

EIP



EIP wins landmark Supreme Court telecoms patent case against Huawei, ZTE

EIP today secured a landmark victory in the Supreme Court for its clients Unwired Planet and Conversant Wireless, in a ruling that will have significant implications worldwide for licensing of intellectual property in the area of telecoms.

The two cases, Unwired Planet v Huawei and Conversant Wireless v Huawei & ZTE have been the most eagerly anticipated telecoms cases in years, both in the UK and worldwide. This ruling defines the licensing of patented technology considered essential to the international standards for previous and future generations of wireless telecommunications technology. Holders of Standard Essential Patents (SEPs) must agree to license their technology to third parties on Fair, Reasonable and Non-Discriminatory (FRAND) terms.

Most importantly, this ruling will enable SEP holders to insist that implementers, like Huawei, take out global licences covering all of their portfolios. If they fail to do this, they risk being subject to injunctions restricting their ability to access the UK market.

The practical effect is that implementers cannot insist on SEP holders proving their patents in every jurisdiction in the world, something which would be both practically and economically prohibitive for smaller companies. Otherwise, as the Supreme Court observed,

“implementers who were infringing the patents would have an incentive to continue infringing”.

EIP represented both Unwired Planet and Conversant in the appeals by Huawei and ZTE.

EIP, having represented Unwired Planet since 2013 and Conversant since 2017, has been at the forefront of the innovative legal approach which has led to today's ruling. (Osborne Clarke were co-Counsel for Unwired Planet before the Court of Appeal and the Supreme Court).

The two cases, Unwired Planet v Huawei and Conversant Wireless v Huawei & ZTE, were the subject of a joint hearing before the Supreme Court in October of 2019. Both cases concern the licensing of patents essential to the international standards for 2G, 3G and 4G mobile telecommunications, namely SEPs. In addition, Apple, Ericsson and Qualcomm, all major players in the telecoms industry, were permitted to intervene in the appeals.

The principles decided by the Supreme Court will be highly impactful for the global licensing of telecoms standards, including 5G technology, going forward. The ruling upholds the previous decisions of the High Court and Court of Appeal which had ruled, firstly, that in appropriate circumstances, UK courts do have the power to require that a company, which intends to implement standard technology in the UK, enters into a worldwide portfolio licence of a patent holder's SEPs; and, secondly, that the UK is an appropriate forum in which to determine those disputes. Today's decision makes the UK one of the leading global jurisdictions for the resolution of such disputes.

The most immediate effect will be that Huawei, the world's largest telecoms equipment manufacturer, will need to enter into the licence with Unwired Planet which the UK Patents Court previously decided was fair and reasonable; should it fail to do so then it will risk being subject to an injunction restraining its further activities in the UK.

Gary Moss, Head of EIP Legal, said:

"This has been an epic journey! It started in 2013, when we were first approached by Unwired Planet to assist them in their enforcement strategy in Europe. Following our initial success, we were asked by Conversant in 2017 to assist them with their enforcement programme. When we started on this journey little did we think that we would end up in the highest court in the land with the eyes of the global IP and telecoms worlds upon us.

We and our clients have faced significant pressures along the way, including opponents with significant resources who have thrown everything at us in an attempt to deflect our clients from securing the relief to which they were entitled. Many in the industry thought that what we were attempting was crazy and hopeless. But we and our clients have held firm; along the way we have gone through 12 major trials and appeals and innumerable interim Court hearings. We always believed in our clients' case and seven years later we are delighted to have our belief endorsed by the Supreme Court!

"I would like to pay tribute to very many lawyers, experts and others who have assisted us along the way. I would also like to thank Unwired Planet and Conversant for the trust and confidence they have shown in us. But most of all I would like to pay tribute to the EIP team who throughout this have been nothing short of magnificent. They should all feel very proud of what they have achieved for our clients."

A Spokesperson from Unwired Planet said:

"We are pleased with the UK Supreme Court's decision, which fully affirms the rulings of the UK appellate court and Mr Justice Birss. Unwired Planet and its other PanOptis related companies believe that global licensing is the most efficient and effective solution for both licensors and licensees. We look forward to continue working with other manufacturers to offer licenses to our patents under this global FRAND framework and conclude negotiations in a timely manner.

We greatly appreciate the efforts of our UK counsel: EIP, Osborne Clarke and the UK Barristers. The expertise, creativity and determination of the combined legal teams was truly exceptional."

Conversant Wireless's CEO, Boris Teksler, said:

"We are obviously extremely pleased at the decision of the UK Supreme Court on a topic fundamental to how IP is licensed in the Telecoms sector. The decision reflects the court's deep understanding of the issues that affect our sector and encourages us to drive this industry forward.

This success is the result of tireless effort by the EIP team and I applaud them for their preparation, determination and courage to tackle these complex issues. They have proved themselves to be trusted advisors."

The full judgment can be found [here](#).

The EIP team comprised of Gary Moss, Andrew Sharples, Tom Brazier, Angela Jack, Catherine Howell, Owen Waugh. Hannah Elam, Emma Winter, Stephanie Harris and Jana

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The barrister team were Adrian Speck QC, Isabel Jamal and Tom Jones from 8 New Square, and Sarah Ford QC and Colin West from Brick Court Chambers.