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- BEITRÄGE**
- 310** | DIRK SCHÜßLER-LANGEHEINE/THORSTEN BAUSCH/
KATRIN WINKELMANN
Defense in UPC revocation actions
 - 315** | MARTINA EBERLE/CHRISTIAN CZYCHOWSKI
F&E-Zusammenarbeit zwischen Unternehmen und
Hochschulen
 - 327** | MATTHIAS LEISTNER
SEPs in the UPC-System: How the UPC should implement
Huawei/ZTE
 - 337** | TIM W. DORNIS
Anwendbares Recht und Lücken im Einheitspatentrecht –
Teil 3: Externe, interne und scheinbare Lücken ...
 - 343** | ANNE-RAPHAËLLE AUBRY/TIGRAN GULEDJIAN/ERIC HUANG
Anti-Suit Injunctions in the US in the SEP and FRAND Context
- RECHTSPRECHUNG**
- 349** | UPC: Court of Appeal confirms principles for claim inter-
pretation (Florian Henke/Philipp Rastemborski)
 - 352** | EPG: Berufungsgericht: Keine Aussetzung wegen parallelen
Einspruchsverfahrens (Antje Brambrink)
 - 353** | BGH: Schadensersatz bei patentverletzendem Angebot
und extraterritorialer Vertragsdurchführung (Johann Pitz)
 - 355** | OLG Düsseldorf: Begriff der patentverletzenden Angebots-
handlung bei Auskunft und Rechnungslegung (Sabrina
Biedermann)

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| ANNE-RAPHAËLLE AUBRY*, TIGRAN GULEDJIAN** AND ERIC HUANG***

Anti-Suit Injunctions in the United States in the SEP and FRAND Context: Recent Developments and Overview

This article discusses the concept of anti-suit injunctions (ASIs) and the use of ASIs in the context of Standard Essential Patents (SEPs) and Fair, Reasonable, and Non-Discriminatory (FRAND) licensing disputes. First, we introduce anti-suit injunctions and outline the three-step test for assessing the propriety of an ASI in the United States, which includes satisfying two threshold requirements, applying the “Unterweser” factors, and assessing the injunction’s effect on international comity. Second, we discuss specific cases in which U.S. courts addressed requests for anti-suit injunctions in the FRAND context and consider the factors these courts relied on to grant or deny anti-suit injunctions. Third, we summarize the recent February 2024 Ericsson v. Lenovo decision in the Eastern District of North Carolina. We consider the Court’s reasoning for declining to issue an anti-suit injunction against Ericsson and how this decision fits in with previous U.S. anti-suit injunction cases. Finally, we consider how the U.S. approach to ASIs differs from approaches in China and Europe.

In diesem Artikel werden das Konzept der Anti-Suit Injunctions (ASIs) und die Verwendung von ASIs im Kontext von standardessentiellen Patenten (SEPs) und FRAND-Lizenzstreitigkeiten erörtert. Zunächst stellen wir Anti-Suit-Injunctions vor und skizzieren den von der US-Rechtsprechung entwickelten, dreistufigen Test zur Beurteilung der Angemessenheit einer ASI. Von diesem Test umfasst sind die Erfüllung von zwei Schwellenforderungen, die Anwendung der sogenannten „Unterweser“-Faktoren und die Bewertung der Auswirkung der einstweiligen Verfügung auf das den internationalen Rechtsverkehr im Sinne der *comity*-Doktrin des US-Rechts. Darüber hinaus erörtern wir konkrete Fälle, in denen sich US-amerikanische Gerichte mit Anträgen auf einstweilige Verfügungen im FRAND-Kontext befasst haben, und betrachten die Faktoren, auf die sich die Gerichte stützten, um einstweilige Verfügungen zu erteilen oder abzulehnen. Schließlich fassen wir die aktuelle Entscheidung des Eastern District Court of North Carolina vom Februar 2024 in der Rechtssache Ericsson

vs. Lenovo zusammen. Wir analysieren die Gründe des District Court für die Ablehnung des Erlasses einer Anti-Suit-Injunction gegen Ericsson und diskutieren, wie sich die Entscheidung mit früheren US-amerikanischen ASI-Fällen deckt. Abschließend betrachten wir, wie sich der US-Ansatz für ASIs von der Haltung der Gerichte in China und Europa unterscheidet.

I. What are Anti-Suit Injunctions?

1. Definition

[1] Anti-suit injunctions are orders in one jurisdiction enjoining a party from commencing an action in another jurisdiction or from enforcing an order in another jurisdiction, including foreign jurisdictions.¹ They occur when parties disagree regarding the proper forum to litigate their dispute. In theory, anti-suit injunctions improve efficiency because they ensure that issues are resolved in one jurisdiction before they are litigated in another. They avoid inconsistent orders across jurisdictions, and can be used to restrain vexatious proceedings. Although an anti-suit injunction, when used in a foreign jurisdiction, ostensibly “operates only against the parties, and not directly against the foreign court... such an order effectively restricts the jurisdiction of the court of a foreign sovereign,” and should be used “sparingly.”²

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¹ See E. & J. Gallo Winery v. Andina Licores S. A., 446 F.3d 984, 989 (9th Cir. 2006).

