

Global FRAND-Licensing by EU National Courts: The Winner Asks Them All? – On Global SEP Disputes and International Jurisdiction*

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ABSTRACT: Many legal questions are currently being discussed in the – globalized – world of enforcing standard essential patents (SEP). However, one important question is often overlooked: *Who* decides on these SEP issues and on what basis? In other words: Are alternative dispute resolution mechanisms the (only) solution for global FRAND disputes or are courts of law the proper avenue to decide these cases? If so, which court has or should have jurisdiction over the dispute? At the moment, national courts of different nationalities (can) consider themselves competent to rule on the same FRAND matter. This leads to forum shopping, to a race to the courts and to parallel proceedings. Parties are fighting to secure jurisdictions for a judicially determined portfolio FRAND licence by seeking anti-suit-injunctions or anti-anti-suit-injunctions (and so on). Courts are fighting for sovereignty by issuing anti-suit-injunctions or anti-anti-suit-injunctions (and so on). There are cross-border constellations and conflicts of jurisdiction. Therefore, legal scholars are demanding comity from the national courts and wishing for an international FRAND tribunal. Before establishing an entirely new tribunal, however, it is necessary to discuss the instruments that are already in place to solve conflicts of jurisdiction: International civil procedure law and principles of international jurisdiction. In this article I point out the challenges arising from the large number of national courts that have international jurisdiction for the same global FRAND dispute. From a German perspective, which is strongly shaped by EU law, I describe how these challenges are currently addressed in international

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civil procedure law and propose a different *de lege lata* approach. Then, I briefly examine the expected impact of the UPCA on global FRAND disputes. Since the impact will be minimal, I discuss new approaches to address the remaining challenges.

KEYWORDS: SEP, FRAND, Global licensing, International jurisdiction, Brussels *Ibis* Regulation

1. Introduction

Imagine the following situation: Companies A and B are members of the standards development organization ETSI. The Dutch SEP holder A (based in Amsterdam) files for injunction against the French company B (based in Paris) for patent infringement, accounting, and damages. A's patent portfolio contains 99 SEPs of different national origin (including Chinese, French, Dutch, ...) and one German SEP relevant to the same technical standard. A sues B before the *Düsseldorf Regional Court* and B raises the FRAND objection¹. While A argues that only a global licence (covering the entire portfolio) would fulfil FRAND conditions, B is convinced that a FRAND licence may only refer to German territory, which is covered by the German SEP. The *Düsseldorf Regional Court* has to decide whether the FRAND licence must cover only the German SEP that is undisputedly used, or if it might include the other SEPs of the patent portfolio as well – i.e., whether only a global licence is FRAND-compliant. If the German court rules that only a global licence meets the FRAND conditions, the court must also decide whether it has international jurisdiction to calculate a global licence.

This case is quite similar to 2020's *Unwired Planet* case, litigated before the *UK Supreme Court (UKSC)*.² The *UKSC* had to decide, first, whether the lower courts had international jurisdiction to rule on two patent infringement cases and the defendants' FRAND objections. Second, the *UKSC* had to decide whether the calculation of a global FRAND licence was within the scope of the court's international jurisdiction. In short,

¹ On the FRAND objection see Jorge L. Contreras et al., "The Effect of FRAND Commitments on Patent Remedies", in *Patent Remedies and Complex Products*, ed. C. Bradford Biddle et al. (Cambridge: Cambridge University Press, 2019), 177 ff.

² *Unwired Planet v. Huawei*, [2020] UKSC 37.

the UKSC answered these questions with “yes”³ and “yes”⁴. The judgment makes sense at first glance – maybe also at a second glance. Why should A be obliged to sue B in every country where the portfolio’s patents are registered? Costs for both parties would be immense. However, it was the first time that a national court of last resort declared only a global licence as FRAND-compliant, calculated said licence and granted an injunction for the national (UK) market in the event of the SEP user’s failure to comply.

