

EIP

High Court rules injunction should be granted against Huawei in Unwired Planet FRAND action

Specialist Intellectual Property (IP) Law firm EIP today secured a significant decision on behalf of its client in a case of international relevance to the telecoms sector.

A judgment was handed down in the case of Unwired Planet International Limited v Huawei Technologies Co. Limited et al which could potentially see Huawei prevented from selling its mobile phones in the UK.

Unwired Planet, which was acquired by PanOptis in June 2016, has previously succeeded before the High Court in establishing that Huawei has infringed patents in Unwired Planet's portfolio which are essential to telecoms standards. The latest judgment, which sets out the basis on which Unwired Planet will be compensated for Huawei's past infringements, also makes clear that unless Huawei agree to enter into a worldwide licence for Unwired Planet's patent portfolio, Huawei could be enjoined from selling its mobile telephones in the UK. The patents in question are standard essential patents ("SEPs") for mobile telephony. Unwired Planet has committed to licence these on fair, reasonable and non-discriminatory ("FRAND") terms. Unwired Planet has been willing to enter into a fair and reasonable worldwide licence with Huawei. Today's judgment confirms the basis of that licence.

Gary Moss, head of EIP Legal, who led the EIP team, commented that:

"As well as being a significant decision, and validation for Unwired Planet's licensing approach, this decision will be of great interest to the telecoms sector in general. Until now there has been a view that even if the infringing party is successfully sued, at the end of the day they would have to pay no more than the royalty rate they would have had to

pay anyway, and only for the countries in which they were sued. That gave an incentive for implementers to hold out in the hope of achieving a more favourable royalty rate. Today's judgment confirms that this need not be the case, and that the English court will take a commercially sensible, "real-world" approach to such issues. Mr Justice Birss' judgment is an important contribution to the world-wide body of case law in this area."

Represented by EIP Legal and Enyo Law, Unwired Planet contended that because it holds a significant portfolio of patents around the world, and because patent licences in this field tend to be global in scope, the appropriate licence should be a worldwide one. Huawei's case was that it would only take a licence in the UK, and only for those patents which had actually been litigated in the UK and which the court had found to be valid and infringed. Huawei changed its position shortly before trial to accept that a portfolio licence was appropriate but again only for the UK. Huawei also argued that Unwired Planet was in breach of its commitment to fair, and reasonable licensing, and in breach of competition law, by seeking a worldwide licence rather than agreeing to a UK-only licence. The effect of a UK-only licence would mean that Unwired Planet would need to bring legal proceedings in each country in which it holds patents in order to obtain compensation from Huawei for the use of their patented technology in those countries.

Today's judgment confirms that there had been no breach of competition law and that Unwired Planet are entitled to licence on a global basis. Because the High Court only has jurisdiction over patents in the UK, the judge, Mr. Justice Birss, cannot force Huawei to agree to a global licence. However, the judge has ruled that if Huawei continues to refuse to enter into a global licence on terms which he has determined are fair and reasonable, then he will issue an injunction preventing further infringements of Unwired Planet's UK patents. The terms of that injunction will be determined at a future hearing but it could mean that as a result Huawei will not be able to market their mobile phones in the UK going forward since such phones have to comply with the relevant standards, and complying with such standards requires the use of Unwired Planet's patented technology.

The EIP team comprised Gary Moss, Andrew Sharples, Angela Jack, Catherine Howell and Jack Dickerson.