² China Trade & Dev. Corp. v. M.V. Choong Yong, 837 F.2d 33, 35 (2d Cir. 1987) (internal quotations marks and citation omitted). See also BAE Sys. Tech. Sol. & Sen’s., Inc. v. Republic of Korea’s Def. Acquisition Program Admin., 884 F.3d 463, 479 (4th Cir. 2018).

2. Test for Anti-Suit Injunctions in the U.S.

[2] The propriety of an anti-suit injunction in the United States is assessed in three steps.³

[3] First, the movant must satisfy two threshold requirements – that the parties and issues are the same in both matters, and that resolution of the case before the enjoining court is dispositive of the action to be enjoined.⁴

[4] Second, if the threshold requirements are met, the movant must also show that at least one of four (sometimes five⁵) anti-suit injunction factors (sometimes referred to as *Unterweser*⁶ factors) apply.⁷

[5] Finally, if the threshold requirements are met and at least one of the *Unterweser* factors is met, the court must assess the injunction's effect on international comity.⁸ With respect to international comity, U.S. circuits are split between a more “conservative approach” and a more permissive “liberal approach.” Federal appellate courts in the First, Second, Third, Sixth, Eighth, and District of Columbia Circuits have adopted the “conservative approach.”⁹ The conservative approach places greater emphasis on international comity and will only issue an ASI if the movant demonstrates “(1) an action in a foreign jurisdiction would prevent United States Jurisdiction or threaten a vital United States policy, and (2) the domestic interests outweigh concerns of international comity.”¹⁰ Federal courts in the Fifth, Seventh and Ninth Circuits have adopted a more “liberal approach.”¹¹ The liberal approach places less emphasis on international comity and will issue an injunction “whenever there is a duplication of parties and issues and the court determines that the prosecution of simultaneous proceedings would frustrate the speedy and efficient determination of the case.”¹²

3. Use of ASIs in the SEP/FRAND context

[6] Standard Setting Organizations (SSOs), such as the European Telecommunications Standards Institute (ETSI), formulate the standards for everyday technology, such as Wi-Fi, Bluetooth, and USB. Standard Essential Patents (SEPs) claim technology that is essential to a technical standard, meaning that the technology must be used to implement or comply with the standard. Typically, SEPs are self-declared to SSOs with little to no review of their essentiality or value. The owners of SEPs commit to license them on Fair, Reasonable, and Non-Discriminatory (FRAND) terms. When manufacturers of standard-compliant products use the technology claimed in the SEPs, they must license the SEPs from the SEP owners. In some cases, an SEP implementer may consider taking a SEP license as a last resort, preferring efficient infringement to licensing.

[7] Because there is no universal definition of “FRAND,” what is considered FRAND by one party is often not considered as such by others. Additionally, different jurisdictions may be more or less friendly towards SEP holders or SEP implementers. This can

lead to forum shopping, with one or more parties seeking anti-suit injunctions to enjoin each other from litigating in a foreign court. When successful, an anti-suit injunction can give an SEP litigant an advantage in resolving the dispute in a court in their preferred forum. For example, a court reviewing defendant-SEP owner's compliance with a FRAND licensing commitment may grant plaintiff-SEP implementer's anti-suit injunction to prevent the SEP owner from initiating or enforcing foreign patent infringement claims until the FRAND licensing dispute is resolved.

II. Factors Considered for ASIs in FRAND cases

[8] Below we highlight the factors U.S. Courts relied on in deciding whether to grant or deny anti-suit injunctions for FRAND cases.

1. Factors Considered in Granting ASIs

a) Presence of a Contractual Umbrella or Agreement Between Parties

[9] With respect to the threshold factors, U.S. courts frequently consider related entities to be the “same” parties, and instead focus on determining whether resolution of the U.S. action would be dispositive of the foreign actions.

[10] In *Microsoft v. Motorola*, Judge Robart granted Microsoft's request for an ASI to enjoin Motorola from enforcing a German court's injunction.¹³ Microsoft had filed a declaratory judgment suit in the Wes-

³ See, e.g., *BAE Sys. Tech. Sol. & Servs., Inc. v. Rep. of Korea's Def. Acquisition Program Admin.*, 195 F.Supp.3d 776, 786 (D. Md. 2016).

⁴ *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 882 (9th Cir. 2012). See *Canon Lat. Am., Inc. v. Lantech (CR)*, S. A., 508 F.3d 597, 601 (11th Cir. 2007); *Quaak v. Klynveld Peat Marwich Goerdeler Bedrijfsrevisoren*, 361 F.3d 11, 18 (1st Cir. 2004) (“The gatekeeping inquiry is, of course, whether parallel suits involve the same parties and issues.”); *Sanofi-Aventis Deutschland GmbH v. Genentech, Inc.*, 716 F.3d 586, 595 (Fed. Cir. 2013) (Dyk, J., concurring) (stating that the majority opinion was wrong to consider additional factors when the threshold considerations were not met).

