



**Order**  
**of the Court of First Instance of the Unified Patent Court**  
**in the main proceedings related to European Patent 3 342 086**  
**delivered on 06/08/2024**

Date of receipt of Statement of claim: 30/01/2024

**Telefonaktiebolaget** Statement  
**LM Ericsson** of claim  
(Defendant) - served on  
Torshamnsgatan 21, 16/02/2024  
Kista - 16483 -  
Stockholm - SE

**Ericsson GmbH** Statement  
(Defendant) - of claim  
Prinzenallee 21 - served on  
40549 - Düsseldorf - 16/02/2024  
DE

APPLICANT

- 1) **Motorola Mobility LLC**  
(Main proceeding party - Claimant) - 222 W.  
Merchandise Mart Plaza, Suite 1800 - Illinois  
60654 - Chicago - US

Represented by Klaus Haft

## RESPONDANTS

- 1) **Telefonaktiebolaget LM Ericsson** Represented by Dr. Christof Augenstein  
(Main proceeding party - Defendant) -  
Torshamnsgatan 21,  
Kista - 16483 -  
Stockholm - SE
- 2) **Ericsson GmbH** Represented by Dr. Christof Augenstein  
(Main proceeding party - Defendant) -  
Prinzenallee 21 -  
40549 - Düsseldorf -  
DE

## PATENT AT ISSUE

<i>Patent no.</i>	<i>Proprietor/s</i>
<b>EP3342086</b>	Motorola Mobility LLC

## DECIDING JUDGE

### COMPOSITION OF PANEL (1) – FULL PANEL

Presiding judge	<b>Matthias Zigann</b>
Legally qualified judge	<b>Pierluigi Perrotti</b>
Judge-rapporteur	<b>Tobias Pichlmaier</b>

This order has been decided by the whole panel.

LANGUAGE OF PROCEEDINGS: English

### SUBJECT-MATTER OF THE PROCEEDINGS

Patent infringement;  
here: application for leave to change claim

STATEMENT OF THE FORMS OF ORDER SOUGHT BY THE PARTIES

Claimant requests [06/05/2024]:

1. *The Claimant hereby applies to the Court for leave to amend its claims as attached to this application.*
2. *In addition to its claims asserted in the statement of claim dated 30 January 2024, the Claimant respectfully requests the Court to order the following remedies and corrective measures as set out in the operative part at the end of this brief:*
  - *Injunctive relief under Art. 63 UPCA;*
  - *Recall of infringing embodiments under Art. 64 (1), (2) (b) UPCA;*
  - *Definite removal of infringing embodiments from the channels of commerce under Art. 64 (1), (2) (d) UPCA; and*
  - *Destruction of infringing embodiments under Art. 64 (1), (2) (e) UPCA.*

Defendants request [24.05.2024]:

*The application for leave to change claim is rejected.*

POINTS AT ISSUE

It will be necessary to decide whether leave to amend should be granted and, if so, whether the current time limits should be modified.

In this regard, the **Claimant** argues that it believes that the Defendants have indicated from the outset that they may not be willing to license the Claimant's or its parent company Lenovo's patent in suit and 5G SEP portfolio on FRAND terms for the following reasons:

- Ericsson has been part of the 5G standardisation process and as such has closely followed Lenovo's technical contributions to the 5G standard and the declaration of Lenovo's 5G SEPs. Consequently, the defendants have been aware of the plaintiff's 5G SEPs and the ongoing infringement for a considerable period of time.
- The Defendants never actively sought a licence to the Claimant's or its parent company Lenovo's 5G SEPs, or at least expressed a willingness to do so without preconditions.
- During the negotiations of a cross-licensing agreement for various technologies between the Claimant's parent company Lenovo and Ericsson, the latter only pressured Lenovo with excessive royalty demands for the alleged use of its own technology, instead of seriously seeking to put an end to the unlawful use of Lenovo's technology.

However, as a precautionary measure, the plaintiff had to assume (for the benefit of the defendants) that the statement of patent infringement in the present lawsuit could alert the defendants and lead them to enter into meaningful discussions with the plaintiff on a FRAND licence including the patent in suit. Therefore, and in light of its FRAND obligations, the Claimant could not have included the claims for injunctive relief, recall, permanent removal and destruction in the original Complaint. Despite this, the defendants did not show any willingness to license on FRAND terms. Defendants have not even responded to the infringement action.

