

## Nokia v Oppo in the UK Court of Appeal – the ‘FRAND elephant’ in the room

By Luke Maunder and Sophie Lawrance - Bristows LLP, UK



The UK's Court of Appeal [confirmed](#) on 11 July 2022 that Nokia's UK claim of SEP infringement should proceed even though Oppo had commenced FRAND proceedings in Chongqing in the People's Republic of China, a jurisdiction which has now been confirmed to be willing and able to conduct global FRAND determinations.

Following the judgment of the UK's Supreme Court in the joined cases of *Unwired Planet v Huawei* and *Conversant*, it seemed inevitable that other courts around the world would accept that they have jurisdiction to determine FRAND terms on a global basis (not least because they could apply the same contractual logic). It was also inevitable that this would give rise to friction between jurisdictions.

In this case, Lord Justice Arnold, giving the judgment for the Court of Appeal, recognised that the existence of multiple jurisdictions which will carry out global FRAND determinations created the conditions for a rush to establish jurisdiction in the most favourable court; the use of anti-suit and anti-anti-suit injunctions; and the risk of inconsistent FRAND decisions in different countries. However, the court of appeal stated that these problems are not issues that a single court in a single country can resolve – all the court can do is deal with the cases before it according to its own rules. A theme of the judgment is that, by contrast, a supra-national determination mechanism such as arbitration avoids a great many of these concerns.

Oppo raised two main points on its appeal:

- First, should the English court decline to exercise jurisdiction over the claim in circumstances where the Chongqing court is also seised, on the basis that England was not a ‘convenient forum’ for the dispute? This argument was put forward on the basis that SEP infringement proceedings in the UK were not a good enough basis to make the UK the proper place to consider FRAND issues.
- Secondly, if the court should accept jurisdiction over the FRAND issues, should it nevertheless stay the UK FRAND proceedings on case management grounds awaiting the outcome in Chongqing?

Oppo argued that choosing the proper forum for the FRAND claim by reference to the UK patent infringement issues was like examining the tail of an elephant while ignoring its body - the body being the dispute between the parties as to the terms of a global FRAND licence. However, the court sided with Nokia and agreed with the characterisation of the claim as one relating to UK SEP infringement, in line with the position adopted by the UK courts in the *Unwired Planet* and *Conversant* cases.

There were two differences in this case: (a) the avowed willingness of China to determine global FRAND rates and (b) the willingness of the defendants to take a global licence (albeit determined by the Chongqing Court). However, the court of appeal held these were insufficient to change the Court's approach. The court did not accept that the dispute was purely related to the terms of a global licence – if that were so, there would be no need for patent trials, or a trial on whether Oppo can rely on Nokia's FRAND obligation without giving an undertaking to the *English court* to take the licence on terms determined to be FRAND.

As the case does relate to UK patents and not only to FRAND, it was unnecessary to consider whether Chongqing is an alternative forum for the FRAND aspect of the claim, but the court went on to do so anyway, finding that it was indeed an alternative forum. However, that was not sufficient to dislodge England as also being an appropriate forum – the emphasis here reflecting the court's view that *"the dispute over the terms of the licence could be determined by any competent national court or by a supranational arbitral tribunal... It has no real connection with any territory"*.

In those circumstances, the court considered that none of the factors relied upon by the parties point in any particular direction, and show no reason to favour one forum over the other. The factors considered included the tiny fraction of Oppo's sales that took place in the UK; and the fact that the China claim would not, as currently constituted, address the cross-licence value from Oppo to Nokia.

The second, case management, point was more easily dismissed. In the UK judges' case management decisions are given a high degree of deference in the appeal courts, and Arnold LJ was not persuaded that any of the grounds raised by Oppo were sufficient to delay the UK proceedings. In fact, he went further than HHJ Hacon and emphasised that questions around delay or inefficiency were matters that the Oppo companies could control themselves: *"if [they] really wanted an expeditious determination of the terms of a FRAND licence and to save a lot of money on legal costs, they could have achieved this by dispensing with their invalidity and non-essentiality challenges in this jurisdiction. That would have enabled directions to be given for a trial of the FRAND issues as soon as proceedings were commenced"*.

While the ultimate outcome of the case is that the English courts consider that there is no particular "natural" forum for a FRAND dispute, it remains clear that where UK SEPs are in issue, England remains an available forum for resolving the overall dispute between the parties, regardless of what other proceedings are on foot.

High Court judgment of HHJ Hacon: [Nokia v Oppo \[2021\] EWHC 2952 \(Pat\)](#).

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