Although it appears right to grant the holder of a SEP portfolio a complete FRAND licence covering the whole portfolio in “one go”, this may lead to problems because of patent law’s principle of territoriality. So far, the CJEU has not had the chance to decide on this matter and national judgments differ. Other national courts are hesitant to follow the UKSC’s approach. French courts seem to follow the UKSC approach.⁵ Dutch⁶ and German⁷ national courts have mentioned that they consider global licences FRAND compliant, but a global FRAND licence has not been a decisive part of a judgment yet. It remains unclear how European and non-European courts will decide in the future. The same goes for the FRAND licence’s calculation method, as different possible ways are currently being discussed.⁸ Thus, the holder of a SEP portfolio comprising many SEPs of different nationalities (global portfolio) has a strong incentive to file injunctions with a UK court, if possible. On the other side, the SEP user who is interested in a territorially limited licence might try to bring the dispute to a court that shares his approach to jurisdiction. In European SEP disputes concerning global SEP portfolios, this is easily possible: Based on Art. 7

³ The UKSC based its competence on the ETSI IPR Policy: *Unwired Planet v Huawei*, [2020] UKSC 37 paragraph 58 ff.

⁴ *Unwired Planet v. Huawei*, [2020] UKSC 37, paragraphs 63 ff., 66 ff.

⁵ At least the Tribunal judiciaire de Paris has recognized its jurisdiction for global FRAND-licensing disputes in: Tribunal judiciaire de Paris, 6 février 2020, n° 19/02085 and 7 December 2021, n° 20/12558.

⁶ *Gerechtshof Den Haag*, 2 July 2019, 200.219.487/01 (English translation in *GRUR Int.* 2020, 174), paragraph 4.27.

⁷ Overview in Contreras et al., “The Effect of FRAND Commitments”, 181 ff.

⁸ See for example: Thomas Kühnen, *Handbuch Der Patentverletzung*, 13th ed. (Hürth: Carl Heymanns Verlag, 2021), Chapter E paragraph 514 ff; Jean-Sébastien Borghetti, Igor Nikolic, and Nicolas Petit, “FRAND Licensing Levels under EU Law”, *European Competition Journal*, 2021; Tim W. Dornis, “Das Standardessentielle Patent Und Die FRAND-Lizenz (Teil 1)”, *Wettbewerb in Recht Und Praxis*, 2020, 540-548; Tim W. Dornis, “Das Standardessentielle Patent und die FRAND-Lizenz (Teil 2)”, *Wettbewerb in Recht und Praxis*, 2020, 688-696; Roya Ghafele and Jan Schmitz, “Economic Perspectives on FRAND”, *Journal of European Competition Law & Practice* 11, no. 1 (2020): 90-94.

No. 2 Brussels *Ibis* Regulation, patent infringement actions can be brought in the national courts of each Member State in which one of the portfolio's SEPs is registered.⁹ This constellation leads to *forum shopping* and to a *race to the court* by the parties of the dispute that may further lead to a *race to the bottom* by the European national courts.¹⁰ The “bottom” should not be seen as “rock bottom”, because the regulatory system in place in Europe guarantees compliance with minimum legal standards. Still, in patent law, European national courts are partly guided by motives that are legally questionable (increased reputation with a higher number of incoming procedures), and they deliberately choose their positions accordingly.¹¹

Surely, *forum shopping* is also possible in regular patent infringement disputes, due to parallel registration of patents in several countries. But SEP disputes have a different dimension: A SEP portfolio not only comprises parallel patents covering one technology, but all patents covering one standard. There will therefore often be several patents of the same national origin (for every technology essential to the standard), multiplied by their parallel registrations in different jurisdictions. Following the UKSC approach in *Unwired Planet*, the international jurisdiction to determine a global licence could be based on the infringement of each valid patent in the portfolio.¹² In consequence, the opportunities for *forum shopping* increase immensely. But *forum shopping* is not the only consequence of multiple available international jurisdictions. *Parallel proceedings* regarding FRAND licences for the same SEP-portfolio are also possible.¹³

⁹ Max Dregelies, *Territoriale Reichweite von Unterlassungsansprüchen* (Tübingen: Mohr Siebeck, 2020), 118.

¹⁰ Jorge L. Contreras, “The New Extraterritoriality: FRAND Royalties, Anti-Suit Injunctions and the Global Race to the Bottom in Disputes over Standards-Essential Patents”, *BU. J. Sci. & Tech. L.* 25 (2019): 286.

¹¹ Jorge L. Contreras, “Private Law, Conflict of Laws, and a Lex Mercatoria of Standards-Development Organizations”, *Tilburg Private Law Working Paper Series*, no. 4 (2019): 11 ff.; Contreras, “The New Extraterritoriality”, 286; Mathieu Klos, “Patentprozesse: Weitere Patentgerichte Legen Fallzahlen Vor”, *JUVE* (blog), June 30, 2018, <https://www.juve.de/nachrichten/namenundnachrichten/2018/06/patentprozesse-weitere-patentgerichte-legen-fallzahlen-vor>; Jochen Herr and Christina Rinkel, “Münchener Hinweise zur Handhabung des Zwangslizenzeinwandes”, *GRUR-Prax.*, 2020, 93 ff.