⁵ The so-called *Unterweser* factors consider “where the foreign litigation would (1) frustrate a policy of the forum issuing the injunction; (2) be vexatious or oppressive; (3) threaten the issuing court's in rem or quasi in rem jurisdiction; or (4) where the proceedings prejudice other equitable considerations.” *In re Unterweser Reederei*, 428 F.2d 888, 890 (5th Cir. 1970). A fifth factor, considered by the Second Circuit is whether the parallel litigation would result in delay, inconvenience, expense, inconsistency, or a race to judgment. See *Karaha Bodas Co., L.L.C. v. Perusahaan Pertambangan Minyak Dan Gas Bumi Negara*, 500 F.3d 111, 119 (2d Cir. 2007).

⁶ *In re Unterweser Reederei*, 428 F.2d 888, 890 (5th Cir. 1970).

⁷ *Microsoft*, 696 F.3d at 882; *Gallo*, 446 F.3d 984, 991 (9th Cir.).

⁸ *Laker Airways Ltd. v. Sabena, Belgian World Airlines*, 731 F.2d 909, 937, 235 U.S. App. D.C. 207 (D.C. Cir. 1984).

⁹ See *Quaak*, 361 F.3d 11, 17 (1st Cir.); *China Trade*, 837 F.2d 33 (2d Cir.); *GE v. Deutz AG*, 270 F.3d 144, 160-161 (3d Cir. 2001); *Gau Shan Co., Ltd. v. Bankers Tr. Co.*, 956 F.2d 1349, 1352-54 (6th Cir. 1992); *Goss Int'l Corp. v. Man Roland Druckmaschinen Aktiengesellschaft*, 491 F.3d 355, 359-61 (8th Cir. 2007); *Laker Airways*, 731 F.2d 909, 235 U.S. App. D.C. 207 (D.C. Cir.).

¹⁰ *Ericsson v. Lenovo (United States), Inc.*, No. 5:23-CV-00569-BO, 2024 U.S. Dist. LEXIS 26060, *22 (E.D. N.C. Feb. 13, 2024) (internal citation omitted).

¹¹ See *Ganpat*, 66 F.4th 578 (5th Cir.); *Gallo*, 446 F.3d 984 (9th Cir.). The Seventh Circuit hasn't committed to either approach but has signaled that it is “inclined towards the laxer standard.” *1st Source Bank v. Neto*, 861 F.3d 607, 613 n.2 (7th Cir. 2017). The Federal Circuit has employed the liberal test because it applies the law of the regional circuit when dealing with issues not unique to patent law. *Sanofi-Aventis*, 716 F.3d at 591-92.

¹² *Quaak*, 361 F.3d 11, 12 (1st Cir.).

¹³ *Microsoft Corp. v. Motorola, Inc.*, 871 F. Supp. 2d 1089 (W.D. Wash. 2012).

tern District of Washington in 2010, alleging that Motorola had breached its FRAND obligations. While the suit was pending, Motorola sued Microsoft for infringement in Germany, seeking an injunction. In April 2012, the German court (Mannheim) granted an injunction prohibiting Microsoft from selling infringing products in Germany. In granting Microsoft's request for an anti-suit injunction, the Court determined that resolution of the US contractual matter would be dispositive of the German action. The Court determined that Motorola's contract with the standards organization (the ITU)¹⁴ was enforceable by Microsoft, and encompassed the patents at issue in the German suit. As the Ninth Circuit clarified on appeal, the district court did "not seek[] to enjoin [a party from litigating in] a foreign court on the basis of a patent validity or infringement finding by a United States court" but rather on the basis of the contract interpretation by a U. S. court.¹⁵

[11] In *Huawei v. Samsung*,¹⁶ the Court granted Samsung's request for an ASI. Both parties manufactured and sold wireless products implementing 3G and 4G standards promulgated by ETSI.¹⁷ In May 2016, Huawei sued Samsung in the Northern District Court of California for infringement of 11 Huawei SEPs, and for breach of its FRAND licensing commitment under ETSI's IP policy. The next day, Huawei also filed eight infringement actions in China (Shenzhen Court) for Chinese SEPs. The Chinese actions proceeded more quickly than in the United States, and following trials, the Shenzhen Court issued orders finding that Samsung infringed two of Huawei's Chinese SEPs and enjoining Samsung's Chinese affiliates from manufacturing and selling its 4G LTE standardized smartphones in China. Samsung requested an anti-suit injunction in the California case preventing Huawei from enforcing the injunction orders issued by the Shenzhen Court. The two Chinese SEPs were counterparts of U. S. SEPs at issue in the U. S. case, and part of the FRAND contract dispute before the U. S. court. Despite Huawei's efforts to distinguish the case from *Microsoft*, the Court found that, as in *Microsoft*, "[t]he contractual umbrella over the patent claims" controlled, and accordingly that the U. S. action would be dispositive of Huawei's Chinese actions, and granted Samsung's ASI request.¹⁸

[12] In *TCL v. Ericsson*,¹⁹ the Court granted TCL's request for an anti-suit injunction against parallel foreign lawsuits. There, the parties had previously negotiated towards licenses for Ericsson SEPs covering ETSI's 3G and 4G standards. Between 2012-2014, Ericsson filed a series of foreign litigations against TCL for alleged infringement of Ericsson's SEPs. In March 2014, TCL sued Ericsson in the Central District of California for breach of contract claims stemming from Ericsson's obligation to license SEPs related to 2G-4G standards under FRAND terms. In May 2015, TCL filed a motion to enjoin Ericsson's infringement actions in the U. S. (in the Eastern District of