The **defendants** point out that the applications for injunction and further corrective measures, i.e. recall, permanent removal and destruction of the allegedly infringing embodiments, could

have been filed earlier with reasonable diligence. The Claimant amended its case (case number HP 2023-000036) in the UK on the UK designation of the patent in suit in the second proceedings before the Local Division Munich (UPC\_CFI\_41/2023 - EP (UK) 3 780 758 B1) with a request for injunctive relief as early as 15 December 2023 (Exhibit KAP 3). There is no apparent reason why the likelihood of a successful FRAND defence should have changed since then. In particular, decisions issued prior to Brexit, such as under the Huawei ./ ZTE precedent, are still relevant in the UK, and the parties' willingness is still considered relevant to the grant of injunctive relief in the UK and the UPC. The Claimant attempts to justify this delay by arguing that it would otherwise have been unable to fulfil its FRAND obligations as an SEP holder. However, by its own admission, the relevant circumstances were already known in early December 2023, i.e. more than a month before the action was brought before the UPC [on 30 January 2024]. No triggering event has occurred since December 2023. Moreover, the Claimant clearly believed that the relevant circumstances were known when it sought injunctions or exclusion orders from the International Trade Commission (ITC) and the Eastern District of North Carolina (EDNC) on 15 December 2024, and filed a second action in the UK seeking injunctive relief in respect of another patent (EP (UK) 3 646 649) on 12 February 2024.

By letter of 27 May 2024 (App\_31208/2024), the **Claimant** responded:

On 30 January 2024, the Claimant filed the present patent infringement action against the Defendants. Following the filing, the Claimant again requested the Defendants to declare their willingness to take a FRAND license and made FRAND license offers (see Exhibits P 15 – P 18 (confidential)). Defendants never responded to the request Exhibit P 17 (confidential) and the one-way license offer Exhibit P 18 (confidential). The letters dated 1 and 15 April 2024 which the Defendants mention (but which they do not present to the Court), give no response to Exhibits P 17 (confidential) and P 18 (confidential). Therefore, on 7 May 2024, the Claimant applied for leave to add requests for injunctive relief and further corrective measures to its action. In its application, the Claimant explained the grounds for the amendment according to R. 263 (1), (2) (a) and (b) RoP. By its statement dated 24 May 2024, the Defendants requested to reject the application based on the argument that the amendment would hinder the Defendants in conducting their defence and that the amendment would delay the proceedings. As a preliminary note, it is significant that even in its statement dated 24 May 2024, the Defendants did not state that Ericsson would be willing to take a license to the Claimant's / Lenovo's 5G SEP portfolio on whatever terms are FRAND. The Claimant's requests continue to be ignored. In essence, the Defendants argue that the Claimant could have included a request for injunctive relief from the outset in the action filed on 30 January 2024 because such request would have been in line with the Claimant's and its parent company Lenovo's FRAND obligations. According to the Defendants, that was allegedly the case because "the relevant circumstances were already known in early December 2023" (Defendants' statement, mn. 18). Furthermore, the Defendants argue that the addition of the injunctive relief claim would hinder the Defendants' defence because it would now require them within short notice to "coordinate and prepare a further additional FRAND defense strategy" (Defendants' statement, mn. 24). Under R. 263 (2) RoP, all circumstances should be considered for the decision on granting leave. In this context, the arguments presented by the Defendants are no basis for a rejection of the amendment for at least three reasons: First, the arguments are irreconcilable. If the FRAND situation was sufficiently clear for Ericsson at the latest as of December 2023 as Ericsson claims, Ericsson would have started coordinating and preparing its FRAND strategy immediately. However, if Ericsson had not coordinated and prepared a FRAND strategy prior to the 7 May 2024 amendment, it is clear that the Claimant acted reasonably diligent (R. 263 (2) (a) RoP) when it requested a declaration of willingness to take a FRAND license and when it provided a unilateral FRAND offer