¹² Based on Art. 7 No. 2 Brussels *Ibis* Regulation in EU Member States.

¹³ See for example Oppo's parallel proceedings in various jurisdictions, described by Matthieu Dhenne, “OPPO's New FRAND Order: ‘You Got Your Injunction? Well, I Quit’ (French Perspective)”, *Kluwer Patent Blog* (blog), September 16, 2022, <http://patentblog.kluweriplaw.com/2022/09/16/oppos-new-frand-order-you-got-your-injunction-well-i-quit-french-perspective/>.

If national courts do not calculate FRAND licence rates the same way, this leads to contradictory judgments regarding global FRAND licences for the same SEP-portfolio.

All these consequences are negatively evaluated in legal academic research.¹⁴ The problems result from the fact that a great number of courts of different nationalities (can) see themselves competent to decide on multinational FRAND licences regarding the same SEP-Portfolio. It is often argued that more appropriate solutions in FRAND-proceedings can only be achieved through alternative dispute resolution mechanisms.¹⁵ But FRAND disputes are of great complexity and combine competition law, patent law and contract law at European and even international level. They bring together the respective purposes and principles of all affected legal and economic fields: Not only traditional purposes of international civil procedure law (*proximity of facts and evidence, predictability, consistency of decisions and reducing transaction costs*) but also of patent law (*territoriality principle, openness of the law to innovation*) and competition law (*effective competition, FRAND-criteria*). I argue that these important regulatory goals can only be achieved in a legally and efficient manner if the disputes are decided by a *competent* court (having international jurisdiction) enforcing the *applicable* law (instead of applying the law of the forum). In global SEP disputes there is “jurisdictional tension between different national courts”¹⁶ – in other words: There are conflicts of jurisdiction. However, there is no need for an international FRAND tribunal¹⁷ if international civil procedure law is designed to regulate conflicts of jurisdiction and to address all problems listed above. When analysing principles of international civil procedure law, it should be kept in mind that it is national law. But its principles

¹⁴ Contreras et al., “The Effect of FRAND Commitments”, 184 ff.; Contreras, “The New Extraterritoriality”, 286; Jan Wißling, *Internationale Zuständigkeit und Effizienz: Eine ökonomische Analyse der Brüssel Ia-Verordnung* (Jena: Jenaer Wissenschaftliche Verlagsgesellschaft, 2021), 243 (with further evidence).

¹⁵ Kung-Chung Liu, “Arbitration by SSOs as a Preferred Solution for Solving the FRAND Licensing of SEPs?”, *International Review of Intellectual Property and Competition Law* 52, no. 6 (2021): 673 ff.; Peter Georg Picht and Gaspare Tazio Loderer, “Arbitration in SEP/FRAND Disputes: Overview and Core Issues”, *Journal of International Arbitration* 36, no. 5 (2019): 575 ff.; Peter Georg Picht, “Schiedsverfahren in SEP/FRAND-Streitigkeiten”, *GRUR*, 2019, 11 ff.; Jorge L. Contreras, “Global Rate Setting: A Solution for Standard-Essential Patents?”, *Washington Law Review* 94 (2019): 701-757.

¹⁶ King F. Tsang and Jyh-An Lee, “The Ping-Pong Olympics of Antisuit Injunction in FRAND Litigation”, *Michigan Technology Law Review*, no. 28 (2022): 305.

¹⁷ As proposed by Contreras, “Global Rate Setting”.

on jurisdiction are common principles which are handled very similarly by national courts. And there are legal rules on international jurisdiction that have been agreed on by a large number of different States: The European Brussels *Ibis* Regulation. Right now, most FRAND-cases do not fall in the scope of Brussels *Ibis*. Still, the analysis of its instruments provides insights into principles of international jurisdiction in a broader spectrum than the analysis of a single national law.

