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Case No: HP-2023-000038

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

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

Date: 24/07/2024

**Before :**

**MR JUSTICE ZACAROLI**

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**Between:**

**ALCATEL LUCENT SAS**  
**(a company incorporated in France)**

**Claimant**

**- and -**

- (1) AMAZON DIGITAL UK LIMITED**  
**(2) AMAZON EUROPE CORE SARL**  
**(a company incorporated in Luxembourg)**  
**(3) AMAZON EU SARL**  
**(a company incorporated in Luxembourg)**  
**(4) AMAZON.COM, INC**  
**(a company incorporated in the State of**  
**Delaware, USA)**  
**(5) AMAZON MEDIA EU SARL**  
**(a company incorporated in Luxembourg)**

**Defendants/**  
**Part 20**  
**Claimants**

**-and-**

- (1) NOKIA CORPORATION**  
**(a company incorporated under the law of**  
**Finland)**  
**(2) NOKIA TECHNOLOGIES OY**  
**(a company incorporated under the law of**  
**Finland)**

**Part 20**  
**Defendants**

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**Tom Moody-Stuart KC, Josephine Davies KC, Charles Brabin and Charles Connor**  
(instructed by **EIP Europe LLP**) for the **Claimants and Part 20 Defendants**  
**James Segan KC and Ravi Mehta** (instructed by **Hogan Lovells International LLP**) for the  
**Defendants and Part 20 Claimants**

Hearing dates: 2, 3, 4, 5 and 19 July 2024

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**JUDGMENT**

## Mr Justice Zacaroli:

### Introduction

1. The claimant, Alcatel Lucent SAS, a company incorporated in France, is a member of the Nokia group of companies.
2. The defendants (and Part 20 claimants) are all companies in the Amazon group of companies.
3. The Part 20 defendants, Nokia Corporation and Nokia Technologies OY are entities in the Nokia group of companies.
4. Beyond the above, the precise identification of the entities within each group is not important for the purposes of the applications before me, and I will refer to the parties as “Alcatel” (claimant), “Amazon” (defendants and Part 20 claimants) and “Nokia” (Part 20 defendants).

### SEPs and NEPs

5. This case is another in the growing line of cases considering the relationship between the owners of patents that have been declared essential (“Standard Essential Patents” or “SEPs”) to one or other standards setting or developing organisation (“SSO” or “SDO”), and implementers who make use of those SEPs in their own products or services.
6. A useful summary of the background to the relationship between patentees and implementers in the context of SEPs is to be found in the judgment of the Supreme Court in *Unwired Planet International Ltd v Huawei Technologies (UK) Co Ltd* [2020] UKSC 37 (“*Unwired Planet*”), at §2 to §15.
7. Nokia has (according to its website) “a leading portfolio of [SEPs] and a broad scope of non-SEPs that cover every main area of the H.264/AVC and H.265/HEVC standards ... In addition to video compression, Nokia has a number of fundamental implementation patents that enable key technologies in streaming/over the top (OTT) video platforms, Pay TV including cable, satellite and IPTV services, gaming, social media, AR/VR, and a number of cloud-based service offerings.” I will refer to this portfolio of SEPs and NEPs, owned by various companies in the Nokia group, as the “Nokia Video Portfolio”.
8. The reference to H.264 (AVC) and H.265 (HEVC) is to video coding Recommendations of the International Telecommunications Union Standardisation Sector (“ITU-T”).
9. I will refer to the SEPs which Nokia had declared essential to the H.264 and H.265 standards as the “Nokia Codec SEPs”.
10. I will refer to patents which have not been declared essential to any SSO or SDO as “NEPs”.
11. The declarations made by Nokia in relation to the Nokia Codec SEPs contain the following terms:

“The Patent Holder believes that it holds granted and/or pending applications for Patents the use of which would be required to implement the above document and hereby declares, in accordance with the Common Patent Policy for the ITU-T/ITUR/ISO/IEC, that ...

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

12. The declarations are governed by Swiss law. Their effect is to impose on Nokia a contractual obligation to offer or to grant to the beneficiaries of the declarations (which includes Amazon) a worldwide licence on reasonable and non-discriminatory (“RAND”) terms (a “RAND commitment”).
13. Most other reported cases in this area have involved declarations made to the European Telecommunications Standards Institute (“ETSI”), which give rise to a similar contractual obligation (governed by French law) to make available to those who wish to use the SEPs to which the declaration relates a worldwide licence on terms that are fair, reasonable and non-discriminatory (“FRAND”).
14. Amazon wishes to obtain a licence to use the Nokia Codec SEPs and NEPs in the Nokia Video Portfolio, covering both the devices that it makes and sells (such as the Kindle Fire) and its streaming services (notably its Prime Video Service).
15. Amazon and Nokia have been in negotiations for many years over the terms of a global licence permitting Amazon to use various of the patents within the Nokia Video Portfolio at least in relation to Amazon devices, including in particular the Nokia Codec SEPs and the Alcatel NEPs (as defined below).
16. In October 2023, however, companies in the Nokia group issued proceedings against Amazon in a number of jurisdictions around the world claiming infringement of SEPs and NEPs forming part of the Nokia Video Portfolio, and seeking injunctive relief.

#### The claims and counterclaims in these proceedings

17. As part of that global litigation campaign, Alcatel commenced this claim against Amazon, claiming infringement of three NEPs (the “Alcatel NEPs”). These relate to methods of providing and controlling subscriber access, management of content of servers and predictions of popular content, all in the context of a multimedia service. Amazon contends that the Alcatel NEPs form a part of the Nokia Video Portfolio.
18. Amazon, in addition to advancing a conventional defence (putting in issue the validity of the patents and denying infringement), asserts a defence on the following basis:
  - (1) By reason of the declarations made by Nokia in respect of the Nokia Codec SEPs, Amazon has an enforceable contractual right to be offered or granted a licence by Alcatel and/or Nokia on RAND terms;
  - (2) RAND terms include, in addition to a global licence in respect of the Nokia Codec SEPs, an option (at Amazon’s election) to obtain a right to use all other patents in the Nokia Video Portfolio, including in particular the Alcatel NEPs.

19. Mr Moody-Stuart KC, who appeared with Miss Davies KC, Mr Brabin and Mr Connor, for Nokia and Alcatel, accepted that where an implementer, within the class of beneficiaries of a patentee's declaration to an SSO, gave an unconditional undertaking to enter into such RAND licence as the court may determine, then the implementer has a defence to a claim for an injunction by the patentee based on alleged infringement of a SEP. The court will exercise its discretion in respect of the patentee's claim for an injunction by refusing to grant one: see, for example, *Optis Cellular Technology LLC v Apple Retail UK Limited* [2021] EWHC 2564 (Pat), per Meade J at §288-289.
20. Amazon contends that it has such a defence to Alcatel's claim in respect of the Alcatel NEPs, notwithstanding that (1) Alcatel itself has not made the Nokia Declarations in issue to ITU-T and (2) no declaration at all, whether by Alcatel or Nokia, has been made in relation to the Alcatel NEPs.
21. Alternatively, Amazon claims that the Court should not determine the availability of such injunctive relief until such time as Amazon has been offered a RAND licence covering the Nokia Codec SEPs, which also provides an option to obtain rights of use in respect of the Alcatel NEPs, and Amazon has definitively declined to exercise such option.
22. Amazon has asserted a counterclaim against Alcatel, seeking, in essence, declaratory relief as to the terms of a RAND licence in respect of patents in the Nokia Video Portfolio, including an option in respect of the Alcatel NEPs.
23. In addition, Amazon now applies to amend its defence and counterclaim to introduce a claim for a declaration and specific performance compelling Nokia/Alcatel to offer Amazon an interim RAND licence (the "Interim Licence"). Amazon characterises this as final relief consisting of an interim licence (rather than a claim to interim relief).
24. Amazon has also issued a Part 20 claim against Nokia. Permission (obtained without notice) to serve out the Part 20 claim was granted on 23 February 2024. There are two parts to the Part 20 claim.
25. First, Amazon contends that two of the UK Nokia Codec SEPs are invalid and are not essential to the relevant Recommendation to which they have been declared (the "Part 20 Technical Case").
26. Second, Amazon seeks to enforce Nokia's commitment (arising out of the declarations it made to ITU-T in respect of the Nokia Codec SEPs) to grant a RAND licence to Amazon. It seeks, in essence, similar declaratory relief to that sought in its counterclaim, in particular that a RAND licence includes an option, at Amazon's election, to obtain a right to use the Alcatel NEPs (the "Part 20 RAND Case").
27. In addition, Amazon applies to amend the Part 20 claim to include a claim for an Interim Licence.

