



## Local Division Mannheim UPC\_CFI\_ 210/2023

### Decision

of the Court of First Instance of the Unified Patent Court

Local Division Mannheim

announced on 22 November 2024

concerning EP 2 568 724

#### Plaintiff:

**Panasonic Holdings Corporation** - 1006, Oaza Kadoma, Kadoma-shi - 571-8501 - Osaka - JP  
represented by RA Christopher Weber

#### Defendants:

1)

**Guangdong OPPO Mobile Telecommunications Corp Ltd** - NO.18 Haibin Road, Wusha,  
Chang'an Town, Guangdong Province - 523860 - Dongguan - CN represented by RA Andreas  
Kramer

2)

**OROE Germany GmbH** - Graf-Adolf-Platz 15 - 40213 - Düsseldorf - DE represented by RA  
Andreas Kramer

#### PATENT IN SUIT:

EUROPEAN PATENT NO. EP 2 568 724

PANEL/DIVISION:

Local Division Mannheim, Court of First Instance

CONTRIBUTING JUDGES:

This decision was held by Presiding Judge and Judge Rapporteur Prof. Dr. Tochtermann, legally qualified Judge Böttcher, legally qualified Judge Brinkman and technically qualified Judge Loibner.

LANGUAGE OF PROCEDURE: German

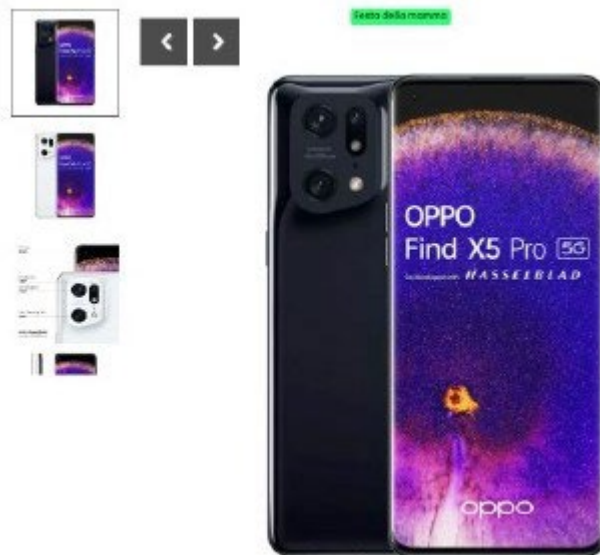
SUBJECT MATTER: Action for infringement and counterclaim for revocation as well as FRAND counterclaim

ORAL Hearing: 7<sup>th</sup> and 8<sup>th</sup> of October 2024

BRIEF PRESENTATION OF THE FACTS

1. Plaintiff is suing the defendants for an alleged infringement of the European patent EP 2 568 724 B1 ("patent in suit") relating to a radio communication device and a radio communication method. The patent in suit was filed on 13<sup>th</sup> of August 2008 and claims the priority of JP 2007211548 of 14 August 2007 and the priority of JP 2008025535 of 5<sup>th</sup> of February 2008. The notice of grant of the patent in suit was published on 17<sup>th</sup> of December 2014. The patent in suit is in force, inter alia, in the Federal Republic of Germany, the French Republic, the Italian Republic, the Kingdom of the Netherlands and the Kingdom of Sweden. For these contracting states of the UPCA, the plaintiff is asserting claims for injunctive relief, recall, removal from the distribution channels and destruction, information/rendering of accounts, publication of judgement as well as a declaration of liability for damages and provisional damages.

2. Plaintiff considers the patent in suit (see below) to be essential for the 4G standard. Therefore, all 4G-capable mobile devices of the defendants infringe the patent in suit, in particular the 4G-capable smartphones such as the OPPO Find X5 Pro



and the 4G-capable smartwatch



**OPPO Watch 46 mm LTE - Smartwatch (AMOLED Display, GPS, Bluetooth 4.2, Wear OS by Google, VOOC Schnellladefunktion, 5 ATM), Schwarz**  
 Besuche den OPPO-Store  
 4,1 ★★★★★ 86 Stendbewertungen

**411<sup>00</sup> €**  
 Voraussetzung der Importgebühren eingewickelt -  
 Preisangaben inkl. USt. Abhängig von der Lieferadresse kann die USt. an der Kasse variieren. Weitere Informationen.

Nutzen Sie die Monatsabrechnung und bezahlen Sie erst im nächsten Monat [Mehr erfahren](#)

Größe: 46mm  
 Farbe: Schwarz

Marke	OPPO
Modellname	Watch 46 mm (LTE)
Stk	584
Farbe	Schwarz
Besonderes Merkmal	GPS
Form	Quadratisch

▼ Mehr anzeigen

**Info zu diesem Artikel**

- Das Dual-Kurve-Display ist so konzipiert, dass Sie Ihre Inhalte aus jedem Blickwinkel bequem anzeigen können.
- Die Oppo Watch mit 46 mm kann rechtzeitig Regen oder Wasser

3. Plaintiff is the holding company of the Panasonic Group, which was founded in 1918. On 1<sup>st</sup> of April 2022, the plaintiff changed its name from Panasonic Corporation to Panasonic Holdings Corporation.
4. Defendant 1 belongs to the OPPO Group and is headquartered in the People's Republic of China. Within the group, it is the company responsible for the mobile phone division. It distributes mobile phone products of the OPPO Group and maintains its European headquarters in Düsseldorf, Germany.
5. Defendant 2 is also part of the OPPO Group. It was founded on 6th of June 2019, registered in the commercial register of the Düsseldorf Local Court under HRB 87507 and has its registered office at the same address as the European headquarters of Defendant 1. Defendant 1 and 2 operate the European headquarters together.
6. Plaintiff contacted the OPPO Group in July 2019 and has since been negotiating unsuccessfully with the defendant 1 to conclude a FRAND licence agreement for plaintiff's 4G patents. In the present case, the defendants are bringing a FRAND counterclaim against the plaintiff with the aim of concluding a FRAND licence agreement on the terms they consider to be FRAND due to the court's decision.

#### CLAIMS BY THE PARTIES

7. In its **action for infringement**, **plaintiff** is pursuing the following claims:
  - I. It is determined that the defendant infringed European Patent No. 2 568 724 B1.
  - II. The defendants are ordered to cease and desist,
    1. placing Radio communication devices on the market

which can be configured to transmit a reference signal with a transmission bandwidth in a given system bandwidth, with control channels assigned to both ends of the same control channels [system bandwidth] and the transmission bandwidth is placed between the control channels, or to transmit reference signals with a low bandwidth with frequency hopping, and the radio communication devices comprise: an allocation unit configured to allocate the reference signals to frequency resources; a transmission unit configured to transmit the allocated reference signals,

in the Federal Republic of Germany, the French Republic, the Italian Republic, the Netherlands and the Kingdom of Sweden. Furthermore, the defendants are ordered to cease and desist, offering them, using them, importing or possessing them. All above claims of cease and desist include such Radio communication devices which – in addition to the characteristics mentioned above – show the following characteristics: the transmission bandwidth varies within the given system bandwidth, and the allocation unit allocates the reference signals such that the reference signals are allocated frequency resources each having the small bandwidth which is invariable regardless of changes in the transmission bandwidth, wherein the frequency resources are distributed evenly in a frequency band of the transmission bandwidth according to the change in the transmission bandwidth. (direct infringement of device claim 1)

especially if a large number of different transmission bandwidths can be configured in one system bandwidth. (direct infringement of device claim 2)

and/or in particular if the assigning unit assigns the reference signals to the frequency resources, wherein one of the frequency resources having the low bandwidth is a transmitting unit. (direct infringement device claim 3)

and/or in particular if the allocation unit allocates the reference signals to frequency resources into which a frequency band having the transmission bandwidth is evenly divided, wherein one of the frequency resources having the narrow bandwidth is a transmission unit. (direct infringement device claim 4)

and/or in particular if the allocation unit allocates the reference signals to frequency resources, the number of which varies depending on the changes in the transmission bandwidth, wherein one of the frequency resources with the low bandwidth is a transmission unit. (direct infringement device claim 5)

and/or in particular if the allocation unit allocates the reference signals to frequency resources, each of which has a different frequency band, wherein one of the frequency resources with the low bandwidth being a transmitting unit. (direct infringement of device claim 6)

and/or in particular if the allocation unit allocates the reference signals to frequency resources that cover the entire frequency band of the transmission bandwidth, one of the frequency resources with the low bandwidth being a transmission unit.

(direct infringement of device claim 7)

and/or in particular if the allocation unit allocates the reference signals to frequency resources by means of frequency hopping, whereby one of the frequency resources with the low bandwidth is a transmission unit. (direct infringement of device claim 8)

and/or in particular if the allocation unit allocates the reference signals frequency resources that cover the entire frequency band of the transmission bandwidth by means of frequency hopping, whereby one of the frequency resources with the low bandwidth is a transmission unit. (direct infringement device claim 9)

and/or in particular if the allocation unit allocates the reference signals to a plurality of resources which are frequency resources and which are different time resources, wherein one of the frequency resources having the low bandwidth is a transmitting unit. (direct infringement device claim 10)

and/or in particular if the allocation unit allocates the reference signals to a plurality of resources which are frequency resources and which are time resources differing by a certain time interval, wherein one of the frequency resources with the low bandwidth is a transmission unit. (direct infringement device claim 11)

and/or in particular if further comprising a transmission unit configured to receive control information related to an assignment of the reference signals, wherein the assignment unit assigns the reference signals based on the control information. (direct infringement device claim 12)

2. Devices suitable for offering and/or supplying in the Federal Republic of Germany, the Federal Republic of Germany, the French Republic, the Italian Republic, the Netherlands and the Kingdom of Sweden a radio communication method that can be configured to transmit a reference signal with a transmission bandwidth in a given system bandwidth, with control channels assigned to both ends thereof and with the transmission bandwidth between the control channels, or to transmit reference signals with a low bandwidth using frequency hopping.

The radio communication method contains the steps of:

assigning the reference signals to frequency resources; and transmitting the assigned reference signals, the transmission bandwidth varying within the given system bandwidth, and the reference signals being assigned to frequency resources, each of which has a small bandwidth that is fixed regardless of changes in the transmission bandwidth, wherein the frequency resources are distributed uniformly in a frequency band of the transmission bandwidth according to the change of the transmission bandwidth. (indirect infringement of method claim 13)

The defendants infringed the patent by distributing 4G-capable products in the territory of the Federal Republic of Germany, the French Republic, the Italian Republic, the Netherlands and/or the Kingdom of Sweden.

The 4G-capable products include, in particular, 4G-capable smartphones such as the OPPO Find X5 Pro



and 4G- capable smartwatches, such as the 4G- capable smartwatch



**OPPO Watch 46 mm LTE - Smartwatch (AMOLED Display, GPS, Bluetooth 4.2, Wear OS by Google, VOOC Schnellladefunktion, 5 ATM), Schwarz**  
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Größe: 46mm  
 Farbe: Schwarz

Marke	OPPO
Modellname	Watch 46 mm (LTE)
Seit	OSW
Farbe	Schwarz
Besonderes	GPS
Merkmal	Quadratisch
Form	Quadratisch

▼ Mehr anzeigen

**Info zu diesem Artikel**

- Das Dual-Burste-Display ist so konzipiert, dass Sie Ihre Inhalte aus jedem 88°-Winkel bequem anzeigen können.
- Die Oppo Watch mit 46 mm kann rechtzeitig Regen oder Wasser

III. The defendants are ordered -at their own expense-

1. to recall the products mentioned under No. II. from the distribution channels;
2. to permanently remove the products mentioned under No. II. from the distribution channels;
3. to destroy the products mentioned under No. II;

IV. The defendants are ordered,

1. to provide to plaintiff, in an electronic formed list structured for each month of a calendar year and according to infringing products, which can be evaluated with the help of a computer, from 17<sup>th</sup> of December 2014, with information on the products mentioned under No. II. on

- a) the origin and distribution channels of the products mentioned under No. II;
- b) the quantities delivered, received or ordered and the prices paid for the products mentioned under No. II;
- c) the identity of all third parties involved in the distribution of the products mentioned under No. II;

2. to disclose to plaintiff its accounts to prove the information provided in accordance with No. IV.1. plus the information on the profit realized by providing the following documents for each month of a calendar year and for each infringing product in an electronic form which can be analyzed with the aid of a computer:

- a) Invoices - or, if these are not available, delivery notes - for the individual deliveries. Respective deliveries should be organized according to the quantities offered.



The offered invoices or delivery notes must include a breakdown of the offer times, prices of the goods offered and type designations as well as the names and addresses of the commercial transmissions of the sales offers for all products sold or otherwise disposed of;

b) Evidence of the advertising carried out, including evidence of these advertising activities, breaking down the advertising carried out by advertising medium, its distribution, the distribution period and the distribution area;

c) Proof of costs, breaking down the costs by individual cost factors and the profits realized;

d) Invoices - or, if these are not available, delivery notes - and, according to them, statements of all costs incurred, on which the defendants rely in calculating their profits;

the accuracy of which is audited and confirmed by a sworn auditor appointed by the plaintiff at the defendants' expense, whereby the auditor is obliged to maintain confidentiality towards the plaintiff beyond prior information;

V. Plaintiff is authorized, at the defendant's expense, to announce and publish the decision in whole or in part in the following public media: Frankfurter Allgemeine Zeitung, Handelsblatt newspaper, Le Monde newspaper, Les Échos newspaper, Corriere della Sera newspaper, De Telegraaf newspaper and Dagens Nyheter newspaper.

VI. It is established that the defendants are jointly and severally liable to compensate plaintiff for any damage suffered by Panasonic Intellectual Property Corporation of America as a result of actions pursuant to No. II. since 17<sup>th</sup> of December 2014 and which plaintiff has suffered since 29<sup>th</sup> of July 2016 and will suffer in the future.