Texas) and abroad (France, Brazil, Russia, UK, Argentina, Germany).²⁰ Unlike in *Microsoft* and *Huawei*, here during briefing, both parties indicated their desire that the U. S. action should result in a "global resolution" of the SEP patent licensing and damages claims.²¹ The Court granted the anti-suit injunction against the foreign lawsuits "based on the parties' mutual agreement" to allow the parties to concentrate on the overriding FRAND issues, and ordered "that neither party, nor its affiliates or subsidiaries shall initiate or continue to prosecute a patent infringement action against the other regarding the 2G, 3G, and 4G SEPs at issue before this Court or their foreign equivalents."²²

b) Violation of U. S. Policy and Delay In Filing Foreign Suits

[13] With respect to the *Unterweser* factors, U. S. Courts focus on whether the foreign litigation would frustrate a U. S. policy, and whether an ASI would help curb "forum shopping and ... duplicative and vexatious litigation."²³

[14] In *Huawei v. Samsung*, the Court considered this first *Unterweser* factor (whether a policy of the forum issuing the injunction would be frustrated) met, at least because the Shenzhen court's order enjoining Samsung's Chinese affiliates from manufacturing and selling its 4G LTE standardized smartphones in China compromised the U. S. court's ability to reach a just result free of external pressures on Samsung. Orders from the Shenzhen Court could render the U. S. proceedings meaningless, while the risk of harm to Samsung's operations in China in the interim was great.²⁴ In *Microsoft v. Motorola*, the Court considered this factor, noting that because the issue of injunctive relief was before both the U. S. court and the court in Germany, the potential for inconsistent judgments was high.²⁵

[15] As part of the *Unterweser* factors, Courts also considered the timing between the foreign action and the U. S. action – finding a longer delay between the U. S. action and a subsequent foreign action to weigh in favor of an ASI. In contrast, Courts declined to consider foreign suits vexatious or oppressive when foreign actions were filed the day after the U. S. one. In *Microsoft*, the Court found concerns of "forum shopping and... duplicative and vexatious litigation" to support grant of the ASI, based in part on Motorola waiting over six months after Microsoft filed its com-

¹⁴ International Telecommunication Union.

¹⁵ *Microsoft*, 696 F.3d at 883.

¹⁶ *Huawei Techs. Co v. Samsung Elecs. Co*, No. 3:16-cv-02787-WHO, 2018 U. S. Dist. LEXIS 63052, *41 (N. D. Cal. Apr. 13, 2018).

¹⁷ European Telecommunications Standards Institute.

¹⁸ *Huawei Techs*, 2018 U. S. Dist. LEXIS 63052, at *27.

¹⁹ *TCL Commun. Tech. Holdings v. Telefonaktiebolaget LM Ericsson*, No. 8:14-cv-00341-JVS-AN, 2015 U. S. Dist. LEXIS 191512 (C. D. Cal. June 29, 2015).

²⁰ *Id.* at *10-14.

²¹ *Id.* at *18.

²² *Id.* at *19.

²³ *Huawei Techs*, 2018 U. S. Dist. LEXIS 63052, at *34.

²⁴ *Id.* at *8.

²⁵ *Microsoft*, 871 F.Supp. 2d 1089, at 1100.

plaint to initiate the German Action.²⁶ In *Huawei v. Samsung*, the Court declined to find the foreign suits vexatious or oppressive because Huawei filed the Chinese actions the day after it filed the U. S. case, such that the timing concerns present in *Microsoft* (filing of foreign action six months after the U. S. one) were not at issue.

c) Comity – Timing and Scope Considerations

[16] With respect to comity, different circuits follow either the “conservative approach” or the “liberal approach.” The conservative approach places greater emphasis on international comity and will only issue an ASI if the movant demonstrates “(1) an action in a foreign jurisdiction would prevent United States Jurisdiction or threaten a vital United States policy, and (2) the domestic interests outweigh concerns of international comity.”²⁷ The liberal approach places a more modest emphasis on international comity and will issue an injunction “whenever there is a duplication of parties and issues and the court determines that the prosecution of simultaneous proceedings would frustrate the speedy and efficient determination of the case.”²⁸

[17] Both *Microsoft* and *Huawei* followed the Ninth Circuit’s more liberal approach. In *Microsoft v. Motorola*, the Court found an ASI “would not have an intolerable impact,” on comity.²⁹ Specifically, the Court found comity concerns “alleviated” because the foreign court had been “belatedly asked by Motorola to decide an issue already placed before this Court.”³⁰ In *Huawei v. Samsung*, the Court considered both the timing of the actions (the U. S. action preceding the Chinese actions) and the scope of the injunction (enjoining Huawei from enforcing the Chinese injunctions until the U. S. Court evaluated the propriety of injunctive relief for the parties’ SEPs). The Court found the impact on comity would be negligible because the case involved “a private contractual dispute,” rather than “a dispute implicating public international law or government litigants.”³¹ The Court enjoined Huawei from enforcing the injunction orders granted by the Chinese Shenzhen court “until [the Court had] the ability to determine the breach of contract claim [that Huawei] chose to present in this action prior to filing the Chinese actions.”³²

2. Factors Considered in Denying ASIs

[18] When Courts deny requests for ASIs enjoining foreign actions, they do so by relying on the threshold factors. Finding that resolution of the U. S. matter would not dispose of the foreign action ends the anti-suit injunction inquiry.