#### The issues raised in outline

28. Alcatel applies to strike out those parts of Amazon's defence and counterclaim that are based on the contention that, as a result of the declarations made by Nokia to ITU-

T, Amazon is entitled to a RAND licence that includes an option for Amazon to be entitled to use the Alcatel NEPs. The strike-out claim is made on four bases:

- i) Nokia alone is subject to the RAND Commitment, because it alone has made the Nokia Declarations in issue to ITU-T. Alcatel has not made such declarations, and the Nokia Declarations do not compel any action by the separate entity, Alcatel.
  - ii) The Nokia Declarations do not compel it to include the NEPs in any licence.
  - iii) Amazon has failed to undertake unequivocally that it would accept any offer of a RAND licence.
  - iv) Even if Amazon obtains an “option” to a right to use the Alcatel NEPs, it has not committed to take it up in respect of them.
29. The last two points have been resolved by Amazon having indicated, in a further draft amended pleading provided on the last day of the hearing, that it is prepared to provide an undertaking that it will enter into such a RAND licence on such terms as are determined by this court, and an undertaking to exercise the option to the right to use the Alcatel NEPs. Miss Davies pointed out that being prepared to offer an undertaking is not the same as offering an undertaking. I understood Amazon to use that form of words because, at this stage, the court has not determined the various applications. To the extent that I permit these claims to go forward, then that will be conditional on an actual undertaking being given to the court in the form Amazon have indicated they are prepared to give.
30. Nokia also contended that the defence and counterclaim is an abuse of process, because it is deployed solely as a means of grounding jurisdiction for the Part 20 claim against Nokia. Mr Moody-Stuart rightly accepted, however, that if the defence and counterclaim has sufficient merit to avoid being struck out, then the abuse of process argument falls away.
31. Nokia applies to set aside the service of the Part 20 claim on it. In addition to contending that there is no serious issue to be tried (for reasons which mirror its arguments in support of the application to strike-out the defence and counterclaim), Nokia contends that the Part 20 RAND case has no connection to this jurisdiction, and that the Part 20 Technical Case is pointless, as Nokia does not seek to enjoin Amazon on two of the Nokia Codec SEPs that are relied on in the Part 20 Technical Case.
32. Nokia also opposes the applications to amend to include a claim for an Interim Licence.
33. I have been presented with extensive submissions on a large number of issues –many of them set out (impermissibly) within the voluminous witness evidence served by both parties. The case is inherently urgent, and I have sought in producing this judgment to focus only on the issues that need to be determined (e.g., in light of my conclusions on other issues) at this stage.

### The legal standard

34. Whether the context is an application to strike out a statement of case, an application to amend a statement of case, or the merits aspect of an application to serve out of the jurisdiction, a claimant needs to establish a serious issue to be tried, “which means a case which has a real as opposed to fanciful prospect of success”: see *Kawasaki Kisen Kaisha Ltd v James Kemball Ltd* [2021] EWCA Civ 33, per Popplewell LJ at §16-18. At §18, he said:

“(1) It is not enough that the claim is merely arguable; it must carry some degree of conviction: *ED & F Man Liquid Products Ltd v Patel* [2003] EWCA Civ 472, [2003] 24 LS Gaz R 37, [2003] All ER (D) 75 (Apr) (at [8]); *Global Asset Capital Inc v Aabar Block SARL* [2017] EWCA Civ 37, [2017] 4 WLR 163, [2017] All ER (D) 23 (Feb) (at [27](1)).

(2) The pleading must be coherent and properly particularised: *Elite Property Holdings Ltd v Barclays Bank plc* [2019] EWCA Civ 204, [2019] All ER (D) 67 (Mar) (at [42]).

(3) The pleading 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: *Elite Property* at para [41].”

#### The strike-out application

*Is Alcatel contractually bound to grant a licence in respect of the NEPs?*

35. Amazon’s contention that it has a contractual right *as against Alcatel* to be offered, or granted, a licence in respect of the Nokia Codec SEPs fails, in my judgment, to meet the threshold of a serious issue to be tried, because – as Nokia contends – Alcatel is not subject to the pleaded RAND Commitment (as defined at §43 below)
36. Mr Segan KC, who appeared with Mr Mehta for Amazon, contended that each of the declarations given by Nokia is to be construed as being given on behalf of each affiliate of Nokia, including Alcatel.
37. That would appear to be the case (although Nokia does not accept this) in relation to declarations of essentiality made to ETSI. Such declarations are, in form, made by the SEP owner “and/or its Affiliates” (see, for example, the declarations in issue in *Unwired Planet* at first instance, [2017] EWHC 2988 (Pat), at §130).
38. In contrast, as pointed out above, the declarations to ITU-T are made in terms only by the SEP owner – in this case, Nokia.
39. The contractual obligation to which the Nokia Declarations give rise is governed by Swiss law. Mr Segan submitted that there is a serious issue to be tried as to whether, under Swiss law, the declarations given to ITU-T would be construed in the same way as those given to ETSI. He submitted that to construe the obligation otherwise would set the ITU-T regime at odds with the ETSI regime. He relied in support on the

judgment of the Court of Appeal in *Unwired Planet* [2018] EWCA Civ 2344, where it was said (at §106):

“It would be absurd if affiliated companies could game the system by dividing a portfolio of SEPs between them, and the undertaking given to ETSI makes it clear they cannot. It is made on behalf of affiliated companies and it applies not just to the declared patents but also to the families of patents to which the declared patents belong.”

40. The problem with this submission, on the draft amended pleading that was before the court at the hearing of the strike-out application, is that the case that, under Swiss law, the undertaking is to be construed as one given by affiliates of Nokia is not pleaded.
41. It is Amazon’s obligation to plead such a case, and to provide at least some evidential basis for it. In the version of the defence and counterclaim before the court at the hearing of the application, the furthest it went was to plead that Nokia is obliged to grant a licence, with “Nokia” being defined as Alcatel and the Part 20 defendants collectively, or to the entity then relevant for the averment being made. Even if this is to be construed as a reference to Alcatel in the context of the relevant averment, there was no pleaded basis for that conclusion. There was, for example, no pleading of the principles of Swiss law relied on which would render an undertaking to ITU-T given by, say Nokia Corporation, contractually binding on Alcatel.
42. If Swiss law is to be assumed to be the same as English law, Amazon has not identified a sufficient basis for the conclusion that an undertaking expressed to be given by X is one in fact given by X and all of its affiliates.
43. On the last day of the hearing, Amazon produced a further draft pleading. As Nokia had no opportunity to respond, consideration of this issue was adjourned to a further hearing. In the meantime, Amazon served a further draft amended pleading on 12 July 2024. That further draft pleading still pleads no sustainable claim, in my view, that Alcatel is under any obligation to grant Amazon a licence of any sort. It pleads, relevantly, as follows:
  - (1) The relief sought includes an order that Nokia and/or Alcatel offers Amazon a licence covering the Nokia Video Portfolio, and a declaration that the “RAND Commitment” (which is defined as the contractual obligations to which a declaration to the ITU-T gives rise) requires Nokia and/or Alcatel to agree to enter into, and to enter into, an Interim Licence with Amazon.
  - (2) The only RAND Commitment relied on in the body of the pleading is that of Nokia (see paragraphs 34 and 36). That is not pleaded as giving rise to a contractual obligation on Alcatel.
  - (3) The basis on which Alcatel could be obliged to offer or enter into a licence with Amazon appears to be simply that Nokia has the practical ability to cause Alcatel to grant a licence: see paragraph 37, where it is averred that the licence sought – as described in the Part 20 claim – “should be granted on behalf of the Part 20 Defendants by any entity or entities in the Nokia group with the ability to licence or cause the licensing of the Codec SEPs – including the Claimant”. That in turn is



based on an earlier confidential part of the pleading which refers to a previous licence granted by a subsidiary of Alcatel prior to Alcatel's acquisition by Nokia.

44. Nothing in the proposed amendments cures the defects I have noted above in respect of the original pleading. The fact, if it is the case, that Nokia could cause Alcatel to grant a licence which covers all relevant patents in the Nokia group does not mean that Alcatel itself has any obligation to Amazon to do so. I conclude, therefore, that no legally sustainable claim that Alcatel is itself obliged to grant Amazon a RAND licence has been sufficiently pleaded (or evidenced).
45. That is not to say that Nokia could be under no obligation, pursuant to its RAND Commitment, to grant a licence on a global portfolio basis (including a licence of patents owned by affiliates).
46. Nor does it mean that Amazon, even in the absence of a contractual right as against Alcatel, has no arguable defence to Alcatel's claim for injunctive relief in respect of the Alcatel NEPs.
47. The reasoning proceeds as follows. An implementer to whom a licence is granted has a defence to an action by a SEP owner for infringement of the patents covered by the licence, as a result of being licensed. Prior to a licence being granted, if the implementer has given an unconditional undertaking to enter into such RAND licence as the court determines, the implementer has a good defence to a claim for injunctive relief. The basis of that defence is that the court will exercise its discretion to refuse an injunction pending the conclusion of the RAND licence.
48. As Mr Moody-Stuart accepted, if it is otherwise sufficiently arguable (to avoid a strike out) that a licence granted pursuant to Nokia's RAND commitment must include at least an option to Amazon to make use of the Alcatel NEPs, and Amazon has unconditionally undertaken to enter into such a licence and to exercise the option in respect of the Alcatel NEPs, then it is sufficiently arguable that the court would exercise its discretion to refuse to grant an injunction to Alcatel pending resolution of the terms of the RAND licence.
49. I understood Amazon to accept that the fact that Nokia is obliged, pursuant to its RAND Commitment to enter into a licence on RAND terms in the future does not give rise to a present defence to any other aspect of the claim for infringement: the relevant patents are being infringed unless and until the relevant use of them is licensed. I also understood Nokia to dispute that there is currently any *defence* to the claim for injunctive relief. On that point, however, I am satisfied, at least for the purposes of the merits test applicable to a strike-out, amendment or service out application, that if Amazon can successfully resist an injunction on the basis that the court ought not to exercise its discretion to grant one, that can be characterised as a defence to the claim for injunctive relief.
50. Mr Moody-Stuart disputed, however, that a licence granted by Nokia in respect of the Nokia Codec SEPs could only be RAND if it included an option to a right to use the Alcatel NEPs. I turn to address that issue.