For this paper, I would like to agree with Judge Birss that country by country licensing would be considered “madness” and that global licences are FRAND conform.¹⁸ I analyse whether it is possible to reduce the number of national courts dealing with licences for the same SEP-portfolio by means of international civil procedure law. This would make anti-suit-injunctions unnecessary. Just numerically, German courts decide the most patent disputes in Europe.¹⁹ Thus, I analyse the matter from a German point of view, which is strongly shaped by EU law. First, I will examine the existing instruments of the Brussels *Ibis* Regulation for solving conflicts of jurisdiction (2). Since they are reaching their limits in FRAND proceedings, the European Unitary Patent system might bring relief (3). As it will turn out, this is not the case; therefore, alternative options should be researched (4).

2. Solving conflicts of jurisdiction in global SEP proceedings – instruments of the Brussels *Ibis* Regulation

There are two possibilities for reducing the number of internationally competent courts in proceedings regarding the same SEP-portfolio: The international jurisdiction could be limited in terms of its *establishment* (2.1.) and in terms of *scope* (2.2.). I will not discuss anti-suit-injunctions or anti-anti-suit-injunctions because in parallel European proceedings they violate EU law.²⁰ The same goes for the *forum non conveniens* doctrine.²¹

¹⁸ *Unwired Planet v. Huawei*, [2017] EWHC 711 (Pat), paragraphs 543 ff.

¹⁹ Katrin Cremers et al., “Patent Litigation in Europe”, *European Journal of Law and Economics* 44, no. 1 (2017): 1 ff.; Klos, “Patentprozesse”.

²⁰ Maximilian Haedicke, “Anti-Suit Injunctions, FRAND Policies and the Conflict between Overlapping Jurisdictions”, *GRUR Int.*, 2022, 107; Peter Mankowski, “Ist eine vertragliche Absicherung von Gerichtsstandsvereinbarungen möglich?”, *IPRax*, 2009, 25 ff.; Judgment of 27 April 2004, *Turner v. Grovit*, C-159/02, EU:C:2004:228, paragraphs 24 ff.; Judgment of 10 February 2009, *Allianz SpA, et al. v. West Tankers Inc.*, C-185/07, EU:C:2009:69, paragraphs 28 ff.

²¹ Judgment of 1 March 2005, *Owusu v. Jackson et al.*, C-281/02, EU:C:2005:120, paragraph 41; *MüKoZPO/Gottwald* (2022) Brüssel Ia-VO, Art. 4, paragraph 11.

2.1. Limiting the establishment of international jurisdiction

Limiting the establishments of international jurisdiction would prevent from the outset that different national courts are competent to assess a FRAND licence for the same SEP portfolio. In that case, the solely competent court could be allowed to determine a global FRAND licence because this would not lead to irreconcilable decisions. Limitation of the establishment of international jurisdiction in the EU could be achieved via the *lis pendens* rule in Art. 29 Brussels Ibis Regulation (2.1.1.) and by the plea of *res judicata* (2.1.2.).

2.1.1. *Lis pendens* in parallel FRAND proceedings

Art. 29 Brussels Ibis Regulation is meant to prevent parallel EU proceedings with irreconcilable judgments (2.1.1.1.). In parallel proceedings regarding parallel national patents including European patents, *lis pendens* is widely denied because of the territorially limited national scope of each patent (2.1.1.2.). I argue for a different approach in parallel FRAND-proceedings (2.1.1.3.).

2.1.1.1. Requirements and effect of Art. 29 Brussels Ibis Regulation

Art. 29 Brussels Ibis Regulation contains a *lis pendens* rule for parallel proceedings within the EU. If, at the time an EU Member State's court is seized, proceedings are already pending before the court of a third country, Art. 33 Brussels Ibis Regulation applies, provided that the defendant is domiciled in an EU Member State. In addition, Art. 27 in connection with Art. 64(2) (b) Lugano Convention contains a *lis pendens* rule for contracting states.²² This leaves only a limited scope of application for the unwritten German international *lis pendens* rule.²³ The jurisdiction of third state courts cannot be influenced unilaterally from a German or European position by a *lis pendens* rule. Thus, as has been pointed out in the Introduction, this paper concentrates on Art. 29 Brussels Ibis Regulation, which regulates parallel proceedings before EU national courts.

Art. 29(1)(3) Brussels Ibis Regulation reads that in the event of identity of the subject matters of the disputes, a court seized at a later date must decline jurisdiction if the jurisdiction of the court first seized is

²² Martin Gebauer, "Litispendenz in Drittstaaten und ihre Regelung durch Mitgliedstaatliches Recht", in *Ius Vivum: Kunst – Internationales – Persönlichkeit: Festschrift für Haimo Schack zum 70. Geburtstag*, ed. Sebastian Kubis et al. (Tübingen: Mohr Siebeck, 2022), 592.