[19] In *Apple v. Qualcomm*, the Court denied Qualcomm’s request for an anti-suit injunction.³³ Qualcomm and Apple were both members of ETSI. In 2016, Qualcomm offered to license its patent portfolio to Apple, and Apple rejected Qualcomm’s offers as not FRAND. In January 2017, Apple filed suit against Qualcomm in the Southern District of California as-

serting breach of contract claims, patent claims, and antitrust claims. Between January 23, 2017 and April 11, 2017, Apple filed a total of eleven lawsuits against Qualcomm and its subsidiaries in the United Kingdom, Japan, China, and Taiwan.³⁴ Qualcomm requested an ASI against Apple, seeking to enjoin Apple from pursuing its claims in the foreign actions and from filing any further foreign actions during the pendency of the U. S. action. In denying the ASI, the Court relied on its determination that the issues were not the same in each venue and the U. S. action would not dispose of the foreign actions.³⁵ The Court distinguished *Microsoft*, noting that in *Microsoft* the Court enjoined the party (Motorola) that had made the binding commitment to the SSO, thereby “holding the enjoined party to its contractual bargain.”³⁶ The Court noted that Apple (unlike Qualcomm, and unlike Motorola in *Microsoft*) had not made a binding commitment to the Standard Setting Organization that would limit the relief it sought.³⁷

[20] Although the Court did not need to reach the *Unterweser* factors, the Court noted that “this is not a case where the delay between the filing of the first action and the subsequent actions raises concerns about forum-shopping or harassing motive.”³⁸ And although it did not need to reach comity, the Court nonetheless found the impact on comity would not be tolerable, refusing to consider the dispute as a “private contractual dispute,” at least because “multiple sovereign and international bodies ... concluded or alleged that aspects of Qualcomm’s business model are anti-competitive demonstrates that this dispute implicates global public concerns in a way not evident from the record in *Microsoft v. Motorola*.”³⁹

[21] In *TQ Delta v. ZyXEL*,⁴⁰ the Court also denied the ASI based on the threshold factors. TQ Delta filed an infringement suit in Delaware District Court in December 2013, and Defendants counterclaimed that TQ Delta breached its obligation to the ITU because it failed to license its patents to ZyXEL on FRAND terms. In 2017, TQ Delta also filed suit against ZyXEL in the UK.⁴¹ Following the *Unwired Planet v. Huawei* decision from the UK High Court of Justice setting the FRAND royalty rates for a worldwide

²⁶ *Id.*

²⁷ Ericsson at *22 (internal citation omitted).

²⁸ *Id.*

²⁹ *Microsoft*, 871 F.Supp. 2d 1089, at 1100.

³⁰ *Id.*, at 1101.

³¹ *Huawei Techs.*, 2018 U. S. Dist. LEXIS 63052, at *38-40.

³² *Id.* at *41.

³³ *Apple Inc. v. Qualcomm Inc.*, No. 3:17-cv-00108-GPC-MDD, 2017 U. S. Dist. LEXIS 145835 (S. D. Cal. Sep. 7, 2017).

³⁴ *Id.* at *12.

³⁵ *Id.* at *19.

³⁶ *Id.* at *31.

³⁷ *Id.* at *29-30.

³⁸ *Id.* at *39.

³⁹ *Id.* at *55.

⁴⁰ *TQ Delta, LLC v. ZyXEL Commun. Inc.*, Civil Action No. 1:13-cv-02013-RGA, 2018 U. S. Dist. LEXIS 98228 (D. Del. June 12, 2018).

⁴¹ *Id.* at *3-4.

license to Unwired Planet’s portfolio of SEPs, ZyXEL moved for expedited consideration of a preliminary injunction, asking the Delaware court to enjoin Plaintiffs from pursuing the UK action. The Court denied the ASI based on the threshold factors. As the Court noted, ZyXel did not argue that the U. S. action would be dispositive of the UK action.⁴² Additionally, TQ Delta had not instituted the UK action to terminate the United States claims, and in the UK action TQ Delta asserted at least one European patent that had no equivalent in the U. S. case.

3. ASI trends in the US

[22] ASIs appeared in the U. S. in the early 2010s as a useful tool to prevent forum shopping, with several U. S. courts granting ASIs to enjoin parallel litigation in foreign jurisdictions. Nonetheless, a preliminary injunction remains an “extraordinary” remedy, “never awarded as of right.”⁴³

[23] Considered through the lens of SSO and FRAND commitments, ASI cases indicate that U. S. courts are more likely to grant ASIs when the U. S. case turns on the SSO contractual claims, and the contractual umbrella is dispositive of the foreign claims. Parties arguing the contractual commitment between the parties and the SSO, rather than the validity or infringement of specific patents frames the dispute as a global one, are more likely to obtain an ASI in foreign proceedings. Courts may also be more likely to grant ASIs when the ASI is against a party who made a binding commitment to an SSO.