#### The exclusion of NEPs point

51. It is common ground that no RAND obligation exists in relation to the Alcatel NEPs. Amazon's case is that a RAND licence granted in respect of the Nokia Codec SEPs must include an option (in Amazon's favour) to the Alcatel NEPs. This is based on the contention that a licence which excluded the Alcatel NEPs would be discriminatory, based on Nokia's practices in granting licences to use its patents to others.
52. The reason Amazon contends that the licence must include an option, and not an obligation, in respect of a right to use the Alcatel NEPs is because an obligation would, or might, constitute "bundling" in contravention of principles of competition law.
53. Mr Segan submitted that the scope of a FRAND licence is determined by commercial practices in the field: see for example *Unwired Planet (SC)* at §62-63, where it was held that it was correct to infer that in framing its "IPR Policy", ETSI intended that parties and the courts should look to and draw on commercial practice in the real world. Birss J (as he then was, at first instance in that case) had therefore been correct, in setting FRAND terms, to look to the commercial practice in the industry of agreeing to take a licence of a portfolio of patents, regardless of whether or not each patent was valid or was infringed by use of the relevant technology.
54. Similarly, in *Mitsubishi electric Corporation v Oneplus Technology (Shenzen) Co Ltd* [2021] EWHC 1541 (Pat), Mellor J accepted the submission that a licence to a pool has been consistently held to be FRAND, and that a licensee seeking a bilateral only offer must have some legitimate reason for doing so, noting that "it is clear that in the real world FRAND licences are agreed covering pools of patents, not least because of the obvious efficiencies and costs savings involved, and I am prepared to assume this occurs whether the whole pool is owned by a single proprietor or by several" (see §27 and §32).
55. These points, however, only take Amazon so far. It is not enough to show that a pool licence, covering patents owned by several proprietors, is capable of being RAND. In order to survive the strike out application, Amazon must show that it has a sufficiently arguable case that, in order to be RAND in the circumstances of this case, it is necessary that a licence granted by Nokia would include an option to a right to use the Alcatel NEPs. It seeks to do so on the basis that, in view of the likelihood that Nokia grants licences to others on such a basis, it would be discriminatory not to offer such a licence to Amazon.
56. Nokia and Alcatel contend, first, that Amazon's case is legally flawed, because the RAND obligation relates to, and only to, SEPs. The obligation requires Nokia to offer a licence to SEPs on terms that are non-discriminatory. The "non-discriminatory" requirement focuses on the consideration demanded by Nokia in return for the licence of the SEPs. The fact (if it be the case) that Nokia offers a licence to others to a portfolio of patents, including SEPs and NEPs cannot require it (pursuant to the non-discriminatory requirement) to offer such a portfolio to Amazon.
57. Nokia and Alcatel accept that the fact that licences offered elsewhere included NEPs would be a relevant factor, but only to the extent of determining whether the consideration required for the licence in respect of the SEPs was discriminatory. If, for example, Nokia offered to others a portfolio of SEPs and NEPs for an overall price

of £x, and offered a portfolio of only the same SEPs to Amazon for an overall price of £x, then it might be said that this was discriminatory because part of the consideration payable by others was referable to the NEPs, so that they were being required to pay less for the SEPs. The discriminatory aspect related, however, to the consideration, not to the fact that the right to use SEPs and NEPs was offered to others.

58. Powerful as this argument is, I am not prepared to conclude, at this strike-out stage, that discrimination could not also be established by reference to the content of the package of rights offered to other licensees. I accept that there are arguably logistical and other benefits, beyond purely financial benefits, in an implementer having a licence (or right to use) related NEPs as part of a portfolio licence.
59. A similar argument was accepted by Richards J in *Lenovo Group Limited v InterDigital Technology Corporation* [2024] EWHC 1036 (Pat). In that case, four companies in the InterDigital group (referred to in the judgment as “InterDigital”) held a portfolio of patents, including SEPs declared to ETSI as being essential to 2G-5G cellular standards, SEPs declared to other SSOs, and NEPs. Lenovo brought proceedings for declarations of invalidity, non-essentiality and non-infringement of two specific UK SEPs owned by InterDigital. Lenovo claimed that InterDigital’s FRAND commitment required it to offer a global portfolio licence, extending beyond the SEPs.
60. Lenovo had obtained permission to serve its claim out of the jurisdiction in an order made on a without notice basis, and InterDigital applied to set aside that order. The only matter in issue was whether Lenovo’s claim passed the merits test: was there a serious issue to be tried?
61. Lenovo’s argument was as follows: (1) InterDigital had entered into portfolio licences with others; (2) the fact that it had done so, and Lenovo’s own experience of InterDigital’s practices, was suggestive of some wider pattern of behaviour under which licences were not limited to Cellular SEPs, but also dealt with other aspects of InterDigital’s wider patent portfolio; (3) given that pattern of behaviour, it would be discriminatory for InterDigital not to offer a similar deal to Lenovo; (4) accordingly, a portfolio licence would be FRAND.
62. Richards J accepted that this was sufficiently arguable to pass the merits test. He considered that Lenovo’s current pleading did not sufficiently “join the dots” because they did not say in terms that if InterDigital did not offer Lenovo a portfolio licence it would be offering Lenovo a different deal from others which, being discriminatory, could not be FRAND. He nevertheless found that the argument was sufficiently set out in the evidence, and he gave Lenovo the opportunity to join the dots in its pleading to reflect the case that was set out in the evidence.
63. Mr Moody-Stuart suggested that Richards J’s conclusion was distinguishable on the basis that it was clear that the same entity held both the SEPs and NEPs. That, however, is not apparent from the face of the judgment, which merely refers to the fact that “InterDigital” (defined to mean the four defendant companies) held between them a portfolio which included SEPs and NEPs. In any event, I do not see the identity of the party, or parties, that owns the SEPs and NEPs as being critical to Richards J’s reasoning. Once it is accepted as arguable (so as to avoid the absurdity of allowing affiliated companies to game the system, as noted by the Court of Appeal in

*Unwired Planet*) that a FRAND obligation can extend to SEPs owned by affiliated entities, then the fact that NEPs are held by an affiliated entity does not appear to me to be a bar to the non-discrimination argument deployed in *Lenovo v InterDigital*.

64. Mr Moody-Stuart also expressed scepticism at Richards J's comment (at §39 of his judgment) that the jurisprudence in the area of a SEP owner's "right to choose" between two or more FRAND licence was "recent and evolving". It is true that there is clear Court of Appeal authority for the proposition that if two or more licences are determined to be FRAND, then the SEP owner's FRAND Commitment is complied with by granting one of them, at its option: see, for example, *Unwired Planet* in the Court of Appeal, [2018] EWCA Civ 2344, at §125. I read Richards J's comment, however, as addressing the different question, as to whether a SEP owner could decline to enter into a licence that the Court has determined is FRAND and the relevance of that to the implementer's defence to an infringement action. In any event, Amazon's case is that to avoid being discriminatory, *any* licence offered to it must include an option to use the Alcatel NEPs.
65. Nokia and Alcatel's next objection is that there is no sufficiently pleaded case that a licence which excluded the Alcatel NEPs would be discriminatory and thus not FRAND. I agree that the form of the pleading that was before the Court at the hearing did not sufficiently state a case in this respect.
66. I am satisfied, however, that the most recent version of the proposed amended pleading does sufficiently articulate the case which Amazon advanced in argument. It pleads – by reference to the past practices of entities in the Nokia group in their dealings with Amazon, by reference to Nokia's public statements as to its practices on its website, and by reference to what little is publicly available as to Nokia's practices in entering into licences with third parties – that it would be discriminatory not to offer Amazon a licence which includes other patents, including relevantly the Alcatel NEPs. Whether the claim is sustainable once the full picture of Nokia's licensing practices is available can only be tested following disclosure of potentially comparable licences (as to which, see further below).
67. Finally, Nokia and Alcatel contend that Amazon's case is doomed to fail because of the terms of a confidential counter-offer it made to Nokia in the context of parallel proceedings in Germany, which Amazon contends is RAND. In order that this judgment can be published, I do not go into the details of that offer.
68. Mr Moody-Stuart says that this fatally undermines Amazon's case that only a licence featuring an option to use the Alcatel NEPs would be RAND. I disagree. The reasons why Amazon felt constrained to put forward that counter-offer in the context of proceedings in Germany are explained in confidential evidence. I need only note that Amazon's case in these proceedings was that the offer may not have been RAND, because the evidence in this case may show that a RAND licence has to include a right to the SEPs and an option to the NEPs. As Mr Segan submitted, the question whether it is discriminatory for Nokia to exclude an option to the Alcatel NEPs from a licence to Amazon is to be determined by reference to the evidence as to the terms on which Nokia habitually grants comparable licences to others. Although Amazon had sufficient information, when it made the counter-offer, to advance its case in these proceedings, the issue is one to be determined by reference to evidence to which Amazon does not yet have access, and which will only be revealed on disclosure. It is

not to be determined by reference to one particular counter-offer Amazon was prepared to make.