VII. The defendants are ordered as jointly and severally liable to pay plaintiff a fee of EUR 250,000.00 as provisional damages;

VIII. The defendants are ordered to pay the costs and expenses of the proceedings.

IX. The decision can be enforced as follows:

1. The orders mentioned in No. II.1 and II.2 are directly enforceable.

In the event of any infringement of this order, the defendants shall pay a penalty payment of EUR 5,000 each.

2. The orders referred to in No. III, No. IV, No. VII, No. VIII are enforceable after plaintiff

a) has notified the court which part of the orders it intends to enforce and after the notification has been delivered to the defendants; and/or

b) plaintiff has submitted a certified translation of the orders into the official language of the Contracting Member State in which enforcement is sought and after the notice and, where applicable, the certified translation has been delivered to the defendants;

3. After the expiry of a period of 45 days after service pursuant to No. IX.2, the defendants shall pay to the court a penalty payment of EUR 2,000 per day of delay in the event of any breach of any of the orders referred to in No. III, No. IV, No. VII and/or No. VIII;

8. The **defendants** request that the claims in the **infringement action be dismissed**, that the defendants be provisionally ordered to pay the costs of the infringement action and that plaintiff is ordered to pay the costs of the proceedings,

In the alternative

make enforcement of the decision subject to plaintiff's prior provision of security payment in an appropriate amount (Rules 352.1 and 354.2 of the Rules of Procedure), which may be provided in the form of a written, irrevocable, unconditional and unlimited guarantee from a credit institution authorized to do business in the territory of a Member State of the UPC, the fee being left to the discretion of the court,

allow the defendants to avert enforcement of the decision by providing security payment, which may be provided by a written, irrevocable, unconditional and unlimited guarantee from a credit institution authorized to do business in the territory of a Member State of the UPC, without regard to the provision of security by the plaintiff (R. 9.1 Order).

9. In **the counterclaim for revocation**, the **defendants** request:

To declare the European patent EP 2 568 724 B1 entirely invalid with effect for the contracting states of the UPCA in which the patent is validated [Federal Republic of Germany, France, Italy, the Netherlands and Sweden] (R. 25 RoP);

provisionally award the defendants the reimbursement of costs for the counterclaim for revocation (R. 150.2 RoP) and order plaintiff to pay the costs in this respect as well.

10. **Plaintiff** requests that the counterclaim for **revocation be dismissed**, alternatively that the patent be maintained in amended form with regard to claim 1 and claim 13 and that the counterclaim for revocation of the patent be dismissed as unfounded in all further respects and that the costs of the counterclaim be ordered against the defendants. With regard to the wording of the request for amendment, reference is made to the pleading of 21<sup>st</sup> of March 2024 together with the Exhibits.

11. In the context of their **FRAND counterclaim**, the defendants last requested:

**Main application version according to reply counterclaim FRAND of 19<sup>th</sup> of August 2024 (filed pursuant to Rule 9 RoP in workflow App\_47681/2024):**

It is requested,

I.1 Order Panasonic to accept the licence agreement offer from Oppo [...] as shown in Exhibit VB-FC14 (confidential),

I.2 in the alternative, order Panasonic to submit a licence agreement offer to Oppo with the content as set out in Exhibit VB-FC14 (confidential),

I.3 in the further alternative, to order Panasonic to submit a licence agreement offer to Oppo with the content as shown in Exhibit VB-FC16 (confidentiality required),

whereby, in the alternative, an amount to be determined by the court between [...] is to be entered in the yellow place in point (1), an amount to be determined by the court between [...] is to be entered in the green place in point (2), and the lump sum to be entered in the blue place is as follows: [...],

in the alternative, in which case a different amount, determined by the court to be fair, reasonable and non-discriminatory, is to be set in the yellow and green positions in points (1) and (2) respectively of Exhibit VB-FC16 and the lump sum provided for there in blue is calculated according to the calculation method specified in the prior paragraph;

II.1 in the alternative to the applications in point I and in the event that none of

the applications in point I is granted, declare that Oppo is entitled to a licence to Panasonic's patents essential for 3G and 4G standards on fair, reasonable and non-discriminatory (FRAND) terms,

and to determine the licence rate to be paid by Oppo for the use of these patents in the territory of the EPC Contracting States (the EP Territory), such FRAND licence rate for the EP Territory being

- [...],

- or, in the strongest alternative, another rate considered by the court to be fair, reasonable and non-discriminatory;

II.2 subject to the existence of a FRAND licence agreement, order Oppo to pay, as of the date of the Judgment, as a lump sum [...], which lump sum shall be [...], or in the alternative between [...] and [...], or in the further alternative a lump sum determined by the Court to be fair, reasonable and non-discriminatory;

II.3 To require Panasonic to cooperate fully to bring about a FRAND licence on the terms set by your court;

III.1 further in the alternative in the event that neither the applications pursuant to item I. nor item II. are granted,

(a) declare that Oppo is entitled to a licence to Panasonic's patents essential to the 3G and 4G standard on fair, reasonable and non-discriminatory (FRAND) terms;

(b) declare that the licence conditions, alternatively the licence fees, as contained in Panasonic's offer of [...] for a licence from Oppo to Panasonic's patents essential for the 3G and 4G standard (Exhibit VB- FC15) are not FRAND;

(c) that Panasonic has abused a dominant market position;

(d) declare that the terms of a licence, or alternatively the royalties, as contained in Oppo's counter-offer of [...] for a licence from Oppo to Panasonic's patents essential to the 3G and 4G standard (Exhibit VB-FC14) are FRAND;

(e) order Panasonic to submit a FRAND counter-offer to Oppo, which shows

the following FRAND licence rate for the EP territory: [...], or in the alternative [...], or in the further alternative the amount which the court considers to be FRAND in the circumstances of the present case;

IV. Order Panasonic to pay Oppo the reasonable and proportionate legal costs and other expenses incurred by Oppo by way of an interim order pursuant to Rule 150(2) of the Rules of Procedure, with the amount to be determined at a later date.

**The version of the application filed with the "Counterclaim for determination of a FRAND fee for the EPC area" dated 22<sup>nd</sup> of December 2023, which is being pursued further in the alternative, reads as follows:**

It is requested,

(i) To declare that Oppo is entitled to license Panasonic's standard-essential patents for the 3G and 4G standards on fair, reasonable and non-discriminatory (FRAND) terms; and

(ii) To explain what the essential terms of such FRAND license are, including at least the rate Oppo has to pay for the use of such patents in the territory of the EPC Contracting States (the EP Territory); and

(iii) declare that the FRAND license rate for the EP territory is [...], or in the alternative [...], or in the further alternative the amounts which the Court considers to be FRAND in the circumstances of the present case;

(iv) subject to the existence of a FRAND licence agreement, Oppo,

a. from the date of the judgement as a lump sum [...], the lump sum being [...], or in the alternative [...], or in the further alternative a lump sum to be determined by the court;

b. to pay this license rate to Panasonic for each device sold since the date of the decision;

(v) To require Panasonic to cooperate fully to obtain a FRAND license on the terms set by your court;

in the alternative,

(vi) To declare that Oppo is entitled to license for Panasonic's standard-essential patents for the 3G and 4G standards on fair, reasonable and non-discriminatory (FRAND) terms;

(vii) declare that the license terms for Panasonic's patents essential to the 3G and 4G standards, as contained in Panasonic's offer described in the body of this submission, are not FRAND;

(viii) that Panasonic has abused a dominant market position;

(ix) find that the terms of a license for Panasonic's patents essential to the 3G and 4G standards, as contained in Oppo's counter-offer described in the body of this brief, are FRAND;

(x) Order Panasonic to submit a FRAND counter-offer to Oppo showing the following FRAND licence rate for the EP Territory: [...], or in the alternative [...], or in the further alternative the amount which the Court considers to be FRAND in the circumstances of this case;

and in any case

(xi) Order Panasonic to pay Oppo's reasonable and proportionate legal costs and other expenses by way of interim measures pursuant to Rule 150(2), the amount to be determined at a later date.

Plaintiff considers the amendment in the reply to the FRAND counterclaim to be late, the amendment is not admissible, the defendant's changes to plaintiff's draft contract of 22<sup>nd</sup> of December 2023 are not FRAND-compliant.

### **Plaintiff**

"acknowledges that a willing license seeker is entitled to a license for the standard-essential patents for the 3G and 4G standards on fair, reasonable and non-discriminatory (FRAND) terms" (statement of 22<sup>nd</sup> of March 2024)

### **and requested,**

I. further dismiss the counterclaim as the defendants are unwilling to license;

II. order the defendants to pay the costs,

1. to pay the costs and expenses of the proceedings;
2. provisionally reimburse the costs.

### **In the alternative,**

In the event that the counterclaim should be admissible and the court - contrary to plaintiff's view - is of the opinion that the defendants acted as willing contracting parties in the negotiations at issue with the plaintiff, plaintiff requests the court to order the defendants to pay the costs,

III. To declare that a license justifying the defendant's infringing acts of use of EP 2 568 724 is a worldwide license to plaintiff's 3G and 4G (multimode) portfolio and that a royalty rate for such a license in the fee of [...] is fair, reasonable and non-discriminatory;

IV. Further, in the alternative to the request under III., to declare which license justifies the defendants' infringing acts of use of EP 2 568 724 and which license rate per 3G/4G (multi-mode) device is fair, reasonable and non-discriminatory (FRAND);

V. order the defendants to pay the costs,



1. to pay to plaintiff for 3G/4G (multi-mode) devices sold and not licensed by the defendants, alternatively for sold and not licensed 3G/4G (multi-mode) multi-mode devices in the "EP", "JP" and "US" territories, a license in the fee [...] for the past and the future.

2. in the alternative under V.1. to pay to plaintiff for 3G/4G (multi-mode) devices sold and not licensed by the defendants, in the alternative for 3G/4G (multi-mode) devices sold and not licensed in the "EP", "JP" and "US" territories, a license in the fee according to request IV. for past and future acts of use.

VI. also to dismiss the further counterclaim;

in the alternative to VI.

VII. to oblige the counterclaimant 1),

1. to accept the license agreement offer of the counter-defendant dated [...] in the version of Exhibit KAP FRAND WK 19 - Strictly confidential;

In the alternative to item VII.1,

2. to submit a license agreement offer to the counter-defendant in the version of Exhibit KAP FRAND WK 19 - Strictly confidential;

Further in the alternative to item VII.2,

to submit a license agreement offer to the counter-defendant in the version of Exhibit KAP FRAND WK 19 - Strictly Confidential, on the understanding that clauses 4.1 and 4.2 are replaced as such as set out below:

[...]

whereby further in the alternative to item VII.3:

4. [...];

VIII. in the alternative to the motions in items VII.1 to VII.4 and in the event that none of the motions therein should be granted,

1. declare that a willing license seeker is entitled to a license to the counter-defendants' patents essential to the 3G and 4G standards on fair, reasonable and non-discriminatory (FRAND) terms and determine the royalty rate to be paid by a willing license seeker comparable to the counter-claimants in all other respects except willingness to license for the use of those patents worldwide, such FRAND royalty rate being [...],

- or, in the alternative, such other rate as the court deems fair, reasonable and non-discriminatory

2. subject to the existence of a FRAND license agreement, to oblige the counterclaimants to pay the license rate from VIII.1 as a lump sum from the date of the judgment [...];

3. in the alternative, to pay a lump sum determined by the court to be fair, reasonable and non-discriminatory;

IX. further in the alternative in the event that neither the applications under VII. nor VIII. should be granted,

1. To declare that the counterclaimants have not behaved in a FRAND-compliant manner;

2. To declare that the license conditions, alternatively the license fees, as contained in the offer of the defendant dated [...] in the version of Exhibit KAP FRAND WK 19 - Strictly Confidential - for a license to the defendant's patents essential for the 3G and 4G standard are FRAND;

3. To declare that the terms of a license, or alternatively the license fees, as contained in the counter-offer of counterclaimant 1) dated [...] in the version of Exhibit VB-FC 14 - Strictly Confidential for a license of counterclaimants to the counter-defendants' patents essential for the 3G and 4G standard are not FRAND;

X. order the counterclaimants,

1. also to bear the further costs and expenses of the proceedings incurred as a result of the extension of the action;

2. also provisionally reimburse the further costs.

12. The defendants consider these applications to be inadmissible and request that they be dismissed.

#### FACTUAL AND LEGAL POINTS OF CONTENTION

##### Discussion of infringement

13. According to plaintiff, the defendants directly infringe claim 1 of the patent in suit and indirectly infringe claim 13 by selling 4G-capable products, in particular 4G-capable mobile phones and smartwatches (contested embodiments) in the Federal Republic of Germany, in the French Republic, the Italian Republic, the Kingdom of the

Netherlands and the Kingdom of Sweden. According to plaintiff, the contested embodiments fulfil all the features of claim 1 when used in the 4G network and use a method according to claim 13.

14. In the point of view of the defendants, on the other hand, the contested embodiments do not realize features 1.1, 1.3.1, 1.3.2 and 1.3.2 in particular. Plaintiff misunderstands the term "transmission bandwidth". Contrary to plaintiff's view, the transmission bandwidth is to be understood as the bandwidth within a given system bandwidth which is located between the control channels and which is therefore available for the transmission of reference signals and user data. The broadband SRS signal referred to in the claim extends over this transmission bandwidth, which is therefore defined by the system bandwidth minus the bandwidth required for the PUCCH. The same applies to the narrowband SRS, which are distributed by means of frequency hopping. Contrary to plaintiff's opinion, the transmission bandwidth is not defined by the beginning of the first SRS signal transmitted in the bandwidth to the end of the last SRS signal transmitted in the bandwidth, i.e. the range actually covered by the SRS signals. This variance of the transmission bandwidth is then also addressed in feature 1.3.1.

Plaintiff has not been able to show on the basis of the standard that the reference signals are allocated in accordance with feature 1.3.2 such that the reference signals are allocated to frequency resources, each of which has the small bandwidth that is invariant regardless of changes in the transmit bandwidth. This is denied by the defendants by arguing that in the standard a change in CSRS can cause a change in mSRS and thus a change in the bandwidth of the reference signal and thus the bandwidth of the reference signal is not fixed irrespective of CSRS.