to Ericsson well before filing the amendment. Any delays in preparing its defenses are due to Ericsson's actions and not due to any action on the part of the Claimant. Second, Ericsson is very experienced in FRAND matters. It was therefore clear for Ericsson from the out-of-court correspondence that Lenovo is entitled to – and will – seek injunctive relief unless Ericsson clearly expresses willingness to take a license to Lenovo's 5G SEP portfolio on whatever terms are FRAND. Lenovo even sent a literal request for such a declaration by its letter dated 8 March 2024 (Exhibit P 17 (confidential)). Ericsson should have therefore been prepared from the outset to discuss the FRAND negotiations in its Statement of Defence, for precautionary purposes, even without the prior amendment of the Claimant's action. If Ericsson's FRAND strategy was unprepared and uncoordinated until the Claimant's request to amend its action, this is not the Claimant's fault and the amendment does not unreasonably hinder the Defendants in the conduct of their action (R. 263 (2) (b) RoP). Third, the Court has granted an extension of 20 days for the Defendants' Statement of Defence already. Even if – against due diligence and common practice - the Defendants had not started any preparations prior to the 7 May 2024 amendment, more than four weeks would still have been available for drafting a respective submission.

#### GROUNDS FOR THE ORDER

The conditions set out in Rule 263 of the Rules of Procedure for granting leave to amend are not met. The application must therefore be rejected.

1. Pursuant to R. 263.1 RoP a party may at any stage of the proceedings apply to the Court for leave to change its claim or to amend its case, including adding a counterclaim. Any such application shall explain why such change or amendment was not included in the original pleading. Pursuant to R. 263.2 RoP and subject to paragraph 3, leave shall not be granted if, all circumstances considered, the party seeking the amendment cannot satisfy the Court that:

(a) the amendment in question could not have been made with reasonable diligence at an earlier stage;

and

(b) the amendment will not unreasonably hinder the other party in the conduct of its action.

Both conditions must be met independently. If either condition is not met, the court's discretion is reduced to zero and it must refuse the application. The burden of proof that both the requirements of R. 263.1 RoP and no grounds for exclusion under R. 263.2 RoP are met lies with the applicant. Therefore, the applicant must explain why the amendment was not included in the original pleadings, R. 263.1 RoP. Similarly, the court must be able to decide on the exclusion criteria contained in R. 263.2 RoP on the basis of the applicant's explanation.

2. The Defendants have pointed out that the Claimant has already amended its UK case on the UK designation of the patent in suit in the second proceedings before the Local Division Munich (UPC\_CFI\_41/2023 - EP (UK) 3 780 758 B1) with a request for injunctive relief on 15/12/2023 and that the UK decisions issued before Brexit, e.g. under the Huawei ./ ZTE precedent, are still relevant in the United Kingdom and that the parties' willingness is still considered relevant to the grant of injunctive relief in the United Kingdom. The Claimant has not challenged this submission. It follows that the applications for injunctive relief and further corrective measures, i.e. recall, permanent removal and destruction of the allegedly infringing embodiments, could, with reasonable diligence, have been brought earlier than 06/05/2024. The statement of claim was

served on the defendants on 17/02/2024. Therefore, the application for amendment could and should have been filed by mid-February at the latest. It follows that condition (a) of Rule 263.2 RoP is not fulfilled. The application must therefore be rejected.

As this is a clear-cut case leave to appeal is not granted.

ORDER

1. The Claimant`s application for leave to change claim is rejected.
2. Leave to appeal is not granted.

<u>DR. ZIGANN</u> <u>PRESIDING JUDGE AND JUDGE-RAPPORTEUR</u>	
<u>PERROTTI</u> <u>LEGALLY QUALIFIED JUDGE</u>	
<u>PICHLMAIER</u> <u>LEGALLY QUALIFIED JUDGE</u>	
<u>FOR THE DEPUTY-REGISTRAR</u>	

INFORMATION ABOUT APPEAL IN CASE OF AN ORDER FALLING UNDER ART. 73(2)(B) UPCA:

The present order may either

- be the subject of an appeal by any party which has been unsuccessful, in whole or in part, in its submissions together with the appeal against the final decision of the Court of First Instance in the main proceedings, or
- be appealed by any party which has been unsuccessful, in whole or in part, in its submissions at the Court of Appeal with the leave of the Court of First Instance within 15 days of service of the Court of First Instance`s decision to that effect (Art. 73(2)(b) UPCA, R. 220.2, 224.1(b) RoP).

ORDER DETAILS

Order no. ORD\_27411/2024 in ACTION NUMBER: ACT\_5326/2024

UPC number: UPC\_CFI\_42/2024

Action type: Infringement Action

Related proceeding no. Application No.: 25265/2024

Application Type: Application for leave to change claim or amend case/pleading (RoP263)