69. Accordingly, I conclude that: (1) there is a serious issue to be tried as to whether Nokia's RAND Commitment obliges it to enter into a licence with Amazon that provides an option to Amazon to a right to use the Alcatel NEPs; and (2) there is therefore a serious issue to be tried as to whether Amazon has a defence to Alcatel's claim for an injunction to restrain infringement by Amazon of the Alcatel NEPs. On that basis, I decline to strike out Amazon's defence.
70. My conclusion that there is no sufficiently arguable claim that Alcatel is itself contractually obliged to offer Amazon a licence on RAND terms means that those parts of the defence and counterclaim which advance that claim should be struck out. Miss Davies contended that the whole of the counterclaim should be struck out. As Mr Segan submitted, however, the counterclaim is in form not limited to the contractual claim against Alcatel, but includes other claims, for example for declarations that the pursuit of injunctive relief is contrary to Nokia's RAND Commitment (which supports the non-contractual defence to Alcatel's claim). This debate is primarily one of form, not substance, and my conclusion is sufficiently reflected in the pleading provided the parts of the pleading that advance the contractual claim against Alcatel, or flow solely from it, are struck out.

#### Strike out of the Part 20 Claim

71. Nokia advances the same merits-based objections to the Part 20 RAND Case as it does to the defence and counterclaim. It follows from my conclusions above that I accept that there is an arguable case against Nokia that its RAND Commitment requires it to grant a licence that includes an option to use the Alcatel NEPs. Accordingly, there is sufficient merit in the Part 20 RAND Case to avoid it being struck out.
72. Nokia accepts that the Part 20 Technical Case raises a serious issue to be tried in respect of the claims for a declaration of invalidity, revocation and non-essentiality (as currently pleaded, simply as the logical consequence of invalidity).
73. Nokia contends, however, that there is no serious issue to be tried in respect of that part of the Part 20 Technical Case that claims a declaration of non-infringement. It does so, among other things, on the following basis:
- (1) An application for a declaration must serve a useful purpose and whether there are any other special reasons why or why not the court should grant the declaration: *FSA v Rourke* [2002] CP Rep 14;
  - (2) The only useful purpose would be to guard against the risk that Amazon might be enjoined on the two UK SEPs to which the Part 20 Technical Case relates;
  - (3) There is no such risk because it has undertaken (so far as necessary for the purposes of this application) that it will not file or pursue a claim in the Courts of England and Wales alleging that the Part 20 claimants are infringing either of the two patents in issue.

74. Amazon contends that Nokia's undertaking does not go far enough: a declaration of non-infringement serves a useful purpose unless and until the patentee confirms in writing that the patents are not infringed: see Terrell on the Law of Patents, 20<sup>th</sup> ed., at §24-19. I am not prepared at this stage to strike out the Part 20 Technical Case on this ground. Nokia's language is carefully chosen. There may be utility in a declaration of non-infringement or invalidity, if only to answer any reliance Nokia might seek to place in the future on the validity of the patents, or their alleged infringement by Amazon, but which falls short of pursuing a claim for infringement in this jurisdiction.
75. Separately, Nokia contends that the Part 20 Technical Case ought to be struck out as having no proper purpose, because its only purpose is to try to found jurisdiction for the separate Part 20 RAND Case. I need not address this, however, given the conclusion I reach below that jurisdiction in respect of the Part 20 RAND Case is established by reason of its link to Alcatel's claim for infringement. Having said that, I suspect that neither party would wish to press ahead with the Part 20 Technical Case in advance of the RAND determination. That is in any event to be discouraged on case management grounds.

#### Amendment application

76. Nokia's objection to Amazon's application to amend its pleadings relates principally to the amendment to include a claim for an Interim Licence.
77. Insofar as the amendment seeks an Interim Licence from Alcatel, that is unsustainable for the same reasons given above in striking out Amazon's claim that Alcatel is obliged to grant it *any* licence.
78. The pleaded basis for an Interim Licence as against Nokia is as follows:
- (1) Nokia's RAND Commitment includes the following obligations, as a matter of Swiss law, to (a) enter into good faith negotiations in respect of, and to offer, a worldwide licence to the Nokia Codec SEPs on RAND terms; (b) refrain from seeking to enjoin, prevent or otherwise restrict a beneficiary of the RAND Commitment from using the Nokia Codec SEPs and/or the patents in the Nokia Video Portfolio (including the Alcatel NEPs);
  - (2) Nokia has sought to enjoin Amazon in various other jurisdictions from using the Nokia Codec SEPs and/or other patents in the Nokia Video Portfolio;
  - (3) Where Amazon is prepared to give an unconditional undertaking to enter into a licence determined to be RAND in these proceedings, and to make an early (adjustable) royalty payment on an interim basis, Nokia's conduct in continuing to seek injunctive relief is "inconsistent with its obligation to perform the RAND Commitment in good faith";
  - (4) The foreign court would, in considering whether to grant an injunction, take into account such things as the parties' respective efforts to reach a licensing agreement, including the adequacy of the dispute resolution mechanisms in which the parties are currently engaged to settle a RAND licence;

- (5) In the circumstances, the RAND Commitment requires Nokia to agree to enter into, and to enter into, an Interim Licence as determined by the court (on the basis that all of its terms could be adjusted once the court has determined the final RAND licence at trial);
- (6) Further or alternatively, a willing licensee such as Amazon should in any event have the right or ability to apply to the court for a determination of an appropriate licensing framework at an interim stage, including payments into court, to enable that licensee further to demonstrate and manifest its willingness to enter into a licence on FRAND terms settled by the court.
79. In my judgment, there is no sufficiently arguable case that the premise (i.e. the Swiss law principles identified) leads to the conclusion that Nokia is obliged to enter into an Interim Licence.
80. The two principles of Swiss law identified in this part of the pleading are that the RAND Commitment obliges Nokia (1) to enter into negotiations in good faith for a RAND licence and (2) to refrain from seeking to enjoin Amazon in the meantime. A third principle of Swiss law also said to be relevant is that the intended third party beneficiary, C, of a contract between A and B can enforce that contract.
81. Assuming that the RAND Commitment gives rise to an enforceable obligation to enter into negotiations for a RAND licence in good faith, I do not see how that leads to the conclusion that Nokia – in addition to entering into good faith negotiations to enter into a licence on RAND terms, which is to have retrospective as well as prospective effect – must agree to enter into a licence at an early stage (whether that is, or is not, characterised as a second licence), covering at least part of the same period that will be covered by the final licence, pending resolution of the terms of the final licence.
82. As for the alleged Swiss law principle that obliges Nokia to refrain from seeking to enjoin Amazon in the meantime, if there is such a principle, and it is an obligation that can (as Amazon contends) be enforced by Amazon, then that would logically provide Amazon with a direct defence to injunction proceedings commenced in any jurisdiction. Whether it would also entitle Amazon to some form of anti-suit injunction is, in this case, academic since no such relief is sought.
83. I do not, however, see how an obligation *not* to take steps to enjoin Amazon from using Nokia's patents can give rise to a positive obligation on Nokia to enter into a licence with Amazon pending the resolution of a final RAND licence.
84. Amazon has not identified any principle of Swiss law, let alone any evidence of Swiss law, which would bridge the gap between the premise and the conclusion.
85. A similar question was recently determined by Leech J in *Panasonic Holdings Corporation v Xiaomi Technology UK Limited* [2024] EWHC 1733 (Pat). The case concerned SEPs only, and the effect of ETSI declarations, which are governed by French law. It was first argued that in circumstances (not present here) where both parties had given reciprocal undertakings to enter into the licence determined by the English court to be FRAND, for Panasonic to turn down the offer which was on the table from Xiaomi could only be part of a strategy to pursue supra-FRAND rates and

was thus a breach of the obligation of good faith. Leech J rejected that argument. It is not the argument advanced by Amazon in this case.