In particular, according to the standard, the SRS signals could not be distributed evenly in the transmission bandwidth within the meaning of feature 1.3.3. After implementation by the standard, the gaps between the control channels and the frequency ranges actually covered by the SRS signals, which are known from the prior art and have been criticised as disadvantageous, remain. The defendants also pointed out that the mSRS and CSRS parameters addressed by the plaintiff are only assigned

semi-statically and that the adjustment is only possible in 80ms intervals at most (technology rejoinder para. 83 et seq.). On the other hand, the PUCCH changes every millisecond and the data assigned to the PUCCH in each subframe is calculated by the terminal device from data that it received from the base station in the downlink only 4 milliseconds before the respective subframe, which is why the LTE standard relied on excludes an adaptation of the (semi-) static SRS configuration to the rapidly and dynamically varying PUCCHs.

15. The defendants also criticize plaintiff's submission on the acts of infringement of which the defendants are accused as being too unsubstantiated. In particular, the defendants had already withdrawn from the German market some time ago.
  
16. The legal consequences sought by the plaintiff are too far-reaching. In particular, a cease and desist order was disproportionate and, moreover, there were antitrust reasons for the award (see below). The threat of a penalty payment raises concerns. It was already too high and therefore disproportionate and too vague with regard to actions other than sales. The requests for recall, removal from the distribution channels and destruction were already too vague and also disproportionate. The information requested is too extensive, in particular because it should only be directed to the information necessary for calculating damages by way of license analogy ("Lizenzanalogie"), because the claim for damages is limited to this for antitrust reasons. A claim for disclosure of the books does not exist anyway and is the subject of separate proceedings according to the rules of procedure. There is no sufficiently substantiated interest in publishing the judgement. There is a lack of presentational evidence for the award of preliminary damages.

## FRAND defense

17. The defendants argue that the assertion of the claim for injunctive relief and the other forward-looking claims under the patent are excluded because they are precluded by antitrust law.
18. Contrary to plaintiff's view, the FRAND defense should not only be based on the individual patent in suit, but on a comprehensive license. Article 6 (1) sentence 1 of the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) already requires that the defendant be able to mount a comprehensive defence, and you can also conclude from European Law that the comprehensive FRAND defense must be admitted.
19. Already the infringement notice, required by the case law of the ECJ, is missing, as shown by the European Commission's amicus curiae submission in the proceedings before the Munich Higher Regional Court 6 U 3824/22 Kart (Exhibit VB-F 45). It is necessary for the infringement notice to formally state the nature of the infringement in the cover letter itself - a reference to external documents is not sufficient.
20. The declaration of willingness to take a license was to be understood solely as a formal step at the start of the negotiations, as the European Commission also correctly pointed out that this step should not be confused with the counter-offer, which was only to be examined later. The willingness should also not be assessed in relation to the later offers and counter-offers. The Commission makes it clear in its submission that plaintiff's offer must first be examined to determine whether it is FRAND. This is also according to the view of the Regional Court of Düsseldorf in its order for reference to the ECJ, which was previously solved due to the termination of the proceedings.
21. Plaintiff's behavior was an abuse of rights, as there was no written FRAND offer from plaintiff until the statement of defense. An offer by plaintiff was first made in the e-mail of [...] (Exhibit VB-F 20 and 21). There was therefore a lack of a specific written license offer before the action was brought, which, according to the correct view of

the European Commission, could not be made up for in the ongoing infringement proceedings. Until the orders for production of evidence were issued in the present proceedings, no comparable licenses had been made available to the defendants that would have made it possible to verify possible discrimination against the defendants. Plaintiff had a burden of proof in this regard, which it did not fulfil. It had initially approached the defendants with exaggerated license claims without disclosing the basis of calculation or making a comparison with other licensees. [...]

22. The plaintiff had also [...].
23. With regard to the economic assessment of plaintiff's license amount expectations, the defendants refer to the report of their economic expert and explain it (Exhibit VB-F 18). [...].
24. This imbalance is also disclosed by a comparison with [...] and indicators from published decisions of the UK High Court (InterDigital v Lenovo ([2023] EWHC 539 (Pat)) and Optis v Apple ([2023] EWHC 1095 (Ch)). [...]
25. The initial expert opinion had then also been confirmed in a supplementary expert opinion following the submission of comparable license agreements by plaintiff in the meantime. In this respect, reference is made to the presentation of the FRAND counterclaim and the FRAND rejoinder.
26. In addition to these economically derived arguments, the defendants argue in legal terms that plaintiff is abusing its dominant position on the licensing market contrary to Art. 102 TFEU. The use of the 4G standard is essential in order to survive in the market. The telecommunications providers had switched off 2G and 3G networks in Europe and 4G backward compatibility was also indispensable for 5G end devices due to the still insufficient network coverage of the 5G network.

27. The claim to a license also follows from plaintiff's ETSI-FRAND declaration for the patent families of the patent in suit.
28. Plaintiff was obliged to equalize the existing information gap with the defendants and therefore to explain the content of its offer so that the implementer could examine it. Plaintiff did not fulfil this obligation.
29. The relevance of the impairment, which plaintiff characterizes as significant with reference to the MEO decision of the ECJ, is not relevant.
30. The defendant's counteroffer [...] was FRAND. [...] It was wrongly dismissed by plaintiff [...] (Exhibit VB-F 40).
31. **Plaintiff, on the other hand, argues** that the defendants cannot invoke the defense of compulsory licensing under antitrust law because they are not willing to take a license. They had never clearly declared their willingness to take a license, nor had they provided information or security payment. The defendants' group of companies had also never sufficiently dealt with the content of plaintiff's contractual offers and technical information and had deliberately delayed the technical exchange and always requested new claim charts without then dealing with them appropriately.
32. With reference to the case law of the Court of Justice of The Hague (judgement of 24<sup>th</sup> of December 2019, 200.233.178/01 - Philips/Wiko), the plaintiff believes that it is not required under European Law for the SEP holder to justify why it believes its offer corresponds to FRAND criteria - in particular, no confidential comparable license agreements should be made available at this stage. Furthermore, it is not necessary to have a fully formulated offer that is ready to be signed; rather, it is sufficient if the key commercial points are included and it can form the starting point for negotiations on further details. If the implementer does not agree, it is in any case entitled to react and to object

and must submit a counter-offer. Information must be provided and security must be provided as soon as the SEP holder has rejected the counter-offer of the infringer who is already using the invention. According to the case law of the ECJ, a third-party determination can only be considered by mutual agreement; in particular, the determination of content by a state court is not a third-party determination within the meaning of ECJ case law.

33. A sufficient infringement notice covering the patent in suit had been sent [...] before the action was filed (Exhibit KAP FRAND 1 and 2). In addition, claim charts had been sent in any case for family members of the patents in suit, specifically also for the patent in suit [...]. The defendants then only declared that they wanted to enter into negotiations, which was insufficient.
34. Plaintiff's first offer [...] had already been explained and should be considered FRAND.
35. Plaintiff had rejected a lump-sum counter-offer from the defendants [...], submitting a new offer (VB-F4), without any information having been provided thereafter or security having been provided - at least once in the amount of the lump sum which the defendant itself considered to be FRAND. Moreover, the counter-offer had been delayed [...]. The fact that the defendants did not even provide its own expert with its own figures but had provided an expert opinion solely on the basis of the IDC data, showed that the figures could not be regarded as information. The IDC data is also not readily verifiable for plaintiff because this requires the registration of a user account and the payment of considerable fees.
36. In their calculations, the defendants assumed that plaintiff's share of the LTE standard was inaccurate and made up out of "thin air". Conversely, the plaintiff had shown, on the basis of information from three different independent sources, that the defendants' alleged sales figures were inaccurate.



37. [...].

38. The defendants wrongly considered the plaintiff's offers not in accordance with the FRAND corridor. [...].

39. All of plaintiff's offers are FRAND, [...].

40. [...].

41. The fact that plaintiff's offers were FRAND-compliant was also demonstrated by the comparison with plaintiff's third-party licenses [...] submitted in response to the order for production of evidence.

42. [...].

43. Moreover, the defendants had not elaborated on whether the acceptance of plaintiff's allegedly FRAND-infringing license offers would have any significance.

44. The defendants' counter-offers were clearly not FRAND. [...].

45. [...].

46. [...].

47. The defendants' previous counter-offers were also not FRAND.

#### FRAND counterclaim

48. By separate pleading dated 21st of December 2023, the defendants filed in addition to their statement of defense and a counterclaim for revocation of the patent in suit a "Counterclaim for determination of a FRAND license fee for the EP territory".

49. The defendants argue that the UPC has jurisdiction under Article 32(1)(a) UPCA for this counterclaim concerning a license. The aim of the counterclaim is a FRAND license between the parties in relation to plaintiff's portfolio of standard-essential European patents for 3G and 4G-capable mobile devices and the determination of the license rate to be paid for this. The license rate thus determined for the EP

territory should then also apply to the USA and Japan. For the rest of the world, the defendants held that the FRAND rate should be determined by a Chinese court, where the majority of manufacturing and sales take place. This regional allocation is also reflected in the parties' previous negotiation history. The request to set a FRAND rate is also justified by the timing of the proceedings, in particular with regard to the parallel proceedings pending in the UK to set a FRAND rate with Xiaomi.

50. The defendants have as beneficiaries an enforceable claim to the conclusion of a FRAND license due to the plaintiff's ETSI declaration pursuant to Art. 6.1 ETSI IPR Policy, which also covers the patent in suit, and the French law applicable under it.
51. The license rate offered by the plaintiff is not according to FRAND conditions, as the expert opinion of the defendants' private expert shows in detail. In this regard, after the establishment of the confidentiality regime in the present proceedings, the defendants submitted comparable license agreements (Exhibits VB-F 19 and 20) used in the private expert opinion (App\_15307/2024) in a submission dated 21<sup>st</sup> of March 2024, without the need for an initially requested order to produce evidence to substantiate their submission.
52. The judge-rapporteur provided guidance on the FRAND counterclaim in the orders of 31<sup>st</sup> of January 2024 (ORD\_5505/2024) and 27 June 2024 (ORD\_38680/2024).
53. The defendants have made further submissions in addition to their submissions in the counterclaim and in response to the questions raised by the judge-rapporteur in his orders of 31<sup>st</sup> of January 2024 and 27<sup>th</sup> of June 2024. In particular, the defendants clarify that they intend to be bound by a FRAND determination by the court.

For this reason, the defendants expressly formulated applications directed at performance and pursued applications directed at a declaratory judgement in the alternative. This is expressed in particular in the main motion under I., which seeks to oblige the plaintiff to accept the defendants' counteroffer of [...] (VB-FC 14), which plaintiff [...] rejected (VB-FC 18). For this purpose, a bank guarantee was provided to cover the amounts owed (VB-FC 19), which is now being served. Information on acts of use had been provided on the basis of the IDC data already available to plaintiff, which were analyzed in the expert opinions (VB-FC 11 and 13). This counter-offer was essentially based on the contractual terms and conditions from plaintiff's draft contract; modifications had only been made in three points, which is why the further contractual terms and conditions should, in the defendants' view, be beyond dispute between the parties. [...]. The defendants have a claim against the plaintiff that it shall accept this offer, which is pursued with the main claim I.1 directed at performance. This is intended to oblige plaintiff to accept the defendant's offer. The plaintiff cannot counter this by arguing that FRAND is a corridor and therefore there can be no claim to the conclusion of exactly one specific contractual offer.

54. Conversely, the defendants also made a binding commitment to accept an offer from the plaintiff (VB-FC 20) if a decision is made in accordance with requests I.2 or .3. In particular, motion I.3 took into account that the defendants had brought another proceeding for the determination of the FRAND rate for the rest of the world (in addition to the determinations asserted here for the EP states, the USA and Japan) before the Beijing Intellectual Property Court in China. The defendants also undertook to accept the further (partial) license rate set there.
55. Such an allocation of the license amount provisions is also appropriate. It is a worldwide license in which only the determination of the fee is entrusted to the respective courts closest to the subject matter - once to the UPC for the EP territory, Japan and the USA, once to the court in Beijing for the rest of the world [...].

56. According to the defendants, the FRAND counterclaim has been raised independently of the infringement action. It is not dependent on the patent in suit being infringed and having validity. Moreover, the subject matter of the counterclaim goes far beyond the subject matter of the patent infringement action because the counterclaim is directed to a global portfolio license. There is no dispute between the parties that the UPC has jurisdiction for the FRAND counterclaim; moreover, the plaintiff has not raised an objection under Rule 19 of the Rules of Procedure.

The plaintiff wrongly accuses the defendants of unwillingness to license, inadequately analyses the defendants' expert report and does not explain sufficiently how the submitted comparable license agreements were "unpacked", meaning analyzed. Conversely, the defendants' further expert report, which now analyzes the submitted comparable license agreements, confirms that the plaintiff's offer is outside the FRAND corridor.

57. The conclusions drawn by the defendants' private expert would also be substantiated after the plaintiff submitted the three comparable license agreements. [...].

58. [...]

59. [...]

60. [...]

61. [...].

62. The plaintiff's legal views on the ETSI FRAND declaration are misguided, as this gives rise to an enforceable right to a FRAND license and direct performance. The defendants are also favored as parties willing to obtain a license.

