, Regional Court in 2017)	By applying the principles provided by the CJEU in the Huawei v. ZTE case, the case was contested as to whether or not the licensing offer was FRAND. In the ruling, the court determined that the SEP holder did not comply with the principles set out in the Huawei v. ZTE case because the SEP holder did not specifically explained how the license fees were calculated in its licensing offer before filing the infringement lawsuit.
10	LG Düsseldorf, 4a O 27/16, 4a O 154/15	By applying the principles provided by the CJEU in the Huawei v. ZTE case, the case was contested as to whether or not the licensing offer was FRAND. In the ruling, the court determined that the SEP holder did not comply with the principles

	(Germany, Regional Court in 2017)	set out in the Huawei v. ZTE case because the SEP holder did not specifically explained how the license fees were calculated in its licensing offer until the end of the oral hearing in the proceedings.
11	LG Düsseldorf, 4a O 16/16, 4a O 35/16 (Germany, Regional Court in 2017)	By applying the principles provided by the CJEU in the Huawei v. ZTE case, the case was contested as to whether or not the licensing offer was FRAND. In this ruling also, the court determined that the SEP holder did not comply with the principles set out in the Huawei v. ZTE case because the SEP holder did not specifically explained how the license fees were calculated in its licensing offer until the end of the oral hearing in the proceedings.
12	LG Mannheim, 2 O 98/16 (Germany, Regional Court in 2017) (Non-disclosure)	In the ruling, although the trial was held behind closed doors, the court determined that a clause stipulating that a SEP user must pay the full amount of the license fees cannot be recognized, if at least one patent of the SEP portfolio has been being used legitimately and effectively.
13	OLG Düsseldorf, I-15 U 65/15, I-15 U 66/15 (Germany, Higher Regional Court in 2017)	By applying the principles provided by the CJEU in the Huawei v. ZTE case, the case was contested as to whether or not the licensing offer was FRAND. In the ruling, the court determined that the claimant, i.e., the SEP holder, did not comply with the principles set out in the Huawei v. ZTE case because the SEP holder did not provide information on how the license fees were calculated in its licensing offer while the defendant responded to the offer in the reasonable timeframe.
14	OLG Düsseldorf, I-2 U 31/16 (Germany, Higher Regional Court in 2017)	The case was contested as to whether the defendant would need to enter into a Non-Disclosure Agreement (NDA) in case the confidential information was breached, which constitutes evidence to determine whether the royalty in the licensing offer was FRAND. In the ruling, the court determined that the parties concerned (that are the claimant and the defendant) and the intervener need to enter into a NDA reinforced by a contractual penalty, in order to facilitate FRAND licensing negotiations.
15	Archos v. Philips (Netherlands, District Court in 2017)	By applying the principles provided by the CJEU in the Huawei v. ZTE case, the case was contested as to whether or not the licensing offer made by Philips was FRAND. With regard to the same case filed in the Mannheim District Court, the German court determined that the licensing offer was not FRAND. However, in this case, the Dutch court determined that the offer was FRAND.
16	Unwired Planet v. Huawei (U.K, Court of Appeal in 2018)	In the first instance judgment, the court found that a global license was FRAND, and an injunction was granted against Huawei in respect of the valid and infringed SEPs owned by Unwired Planet. Then, in the Court of Appeal, the case was contested as to: (1) whether or not a global license was FRAND; (2) whether a hard-edged non-discrimination approach

		<p>argued by Huawei should be taken; and (3) how the principles provided by the CJEU in the Huawei v. ZTE case should be applied. In the first instance judgment, the court found that there was only one set of FRAND terms, but the Court of Appeal came to a different conclusion from this judgment and found that a number of sets of terms might all be fair and reasonable in a given set of circumstances. Nonetheless, in conclusion, the Court of Appeal, except this finding, agreed with the first instance judgment and dismissed the Huawei's appeal.</p> <p>More specifically, the Court of Appeal agreed with the first instance judgment, including the following three findings: (1) it might be impractical and inefficient for the SEP owner to negotiate a license of its patent rights by country by country and that a global license was FRAND; (2) an excessively strict, non-discrimination approach, in which a SEP owner is required to grant the same or similar terms to all similarly situated licensees, should not be adopted, and the "general" non-discrimination approach suggested by the first instance judgment should be adopted; and (3) as suggested in the CJEU's principles, since strictly what kind of notice is needed would depend on the individual circumstances of the cases, Unwired Planet, i.e., the SEP owner, did not abuse its dominant market position in any of the ways contended for by Huawei, even if it brings an action against an alleged infringer seeking an injunction or the recall of products without notice or prior consultation with the alleged infringer.</p>
17	Conversant Wireless Licensing v. Huawei (U.K, Court of Appeal in 2019)	After the Court of Appeal determined in the Unwired Planet v. Huawei case that a global license was FRAND, the case was contested as to the UK courts' jurisdiction in a claim for a global FRAND license. In the judgment, the court found that the English court has no jurisdiction to decide the validity of foreign patents, but that the English court can examine and make judgments on a global license for a SEP portfolio that includes UK patents.
18	Apple v. Qualcomm, Philips v. HTC, Philips v. Tinno, TQ Delta v. Zyxel, Nokia v. Apple (U.K. in 2018)	After the Court of Appeal handed down judgment in the Unwired Planet v. Huawei case, these lawsuits were filed in the English courts to set FRAND rates.

(3) Recent Court Decisions on SEPs in China, India, and Korea

#	TITLE OF THE CASE	OUTLINE OF THE CASE
1	Iwncomm v. Sony (China, Beijing High People's Court in 2018)	The case was contested as to whether or not the lower Court's decision to grant an injunction based on Sony's infringement of SEP owned by Iwncomm. In the judgment, the court determined that Sony, the defendant, was "at obvious fault" in the licensing negotiation process and upheld the injunction. That was because there were no reasonable grounds for Sony's request for Iwncomm to present its claim charts. Also, the court found that the defendant was not in good faith in the negotiations because it did not agree to conclude a NDA.
2	Huawei v. Samsung (China, Shenzhen Intermediate Court in 2018)	The case was contested as to whether or not an injunction against Samsung, the defendant, should be granted based on its infringement of Huawei's SEPs. In the judgment, the court found that: (1) Samsung caused significant delay to the negotiation process by failing to provide its licensing offers and counteroffers in a timely manner and by insisting upon discussing a license covering both SEPs and non-SEPs; and (2) Samsung rejected Huawei's arbitration proposal without justified reasons. Accordingly, the court determined that Samsung was at obvious fault, and granted the injunction.
3	KPN v. Motorola (China, Beijing High People's Court in 2018)	The case was contested as to whether an injunction based on the Motorola's infringement of KPN's SEP should be granted. In the first instance judgment, the court dismissed all of the plaintiff's claims because the claimed patent was not SEP. In the High Court's judgment also, the court upheld this first instance decision.
4	Philips v. Rajesh Bansal (India, Delhi High Court in 2018)	The case was contested as to whether compensation for damages based on the Rajesh Bansal's infringement of Philips' SEPs. In the ruling, the court justified imposing punitive damages on the defendant, Rajesh Bansal, including royalties that would be calculated based on possible profits being gained from the final products.
5	Qualcomm cases (Korea, KFTC in 2009 and in 2016)	With regard to the Qualcomm's refusal to conclude licensing agreements with its competitors, the Korea Fair Trade Commission (KFTC) decided to impose huge fine on Qualcomm for abusing its dominant market position.