86. The second of Xiaomi's arguments was that there is no qualification to the temporal scope of Panasonic's obligation to grant FRAND licences, so it had an obligation to do so now, by way of an interim licence. Leech J described this as involving a contractual analysis more familiar to an English court, but was not "satisfied to a high degree of assurance that Panasonic's FRAND Commitment imposes an obligation to grant Xiaomi a FRAND licence now." He found it impossible to imply from the express words of clause 6.1 of Panasonic's ETSI declaration (under which it gave an undertaking that it was prepared to grant irrevocable licences) an obligation to grant an interim licence. He accepted the submission that the only obligation on a SEP owner was to make a FRAND offer which is capable of acceptance, and said:

"Moreover, there was no authority to which I was taken that a SEP holder is required to make an offer in a particular form or to cover particular licence periods or, indeed, to make more than one offer to cover different periods. The only obligation is to make an irrevocable offer on FRAND terms."

87. Since that case concerned a different regime under a different governing law, Leech J's conclusion is not binding on me. What it emphasises, however, is that an implementer in Xiaomi's, or Amazon's, position needs at least to identify some basis in the relevant foreign law from which it is possible to spell out an obligation, from the terms of the undertaking given to ETSI (or ITU-T), to agree to enter into an Interim Licence.
88. Mr Segan sought to distinguish *Panasonic v Xiaomi*. First, he said that under French law, which governs the ETSI regime, there is no remedy of specific performance. I do not see the relevance of that. Amazon's problem is not that it has failed to establish that *it* could enforce Nokia's obligation – whatever it is – in relation to the grant of a licence. Its problem is in establishing there is an obligation on Nokia to grant an Interim Licence in the first place. Second, he submitted that the fact that injunctive relief is sought in the UK by Alcatel means that Leech J's reflections on the utility of the declaratory relief do not read across to this case. I have not, however, based my conclusion on the lack of utility of the declarations sought.
89. Mr Segan also submitted that Leech J's decision is wrong, particularly in connection with his conclusions about German law. Those conclusions do not, however, form any part of his conclusion as to the merits of the contractual argument. In any event, the conclusion I have reached is based on the pleading and evidence before me, not on the answer reached by Leech J under the different ETSI regime. For the same reason, the fact that there may be an appeal pending against Leech J's decision is irrelevant.
90. Irrespective of the lack of merit in the claim, I would have been inclined to refuse – on case management grounds – to give directions for the resolution of the terms of an Interim Licence. On Amazon's argument, the Interim Licence would have to be on RAND terms: the RAND Commitment could not conceivably oblige Nokia to enter into even an interim licence on terms which were not RAND, even if Amazon wanted that on an interim basis. I do not see how the complexities (including on the crucial issue of scope) which arise in determining a final RAND licence can be avoided in



determining the Interim Licence. The notion that the latter exercise could be undertaken in a few days is wholly unrealistic. It would be a waste of the parties' and the court's resources to hold two RAND trials.

#### Miscellaneous objections to the amendments

91. Nokia also objects to numerous other aspects of the amendments sought. Insofar as these raise points of substance, I have mostly dealt with them in the course of considering the strike out application or the amendment application in relation to the Interim Licence.
92. The most significant of Nokia's remaining objections relate to the lack of clarity in Amazon's pleading as to the terms of the RAND licence which it claims. Objection is made, first to the lack of clarity in the way in which the relevant patents within the Nokia Video Portfolio (or the Alcatel portfolio) are identified, which has a knock on effect in the lack of clarity as to the terms of the licence said to be RAND. Amazon's overarching response is that, until disclosure, it is incapable of pleading the terms of the claimed RAND licence with any greater precision.
93. I discuss below the need for early disclosure of licences Nokia has already entered into with third parties, and the good sense in the pleading of Amazon's statement of case on RAND being deferred until after such disclosure (rather than having a first go now, only for it inevitably to be substantially altered following disclosure of potentially comparable licences). While there is force in some of Nokia's objections, many of them will likely fall away once Amazon has fully pleaded its case, preferably in light of that disclosure. I consider that the best use of the parties' and the courts' time lies in deferring adjudication on any that remain until after that.

#### Jurisdiction challenge

94. Nokia seeks to set aside the service on it out of the jurisdiction of the Part 20 Claim.
95. The parties are (broadly) in agreement as to the law to be applied. As summarised by Lord Collins in *Altimo Holdings v Kyrgyz Mobil Tel Ltd* [2011] UKPC 7; [2012] 1 WLR 1804, at §71, it must be shown that:
  - (1) In respect of each claim for which leave to serve out is sought (or has been obtained) there is a serious issue to be tried;
  - (2) There is a good arguable case in respect of each claim that it falls within one of the gateways in §3.1 of CPR PD 6B. A "serviceable" test for good arguable case is that the party seeking permission to serve out has the better of the argument on the materials available (*Brownlie v Four Seasons Holdings Inc* [2017] UKSC 80; [2018] 1 WLR 192, per Lord Sumption at §7);
  - (3) England and Wales is the appropriate forum in which to bring the case (as Amazon contends) or each claim (as Nokia contends).
96. Nokia contends that Amazon fails each part of this three-stage test.
97. So far as the merits of the claim are concerned, there is nothing to add to the points set out above in relation to Alcatel's strike-out application.

98. So far as the gateways are concerned, it is common ground that the Part 20 Technical Case falls within Gateway 11 (which requires that the subject matter of the claim relates wholly or principally to property within the jurisdiction). Nokia contends, however, that the Part 20 RAND Case does not pass through any of the Gateways.

#### Gateway 4

*“A claim is an additional claim under Part 20 and the person to be served is a necessary or proper party to the claim or additional claim”*

99. Amazon contends that: (1) the claim by Alcatel against Amazon is the anchor claim, for the purposes of this Gateway; (2) the “claim” includes any defences to it; and (3) Nokia is a proper party to (at least) Amazon’s defence that Nokia is obliged to grant it a licence under which Amazon has an option to use the Alcatel NEPs.
100. Miss Davies, who argued the jurisdiction aspect of the case for Nokia, first submitted that “claim” in this Gateway refers only to the claim asserted by Alcatel, and so does not include any defence to the claim. I do not accept this. A person is as much a necessary or proper party to a claim between C and D, whether by reason of an issue asserted by C against D, or by reason of an issue asserted by D as an answer to C’s claim. I can see no principled reason for excluding such a case from the Gateways for service out. That is particularly so when (a) Gateway 3 entitles a *claimant* to serve a claim on a person who is a necessary or proper party to the claimant’s claim against the defendant and (b) Gateway 4 entitles a *defendant* to serve a claim on a person who is a necessary and proper party to its *counterclaim* against the claimant.
101. Miss Davies submitted, secondly, that Amazon’s defence merely raises an issue of construction of Nokia’s licence obligation, and it is unnecessary for Nokia to be present for that. That ignores that Nokia can be joined on the basis it is a proper, even if not necessary, party. Nokia must, in my view, be a proper party to a claim that it is obliged to grant Amazon a licence that extends to the Alcatel NEPs.
102. Miss Davies’ third submission was that if Amazon are right that Alcatel is itself obliged to grant a licence, then there is no need for Nokia also to be before the court. I have, however, concluded that – at least on the basis of the current pleading – there is no sustainable claim that Alcatel is obliged itself to grant a licence. Even if there were, there would be no guarantee that such a claim would succeed at trial, and Amazon is entitled to say that Nokia is a proper party to its alternative claim that it is required to grant a licence that extends to the Alcatel NEPs.
103. Miss Davies referred me to *ID v LU* [2021] EWHC 1851 (Comm), in which it was held that a claim by A against B could not be relied on as an anchor claim by A to add a necessary or proper party (C), if the only reason the claim could proceed in this jurisdiction against B was because B had voluntarily submitted to the jurisdiction. She submitted that the same principle applied to preclude Amazon from relying on its counterclaim against Alcatel as an anchor claim, because Alcatel has submitted to this jurisdiction by commencing its own claim. This point was rightly not pressed very far. It is contrary, as Miss Davies acknowledged, to the House of Lords decision of *Derby & Co v Larsson* [1976] 1 WLR 202. In any event, I consider it inapplicable where Amazon relies on the fact that Nokia is a necessary or proper party to the *claim* by Alcatel against it (including its defence to that claim).

104. Accordingly, I conclude that Amazon is entitled to rely on Gateway 4 in respect of the Part 20 RAND case. In light of that conclusion, it is strictly unnecessary to determine whether the Part 20 claim also passes through the other Gateways, but I consider briefly each in turn below.