63. The plaintiff's claims in its response to the FRAND counterclaim are inadmissible.
64. The judge-rapporteur has received a letter from the UK High Court, Just. Richard Meade, which has reached the Local Division and informs about the planned proceedings before the High Court (ORD\_44583/2024).
65. Finally, the defendants pursued the counterclaim for the determination of a FRAND fee, which was filed together with the statement of defense and the counterclaim for revocation, with the amended claims referred to above. The amended version of the application was admitted by the judge-rapporteur. The defendants stated that they will also continue to pursue the originally filed version of the application if the amended applications cannot be granted. These are therefore reproduced as a further group of auxiliary requests.
66. The plaintiff acknowledges that a license seeker willing to obtain a license is basically entitled to a FRAND license relating to the 3G and 4G standard. This can be derived from Art. 102 TFEU or from the ETSI declaration. However, the defendants are not willing to take a license. Therefore, there was already no need for legal protection for the FRAND counterclaim. It was primarily up to the defendants to take all necessary steps out of court to acquire a license - prior to this, recourse to the courts was not permissible. It already follows from the ETSI IPR Policy that there is an obligation to enter into bona fide negotiations for the conclusion of a FRAND license. This was not the case for the defendants. Nothing else can be concluded from Art. 102 TFEU either. The lack of willingness to take a license was already evident from the fact that they had neither provided information nor security payment.
67. The license justifying the unlawful acts of use is solely a worldwide portfolio license and the defendants' argumentation in this regard is inherently contradictory. The UPC is not only competent with regard to counterclaims for licenses that already exist, but also for counterclaims directed at licenses yet to be granted. The counterclaim can only be directed at a license to the respective patent in suit, insofar as the counterclaim, on the other hand, concerns licenses

to the portfolio for the entire area of the EPC, the counterclaim is in any case partially inadmissible.

68. The defendants were neither entitled to the determination of a complete license agreement by the court, nor to a specific FRAND fee, because FRAND is a corridor - therefore, the ETSI declaration does not give rise to such a concretely determinable claim to a specific form. In any case, the ETSI declaration is not a binding offer, but only a contractual promise - the contract, however, is a separate legal transaction. The UPC is also not a third party appointed to determine the license fees within the meaning of the case law of the ECJ in *Huawei v. ZTE* (para. 68).
69. The requests initially made in the counterclaim were also too vague, unlike the requests made by plaintiff III - V in the present counterclaim.
70. In its reply to the FRAND counterclaim, the plaintiff also complains that the defendants did not introduce their submission on their private expert opinions into the proceedings in writing, but referred insufficiently to the party's expert opinion, which was inadequate.
71. The prior proceedings for the determination of a FRAND license are now in conflict with FRAND determination proceedings initiated in Milan, Italy, before the national court by a distribution partner of the defendants' exclusively responsible for Italy.
72. The defendants' license offer of [...] is not FRAND for the simple reason that it proposes the allocation of the FRAND provision between different courts, which is not FRAND-compliant. The determination of a worldwide FRAND rate is appropriate.
73. [...]

74. The security payment provided by the defendant was not adequate and was provided approximately three years too late [...]. The fee of the security offered was also too low and linked to conditions that would be unreasonable in the event of insolvency, because an administrator would neither be able to conclude a license agreement with certainty nor would a legally binding court-ordered FRAND rate be guaranteed in the event of insolvency.
75. Information is still not provided, the IDC data is insufficient.
76. The defendants' expert opinion is methodologically flawed, [....].
77. [...].
78. [...].
79. The defendants' comparable license agreements were already irrelevant and, moreover, they were used incorrectly by the defendants' expert.

With regard to the further details of the facts of the case and the matter in dispute, reference is made to the pleadings and Exhibits submitted.

#### GROUNDS OF THE DECISION

##### Jurisdiction

80. The jurisdiction of the Local Division Mannheim of the Unified Patent Court for the infringement action and counterclaim for revocation arises from Art. 31 UPCA in conjunction with Art. Art. 71b No. 1 Regulation (EU) 1215/2015, Art. 32(1)(a), (e) UPCA and Art. 33(1)(a) UPCA. According to the substantiated plaintiff's submission, the defendants also committed the acts of infringement on the territory of the Federal Republic of Germany. The defendants have withdrawn their objection to jurisdiction - albeit under protest - at the hearing after the panel pointed out that the infringement was probably committed in the territory of the Federal Republic of Germany

The court has withdrawn the contradiction that exists between, on the one hand, considering the court to have no jurisdiction in principle and, on the other hand, nevertheless requesting the determination of a FRAND rate by this court, which is considered to have no jurisdiction, in connection with the antitrust dispute between the parties. The Local Court of Mannheim also has jurisdiction for the FRAND counterclaim (see below).

***[paras 81-167 omitted]***

Legal consequences of patent infringement

168. The established patent infringement by the defendants of the national part of the bundle patent validated in the respective asserted contracting states justifies the legal consequences sought by the plaintiff.

169. The application for a declaration of patent infringement is based on Art. 64(2)

(a) UPCA. In the present context of infringement of a standard essential patent, the determination of patent infringement serves the legitimate interest of the plaintiff, also vis-à-vis (non-)authorized distributors of the defendant.

170. The plaintiff's request for injunctive relief with regard to the patent infringing act is based on Art. 25(a), Art. 63(1) UPCA and must be granted because there is a risk of repetition due to the infringing acts committed by the defendants in the past in the contracting states asserted in the present case. The defendants may not continue the acts of offering, placing on the market, using, importing or possessing for these purposes in the Contracting States covered by the action, which the plaintiff has objected to. In particular, sufficient submissions have been made with regard to the national parts of the bundle patent asserted in the present case and their infringement in the respective territories. There was no need for a separate statement on the "in particular" claims of the plaintiff with regard to the sub-claims because they are merely exemplary concretizations of the acts already covered by the main statement.

171. In the present case, there are no apparent reasons to refrain from exercising the court's discretion ("may ... issue") to issue a final order. Rather, aspects of



proportionality (Art. 42 UPCA and Art. 3(2) Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights) are already fully taken into account in the context of considering the examined antitrust compulsory license objection, applying the balanced negotiation program of the European Court of Justice (see below). Further circumstances that would appear to make it necessary from the point of view of proportionality not to issue an injunction in the present case have not been sufficiently demonstrated. It also had to be taken into account that the defendants, according to their own submission, do not see their main business in the markets of the contracting states of the UPCA anyway, as is also reflected in the fact that [...]. Thus, according to their own submission, the injunction does not prevent them from operating in the defendant's core markets. Nor can the generalized argument prevail that the plaintiff does not manufacture itself and is therefore not in direct product competition with the defendants. Rather, concrete facts must be presented in this respect that justify a different decision because they are not already reflected in the negotiation program of the European Court of Justice's decision. This has not happened in the present case. The defendant's submission does not indicate any such further aspects.

172. Contrary to the view of the UK Court of Appeal [2024] EWCA Civ 1143 para. 79, standard-essential patents are also not to be regarded as patents which comprise solely a monetary assignment, at least in the legal area of the European Union. On the contrary, according to the case law of the European Court of Justice - which is admittedly no longer relevant for the courts of the United Kingdom - the holder of a SEP can also exercise the prohibition rights to which it is entitled on the basis of the patent, ECJ, Huawei v. ZTE, ECLI:EU:C:2015:477, para. 46:

*"According to established case law, the exercise of an exclusive right attached to an intellectual property right, in this case the right to bring an infringement action, is one of the rights of the owner of an intellectual property right, so that it does not in itself constitute an abuse of a dominant position,*

*even if it originates from a company in a dominant position."*

173. This is incompatible with an understanding of the SEP as a legal title that does not include the right to enforce injunctive relief and serves solely to enforce higher license claims. Such a view is incompatible with European Law, as Article 11 of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights as a standard in the European judicial area shows. This also follows from the decision of the ECJ (ibid. para. 57-59 and para. 71), which states that it does not constitute an abuse of a dominant market position to bring an action for an injunction against an infringement as long as certain steps have been taken prior to such an action. Such an understanding would also be incompatible with the minimum constitutional guarantees of the Federal Republic of Germany as one of the contracting states invoked in the present case (Article 14 (1) of the Basic Law of the Federal Republic of Germany) as well as with Article 17 (2) of the Charter of Fundamental Rights of the European Union.
174. Nor is any other restriction of injunctive relief appropriate in view of the FRAND rate determination taking place in the UK in a different dispute. The decision of the UK Court of Appeal itself states that the Oppo group of companies is not affected by the *declaratory judgement* (ibid. para. 2). It can therefore be left open in the present dispute whether the finding made - in the words of the UK Court of Appeal - is *de facto* an "anti-suit relief by the back door" (ibid. para. 67), which is unacceptable in the international treaty law context of TRIPs (cf. Art. 1.1, 28.1 and .2, 41.1, 44.1 TRIPs, which must be observed in this context under international law).
175. The threat of a penalty payment for failure to act (Art. 63(2) UPCA) raises no objections. The unit-related nature of the penalty payment provides a parameter for the calculation of the penalty payments to be paid to the court for the con-  
injunctioned sales activities.

The stipulation has deterrent potential. However, the fee was to be reduced to EUR 1,000.00 per infringing embodiment, which is considered sufficient but also appropriate in relation to the sales prices. Insofar as other acts are objected to, the appropriate fee will have to be determined in separate enforcement proceedings. The defendants may counter the risk of any cumulative determination of penalty payments in parallel proceedings in the enforcement proceedings, insofar as the plaintiff should actually pursue parallel enforcement.

176. The threat for the measures of disclosure, information, recall and removal are based on Art. 82 para. 1 and 4 UPCA, R. 354.3 RoP. The determination of the appropriate penalty payment is to be reserved for the enforcement proceedings because there is currently insufficient evidence to assess the appropriateness of a penalty payment to be determined in terms of the fee.

177. The request for destruction of the products directly infringing claim 1 is based on Art. 64 (2) (e) UPCA, the requests for recall of these products from the distribution channels and final removal of these products from the distribution channels are based on Art. 64 (2) (b) and (d), (4) UPCA. According to the wording of the UPCA, permanent removal from the channels of commerce is a separate measure from recall. It accompanies the recall, whereby removal can only be considered if the infringer has the factual and legal means to do so. No sufficient reasons have been presented or are otherwise apparent to oppose the ordering of these measures, for example from the point of view of proportionality aspects, and which go beyond the consequences resulting from a patent infringement that the infringer has to bear. However, no time limit of a specific number of days had to be provided for the enforcement of this obligation.

In this respect, it had to be considered that, on the one hand, the obligation exists immediately on the basis of the court order, but on the other hand – in particular in the case of an infringement claim extending to several Contracting States of the UPCA, the cessation of which may take some time – no rigid time limit could be ordered without a presentation of the circumstances of the case at hand, because the court is not able to assess the question of which time limit appears appropriate

in the present case in view of the considerable extent of the acts of use (unlike the more straightforward case of the Düsseldorf Local Chamber (UPC\_CFI\_7/2023 from July 3, 2024)). Clarification of the question may be reserved for any enforcement proceedings. The wording of the application is also sufficiently specific due to the reference back to the injunction in connection with the grounds of the decision. According to the wording of the application, the defendants are free to choose the appropriate and effective measures. The territorial limitation which the defendants found to be missing results from reference to the injunction, the limitation to the period after the grant of the patent in suit results from a reasonable assessment of the application and then the grounds of the decision. The distribution channels include all commercial end users.

178. The decision to provide the requested information is based on Art. 25 (a), Art. 67 (1) UPCA. The information is necessary for the calculation of damages and for the assessment of the method of calculating damages within the meaning of Art. 68 UPCA. The defendants are not correct in their assertion that the holder of an SEP would be limited from the outset vis-à-vis an infringer to a calculation of the damages only by way of license analogy. On the contrary, the European Court of Justice has ruled that past claims are not affected by the antitrust context (ECJ Huawei v. ZTE ECLI:EU:C:2015:477, operative part 2). In this respect, it has already been held in national case law that the scope of the claim for damages is only limited to the fee resulting from a license analogy if the infringer can counter with its own claim for damages that is directed at the non-fulfilment of its claim to the conclusion of a FRAND license agreement and, as a result, it can demand to be placed in the same position as it would be under such an agreement (see German Bundesgerichtshof GRUR 2020, 961 para. 109 ff. - FRAND-Einwand, GRUR 2021, 565 para. 137 - FRAND-Einwand II).

The information on the origin and distribution channels serves to clarify the facts of the infringement and the possibility of claiming further co-responsible parties and being able to effectively stop further acts of infringement. Again, no rigid deadline for the provision of information was to be set (see above). Upon request, it was also to be ordered that the defendants provide the plaintiff with the information in a list structured for each month of a calendar year and according to infringing products in electronic form, which can be analyzed with the help of a computer. This serves the efficient enforcement of the right to information and takes account of the fact that an electronic statement that can be analyzed with the aid of a computer is in any case the standard in a business-like accounting system. However, there was again no deadline set for the enforcement of this obligation.

179. The subject matter of the information is also the rendering of accounts requested in application IV.2 ("to disclose their books [...] by providing [...] the following documents"). On a reasonable interpretation of the argumentation submitted in this regard (statement of claim para. 247 et seq.), the request is not aimed at verifying the correctness of the information and accounting provided within the meaning of R. 141 et seq. RoP, but in terms of content requests accounting with submission of supporting documents. This is also based on Art. 68(3) UPCA, R. 191 RoP. In this respect, the Local Division agrees with the Düsseldorf Local Division (UPC\_CFI\_7/2023 of 3 July 2024 at F.I.2.b) that the rules contain a substantive entitlement to demand information that the infringer needs in order to be able to check the validity of the information and to obtain indications for its calculation of damages. Efficiency aspects in particular speak in favour of this, as further stages of the proceedings can be avoided. In addition, within the scope of this right of provision of information, the patent proprietor can also request documentary evidence for the information under Art. 67(1) UPCA, namely invoices or - if these are not available - delivery notes as an alternative. Apart from the interest in the pure information that the patent proprietor under Art. 67(1) UPCA, it is also worth recognizing his interest in being able to check the accuracy of this information, at least on a random basis.

The possibility of redaction in the pronouncement takes account of any confidential information (R. 191 p. 2, 190.1 p. 2 RoP). However, again, no specific time limit in days had to be provided for the enforcement of this obligation.