III. Ericsson v Lenovo (2024)

[24] On February 13, 2024, in the Eastern District of North Carolina (EDNC), Judge Boyle denied Lenovo’s motion for an anti-suit injunction against Ericsson.⁴⁴

1. Background and Holding

[25] Ericsson and Lenovo both owned SEP patents incorporated in ETSI cellular standards and were required to license their respective SEPs under FRAND terms. In October 2023, Ericsson offered to license its portfolio of SEPs and filed its complaint before the EDNC district court. Ericsson requested a finding that its offer complied with FRAND and in the alternative requested the Court declare a FRAND rate for a global cross-license. Lenovo counterclaimed and sought a declaration setting FRAND royalty rates for a global patent cross-license.⁴⁵

[26] Between October 2023 and December 2023, both parties filed additional complaints with the ITC and outside of the U. S. Ericsson filed actions in Colombia and Brazil. In November 2023, in the Brazilian action, the court entered a preliminary injunction enjoining Lenovo from implementing the 5G essential patents at issue.⁴⁶ In December 2023, in the Colombian action, the Colombian authority enjoined Lenovo’s affiliate

Motorola to cease marketing, offering for sale, selling, using or importing certain 5G cell phones.

[27] Shortly after the Colombian decision, Lenovo and Motorola filed an application for a Temporary Restraining Order (TRO) and anti-suit injunction in the EDNC, asking the Court to preliminarily enjoin Ericsson from enforcing the Brazilian and Colombian injunctions until the FRAND licensing dispute was resolved.

[28] The court held that no anti-suit injunction was warranted.

2. Reasoning

[29] The court reasoned that resolving the EDNC case would not be dispositive of the Brazilian and Colombian suits that Lenovo sought to enjoin. Despite the Brazilian and Colombian actions involving infringement claims for 5G SEPs included in Ericsson’s global licensing offer, Judge Boyle was not convinced by Lenovo’s argument that resolving the FRAND rate in his court (or the UK court) would moot the foreign actions. As Judge Boyle stated: “the Court is not persuaded that resolving the underlying contract issues will force either Lenovo or Ericsson into a global licensing agreement that would resolve the patent infringement claims at the core of the Brazilian and Colombian actions.”⁴⁷

[30] The Court distinguished from the facts of *Microsoft v. Motorola*, but aligned itself with the *Microsoft* court’s reasoning. The Court explained that, as in *Microsoft*, its holding did not depend on the territorial nature of the Brazilian and Colombian essential patents, but rather on the underlying contract claims under the ETSI IP rights policy. The Court reasoned that here, unlike in *Microsoft*, holding the parties to their SSO obligations would not necessarily result in a global cross-license resolving the foreign patent actions.

[31] Ericsson had originally asked the Court to find its rate FRAND, and in the alternative to set a FRAND rate. Lenovo counterclaimed for declaratory relief, asking the Court to set FRAND terms. The Court highlighted that Lenovo had not committed to accepting Ericsson’s offer if it was found to be FRAND. If the offer was found to be FRAND, the Court pointed out that Lenovo would have three options: (1) accepting the FRAND offer, (2) rejecting it and not implementing Ericsson’s SEPs, or (3) rejecting it, implementing the SEPs and exposing itself and related entities to actions for infringement.

[32] Because Ericsson, Lenovo, or both, could decline to enter into a global patent cross-license, resolving the

⁴² Id. at *8.

⁴³ *Winter v. Nat’l Res. Def. Council*, 555 U.S. 7, 129 S.Ct. 365, 172 L.Ed. 2d 249, *9 (2008).

⁴⁴ *Ericsson v. Lenovo (United States), Inc.*, No. 5:23-CV-00569-BO, 2024 U.S. Dist. LEXIS 26060 (E. D. N. C. Feb. 13, 2024).

⁴⁵ Id. at *9-12.

⁴⁶ Id. at *14.

⁴⁷ Id. at *28.

U. S. case would not necessarily force either party into a global licensing agreement resolving the Brazilian and Colombian actions. The Court declined to “draft agreements for the parties” and to determine a FRAND rate that may be used solely as a negotiating tool.⁴⁸

IV. State of ASIs worldwide

1. Take-aways from *Ericsson v. Lenovo*

[33] Judge Boyle’s decision further reinforced the extraordinary nature of an ASI and the increasing difficulty in obtaining one in the U. S. The decision also provides an additional datapoint indicating that U. S. courts may increasingly decline to give SEP implementers leverage over SEP holders. U. S. Courts may increasingly favor SEP owners, and in some cases may disfavor SEP “efficient infringement.” Specifically, U. S. courts may disfavor granting ASIs requested by SEP implementers (e. g., *Lenovo/Motorola*) who are not willing to submit to the Court’s jurisdiction in determining SEP rates. Also it remains to be seen whether this could be indicative of a greater trend of U. S. Courts seeking to adjudicate FRAND disputes on a global basis.

2. European Union

[34] In common law countries such as the U. S., courts expect jurisdictional conflicts to arise. This is not the case in civil law countries, where laws are drafted to prevent jurisdictional conflicts from the outset.⁴⁹ The Regulation controls which EU member state’s court has jurisdiction to hear particular disputes and therefore offers a high degree of certainty regarding which Court has jurisdiction. The CJEU confirmed that the Regulation prohibits anti-suit injunctions between EU contracting states.⁵⁰ As a result, ASIs are rare in Europe.