#### Gateway 16A

*“A claim is made for a declaration that the claimant is not liable where, if a claim were brought against the claimant seeking to establish that liability, that claim would fall within another paragraph of this Practice Direction (excluding paragraphs (1) to (5), (8), (12D), (15D), (17), (22) and (24) to (25)).”*

105. Amazon contends that the Part 20 RAND Case falls within Gateway 16A, because it is pleaded as one of the reasons why there should be a declaration of non-infringement of Nokia’s UK SEPs.
106. Mr Segan relied on *Vestel Elektronik Sanayi Ve Ticaret v Access Advance LLC* [2021] EWCA Civ 440. In that case, Vestel (as implementer) brought a claim for declarations: (1) that the terms of a draft licence offered to it were *not* FRAND; (2) that the terms of its counter-offer *were* FRAND; or alternatively (3) as to the terms which were FRAND for the relevant patents. It had originally anchored these declarations to a claim of abuse of dominant position but, by the time the case reached the Court of Appeal, that claim had been dropped.
107. At the time of this decision, Gateway 16A had not been introduced. Vestel sought to rely on Gateway 9 (claims in tort). Although the Court of Appeal accepted that a claim for a declaration of non-liability (i.e. in the patent context a claim for a declaration of non-infringement) fell within Gateway 9, Vestel’s claim could not be so characterised. That was because, having abandoned its claim for abuse of dominance, there was no pleaded case that Vestel had a *right* to be granted a licence on FRAND terms. Vestel did not, for example, plead any enforceable contractual right, based on the ITU rules (see §51 to §52 of the judgment of Birss LJ, with whom Elisabeth Laing LJ and Nugee LJ agreed). Without a pleading of an enforceable right to a FRAND licence, Vestel’s claim could not be characterised as a claim for a declaration of non-infringement of the patents in issue.
108. It was also contended in *Vestel* that even if Vestel’s claim could be characterised as a claim for a declaration of non-infringement, it would not suffice to pass through Gateway 9 because the alleged non-liability related only to one of the forms of relief that might be granted – namely an injunction. Birss LJ (*obiter*) rejected that argument, saying, at §60: “...if Vestel had had a claim to a right not to be the subject of an injunction for patent infringement, I would have held that this satisfied [Gateway 9] even if the vindication of that right did not absolve Vestel of all tort liability, such as for damages.”
109. Mr Segan submitted that, in this case, Amazon pleads that which was missing in *Vestel*, because Amazon pleads that Nokia is contractually obliged to grant it a licence on RAND terms.
110. Although the comments of Birss LJ in *Vestel* were *obiter* on this point, I consider they are right. The existence of Gateway 16A renders it unnecessary to fit a claim for a

declaration of non-liability within Gateway 9. For the above reasons, I accept that the Part 20 RAND Case is properly to be characterised as an element of the claim for a declaration of non-infringement of the two UK patents identified in the Part 20 Technical Case, and therefore satisfies Gateway 16A.

111. If this Gateway and/or Gateway 4A had been the only bases for assuming jurisdiction, then a more difficult question would have arisen by reason of the fact that the arguable entitlement to a RAND licence is a defence only to a claim for injunctive relief, and Nokia has undertaken not to file a claim in this jurisdiction alleging infringement of the relevant UK patents. That may well have undermined the utility of the declarations sought. Given my conclusion on other Gateways, however, it is unnecessary to decide this point.

#### Gateway 4A

*“A claim is made against the defendant which (a) was served on the defendant within the jurisdiction without the need for the defendant’s agreement to accept such service; (b) falls within CPR rule 6.33; or (c) falls within one or more of paragraphs (1A), (2), (6) to (16A) or (19) to (23), and a further claim is made against the same defendant which arises out of the same or closely connected facts.”*

112. Amazon relies on the Part 20 Technical Case as the anchor claim under this Gateway.
113. Nokia contends, and there is no real argument about this, that there is no sufficient connection between the issues raised by the Technical Case (which is concerned only with the grant and validity of the patents in issue) and the RAND case, which is a contractual claim as to the scope and terms of a licence.
114. Amazon contends, however, that the two claims are linked because Amazon pleads the availability of a RAND licence as a reason for the declaration of non-infringement. I agree, for the same reasons I have set out above in the context of Gateway 16A.

#### Gateway 11

*“The subject matter of the claim relates wholly or principally to property within the jurisdiction...”*

115. Amazon contends that the Part 20 RAND Case satisfies Gateway 11 because it seeks a RAND licence in respect of the two UK patents in issue in the Part 20 Technical Case.
116. Nokia contends that, since the licence which Amazon seeks is a global licence to all of the SEPs in the Nokia Video Portfolio and a right to use all other patents in the Nokia Video Portfolio, the subject matter of that licence, and thus of the claim, is a worldwide portfolio of assets, of which the two UK patents in issue in the Part 20 RAND case are only a very small part. Accordingly, it cannot be said that the subject matter of the Part 20 RAND Case either wholly or principally relates to property within this jurisdiction.
117. The current version of Gateway 11 is a change from the original version, which required the “whole subject matter of the claim” to relate to property located within

the jurisdiction. Miss Davies referred to the Final Report of the Chancery Working Group on outstanding proposals of the Mance Committee relating to the Gateways for service out of the jurisdiction. It was there explained that the requirement that the “whole” subject matter of the claim must relate to property within the jurisdiction, and would not, for example, cover a claim relating to a trust fund which mainly comprised property within the jurisdiction, but also included some foreign investments: “The proposed words ‘or principally’ prevent the risk of exorbitant claims where only a small part of the subject matter of the claim relates to property within the jurisdiction.”

118. Amazon rely on a further *obiter* passage in the judgment of Birss LJ in *Vestel*. In that case, Vestel’s claim was analysed, at first instance, as being a claim relating to “all patents in the pool”. On that basis, the Birss LJ said (at §64) that there was force in the judge’s conclusion that the claim was not principally concerned with the very small percentage of patents within the pool which were within this jurisdiction. On appeal, however, Vestel advanced their case in a different way, as follows (at §4):

“The sole claim is for declaration or declarations of what the FRAND terms would be for a licence under the UK SEPs which are in the HEVC Advance pool ... The subject matter of the claim is UK property - ie the UK patents. That is because it is a claim about what terms are available for a licence in respect of that property. Therefore the subject matter of the claim relates wholly or principally to property within the jurisdiction and so the case falls within gateway 11. The fact that the licences of the UK patents which would be FRAND would also license patents from other countries, cannot alter the fact that what Vestel is entitled to and is seeking is a licence under the UK patents.”

119. In fact, there was no such claim at all, because (as already noted above) Vestel did not claim to have a legally enforceable rights against a patentee or licensing agent of a patentee. Birss LJ said, however, at §71:

“I am prepared to accept that if Vestel did claim to have a legally enforceable right against a patentee or a licensing agent of a patentee, whereby Vestel were entitled to be offered a FRAND licence under the UK SEPs in the HEVC Advance pool, then the subject matter of that particular claim would be the UK SEPs. The question that claim would be concerned with is the licence terms which are available to license those UK rights. The fact that the only licence of the UK patents which is FRAND would also involve licensing foreign patents does not alter the subject matter of the claim. The fact that UK patents in the FRAND licence were only 5% or less of the patents licensed by it would make no difference. I would hold that such a claim was one which related wholly or principally to property within the jurisdiction and therefore fell within gateway 11.”

120. In my judgment, this *obiter* comment of Birss LJ is correct. Nokia’s argument confuses the subject matter of the *licence* that is sought with the subject matter of the *claim* that is brought. The claim is one to enforce the contractual obligation of Nokia pursuant to the declarations made in respect of the two UK patents, to grant a licence on RAND terms. That is a claim which relates wholly to property within the

jurisdiction, even though the licence sought is one that covers a global portfolio of patents, of which the UK patents are only a small element. The legislative history of the rule does not, in my view, affect that conclusion. I note that Fancourt J in *Tesla v Avanci* [2024] EWHC 1815 (Ch), at §45, considered that Birss LJ's conclusion on this point was right in principle.