180. The requested auditor's reservation allows an appropriate balance to be struck between the interest of the infringed party in receiving accurate information and the legitimate confidentiality interests of the infringer. Since the auditor may only act to the extent specified in the decision and is also obliged to maintain confidentiality towards the infringed party, the selection can also be made by the infringed party. Once again, the imposition of a fixed deadline was not appropriate.
181. The determination of the obligation to pay damages is based on Art. 68(1) UPCA and is justified by the infringement established. The defendants also acted negligently in any event. The requirement of a notice of infringement by the SEP proprietor in accordance with the case law of the ECJ does not imply a lack of fault, as already shown by the fact that the ECJ has not subjected the past-related claims to any further restrictions. Moreover, according to the relevant regulations, it serves to prevent any claims from becoming time-barred. The plaintiff is also entitled to demand a declaration of the damage suffered by Panasonic Intellectual Property Corporation of America as the previous patent proprietor. Panasonic Intellectual Property Corporation of America has assigned its claims to the plaintiff in this respect.
182. Insofar as the plaintiff seeks provisional damages in the fee of € 250,000, this was to be granted in the present case pursuant to Art. 68(1) UPCA, Rule 119 of the Rules of Procedure because the court fees alone in the amount of € 336,000 exceed this amount.

183. However, the request for publication of the judgement had to be rejected. In this respect, the decision under Art. 64(2)(a) UPCA is sufficient from the point of view of proportionality (see above). Circumstances that would justify a more extensive interest in the requested publication of the judgement have not been presented and are not otherwise apparent.
184. With regard to the indirect infringement of the patent in suit in its method claim 13 by the contested embodiments, plaintiff's right to prohibit the continuation of the infringement follows from Art. 26(1) UPCA in conjunction with Art. 63(1) UPCA. The plaintiff also has a right to information and transmission of information pursuant to Art. 26(1) UPCA in conjunction with Art. 67 UPCA. Art. 67 UPCA, Art. 68(3)(a), (b) UPCA in conjunction with R. 191 p. Alt. R. 191 S. 1 Alt. 2 of the Rules of Procedure as well as for payment of provisional damages and the determination of the award of damages on the merits (Art. 26(1) UPCA in conjunction with Art. 68(1) UPCA). Art. 68(1) UPCA, R. 119 RoP). The threat of coercive measures is governed by Art. 63(2), 82(1) and (4) UPCA, R. 354.3 RoP and applies according to the decisions on indirect infringement. Reference is further made to the above statements.
185. The award of costs is based on Art. 69(2) UPCA, Rule 118.5 RoP. In view of the fact that the plaintiff was only slightly unsuccessful with regard to the scope of individual legal consequences, no share of the costs to be borne by the plaintiff is to be awarded.
186. Pursuant to Art. 82(2) UPCA, R. 118.8 S.2 RoP, the court may make any order or measure subject to the provision of a security, which it must set. The Local Division is entitled to exercise its discretion when ordering the provision of security, whereby the plaintiff's interest in the effective enforcement of its property right must be weighed against the interest in the effective enforcement of possible claims for damages in the event of a subsequent reversal of the judgement. In the present case, the defendants rightly argue that the enforcement of such an order will prevent their core business, namely the sale of smartphones, in the countries concerned. This would not only result in the loss of all current sales, but also future business losses. Potential end customers and existing commercial customers would

switch to other manufacturers and possibly remain there permanently. This is accompanied by specific risks of increased and permanent market losses. These fears are exacerbated by the special situation of smartphone sales. Smartphones are offered and distributed to a considerable extent via commercial resellers and via national telephone network providers, whereby the latter often work with long-term supply contracts. If the defendants were forced to discontinue deliveries to network providers despite existing contracts, this would possibly lead to permanent exclusion from the network providers' program. This would result in the loss of an important distribution channel and it would be difficult to predict whether and when it could be reopened. The defendants leave the fee of the security deposit to the discretion of the court. In the present case [...] sufficient. It should be noted that the present judgement does not cover all EPC states, but only the EPC contracting states stated in the judgement. Therefore, the security amount is sufficient without any further submission by the defendants, who expressly left the decision to the discretion of the court without providing any information. The court further exercises its discretion to extend the group of credit institutions eligible to issue the bank guarantee to credit institutions authorised to do business in the European Union in view of the fundamental freedoms of the European Union, contrary to the defendants' request. With regard to the equally enforceable claims for information/accounting and provisional damages, no security was to be ordered as a prerequisite for enforcement in view of the lack of indications that the plaintiff would not be able to financially compensate for the resulting damage if the first instance decision were not to stand.

187. The orders are enforceable only after the plaintiff has notified the court which part of the orders it intends to enforce and



has submitted a certified translation of the orders into the official language of the Contracting Member State in which enforcement is to take place and after the notification and the (respective) certified translation have been served on the defendant and the security has been provided, R. 118.8 of the Rules of Procedure. Since the defendants are sufficiently protected by the security ordered, it was no longer necessary to order that the defendants be authorized to avert enforcement.

### FRAND defense

188. The prior conclusions of law are also not precluded by a FRAND defense based on Art. 102 TFEU. While the plaintiff acted in accordance with the ECJ's program of obligations addressed to it as SEP holder, the defendants did not participate in the negotiations for a FRAND-compliant license in accordance with the negotiation program developed by the European Court of Justice in Case C-170/13 - Huawei v. ZTE, ECLI:EU:C:2015:477, in a targeted manner and in accordance with the practices of a party seriously interested in obtaining a license.
189. The Unified Patent Court applies European law in its entirety and respects its primacy, Art. 20 UPCA. European law is the primary source of law to be applied by the Unified Patent Court, Art. 24(1)(a) UPCA. In questions concerning the correct interpretation of European law, the Court of First Instance may refer questions relevant to the decision to the CJEU for a ruling, Art. 267 TFEU. The decisions of the ECJ are binding to the Unified Patent Court, Art. 21 UPCA.
190. However, the present case - especially for the Court of First Instance - does not give rise to a referral to the ECJ, even in light of the European Commission's amicus curiae letter, which was filed under the sign 020078-24 MLO / DLF at the Munich Higher Regional Court on April 15, 2024, in which the European Commission "encourages" the court there to submit a question to the ECJ, does not give rise to a submission to the ECJ. Rather, the panel argues that in the present case, the only questions concerning the present individual case,

which can be resolved by applying the balanced principles developed by the Court of Justice, which allow the courts called upon to apply the law in individual cases to make an appropriate assessment of the respective case. At the same time, the opinion of the European Commission – which, of course, is not binding on the courts, which are independent by virtue of the constitution – can be taken into account. The document has also been introduced in the proceedings here and was discussed in detail with the parties during the oral proceedings.

191. In the Huawei v. ZTE decision, the ECJ established a negotiation program that has since been binding to the courts of the Member States - unlike the courts of the United Kingdom. Since then, the courts of the Member States have applied this negotiating program and have continued to fill in the details on the basis of the cases submitted for decision (see Dutch Court of Justice The Hague, case number: 200.219.487/01, of 2 July 2019 - Philips v. Wiko; the same case number: 200.233.166/01, judgement of 24 December 2019 - Philips v. ASUS; German Bundesgerichtshof GRUR 2020, 961 - FRAND-Einwand, GRUR 2021, 565 - FRAND-Einwand II). The panel is of the opinion that the ECJ's negotiation program is not solely focused on determining the respective licensing conditions, which would be stripped of an assessment of the respective conduct of the parties in the context of the negotiations. Rather, the central concern of the decision is to establish a negotiation program with reciprocal obligations, which at the same time serves to assess the primary EU law question of whether the enforcement of the injunctive relief and recall rights arising from the patent is subject to restrictions under antitrust law. The determination of a FRAND license rate, if applicable, is only one component of this program. According to this, a Local Division of the Unified Patent Court as a common court of the Member States is called upon to decide for the first time in the present case. This gives rise to the following comments.

192. In its leading decision *Huawei v. ZTE*, the European Court of Justice set out a negotiating program which sets out the parties' respective obligations in the context of negotiations for a license to a standard-essential patent and enables the courts to assess the parties' conduct on the way to a license. According to established case law of the ECJ (*loc. cit.* para. 46), the exercise of an exclusive right attached to an intellectual property right, in this case the right to bring an action for infringement or recall, is one of the prerogatives of the holder of an intellectual property right, so that it cannot in itself constitute an abuse of a dominant position, even if it emanates from a company in a dominant position. However, the exercise by the holder of an exclusive right associated with an intellectual property right may, in exceptional circumstances, constitute abusive behaviour within the meaning of Art. 102 TFEU (*ibid.* para. 47). It should be recalled - in particular against the background of the decision of the UK Court of Appeal - that the ECJ has stated that account must be taken of the need to safeguard intellectual property rights, which is one of the purposes of Directive 2004/48. In accordance with Article 17(2) of the Charter, the Directive provides for a number of remedies designed to ensure a high level of protection of intellectual property in the internal market and the right to effective judicial protection guaranteed by Article 47 of the Charter, which comprises several elements, including the right of access to justice (ECJ *loc. cit.* para. 57). This requirement of a high level of protection of intellectual property rights implies that their owner cannot, in principle, be deprived of the possibility of taking legal action to ensure that his exclusive rights are effectively respected and that the user of those rights, if he is not their owner, must, in principle, obtain a license before any use (ECJ *loc. cit.* para. 58).
193. The negotiation program developed by the ECJ serves these principles. An assessment of the conditions of a FRAND license that excludes the steps established by the ECJ in the sense of a purely economic determination of the license fee without taking into account the relevant behaviour of the parties involved

in the negotiations can therefore not stand under European law and parties cannot therefore be upheld under European law and would infringe mandatory law in the Member States.

194. According to the ECJ's decision, the SEP holder must first inform the patent user of the patent infringement of which he is accused before bringing an action for an injunction. In doing so, he must designate the SEP in question and indicate how it is alleged to have been infringed (ECJ loc. cit. para. 61). It had already become established in the cited case law of national courts that the sending of claim charts is sufficient for these purposes in any case (see, for example, from national case law, Court of The Hague, case number 200.233.166/01 of 24<sup>th</sup> of December 2019, para 4.157 et seqq. - Philips vs ASUS; Higher Regional Court Karlsruhe, judgement of 9 December 2020, 6 U 103/19 - Mobilstation; Regional Court Mannheim, judgement of 19 August 2016, 7 OD 2016, para 4.157 et seqq. 19.08.2016, 7 O 19/16 - Secondary station; judgement v. 29.01.2016, 7 O 66/15 - control channel; Regional Court Düsseldorf, judgement v. 11.07.2018, 4c O 81/17 para. 108). Insofar as the European Commission takes the view in its opinion in this context that this reference must be made in the letter itself (amicus curiae letter para. 65), such a formalistic understanding cannot be accepted. It is true that a reference to a generalized website of the SEP holder, which does not contain any easily accessible information on the specific patent in suit, may be too little to be regarded as sufficient notice. For good reason, however, the ECJ judgement does not impose any strict formal requirements at this point, but leaves it up to the courts of the Member States to decide on a case-by-case basis. Particularly in the case of an allegation of infringement of a large number of standard-relevant patents, a notice in the formalized form deemed necessary by the Commission may lead to confusion rather than the desired transparency.

195. In the present case, it was sufficient to make the defendants aware that they were also accused of infringement of patents valid in the EU legal area and thus to encourage them to deal with the further steps of the ECJ's balanced negotiation program that the plaintiff - in addition to a large number of other claim charts requested by the defendants - also submitted a claim chart concerning the Chinese

family member of the patent family, which includes the patent in suit. The claim chart contained an explicit reference to the patent in suit. If the defendants argued at the oral hearing that the Chinese patent had a broader scope of protection and therefore the relevance of the patent in suit for the standard could not be assessed without further effort and explanation, this behavior provides an example of how an implementer seriously interested in a FRAND license should not behave. Such an implementer would have raised a complaint according to the standard at least once if it had actually had problems of understanding and asked for more in-depth discussion. The defendants, on the other hand, did not raise any such objection, but only repeatedly requested further claim charts for other patent families, only to then withdraw without further discussion of all the requested material to the effect that the sources they consulted would in any case provide generally valid findings as to what proportion of declared patents is actually essential for the standard (see below in detail). It is not in line with the practice of business transactions, to which the ECJ refers (*loc. cit.* para. 65, 67), to withdraw, as the defendants did in such a situation, to formalistic objections and to deduce from this that no further obligations arise for one's own side with a view to targeted negotiations towards a FRAND license. The infringement notice was sufficient.

196. The patent user must then express its intention to conclude a license agreement on FRAND terms in a further step - also before filing an action (ECJ *loc. cit.* para. 63). The significance of this step in the ECJ's negotiation program is assessed differently, at least with regard to the weighting of this step in the negotiation program. The Bundesgerichtshof explained this in para. 83 of its FRAND decision (Bundesgerichtshof GRUR 2020, 961 para. 83):

"Therefore, after the first indication, it is not sufficient to establish further infringements on the part of the dominant patent holder if the infringer merely shows a willingness to consider entering into a license agreement

or to enter into negotiations as to whether and under what conditions the conclusion of a contract could be considered (see Opinion of Advocate General Wathelet of 20 November 2014 - C-170/13 para. 50). Rather, the infringer must clearly and unambiguously declare its willingness to conclude a license agreement with the patent holder on reasonable and non-discriminatory terms and must also subsequently participate in the licence agreement negotiations in a targeted manner. The High Court of England and Wales (J. Birss) has aptly expressed this by stating that "a willing licensee must be one willing to take a FRAND license on whatever terms are in fact FRAND" (EWHC, judgment of 5 April 2017, [2017] EWHC 711 (Pat) para. 708 - Unwired Planet v Huawei)."