[35] In Germany, courts have confirmed that ASIs are generally not allowed under German law.⁵¹ In some circumstances German courts have gone as far as to declare SEP implementers unwilling for FRAND purposes, if the SEP implementers threatened to file an anti-suit injunction.⁵² Because such SEP implementers are left without a FRAND defense, this may have contributed to a decline of ASIs against German SEP infringement suits.

[36] Instead, civil law countries in Europe are more likely to issue Anti-ASIs. This trend appears to continue in the newly functioning Unified Patent Court (“UPC”). In the *10x Genomics vs. Nanostring* disputes at the UPC, the Munich local division indicated it would be willing to grant an anti-ASI in a case where a “renewed application for an anti-suit injunction and/or anti-enforcement injunction [in the US] [wa]s imminent.”⁵³

[37] In the UK, while prior to Brexit courts were bound by the Regulation, this is no longer the case post-Brexit. As a common law country, one where anti-suit injunctions originated in the fifteenth century, the UK is more likely to favor anti-suit injunctions.⁵⁴

3. China

[38] With little to no ASIs in Europe, and an increasingly high bar for ASIs in the U. S., China is becoming an attractive jurisdiction for SEP implementers. Chinese courts have been willing to issue broad ASIs. See e. g., *Xiaomi v. InterDigital*,⁵⁵ *Ericsson v. Samsung*.⁵⁶ Chinese courts have also shown a willingness to set relatively low FRAND royalty rates, limiting SEP holders’ ability to obtain high royalties for their portfolios. See e. g., *Nokia v. Oppo*.⁵⁷

[39] As a result, SEP holders may be prone to seek anti-interference injunctions (anti-ASIs) against China in Germany (see above) or the U. S. For example, in 2021, Judge Gilstrap issued a targeted anti-interference injunction against Samsung.⁵⁸ As Judge Gilstrap explained, the Court’s motive was to prevent a Chinese court from injecting itself into a U. S. proceeding by enjoining what could and could not be filed in the United States.⁵⁹ In 2020 Samsung had filed a complaint in China, asking the Chinese court to determine global licensing terms under FRAND, and requesting an ASI preventing it from seeking relief relating to its 4G and 5G SEPs anywhere else in the world. Days later Ericsson sued Samsung in the U. S. District Court for the Eastern District of Texas, alleging Samsung breached its obligation under ETSI’s IP policy to license its SEPs on FRAND terms. The Chinese court granted the ASI on December 25, 2020, which included enjoining Ericsson and its affiliates from applying for any preliminary and permanent injunctive relief or administrative measures against Samsung in China or other countries. In E. D. Tex., on December 28, 2020 Ericsson effectively requested an anti-ASI to prevent Samsung from attempting to enforce the Chinese ASI.

⁴⁸ Id. at *27. This reasoning also echoes Judge Gilstrap’s in *Apple v. Ericsson*. See *Ericsson Inc. v. Apple Inc.*, No. 2:21-CV-00376-JRG, 2022 WL 19403865, at *4 (E. D. Tex. July 28, 2022) (“any purported ‘pressure’ on Apple to negotiate with Ericsson regarding the parties’ global licensing disputes exists between the parties and has no effect on this Court.”).

⁴⁹ Cf., e. g., Brussels 1 a Regulation (EU) No. 1215/2012 (“Regulation”).

⁵⁰ See CJEU (EuGH) EuZW 2004, 468 – Turner/Grovit et al.; CJEU (EuGH) NJW 2009, 1655 – Allianz SpA/ West Tankers Inc.

⁵¹ See, e. g., Higher Regional Court of Munich (OLG München) GRUR 2020, 379 para. 54 – Anti-Suit Injunction.

⁵² See e. g., RC Munich I (LG München I) GRUR-RS 2021, 3995 para. 94 – Anonymisierung von Gerichtsentscheidungen in Patentstreitsachen; RC Munich (LG München I) GRUR-RS 2021, 17662 para. 37 – Smartphone, see also HRC Düsseldorf (OLG Düsseldorf) GRUR 2022, 318 para. 31 – Ausländisches Prozessführungsverbot.

⁵³ UPC Local Division Munich, UPC_CFI_357/2023 ORD 578815/2023 – Nanostring Technologies v. 10X Genomics, Inc.

⁵⁴ See, e. g., *Ebury Partners Belgium SA/NV v. Technical Touch BV & Anor* [2022] EWHC 2927 (Comm) (granting an anti-suit injunction to restrain Belgian proceedings brought in breach of English exclusive jurisdiction clause), see also *UniCredit Bank GmbH v. RusChemAlliance LLC* [2024] UKSC 15 (granting anti-suit injunctive relief to restrain proceedings commenced in Russia in breach of the parties’ arbitration agreements).

⁵⁵ (2020) E 01 Zhi Min Chu 169 (ordering *InterDigital* to withdraw its injunction application in India).