### Appropriate forum

121. The third stage of the test for service out of the jurisdiction is that England is the appropriate forum for the case. The aim (per Lord Goff in *Spiliada Maritime Corp v Cansulex Ltd* [1987] AC 460 at p.480G) is to “identify the forum in which the case can be suitably tried for the interests of all the parties and the ends of justice.”
122. The burden lies on the person asserting the claim to show that England is clearly the proper place to bring the claim or, if not, that there are special circumstances which justify the claim being brought here: *Dhan Kumar Limbu v Dyson Technology Limited* [2023] EWHC 2592 (KB), per Clive Sheldon KC at §27-29.
123. As was pointed out by Floyd LJ in *Conversant v Huawei* [2019] EWCA Civ 38, at §32:

“In identifying the forum in which the *case* can suitably be tried for the interests of all parties and for the ends of justice, it is important to recognise that the “case” is not restricted to an analysis of the claim and relief sought by the claimant. Mr Layton submitted, and I accept, that one must have regard to the totality of the dispute, including where necessary the defendant’s answer to the claim.”
124. In *Lungowe v Vedanta Resources Plc* [2019] UKSC 20; [2020] AC 1045, Lord Briggs (with whom the other members of the Court agreed) said this in relation to Lord Goff’s comment in the *Spiliada*, at §68:

“There can be no doubt that, when Lord Goff originally formulated the concept quoted above, he would have regarded the phrase “in which the case can be suitably tried for the interests of all the parties” as referring to the case as a whole, and therefore as including the anchor defendant among the parties. Although the persuasive burden was reversed, as between permission to serve out against the foreign defendant and the stay of proceedings against the anchor defendant, the court was addressing a single piece of multi-defendant litigation and seeking to decide where it should, as a whole, be tried. The concept behind the phrases “the forum” and “the proper place” is that the court is looking for a single jurisdiction in which the claims against all the defendants may most suitably be tried.”
125. In order to determine the appropriate forum in which to try the case, it is first necessary to characterise the claim, and to do so in a way which does not risk prejudging the analysis of where the appropriate forum lies: *Conversant* (above) at §33. In this regard, it is necessary to look to the overall dispute between the parties, which includes looking at how the claim is to be answered by the defendant. It is important to avoid too narrow an analysis (for example, by focussing on the relief claimed,

which is the error the judge fell into in *re Harrods (Buenos Aires) Ltd*: see the decision of the Court of Appeal in that case at [1992] Ch 72), or too broad an analysis: *Conversant* at §96-97. In that case, Conversant claimed that its UK patents were essential to the ETSI standard, that it had complied with its ETSI undertaking, that the defendants had not complied, and it was therefore entitled to enforce its UK SEPs by way of a claim for an injunction and damages. It also sought a declaration as to the terms which were FRAND. The defendants' answer was likely to be that Conversant's patents were neither essential nor valid and that Conversant had not complied with its FRAND undertaking so was not entitled to an injunction.

126. Floyd LJ concluded, at §99, that the content of Conversant's FRAND undertaking was an inseparable part of the dispute about whether Conversant was entitled to relief for infringement of valid UK patents. On that basis, the appropriate forum question answered itself: the fact that the dispute concerned UK patents was a matter of substance not form (per Floyd LJ at §104).
127. Miss Davies submitted that the position in this case is entirely different (and different to the position in *Koninklijke Philips N.V. v Xiaomi Inc* [2021] EWHC 2170 (Pat)), because there is here no SEP infringement action at all. The Part 20 claim is a contractual claim, as to the terms of a RAND licence, which will not give rise to the need to consider whether any particular national patent is valid, infringed or essential. The correct characterisation, therefore, is that the case is all about various alleged breaches of contract, and the scope and extent of the obligations under it. She contended that Lord Briggs' comments (quoted above) in *Vedanta* were limited to cases involving multiple defendants.
128. In my judgment, Miss Davies' submissions mischaracterise the nature of the Part 20 RAND Case. For the reasons I have set out above, the Part 20 Case is to be viewed as closely connected with Amazon's defence to the claim for an injunction in the original claim. I do not accept that Lord Briggs' comments about the need to consider where the case as a whole is to be tried were limited to cases involving multiple defendants. In any event, in agreement with Mr Segan, this is a case which involves multiple parties, since – as I have found above – Nokia is a proper party to the claim by Alcatel against Amazon, given the nature of Amazon's defence to that claim.
129. Accordingly, I reject the contention that the Part 20 RAND Case is to be characterised solely as a contractual claim. It is an inseparable part of Alcatel's claim to injunctive relief for infringement of its NEPs. Once that is appreciated, the question of appropriate forum answers itself in much the same way it did in *Conversant*. Alcatel's claim could *only* be brought in this jurisdiction and so must continue here anyway. While that is not determinative, it is a powerful factor in concluding that England is the appropriate forum for the case as a whole: see *Vedanta* at §69-70.
130. Mr Segan also relied on the similar connection between the Part 20 RAND Case and the Part 20 Technical Case, which also must proceed here because it relates among other things to the validity of UK SEPs. This raises the difficulty I have alluded to above, that in circumstances where Nokia has undertaken not to enforce its rights in respect of the UK SEPs, there is no prospect of it obtaining an injunction, and so no possibility of a claim being made here to which the entitlement to a RAND licence could be a defence. I need not, however, resolve that issue.

131. In light of this conclusion, it is unnecessary to consider Amazon's alternative argument, that even if the Part 20 RAND Case is to be characterised separately as a contractual dispute, England is nevertheless clearly the appropriate forum.

### Expedition

132. Amazon seeks an order expediting the trial in this action. It seeks a trial listing for 10-15 days, with three days judicial reading, in July 2025. On its indicative timetable for the proceedings between now and trial, the trial would commence on 14 July 2025, but it considers this date could be brought forward to accommodate a lengthier trial if necessary.
133. Nokia objects to any order for expedition. It contends that the scope of Amazon's RAND case is too uncertain to be able to form any precise view as to the length of trial or as to the time needed to accommodate preparation and the likely numerous interlocutory battles along the way. On the basis of the matters currently anticipated to be in issue it considers that 10-15 days is likely to be too short. It objects in particular to a trial in July 2025, which it contends on any view is too early, and proposes November 2025 in the alternative.
134. The test to be applied is that set out in *WL Gore & Associates GMBH v Geox SpA* [2008] EWCA 622, §25, per Lord Neuberger, and involves answering the following four questions:
- (1) Is there good reason for expedition?
  - (2) Will expedition interfere with the good administration of justice – including taking into account the interests of other litigants?
  - (3) Will expedition cause prejudice to the other parties?
  - (4) Are there any other special factors?
135. Expedition is not an all-or-nothing question. There are degrees of urgency and degrees of expedition. An important consideration is the extent to which a trial could be accommodated in a particular time period without forcing other cases out of the list. The Chancery listing office has indicated that the court could accommodate a trial in the region of 20 days in June/July 2025. A peculiar feature of this case, however, is that two days before the hearing of the application for expedition I happened to hear an application for expedition of a FRAND trial involving similar issues (including arguments that a FRAND licence would extend to a portfolio of patents including NEPs) to exactly the same time period. That was in proceedings between companies in the Lenovo and InterDigital groups. Chancery listing has indicated that only one trial could be accommodated in June/July 2025, but that another could be accommodated at the beginning of the following term, in October 2025. In the knowledge of this application, I delayed reaching a decision in the Lenovo/InterDigital case until after hearing this application.

### Good reason for expedition

136. Amazon relies on Nokia's worldwide campaign of litigation, commenced in October 2023. Those include proceedings in: Germany (where the earliest infringement trial is



listed to be heard in September 2024, with others in the following months); the ITC (in the US, where it is anticipated that an exclusion order could be issued in April 2025, becoming enforceable in June 2025); Brazil (where an injunction was obtained in December 2023, lifted temporarily, but reinstated in January 2024); India (where there is a hearing in August 2024, although it is anticipated that there will be a number of further hearings over an uncertain time period before an injunction would be granted); and the Unified Patent Court (where a decision is anticipated in late 2024 or early 2025).

137. Amazon contends that it is accordingly at increasing risk of being excluded from a number of major markets over the course of the next year, and will suffer significant harm as a result. The only means of avoiding that damage would be to give in to the commercial pressure by agreeing to licences on the supra-RAND terms which Nokia demands.
138. Miss Davies objected that there is no evidence, in the form of either actual (in the case of Brazil) or anticipated lost sales or revenue in any of these jurisdictions, and that it is incumbent upon Amazon to produce such evidence to justify the urgency of the case. As against that, however, the very fact that Nokia has embarked on an extensive campaign seeking to enjoin Amazon in numerous jurisdictions, no doubt at considerable expense, suggests that it perceives there is an advantage to it in doing so. There are no doubt greater nuances and subtleties involved, but I am prepared to accept that Nokia's advantage is likely to be reflected in disadvantage to Amazon. Nokia has not offered to stay or lessen off in any way its global campaign, and shows no signs of doing so.
139. Both parties are major commercial concerns. Provided they are acting within their legal rights, they are free to exert whatever commercial pressure they consider appropriate in order to improve their negotiating position. On the other hand, (F)RAND is a process within which a patentee is required to behave consistently with its obligation to grant a licence on (F)RAND terms and an implementer is required to behave consistently with its need to take such a licence: *Interdigital v Lenovo* [2024] EWCA Civ 743, per Arnold LJ at §39. Faced with an implementer prepared to undertake to enter into a licence on terms which this court (assuming it has jurisdiction to do so) declares to be RAND, it hardly lies in the mouth of a patentee, whose actions in taking enforcement action against the implementer in multiple jurisdictions is at least *prima facie* in conflict with its RAND obligations, to object to this court taking the view that such enforcement action provides a reason for seeking to resolve the RAND dispute as soon as practicable.
140. That view has been taken in at least two other cases: *Panasonic v Xiaomi* [2024] EWHC 1733 (Pat) and *Lenovo v Ericsson* [2024] EWHC 1734 (Pat).
141. In my judgment, the continuing and increasing risk of harm by reason of Nokia's campaign of enforcement action in other jurisdictions does demonstrate a sufficient need for urgency to justify a measure of expedition. In the absence, so far, of a mechanism for holding the ring between patentees and implementers pending resolution of the terms of a RAND licence, the only available tool to address the problems that arise prior to that point is to try to ensure speedier resolution of those terms.