²³ On this topic see Gebauer, 593 ff.

established. To establish identity of the subject matter, the parties and the cause of action must be the same.²⁴ While in parallel cross-border FRAND constellations parties are identical²⁵, the cause of action usually differs in international patent law. There are two requirements: The object (*objet*), as well as the cause of action (*cause*) of both actions, must be identical.²⁶ According to the case law of the *CJEU*, the requirements are to be determined independently.²⁷ The object of the action is defined as its legal purpose.²⁸ The cause of action consists of the facts and rule of law on which the action is based.²⁹ Both object and cause of action are determined by regarding the substance, not the form of the proceedings (in German: *Kernpunkttheorie*): The actions do not have to be identical, but materially congruent.³⁰ The *CJEU* thus understands the concept of the subject matter of a dispute very broadly.³¹ This broad understanding is intended to prevent parallel proceedings before courts of different Member States resulting in irreconcilable judgments.³² However, the broad concept is limited by Art. 30 Brussels *Ibis* Regulation: According to this provision, national courts of

²⁴ In detail Christian Krüger, *Europäischer Rechtskraftbegriff* (Tübingen: Mohr Siebeck, 2020), 124 ff.

²⁵ On the requirement of the same parties, with further references: Ruth M. Janal, *Europäisches Zivilverfahrensrecht und gewerblicher Rechtsschutz* (Tübingen: Mohr Siebeck, 2015), § 12, paragraphs 9 ff.

²⁶ On the former Art. 21 EuGVÜ: Judgment of 8 December 1987, *Gubisch*, C-144/86, EU:C:1987:528, paragraphs 14 ff. considering the French version [...] demandes ayant le même objet et la même cause [...]”; Magnus/Mankowski/Fentiman, *Brussels Ibis Regulation* (2016), Art. 29 note 12 ff.

²⁷ Judgment of 8 December 1987, *Gubisch*, C-144/86, EU:C:1987:528, paragraph 11; Stefan Leible in Thomas Rauscher, *EuZPR*, 5th ed. 2021, Art. 29 Brüssel Ia-VO paragraphs 10, 13.

²⁸ Judgment of 8 December 1987, *Gubisch*, C-144/86, EU:C:1987:528, paragraphs 16 ff.; Judgment of 6 December 1994, *Tatry*, C-406/92, EU:C:1994:400, paragraph 41; Analysis by Mary-Rose McGuire, *Verfahrenskoordination und Verjährungsunterbrechung im Europäischen Prozessrecht* (Tübingen: Mohr Siebeck, 2004), 87 ff.; Sophia Sepperer, *Der Rechtskrafteinwand in den Mitgliedstaaten der EuGVO* (Tübingen: Mohr Siebeck, 2010), 134 ff.

²⁹ Judgment of 6 December 1994, *Tatry*, C-406/92, EU:C:1994:400, paragraph 39.

³⁰ Magnus/Mankowski/Fentiman, *Brussels Ibis Regulation* (2016), Art. 29 note 6. Regarding the object: Judgment of 8 December 1987, *Gubisch*, C-144/86, EU:C:1987:528, paragraph 16; Janal, *Europäisches Zivilverfahrensrecht*, § 12 paragraph 12. Regarding the cause of action: concluded from Judgment of 14 October 2004, *Mærsk*, C-39/02, EU:C:2004:615, paragraph 38; McGuire, *Verfahrenskoordination*, 85; Janal, *Europäisches Zivilverfahrensrecht*, § 12 fn. 31; also Stefan Leible in Thomas Rauscher, *EuZPR*, Art. 29 Brüssel Ia-VO paragraph 15.

³¹ Krüger, *Europäischer Rechtskraftbegriff*, 126; Stefan Leible in Thomas Rauscher, *EuZPR*, Art. 29 Brüssel Ia-VO paragraph 14.

³² Judgment of 8 December 1987, *Gubisch*, C-144/86, EU:C:1987:528, paragraph 8; see only Krüger, 126.

the Member States may, at their own discretion, stay their proceedings or even decline jurisdiction if the action pending is *related* to actions pending in a court of a different Member State previously seized. Thus, the broad concept of the subject matter of the dispute may only go so far as to leave a scope of application for Art. 30 Brussels *Ibis* Regulation. Therefore, Art. 29 Brussels *Ibis* Regulation still requires the actions to be congruent, a mere relation would not be sufficient.