197. According to the European Commission, this criterion, known as "willingness to license", should be assessed solely "on the basis of the content and circumstances of the declaration, but not due to subsequent conduct during any negotiations" (amicus curiae letter para. 7, 75, 80 et seq.). The first two steps of the framework program were held prior to the start of the negotiations, in particular the SEP holder's offer. Therefore, the assessment of their existence could not be linked to specific license conditions or license fees (ibid. para. 82). The patent user's willingness to license could not be determined on the basis of its subsequent conduct during the negotiations; the second step was merely a formal step as a prelude to negotiations. In particular, this step may not be confused with the subsequent steps, the offer of the SEP holder and the counter-offer of the patent user (ibid. para. 84 et seq.).

198. The European Commission agrees that the initial declaration of willingness to take a license is the prelude to further negotiations. It must not be limited to mere loose verbal agreement but must be serious in the sense of the Bundesgerichtshof' statements. However, the consideration of the respective declaration alone does not generally lead to an examination of whether the patent user is seriously interested in taking a license. A declaration according to this, even if it is based on the wording of the cited UK or Bundesgerichtshof decision or adopts it in a clichéd, identical wording, is not in itself a suitable indication for assessing whether the respective user is actually serious about his declaration.

For this purpose, the respective behavior must always be considered in an overall view. However, the Commission correctly addresses the fact that the examination of FRAND-compliant behavior must not focus solely on the willingness to license in the sense of an analysis of the user's behavior alone. It is therefore incorrect to judge the "willingness to license" on the basis of the patent user's counter-offer by again using this as an indication for or against the seriousness of the user's behavior without first considering the SEP holder's offer. With such an understanding, there is a considerable risk that the necessary examination of the offer of the SEP holder bound by antitrust law will not be carried out at all or will be cursory at best. This would not do justice to the ECJ's decision. It is precisely this point that is criticised by the European Commission in the context of the decision of the Regional Court of Munich I that it analyzed. Rather, the SEP holder's offer must always be checked for its FRAND compliance if there is sufficient initial willingness to take a license. This step must not be omitted or only carried out very cursorily. In its referral in the case of *Huawei v ZTE*, the Regional Court of Düsseldorf had already formulated the question of whether Art. 102 TFEU places special temporal and/or qualitative requirements on the willingness to negotiate and stated in the referral that it could not be satisfactory to use the term "willingness to negotiate" as a criterion for such abuse, as this term leaves room for many interpretations (ECJ loc. cit. para. 38). In this sense, an examination that seeks to be in accordance with the case law of the ECJ must not be satisfied with merely analyzing the conduct of the patent user for indications that are then singled out in order to criticize an insufficient willingness to license without seriously examining the SEP holder's offer. Such an approach is already contradicted by the fact that the ECJ deliberately did not want to leave it at the so-called *Orange Book* case law of the Bundesgerichtshof. On the contrary, Advocate General Wathelet stated in his Opinion (ECLI:EU:C:2014:2391 para. 51 f.):

"In my opinion, the simple transfer of the judgement *Orange-Book-Standard* of the Bundesgerichtshof or the press release to the present case would result in a situation in which the SEP holder, the user of the teaching of the patent or the consumer would receive either too much or too little protection. A compromise must therefore be found."

199. In this sense, the ECJ initially declared the SEP holder to be obliged to submit a FRAND offer:

"As the Advocate General stated in point 86 of his Opinion, if the holder of an SEP has made a commitment to the standardization organization to grant licenses on FRAND terms, that holder can be expected to make such an offer. Moreover, if neither a standard license agreement nor license agreements already concluded with other competitors have been published, the SEP holder is in a better position to verify whether its offer complies with the condition of equal treatment than the alleged infringer."

200. The Orange Book case law of the Bundesgerichtshof (GRUR 2009, 694) should not be applied. According to this case law, the patent user must first make an unconditional offer to conclude a license agreement, which the patent holder may not reject without violating its obligations under antitrust law not to unreasonably hinder or discriminate the license seeker. Consequently, an interpretation of FRAND case law in such a way that would de facto lead to the application of Orange Book case law is also incorrect. In this respect, the Commission is right in that the sequence of steps in the ECJ's negotiation program should not be mixed up in such a way that the examination of the SEP holder's offer is pushed too far into the background.

201. Insofar as the view of the European Commission can be endorsed that the willingness to take a license, which is to be expressed before filing a lawsuit, forms the starting point for further negotiations, it is not yet clear to what extent further conduct during the negotiations is to be included in the assessment. From the point of view of the panel, the seriousness of the initial declaration of willingness to take a license, understood in this narrower sense, must be assessed on the basis of the immediate circumstances accompanying it. However, this does not mean that the further behavior of both parties during the subsequent negotiations should be excluded from the assessment.



Rather both the SEP holder and the implementer must conduct themselves during the negotiations "according to commercial practice" and work in good faith towards the conclusion of a license agreement. Their conduct must be assessed according to whether it takes sufficient account of the fundamental objective of the ECJ's negotiation program to achieve the timely conclusion of a FRAND license agreement on a primarily private-autonomous basis in targeted negotiations. This requirement results in obligations to be concretized for the individual case at each stage of the negotiations. Nor is it according to the ECJ's negotiation program to examine only the willingness of the implementer to license without sufficiently examining the SEP holder's offer, just as it would be insufficient to consider only the opposing offers and counter-offers after the first two steps of the examination have been affirmed and to ignore the further conduct of the parties. This is because whether a (counter)offer complies with FRAND criteria can only be assessed on the basis of the specific negotiations and the behavior of the parties. Just as the implementer cannot make a favorable offer without sufficient knowledge of any licensing conditions granted to third parties, the SEP holder cannot make a favorable offer if the implementer deliberately leaves him in the dark about the extent of his acts of use and his economic framework conditions, such as the sales prices demanded by him on the market, and if he does not provide any information on the economic framework conditions of his actions, which conversely must be sufficiently plausible for the SEP holder - depending on the progress of the negotiations. The depth of the court's examination of the plaintiff's behavior is largely based on which points the license seeker has objected to vis-à-vis the plaintiff in the negotiation process and, conversely, which information he has made available to the holder in order to be able to make him, the user, an offer tailored to his circumstances. Objections raised only and solely in the course of the proceedings before the court against the background of the threatened injunction are not sufficient. Except in extreme circumstances, the patent user is always obliged to respond to an offer from the SEP holder and

at least to provide his objections against this and to request improvements (cf. from German case law Bundesgerichtshof GRUR 2021, 585 para. 71 - FRAND- Einwand II; OLG Karlsruhe GRUR 2022, 1145 para. 152 et seq. - Steuerkanalsignalisierung II.).

202. This interaction of mutual obligations in the negotiations is again exemplified by the present case. The defendants refused to provide the plaintiff with sufficient information about their acts of use. Even after rejecting their counter-offer, they refused to provide the plaintiff with information on their actual acts of use. Rather, the defendants referred the plaintiff solely to data from economic data services of the provider IDC, without making these plausible at least for exemplary meaningful periods of time by providing information on their own real acts of use. In this respect, the defendants cannot expect the plaintiff to make an offer that fully reflects the circumstances affecting them if they are not willing to make these circumstances accessible. Insofar as the defendants object in this context that the plaintiff, for its part, also used IDC data to present the comparability of the conditions offered to the defendants on the basis of third-party license agreements, the defendants misjudge two things: Firstly, the third-party license agreement partners have a legitimate interest in confidentiality insofar as their specific transactions are affected. In any case, the SEP holder is therefore not obliged to make such figures directly accessible to a negotiating partner if it is still open whether the latter is seriously negotiating to conclude a FRAND license. The implementer cannot demand more disclosure from the SEP holder than it is prepared to disclose itself. In addition, the SEP holder does not have this information in the case of blanket license agreements because there are no reporting obligations regarding acts of use to be remunerated in certain periods of time. Secondly, the defendants fail to recognize that, as a patent infringer using the technology (see above) who, unlike the plaintiff's comparable licensees, drags out the negotiations over years, they cannot demand to be in agreement in every respect with the SEP's cooperative license agreement partners. The SEP holder is entitled to be treated equally by all license holders who resolve any differences within a short period of time and participate in negotiations in a targeted manner and bring them to a conclusion.

Therefore, it may well be unobjectionable under antitrust law if an SEP holder makes do with data from commercial services for the negotiations if the prospective license holder works constructively and swiftly towards the conclusion of such a license. On the other hand, the ECJ has also clearly stated that the patent user using the technology unlawfully must provide information and security at the latest after its counter-offer has been rejected. The plaintiff's argument can be accepted that the information serves the purpose of assessing whether the security offered sufficiently covers the risk of insolvency of the patent infringer. In this context, the SEP holder, who has himself submitted an offer that is to be assessed as FRAND-compliant under the respective circumstances of the negotiations, does not have to be satisfied with data from commercial services compared to a patent infringer who drags out the negotiations.

203. The examination of the SEP holder's offer must be based on the prior statements. The panel finds that the SEP holder must not only state the mere mathematical factors with which he calculates the license fee when submitting his offer. Rather, the SEP holder is required to explain, in the manner possible in the current state of negotiations, why it believes that the offer it submits can be considered FRAND-compliant. This follows from the ECJ's reasoning in para. 64 of its decision. The SEP holder has better knowledge of its licensing practice and should communicate this to the patent user so that the latter can react to it in good faith. This is also according to the understanding of the judgement developed by the Commission, which states in para. 50 f. of the amicus curiae letter:

"The background to this distribution of obligations is that in the absence of a published standard license agreement and if the license agreements concluded with other users are not published, only the patent holder regularly knows on which terms license agreements have already been concluded and which terms are therefore non-discriminatory.

The patentee must examine the license offer in a fourth step and respond to it within a reasonable period of time."

204. The extent of the explanations depends on the stage reached in the negotiations between the parties. It is therefore not necessary in every case - including the present case - to disclose the names and terms of the third-party license agreements directly in order to check their plausibility (see below for details).

205. Based on these principles, the following applies to the present case:

Sufficient notice of infringement before filing suit

206. As stated above, the reference to the infringement of the patent in suit by the plaintiff was sufficient. The plaintiff sent Guangdong Oppo [...] a list of which of its essential patents it considers to be infringed for the 3G and 4G standards (Exhibit KAP FRAND 1). Explicit designations of the defendants' 4G-capable products can be found in the presentation of [...] (Exhibit VB- F 3), whereby the defendants were already aware that the allegation of infringement was directed against all 4G-capable products. The plaintiff [...] submitted an updated list of patents deemed to have been infringed (Exhibit KAP FRAND 2). This also contains a reference to the patent in suit. In addition, the plaintiff [...] also sent claim charts relating to the Chinese family member of the patent in suit (ZL201310315589.X). According to the plaintiff's uncontradicted submission at the oral hearing, this also contained an explicit reference to the patent in suit. Objections that this was not sufficient for the comprehensibility of the infringement allegation were raised by the defendants for the first time at the oral hearing. This is belated. In addition, the objection was not justified on the merits, since the defendants objected that the Chinese patent had a broader scope of protection than the patent in suit. If there had been a need for clarification here, the defendants could and should have asked the plaintiff as a cooperative license seeker. In the rejoinder, the defendant, on the other hand,

withdrew to the formalistic position that a reference to the patent in suit was required in the letter of reference itself. As already explained, this argument is not convincing.

#### Declaration of willingness to license by the defendants before filing suit

207. According to the standards set out above, the defendants have expressed their initial willingness to take a license in a sufficient manner to serve as a starting point for further negotiations. The statements they made before filing the action have made it sufficiently clear that the defendants are interested in a license and that the plaintiff, as the holder of the SEP bound by antitrust law, is therefore obliged to enter into constructive negotiations with the defendants, which includes in particular the submission of a FRAND offer. The panel thinks that insisting on a certain wording at this point does not promise any further insight into the actual intention of the user. Even a statement that fully adopts the wording of the decision of the High Court of England and Wales cited by the Bundesgerichtshof ("a willing licensee must be one willing to take a FRAND license on whatever terms are in fact FRAND") may prove to be a loose verbal agreement. In this context, the Bundesgerichtshof also correctly states that "the requirements to be made in detail [elude] a general definition" (Bundesgerichtshof, judgment of 24 November 2020 - KZR 35/17 (FRAND-Einwand II), GRUR 2021, 585 para. 59). Against this background, the defendants' statements at the beginning of the negotiations appear sufficient to be regarded as a sufficiently serious prelude to further negotiations. In their e-mail [...] (Exhibit VB F-1), the defendants made a sufficient declaration and named a specific contact person for further talks [...]. The plaintiff did not object to this statement as insufficient but took it as an opportunity to start negotiations [...], to clarify the modalities of a first meeting and then to submit initial ideas to the defendants by submitting term sheets.

There are no circumstances that would show that the defendants' statement at this point was already not sufficiently serious and unsuitable to enter into concrete discussions with them.