142. Miss Davies suggested that an order for expedition would in some way be considered a criticism of the courts in other jurisdictions. I do not accept this. Different courts may well take different views as to the maintenance of the appropriate balance between the risk of hold-up (by patentees) and hold-out (by implementers). The purpose of expedition is simply to ensure that the moment at which a licence is in fact implemented – so that it is no longer relevant to maintain any such balance – is reached sooner rather than later.

Interference with the good administration of justice/prejudice to the parties

143. As noted by Arnold J in *Rangers Football Club Plc (in administration) v Collyer Bristow LLP* [2012] EWHC 1427 (Ch), there are two aspects to this element: the efficient disposal of the claims between the parties themselves and the interests of other litigants who would be prejudiced by expedition of this claim. The first aspect overlaps with the third question (prejudice to the parties).
144. Provided that both sides can fairly be expected to be ready for trial by the expedited trial date, then there is much to be said for the answer to the first aspect of this question pointing towards expedition. The only ones to benefit from the current costly proliferation of claims in multiple jurisdictions between these parties, are the lawyers. The efficient – and fair – disposal of the dispute between these parties is best served by reaching a conclusion on the terms of a RAND licence as soon as practicable.
145. There are, however, countervailing factors. Nokia's evidence, from a solicitor highly experienced in this area, Gary Moss, is that – for a variety of reasons – the indicative timetable which Amazon has produced leading to a trial in July 2025 is unrealistic. He points, among other things, to: the practical impossibility of producing a statement of case on RAND by mid-September 2024, particularly given the unavailability of much of the legal team during August; the unlikelihood of Amazon's RAND statement of case (proposed to be served on 2 August) being adequate, given the inadequacies in the various iterations of the draft amendments to its defence and counterclaim and Part 20 particulars of claim; the inadequate time for responding to those amended pleadings, once settled, particularly in view of the substantial issues relating to Swiss law; and the inadequate provision for the time needed to carry out an extensive disclosure exercise.
146. So far as the length of previous FRAND trials is concerned, while Amazon point to an apparent reduction in length over time as parties and the court become better acquainted with the process, Nokia points out that this case involves a considerable complicating factor, namely the extent to which the non-discriminatory requirement means that Nokia must offer Amazon a licence to its wider portfolio including NEPs (and, in particular, the Alcatel NEPs). In addition, this appears to be the first case where the Swiss law governed RAND Commitment is under consideration.
147. Some of Nokia's objections in this regard can be discounted. For example, the concerns based on the need to factor in resolution of the Interim Licence issue have gone away; and its objections based on the fact that they would be required to work exceptionally hard to comply with a tighter timetable ring hollow when they are prepared to forge ahead with enforcement action in multiple other jurisdictions.

148. Other points, however, have force. During the course of this application Amazon has presented three different versions of its proposed amended pleading. There was no detail of its Swiss law case on the content of the RAND obligation until the final version provided mid-way through the adjournment period, and that is still very much an outline case. More significantly, there are at this stage significant uncertainties about the scope of the licence, and the range and number of comparables that might be in issue. That feeds directly into the complexity of disclosure and the length of the required trial. On Amazon's proposed timetable, any statement of case on RAND which they serve will be preliminary only, because it would be done before disclosure of potentially comparable licences.
149. At the hearing, both parties saw – in principle – the sense of there being early disclosure of at least some of Nokia's licences (specifically those that have already been disclosed in other proceedings and a licence it recently entered into as announced on its website). No application for early disclosure was, however, before me, and Nokia had not therefore come prepared to deal with it. Whether expedition is ordered or not, I consider it essential that such disclosure is provided at the earliest opportunity. It would avoid a wasted round of preliminary statements of case on RAND, and would undoubtedly assist in shaping the issues for trial. The whole of Amazon's RAND defence to Alcatel's claim is based on the contention that Nokia habitually grants licences to others on a portfolio basis including NEPs. Early disclosure is bound to provide at least some clarity – either way – on that point. The fact is, however, that the lack of focus on this point to date means that issues over such early disclosure are unlikely to be resolved before next term.
150. So far as interference with the interests of other litigants is concerned, the most important aspect is the trial itself. I also need to consider, however, the likelihood of there being multiple case management and other interlocutory hearings. It is a feature of (F)RAND litigation that it needs to be closely managed. While there would be a need to accommodate such interlocutory hearings whether the case is expedited or not, once an expedited date is fixed, then the court will be under pressure to find time to list such hearings on an urgent basis (to the potential prejudice of all other litigants). Moreover, although experience to date suggests these parties are unlikely to reach agreement on much, the chance for considered reflection and narrowing of issues is reduced if hearings are taking place on an urgent basis.

### Special factors

151. Amazon contends that Nokia has done everything it can to date to frustrate resolving this dispute on a global basis. I accept that – for the reasons I have already addressed – its conduct in pursuing infringement action in many other jurisdictions is an important factor. I reject, however, such a characterisation of its behaviour in this jurisdiction. It was entitled to object to this court assuming jurisdiction. As I have concluded earlier in this judgment, some of its objections are valid, even though overall I consider this court does have jurisdiction.
152. Nokia in return relies on Amazon's failure to provide a statement of case on RAND, and the uncertainty as to the scope of the licence sought. The main thrust of its objection in this regard is that it is too early to order expedition, and that it is incumbent on Amazon to identify its case before the court considers doing so. In my judgment, this concern is outweighed by the need for urgency (as I have indicated

above), and the importance of fixing, now, a date towards which the parties must work. I nevertheless bear in mind the lack of focus in the case at this stage in considering the degree of expedition to direct.

### Conclusions

153. For the above reasons, I am satisfied that there is a need for urgency, and that it is important to fix a date for trial now. I have no doubt that a listing at the beginning of the Michaelmas term in 2025 is achievable without causing prejudice to the parties. As I understand it, this would involve a degree, albeit only a small degree, of expedition.
154. The choice, therefore, comes down to whether I should order expedition to July 2025 or to October 2025. In doing so, I cannot ignore the fact that I am simultaneously having to decide the same question in another unrelated case. Despite Nokia's attempt to draw a comparison between the two cases, I have not afforded the parties in each case the opportunity to undertake such an exercise. It is for me to consider the interests of other court users, both generally and specifically, and it would be a disproportionate use of court time (which is at a greater premium at this time of year) by inviting yet further submissions from the parties in the two concerned cases.
155. I address this question first in the abstract, i.e. whether I consider that the degree of urgency in *this* case is such as to prejudice any other litigant whose case would otherwise have been heard in the June/July 2025 slot. In my judgment, it is not. I base my conclusion principally on the following factors:
- (1) The uncertainties to date in Amazon's case, as demonstrated by the multiple attempts at pleading its proposed amended defence and counterclaim and Part 20 claim, and the delay in pleading critical aspects of Swiss law (and the lack of evidence to demonstrate the Swiss law position);
  - (2) The fact that, as things stand, no application for early disclosure of Nokia's licences has been made, so that it is unlikely this will be progressed until after the summer vacation, with the consequence that it is likely to be October or November before Amazon is in a position to produce a comprehensive pleading of its statement of case on RAND;
  - (3) Amazon's need for a licence in respect of patents of which it has been making use for a long time is not a new issue. Negotiations had been ongoing for some considerable period prior to October 2023 when Nokia launched its global campaign of litigation. Amazon's contention is that it is able to bring a free-standing claim for a declaration of RAND terms. Against that background, its application for expedition was made as recently as May 2024;
  - (4) Even with the expedition sought, it is not realistic to expect a judgment before October 2025. Amazon is already exposed to the increasing risk of harm from enforcement action around the world for the next 15 months. The question therefore comes down to whether that risk continuing for another two to three months *beyond that* is sufficient to warrant other litigants being forced out of the list.

156. Inevitably I cannot avoid some comparison with the Lenovo/InterDigital case, given that the court can accommodate one, but only one, of them in July 2025. As will be apparent from my short judgment in that case, I consider that – while it shares many of the same features as this case – it is marginally more deserving of expedition than this case. By way of example, the early disclosure of licences will shortly take place, enabling the shape and focus of that trial to be determined more quickly, and the expedition application has been outstanding since last October.
157. For these reasons, I will direct that the trial in this action will be listed for the beginning of October 2025. At present, subject to further contrary submissions from the parties, I suggest a total time – including judicial reading but excluding judgment – of 20 days, on the basis that the time estimate be refined once the scope of Amazon’s case and the terms of the claimed RAND licence are better defined.