If circumstances indicate *lis pendens*³³, the second court has to stay the proceedings. If the conditions listed above are met and the court first seized has jurisdiction³⁴, the second court must decline jurisdiction. Thus, the *lis pendens* rule's effect is twofold: On the one hand, the jurisdiction of the court (or courts) subsequently seized is limited – it may no longer rule on the action brought in by the claimant. On the other hand, the *lis pendens* rule “extends” the jurisdiction of the court first seized – it has the sole competence to decide on the underlying subject matter of the dispute.³⁵ If the decision of a European court is final, it must be recognized by the courts of other EU Member States pursuant to Art. 36(1) Brussels *Ibis* Regulation.

2.1.1.2. Art. 29 Brussels *Ibis* Regulation in parallel patent infringement proceedings

Parallel patent infringement proceedings are easily possible because of the territoriality principle of patent law. Infringement proceedings concerning parallel national patents in general are treated in the same way as infringement proceedings relating to the parts of a European patent bundle – and rightly so. The prevailing view in literature and case law is that there never is identity of action if parallel proceedings concern different national parts of a European patent bundle.³⁶ This is considered justified

³³ Mr P. Jenard, *Report on the Convention of 27 September 1968 on jurisdiction and the enforcement of judgments in civil and commercial matters* (OJ C, C/59). March 3, 1979, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C:1979:059:FULL&from=en>, p. 41; Stefan Leible in Thomas Rauscher, *EuZPR*, Art. 29 Brüssel Ia-VO paragraph 39.

³⁴ It is sufficient that the first court has not declined jurisdiction of its own motion and none of the parties has contested the jurisdiction, Judgment of 27 February 2014, *Cartier parfums – lunettes SAS et al. v. Ziegler France SA et al.*, C-1/13, EU:C:2014:109, paragraph 45.

³⁵ Magnus/Mankowski/Fentiman, *Brussels Ibis Regulation*, Introduction to Articles 29-30 note 6.

³⁶ BGH GRUR 2011, 1112 – *Schreibgeräte*, paragraph 22; OLG Düsseldorf IPRspr. 2000 Nr. 128, 271, paragraph 78 ff.; Klaus Grabinski, “Zur Bedeutung des Europäischen Gerichtsstands- und Vollstreckungsübereinkommens (Brüsseler Übereinkommens) und des Lugano- Übereinkommens in Rechtsstreitigkeiten über Patentverletzungen”, *GRUR Int.*, 2001, 209 ff.; Mario Leitzen, “Comeback

by the territorially limited (divergent) scope of protection of the national parts of the patent bundle.³⁷ In order to elaborate the differences between parallel FRAND proceedings and “merely” parallel patent infringement proceedings in the next section, it is necessary to analyse exactly why, in the latter, the requirements of the congruence of the subject matters of the disputes are not met.

The objects (legal purpose) of the parallel patent infringement actions differ with respect to the envisaged territory: The patent holder (plaintiff) normally seeks injunctive relief against the infringing acts, as well as accounting and damages for past actions – all regarding the national patent in suit, the scope of protection of which extends only to the national territory of the court seized.³⁸ The causes of the parallel patent infringement actions also differ due to the principle of territoriality. The uniform regulation of the origin and effect of a European patent by the European Patent Convention (EPC)³⁹ does not affect this conclusion. After filing and granting of the European patent, the parts of a European patent are equal to national patents and can therefore develop differently, Art. 2(2), 64(1) EPC.⁴⁰ The infringement of a French patent, for example, is then subject to French law, that of the parallel German patent to German law. The applicable substantive law does not have to be identical; it only has to be essentially the same.⁴¹ At this point, however, the legal consequences must be considered: In Germany, an injunction can only be pronounced for German territory, in France for French territory. Furthermore, the purpose of Art. 29 Brussels Ibis Regulation⁴² has to be taken into account: It aims to pre-

ses “Torpedo?”, *GRUR Int.*, 2004, 1012; Janal, *Europäisches Zivilverfahrensrecht*, § 12 paragraph 15; Stefan Leible in Thomas Rauscher, *EuZPR*, Art. 29 Brüssel Ia-VO paragraph 18; regretting this: W. R. Cornish, David Llewelyn, and Tanya Aplin, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights*, 8th ed. (London: Sweet & Maxwell, 2013), paragraph 2-80.