Submission of an offer to conclude a FRAND license by the plaintiff

208. The plaintiff then presented [...] economic cornerstones of an offer in a Zoom meeting (Exhibit VB-F 3, p. 4). In the presentation, the plaintiff did not limit itself to requesting unspecified prices but attempted to clarify its position as to why it considered the prices to be reasonable. This is considered in more detail below:
209. [...].
210. Further, the plaintiff has explained that[...].
211. The plaintiff also used a top-down analysis (Exhibit VB-F 3, slides 17 et seq.) to show how it derives its license fees. It has [...].
212. With these statements, the plaintiff clearly presented its requests at an early stage and sufficiently made plausible for the further negotiations why it believes it is entitled to submit a FRAND-compliant offer. If the defendants, as cooperating license seekers, had still had questions, e.g. on the non-discriminatory nature of the offer, they should have asked them immediately or shortly afterwards.
213. The defendants, on the other hand, insist in their argumentation that these presentations are not yet to be regarded as an initial offer because a written contractual offer is required. The court cannot agree with this view. What can be demanded of the SEP proprietor cannot be determined in a generalized, formalistic manner. The requirements for the behavior of the patent holder and the behaviour of the user of the invention are mutually dependent. The yardstick for the examination is what a reasonable

party interested in the successful conclusion of the negotiations in a way that is in the interests of both parties would do to promote this goal at a certain stage of the negotiations (in this sense also Bundesgerichtshof FRAND II, loc. cit., para. 59). At the beginning of the negotiations, it is not in line with the customary behavior of business transactions to directly confront each other with draft contracts ready for signature as long as not even the central economic points have been clarified. Therefore, it is also not in line with the behaviour of a patent user negotiating in good faith in the direction of a FRAND license to nevertheless insist on this in a formalistic manner in its argumentation in court. Rather, the SEP holder's offer should represent the constructive starting point for further negotiations towards the conclusion of a FRAND license agreement, because the individually appropriate contractual terms in complex patent license agreements must be adapted to the respective economic conditions (Court of Appeal The Hague GRUR Int 2020, 174, 179 para. 4.34; in this sense also Bundesgerichtshof loc. cit. FRAND II para. 70). Rather, it is sufficient if the SEP holder's offer allows the patent user to recognize the essential economic framework conditions of a proposed license agreement and, if necessary, to react to this with a deviating counter-offer. As a rule, this does not require a written contractual offer that is detailed in all secondary points and ready to be signed. Rather, it is up to the patent user to request the submission of such a formal contractual offer if, contrary to customary practice, he wishes to receive it at this stage of the negotiations. The decisive factor is not the concept of an offer under contract law, but a concept of an offer that is to be understood economically in the context of European antitrust law. [...]). Rather, they would have been required to take a concrete position on the plaintiff's ideas at this stage and raise objections, submit counter-proposals or raise economic issues to be clarified. Raising such questions by means of a private expert opinion only before the court cannot replace this obligation to cooperate.

214. In addition, it had to be acknowledged that the plaintiff [...] related and also tried to show why, in its opinion, the plaintiff was demanding reasonable license rates (see Exhibit VB FC 5 pages 14 ff., see summary of the results of the analyses on slide 44). In addition, the plaintiff set out further key points for a license agreement (see slide 46). By this time at the latest, the plaintiff had submitted the key points of an offer.

215. The plaintiff then submitted to the defendant [...].

216. Nevertheless, in this presentation, the plaintiff referred to [...] In the opinion of the panel, the plaintiff did not have to provide the defendants with more information at this time. In particular, under these circumstances, it did not have to submit the license agreements with third parties used for comparison purposes.

217. [...].

218. [...].

219. [...].

220. [...].

221. This offer thus represents the end point of the plaintiff's proposals on the way to a FRAND license and will be examined in more detail below. In this context, the argument that the extent of the concession in relation to the initially expressed ideas can already prove the FRAND-incompatibility of the offer of the respective negotiating party must be rejected on its merits. This is not necessarily the case if the concession can be explained by the course of the negotiations and is based, for example, on new information exchanged in this context, if it is a response to concerns expressed by the other side or if one negotiating side



offers lump-sum discounts out of its own motivation in order to conclude a contract quickly. [...] As shown above, the plaintiff used objective criteria to justify why it supported and changed the economic position it had taken at each stage of the negotiations. From the point of view of the panel, it has always focussed on comprehensible aspects and has also presented its considerations in a way that enables a patent user seriously interested in the progress of the negotiations to take a position on the content.

222. The offer last submitted to the defendants therefore appears to be FRAND-compliant from the point of view of the panel at the relevant time during the negotiations. Likewise, the comparable license agreements submitted in response to an order in the course of the present proceedings show that the plaintiff was not tempted to make false allegations to the defendants regarding its comparable license partners. [...] Although - depending on the stage reached in the specific negotiations - it may not immediately be necessary to disclose one's own sales data in full, a license seeker negotiating in good faith can nevertheless be expected to make available such data for certain partial periods of time which make it comprehensible to the SEP holder as a whole why the license seeker feels entitled to calculate on its deviating basis, at least in order to check the plausibility of its own objections to the figures used by the other party. [...] As the plaintiff rightly argues, the patent implementer must provide information after the rejection of its counter-offer in a form that enables the SEP holder to assess whether the security to be provided is sufficient and, in particular, covers the risk of insolvency (ECJ Huawei/ZTE para. 67). The defendants did not provide such information at any time. [...].

223. Moreover, the defendants cannot now justify their lack of constructive negotiation before the action was brought by subjecting the factual material now available to a private expert assessment and derive a wealth of objections from this.

It is insufficient to substantiate the objections only in the court proceedings by means of commissioned expert opinions, which are also only partially explained in the main pleadings with regard to their systematics. Rather, it is advisable to present the objections in close temporal connection to the presentation of the opponent's calculation approach and then, without the need for judicial assistance, to give the opponent the opportunity to overcome the existing discrepancies by means of suitable negotiation proposals on the way to a FRAND license.

224. Even if the now disclosed comparable licenses are included in the assessment of whether the plaintiff must be prevented from enforcing the asserted injunctive relief and the other forward-looking claims under the patent for antitrust reasons, the plaintiff's offer described above does not prove to be FRAND-inconsistent, but FRAND-compliant. In this regard, the plaintiff must first agree that FRAND is a corridor. This point of view now appears to be general opinion. However, there is not just one FRAND offer, but several forms of a license agreement. All those forms of FRAND offers are able to satisfy FRAND criteria. Therefore, the plaintiff has a variety of options within this range. For antitrust reasons, it is not obliged to submit the cheapest offer that is still within the corridor. Nor is it obliged to use a calculation method favored by the other party. To be reasonable, the offer may only deviate from the circumstances used as a benchmark in a way that can no longer be justified, whether these circumstances comprise its own comparable licenses, which regularly have the strongest indicative effect, or license agreements used for comparison purposes, which have been discussed in court decisions, for example, and which can be applied to the specific circumstances.

225. [...].

226. [...].

227. [...]

228. [...].

229. [...].

230. [...] The defendants' counter-offer therefore does not prove to be FRAND-compliant.

231. The decisive circumstance for this discrepancy is already the defendants' approach, which is to be assessed as non-FRAND-compliant. [...].

232. Moreover, the defendants cannot do the opposite [...] Recognizing this system would privilege a user who operates hold-out. The defendants apply a double standard without a reason.

233. But further, the defendants did not behave in good faith according to the customs of a user seriously interested in a license. The case law of the ECJ is to be understood correctly in accordance to the plaintiff's opinion that the information to be provided after rejection of the counter-offer should allow the patent holder to gain an overview of the scope of the actual acts of use. This is the only way to enable him to check whether the security offered is sufficient. The user must disclose the extent of his acts of use. If the patent user wishes to obtain a license in return for a lump sum, he is also regularly required to disclose sales figures to the patent holder from this point of view so that the latter can assess the extent of the acts of use that are to be licensed in return for a lump sum payment.

234. Furthermore, the security offered by the defendants is also insufficient for the reasons put forward by the plaintiff. Due to the wording in the deed of guarantee, a total default is to be feared in the event of insolvency. Neither can an insolvency administrator withhold his consent in the event of insufficient assets that the guarantee will be drawn,

nor can it be expected with sufficient certainty in this case that a final judicial clarification can still be brought about, because insolvency regularly brings the proceedings to a standstill in this respect (cf. only Rule 311.1 RoP).

235. Finally, the procedural conduct of the defendants must also be characterized as contrary to good faith, as it is characterized by self-contradictory conduct. In this respect, the defendants wanted to contest the jurisdiction of the Unified Patent Court with their objection until the oral hearing. This is contradicted by the fact that they then nevertheless requested the determination of a FRAND rate by submitting a FRAND counterclaim. The defendants only felt able to discontinue pursuing the opposition - albeit under sharp protest - following a firm indication from the panel. Furthermore, the defendants' requests in the FRAND counterclaim were initially aimed solely at having the panel determine a territorially limited license rate, which was to be limited to the EPC contracting states, the USA and Japan. This is in contradiction to its own argumentation that FRAND is solely the determination of a global FRAND rate. However, this contradiction was also only responded to upon judicial notice and at least the new main claim of the FRAND counterclaim was directed towards a global lump sum license payment. However, the defendants continued to adhere to the territorially limited determination approach in the context of the alternative claims. Thus, according to the first alternative claim, the main part of the license is to be determined by the Beijing Intellectual Property Court and [...]. In this respect, in the opinion of the adjudicating body, it is also not in line with the approach of a user working in good faith towards the conclusion of a license agreement to further complicate the already complex situation by bringing FRAND rate determination proceedings for sub-regions of the world before different courts in the world between whose states there are no treaties establishing a priority order between the courts seized. This is because the provision cannot be determined with a clear territorial distinction. On the contrary, there is a considerable risk that the respective courts pursue different approaches when determining the FRAND rate.

This in turn implements the risk of contradictory rulings, which means that appeals are likely to be pursued in different jurisdictions. This is not conducive to the speedy conclusion of global disputes. In addition to the court in Beijing and the UPC, the defendants' exclusive license holder in Italy has also recently initiated a determination procedure limited to Italy before the national court in Milan. Furthermore, the defendants refer to the determination proceedings between the plaintiff and the Xiaomi group of companies before the High Court of England Wales. Here, the conflict is particularly apparent because Italy is also a contracting state of the UPCA and the present action explicitly also covers acts of use in Italy.

#### FRAND counterclaim

236. Although the defendants' FRAND counterclaim is admissible, it had to be dismissed as unfounded.

#### Jurisdiction of the UPC:

237. The UPC has jurisdiction over the counterclaim filed by the defendants together with the statement of defense, which is aimed at determining a FRAND license. Jurisdiction follows from Art. 32(1)(a) UPCA. According to this provision, the court has exclusive jurisdiction over actions for actual or threatened infringement of patents and related statements of defence, including counterclaims relating to licenses. This includes not only disputes concerning existing licenses to a patent, but also actions aimed at the conclusion of a license.

238. The fact that the claim pursued by the defendants in the present case - in addition to contract law based on the plaintiff's ETSI FRAND Declaration - is derived from European antitrust law does not change this. This is because the Unified Patent Court is a common court of the contracting member states and

is therefore subject to the same obligations under European law as any national court of the Contracting Member States, Art. 1 UPCA. The court applies European law in full and respects its primacy (Art. 20 UPCA) and bases its decisions on this (Art. 24(1)(a) UPCA). This also includes the mandatory application of EU antitrust law, in particular Art. 102 TFEU.

239. In the present case, the defendants derive their claim to a FRAND license on the one hand from contractual principles, which they see in the ETSI FRAND Declaration, and on the other hand from Art. 102 TFEU. Even if one were to assume that this was a claim based on Art. 102 TFEU and with which the infringer demands that the SEP holder refrain from abusing its dominant market position by refusing to grant it a FRAND license, this does not change the jurisdiction of the UPC. This is because the essence of the claim is that it is aimed at defending against the monopoly right conferred by the state, the granted patent, and the powers derived from it, the injunctive relief and the further claims for removal and destruction directed to the future, by arguing, on the basis of the generally recognised legal principle of good faith, that there is a claim for performance according to antitrust law which can be invoked against the exercise of the powers under patent law. The contracting member states of the UPC were aware of this connection when the UPC was created and the associated transfer of national judicial sovereignty. The connection between patent law and antitrust law is in any case inherent to the patent and indissoluble. Due to the obligations of the Member States under European law and thus also of the UPC, the task assigned to the UPC is the same as that of the national courts when dealing with patent disputes, if the Agreement is interpreted correctly. Here, the national courts hold jurisdiction over both the patent law dimension and the inherent antitrust law dimension - due to the nature of patent law as an exclusive right. This is also illustrated by the fact that before national courts, for example in Germany or the Netherlands,

regularly the national patent litigation chambers also co-decide on the antitrust aspects of the case and even the German Bundesgerichtshof has formally held SEP cases by the antitrust senate, but a member of the patent senate was always appointed to report on SEP cases in order to bring in the necessary patent law expertise. Therefore, a reference to the fact that, in national proceedings, a panel responsible for antitrust law has formally held SEP cases according to the provisions of a business distribution plan drawn up by the Presidium of the Court would be substantively meaningless.

240. According to this, Advocate General Wathelet already stated in his Opinion on Case C-170/13 Huawei v ZTE that, against the background of obligations under European law, it cannot be held against the alleged patent infringer if it demands the setting of FRAND conditions by a court or arbitral tribunal (see Opinion of Advocate General Melchior Wathelet of 20 November 2014 Case C-170/13 para. 93: "If no negotiations have been entered into or if they have remained unsuccessful, the conduct of the alleged patent infringer cannot, moreover, be regarded as hesitant or not serious. November 2014 Case C-170/13 para. 93: "Furthermore, where no negotiations have been entered into or where they have been unsuccessful, the conduct of the alleged infringer cannot be regarded as dilatory or not serious if the latter requests that those conditions be set by a court or an arbitral tribunal."). The UPCA offers no indication that the member states, in transferring judicial sovereignty to the UPC, contrary to the requirements of European law, wanted to cut off the cognizance power of the common court, which also replaces the national courts, and to cut off the uniform decision on patent law issues on the one hand and antitrust law issues on the other. If the antitrust claim for the grant of a license on FRAND terms can be raised as an objection to the patent claims concerned, there is no reason not to regard counterclaims based on this as counterclaims within the meaning of Art. 32(1)(a) UPCA.

241. In this respect, it should also be noted that the UPC already has exclusive jurisdiction for SEP disputes that have their origin in a European patent with unitary effect. The same applies to European bundle patents that are not the subject of an opt-out after the expiry of the transitional provision pursuant to Art. 83 UPCA. A national court would therefore have no jurisdiction for these cases. If, for example, an antitrust claim for a FRAND licence were to be asserted before a national court and the preliminary question of the antitrust examination is a question of patent law - such as whether the teaching of the patent in suit is actually essential for a standard and thus whether a monopoly position exists due to its standard essentiality - this question would have to be clarified by the UPC. However, since the UPC would, in turn, be required to hold a decision on whether an application for injunctive relief can be granted, the indissolubility of the question of patent and antitrust law is disclosed. The same would apply if the patent holder filed only a limited application for an injunction before the UPC, making the enforceability of the injunction as a minus to the unrestricted injunction subject to the condition that the patent user refuses to comply with a FRAND provision assigned to the court by refusing to cooperate as required for the implementation of the FRAND license agreement determined by the court.