⁵⁶ (2020) E 01 Zhi Min Chu 743 (issuing an ASI prohibiting *Ericsson* from enforcing an injunction against *Samsung*, and prohibiting *Ericsson* from seeking an order elsewhere to restrict *Samsung* from enforcing the ASI).

⁵⁷ (2021) Yu 01 Min Chu 1232 (setting global license rates for SEPs at issue), affirmed by the Supreme People’s Court (Dec 2023).

⁵⁸ *Ericsson Inc. v. Samsung Elecs. Co.*, No. 2:20-CV-00380-JRG, 2021 U. S. Dist. LEXIS 4392 (E. D. Tex. Jan. 11, 2021).

⁵⁹ *Ericsson Inc. v. Apple Inc.*, No. 2:21-CV-00376-JRG, 2022 U. S. Dist. LEXIS 241062, at *13n.5 (E. D. Tex. July 28, 2022).

Judge Gilstrap granted an anti-interference injunction, for the targeted purpose of preventing the Chinese Action from interfering with the U.S. one, without controlling or limiting the Chinese proceeding.

[40] In 2022, in *Ericsson v. Apple*,⁶⁰ in the Eastern District of Texas, Apple filed an emergency motion for relief (but not in the form of an ASI) against Ericsson's attempt to use *ex parte* actions in Bogota, Colombia in the Texas District Court proceedings. Apple claimed that Ericsson had filed several secret *ex parte* preliminary injunction requests in various Colombian courts. On April 28, 2022, Court 43 of the Circuit of Bogota preliminarily "admitted" an "official decree enjoining Apple Colombia from selling its phone products" in Colombia and granted Ericsson an anti-anti-suit injunction directed at Apple Colombia S. A. S. In the Texas action, Apple contended that the "Colombian [I]njunction threatens this Court's ability to adjudicate this case, including the determination of binding FRAND terms for a cross-license, because it will provide Ericsson with coercive leverage to demand non-FRAND terms from Apple."⁶¹ Judge Gilstrap expressed "some level of sympathy" for Apple due to Ericsson's "strategic conduct in other diverse forums" but noted Apple's improper emergency motion practice, and App-

le's decision not to seek injunctive relief as to the action in Colombia. Ultimately the Court found that despite Ericsson's "hop-scotch[ing] all over the planet filing suits ... for coercive effect," the foreign actions did not interfere with the pending Texas action or the Court's efforts to bring the case to an early trial date.

V. Conclusion

[41] Ultimately, SEP implementers are more likely to file suit in jurisdictions willing to set low global FRAND rates such as China and the UK, whereas SEP owners are more likely to file suit in SEP owner friendly jurisdictions willing to issue injunctions. These may include European countries such as Germany, but will depend on the specific market at issue for the parties. However, as part of a global litigation strategy, parties will need to keep in mind that ASIs may be increasingly difficult to obtain in the U. S., unless they can argue the presence of a contractual umbrella that would resolve the foreign suits and they are willing to submit to a U. S. Court's determination of a FRAND rate.

⁶⁰ *Ericsson Inc. v. Apple Inc.*, No. 2:21-CV-00376-JRG, 2022 U.S. Dist. LEXIS 241062 (E. D. Tex. July 28, 2022).

⁶¹ *Id.* at *1.

Rechtsprechung

Court of Appeal of the UPC confirms principles for claim interpretation

UPCA Art. 62, RoP R. 211.2, EPC Art. 69 (1)

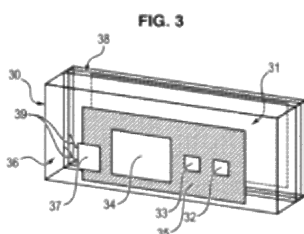
Anspruchsmerkmale sind immer im Lichte des gesamten Anspruchs auszulegen. (Leitsatz des Gerichts)

Claim features must always be interpreted in light of the claim as a whole. (Translation by the authors)

UPC (Court of Appeal), Order of 13 May 2024 – UPC_CoA_1/2024, GRUR-RS 2024, 16460

Facts of the case

The Local Division (LD) Munich had dismissed the application for provisional measures (Art. 62 (1) UPCA) filed by the appellant due to an insufficient degree of certainty that the respondents infringe the asserted Unitary Patent EP 3 883 277 (LD Munich, UPC_CFI_292/2023 of 20 Dec. 2023, GRUR Patent 2024, 87).



The invention relates to electronic labels for sales areas (e.g. digital price labels for shelves in supermarkets). The claimed electronic label (see Fig. 3 below) comprises, *inter alia*, a housing (30), a display screen (31), a printed circuit board (PCB, 35) and a radio frequency device (36) capable of establishing a communication with a mobile terminal (1). The radio frequency device comprises an antenna (38) and an electronic chip (37) of NFC or RFID type, wherein the chip is arranged on the PCB.

In the attacked electronic labels (see photo below from the grounds of the decision with the housing opened and the display hinged to the left), the PCB with a chip (top right corner) is mounted in a housing at the rear side thereof. An antenna is provided on the rear side of a (orange) plastic foil attached to the front side of the PCB. When the housing is closed, the antenna is undisputedly disposed behind the display, which forms the front face of the housing.



The claim interpretation with regard to features 7 and 8.4 (see below) was crucial for the LD's decision with respect