#### Defendants' counterclaims not justified

242. However, the defendants' claims are not well-founded as filed.

243. The main claim must be dismissed because the plaintiff cannot be obliged by the court to accept the defendants' FRAND-inconsistent offer of [...] pursuant to Exhibit VB-FC 14. As explained above, the lump sum license fee submitted by the defendants in the offer to conclude the contract is not FRAND-compliant within the meaning of the case law of the ECJ, if only because the lump sum license fee offered was not calculated on the basis of the defendants' own acts of use. The extent of the actual use



the defendants persistently fail to disclose but calculate what they consider to be the appropriate global blanket license solely on the basis of the IDC data challenged by the plaintiff. This is insufficient as previously presented in detail.

244. For the same reasons, auxiliary request I.2, which conversely sought to order the plaintiff to submit the same offer to the defendants, was also to be dismissed.

245. The further auxiliary request I.3 was also to be rejected. The request is aimed at ordering the plaintiff to submit a license agreement offer with the content according to Exhibit VB-FC16. The plaintiff is not obliged to do so because, on the one hand, the lump sum license amount offered for the acts of use in the EPC contracting states, Japan and USA were again only calculated using the IDC data, but not the plaintiff's own disclosed acts of use. Moreover, it is not in accordance with the practice of business transactions [...] to first have the amount determined by another court, in this case the Beijing Intellectual Property Court. This means that, on the one hand, the core points of the contract are still open, and on the other hand, both parties ultimately agree in their arguments that only a comprehensive dispute resolution through a global FRAND rate determination is in accordance with customary practice. The defendants have also not put forward any points of view that could nevertheless justify a partial determination of the license rate only for certain global regions. The mere reference to the greater local proximity of a court to the respective submarket is not sufficient for this. The calculation on the basis of the IDC data is also flawed by the other alternative applications submitted within the alternative application.

246. Insofar as the defendants, in the alternative to the requests of request group I with request group II.1, request findings on a claim to a license and its fee in the territory of the EPC contracting states, the request was to be dismissed for the simple reason that a provision limited to the EPC territory does not correspond to FRAND criteria (see above).

247. Insofar as the defendants further request with the alternative claim II.2. that the defendants be ordered "subject to the existence of a FRAND commitment" to again pay a lump-sum license rate limited solely to the EPC contracting states, the request had to be rejected for the same reasons as request II.1.
248. The auxiliary request under request II.3, to require the plaintiff to cooperate fully to bring about a FRAND license on the terms set by your court, is already too indefinite and therefore cannot be granted as an unenforceable request.
249. The further auxiliary request group III. was already not grantable because the defendants have no need for legal protection in the requested abstract findings. The defendants themselves argue that they are entitled to a FRAND license. They were required to assert this with suitable set of request, which they failed. The defendants have no noteworthy legal interest in further abstract findings, such as those pursued with the present group of requests, since they have not yet behaved according to the requirements of the ECJ's case law, as explained above. It can therefore be left open in the present case whether a determination of a specific FRAND license rate by the court - even without a FRAND counterclaim by the implementer - can be considered, for example, if both parties have each submitted a (counter)offer within the FRAND corridor and then cannot agree on overcoming the remaining differences through a third party as considered by the ECJ (cf. ECJ loc. cit. para. 68). Motion III.1(e) also suffers from the fact that the plaintiff is to be ordered to submit an offer limited to the EP territory only, although both parties agree that only a global license will finally end their disputes.
250. The further groups of claims asserted in the alternative, which were the subject of the counterclaim of 22<sup>nd</sup> of December 2023, must be dismissed for the same reasons as auxiliary claim group III.1. Mere declaratory judgements are requested

(request (i), (iii), (vi), (vii), (viii), (ix)) or the requests are too vague (request (ii), (v)) or, again, according to the grounds of the counterclaim, relate only to the EP territory (request (ii), (iv), (v), (x)). This is because the defendants only switched to a global license regime when explicitly instructed to do so by court order.

#### Requests by the plaintiff in context of the FRAND counterclaim

251. The plaintiff's requests "in the context of the counterclaim" were subject to the condition that the defendants' counterclaims were not dismissed and that the defendants behaved like parties willing to take a license in the negotiations with the plaintiff that were the subject of the dispute. This intra-procedural condition did not materialise.

#### Value in dispute of the action

252. The panel sets the value in dispute at [...] - in settlement of the application for review filed against the judge-rapporteur's order pursuant to Rule 333 of the Rules of Procedure. At the hearing, the parties considered an amount of [...] to be appropriate. However, it must be seen in the present case that the plaintiff, with its applications pursued in the context of the FRAND counterclaim, is seeking to enforce a lump-sum licence of [...] deemed appropriate, while the defendants are seeking to have to pay only [...] and to avert the obligation to pay the additional amount claimed by the plaintiff [...]. Since the parties have comprehensively submitted the global licence dispute for decision by their mutual applications in the FRAND counterclaim, the value in dispute could not be determined with regard to the patent in suit only. Accordingly, only the [...] value in dispute could be determined.

DECISION HELD

A.

I. It is determined that the defendant infringed European Patent No. 2 568 724 B1.

II. The defendants are ordered,

**to cease and desist from,**

1. placing Radio communication devices on the market

which can be configured to transmit a reference signal with a transmission bandwidth in a given system bandwidth, wherein both ends of the same [system bandwidth] are assigned control channels and the transmission bandwidth is between the control channels, or to transmit reference signals with a low bandwidth with frequency hopping, and the radio communication devices comprise: an assigning unit configured to assign the reference signals to frequency resources; a transmitting unit configured to transmit the assigned reference signals,

in the Federal Republic of Germany, the French Republic, the Italian Republic, the Kingdom of the Netherlands and the Kingdom of Sweden.

Furthermore, the defendants are ordered to cease and desist, offering them, using them, importing or possessing them.

All above orders of cease and desist include such Radio communication devices which – in addition to the characteristics mentioned above – show the following characteristics:

the transmission bandwidth varies in the given system bandwidth, and the allocation unit allocates the reference signals such that the reference signals are allocated to frequency resources each having the small bandwidth which is invariable regardless of changes in the transmission bandwidth, the frequency resources being distributed evenly in a frequency band of the transmission bandwidth according to the change in the transmission bandwidth.

(direct infringement of device claim 1)

2. Placing or delivering,

devices suitable for performing a radio communication method which can be configured to transmit a reference signal with a transmission bandwidth in a given system bandwidth, both ends of the same control channels being assigned and the transmission bandwidth being between the control

channels, or to transmit reference signals with a low bandwidth with frequency hopping,

in the Federal Republic of Germany, the French Republic, the Italian Republic, the Kingdom of the Netherlands and the Kingdom of Sweden,

wherein the radio communication method comprises the following steps:

assigning the reference signals to frequency resources; and

Sending the assigned reference signals,

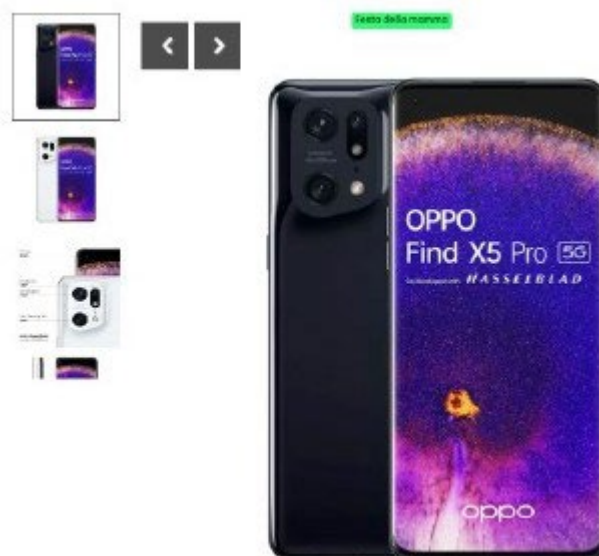
characterized in that the transmission bandwidth in the given system

bandwidth varies, and

the reference signals are assigned frequency resources, each of which has the small bandwidth which is invariable regardless of changes in the transmission bandwidth, the frequency resources being distributed evenly in a frequency band of the transmission bandwidth according to the change in the transmission bandwidth.

(indirect infringement of procedural claim 13)

Devices in the before mentioned sense include, in particular, 4G-capable smartphones such as the OPPO Find X5 Pro



and 4G-enabled smartwatches, such as the 4G-enabled smartwatch



 **OPPO Watch 46 mm LTE - Smartwatch (AMOLED Display, GPS, Bluetooth 4.2, Wear OS by Google, VOOC Schnellladefunktion, 5 ATM), Schwarz**  
 Besuche den OPPO-Store  
 4,1 ★★★★★ 86 Sternbewertungen

**411<sup>00</sup> €**

Vorauszahlung der Importgebühren eingewickelt -  
 Preisangaben inkl. USt. Abhängig von der Lieferadresse kann die USt. an der Kasse variieren. Weitere Informationen.

Größe: 46mm  
 Farbe: Schwarz

Marke:	OPPO
Modellname:	Watch 46 mm (LTE)
Seit:	05/21
Farbe:	Schwarz
Besonderes:	GPS
Merkmal:	
Form:	Quadratisch

[▼ Mehr anzeigen](#)

**Info zu diesem Artikel**

- Das Dual-Burke-Display ist so konzipiert, dass Sie Ihre Inhalte aus jedem Blickwinkel bequem anzeigen können.
- Die Oppo Watch mit 46 mm kann rechtzeitig Regen oder Wasser

In the event of any infringement of the orders under Clause 1 and/or Clause 2, the defendants shall pay a penalty payment of EUR 1,000 per device.

### III. Orders the defendants to pay, at their own expense

1. to recall the products mentioned under No. II. from the distribution channels;
2. to permanently remove the products mentioned under No. II. from the distribution channels;
3. to destroy the products mentioned under No. II;

### IV. The defendants are ordered,

1. to provide the plaintiff, in a list structured for each month of a calendar year and according to infringing products in electronic form, which can be evaluated with the help of a computer, with information on the products mentioned under No. II. as of 17<sup>th</sup> of December 2014, on

- a) the origin and distribution channels of the products mentioned under No. II;
- b) the quantities delivered, received or ordered and the prices paid for the products mentioned under No. II;
- c) the identity of all third parties involved in the distribution of the products mentioned under No. II;

2. to disclose to the plaintiff its accounts to prove the information provided in accordance with No. IV.1. plus the information on the profit realized by providing the following documents for each month of a calendar year and for each infringing product in electronic form which can be analyzed with the aid of a computer:

- a) Invoices - or, if these are not available, delivery notes - of the individual deliveries, itemizing the respective deliveries according to quantities offered, offer periods, prices of the goods offered and type designations as well as names and addresses of the commercial recipients of the sales offers for all products sold or otherwise disposed of;
- b) Evidence of the advertising carried out, including evidence of these advertising activities, breaking down the advertising carried out by advertising medium, its distribution, the distribution period and the distribution area;
- c) Proof of costs, breaking down the costs by individual cost factors and the profits realized;
- d) Invoices - or, if these are not available, delivery notes - and, according to them, statements of all costs incurred, on which the defendants rely in calculating their profits;

the accuracy of which is audited and confirmed by a sworn auditor appointed by the plaintiff at the defendant's expense, whereby the auditor is obliged to maintain confidentiality vis-à-vis the plaintiff beyond the prior information;

V. It is established that the defendants are jointly and severally liable to compensate the plaintiff for any damage that Panasonic Intellectual Property Corporation of America has suffered since 17<sup>th</sup> December 2014 as a result of actions pursuant to No. II. and that the plaintiff has suffered since 29<sup>th</sup> of July 2016 and will suffer in the future.

VI. The defendants are ordered as joint and several debtors to pay the plaintiff a fee of EUR 250,000.00 as provisional damages;

VII. Further, the action for infringement is dismissed.

- B. The counterclaim for revocation is dismissed.
- C. The FRAND counterclaim is dismissed.
- D. The defendants are ordered to bear the costs.
- E. The value in dispute is set at € [...].
- F. The orders are only enforceable

with regard to A.II.1, A.II.2, A.III. (omission/recall/removal/destruction)

- after the plaintiff has provided security in favour of the defendant in the form of a deposit for a fee of [...] or a written, irrevocable, unconditional and unlimited guarantee from a credit institution authorised to do business in the territory of a Member State of the European Union for [...];
- after the plaintiff has notified the court which part of the orders it intends to enforce and has submitted a certified translation of the orders into the official language of the Contracting Member State in which enforcement is to take place, and after the defendants have been served with the notification and the (respective) certified translation.



Mannheim on 22<sup>nd</sup> of November 2024

NAMES AND SIGNATURES

Presiding Judge Prof Dr Tochtermann	<i>[electronic signature]</i>
Legally qualified judge Böttcher	<i>[electronic signature]</i>
Legally qualified judge Brinkman	<i>[electronic signature]</i>
Technically qualified judge Loibner	<i>[electronic signature]</i>
For the Deputy Registrar: Kranz, Clerk LK Mannheim	<i>[electronic signature]</i>

INFORMATION ON THE APPEAL:

An appeal against this decision may be lodged with the Court of Appeal within two months of service of the decision by any party whose requests were unsuccessful in whole or in part (Art. 73(1) UPCA, R. 220.1(a), 224.1(a) RoP).

INFORMATION ON ENFORCEMENT (ART. 82 UPCA, ART. 37 PARA. 2 UPCS, R. 118.8, 158.2,  
354, 355.4 RoP):

A certified copy of the enforceable decision is issued by the Deputy Registrar at the request of the enforcing party, R. 69 RegR.

This decision was announced at a public hearing on 22<sup>nd</sup> of November 2024.

*[electronic signature]*