³⁷ BGH GRUR 2011, 1112 – *Schreibgeräte*, paragraph 22; Cornish, Llewelyn, and Aplin, *Intellectual Property*, paragraph 2-80; Janal, *Europäisches Zivilverfahrensrecht*, § 12 paragraph 15; Stefan Leible in Thomas Rauscher, *EuZPR*, Art. 29 Brüssel Ia-VO paragraph 18.

³⁸ BGH GRUR 2011, 1112 – *Schreibgeräte*, paragraph 23.

³⁹ Karsten Otte, “Verfahrenskoordination und einstweiliger Rechtsschutz bei der Verletzung eines europäischen Patents”, *IPRax*, 1999, 442.

⁴⁰ Grabinski, “Zur Bedeutung”, 210; with detailed reasoning OLG Düsseldorf IPRspr. 2000 Nr. 128, 271, paragraph 78 ff.

⁴¹ Concluded from Judgment of 14 October 2004, *Mærsk*, C-39/02, EU:C:2004:615, paragraph 38; Janal, *Europäisches Zivilverfahrensrecht*, § 12 fn. 31; McGuire, *Verfahrenskoordination*, 85; Stefan Leible in Thomas Rauscher, *EuZPR*, Art. 29 Brüssel Ia-VO paragraph 15.

⁴² Former Art. 21 Brussels Convention.

vent an intervention of Art. 45(1)(c)(d) Brussels *Ibis* Regulation.⁴³ The only decisive factor for the assumption of the identity of the subject matter of the dispute can be whether there is a threat of a conflict of *res judicata*.⁴⁴ Since the injunctions issued by national courts only refer to the territory protected by the respective property right, there is no danger of a conflict of *res judicata* in the case of parallel patent infringement actions. In these cases, the substantive split of the European patent into a bundle of national property rights is mirrored by the legal force of the issued judgments.⁴⁵ Thus, the rules of law of the proceedings are essentially not the same.⁴⁶ This result will have to be reconsidered for the Member States participating in the UPCA, however, when the Unitary Patent system enters into force.⁴⁷

Regarding parallel patent infringement proceedings, the only conceivable case of identity of the subject matter of the dispute would be if the user was domiciled in, e.g., France and was sued there on the basis of Art. 4(1) Brussels *Ibis* Regulation for infringement of a patent registered in, e.g., Germany, but had previously been sued in Germany for infringement of the same patent on the basis of Art. 7 No. 2 Brussels *Ibis* Regulation. As soon as the jurisdiction of the German court was established, the French court would have to decline jurisdiction according to Art. 29(1)(3) Brussels *Ibis* Regulation. This case would involve parallel proceedings concerning *one and the same* part of a patent bundle.

2.1.1.3. Art. 29 Brussels *Ibis* Regulation in parallel FRAND proceedings

On the outset, in parallel FRAND proceedings, identity of subject matter of the dispute appears difficult to establish (2.1.1.3.1.). However, further thought must be given regarding the difference to “mere” patent infringement proceedings (2.1.1.3.2.). The concept of identical subject matter of the disputes should be re-interpreted and applied taking into account the specific FRAND-situation (2.1.1.3.3.). As a result, new procedural problems will occur (2.1.1.3.4.).

⁴³ Former Art. 27 No. 3 Brussels Convention. Likewise, already Judgment of 8 December 1987, *Gubisch*, C-144/86, EU:C:1987:528, paragraphs 8, 13; Magnus/Mankowski/Fentiman, *Brussels Ibis Regulation*, Introduction to Articles 29-30 note 1; Otte, “Verfahrenskoordination”, 443.

⁴⁴ Otte, 443.

⁴⁵ Otte, 443.

⁴⁶ Similarly, BGH GRUR 2011, 1112 – *Schreibgeräte*, paragraph 23; OLG Düsseldorf IPRspr. 2000 Nr. 128, 271, paragraph 80.

⁴⁷ On the UPCA and FRAND see below in 3.

2.1.1.3.1. Different kinds of parallel FRAND proceedings

So, what exactly do I mean by the term “parallel FRAND proceedings”? The standard constellation in parallel FRAND proceedings pending in several EU Member States consists – like the example in the introduction – of two or more patent infringement actions of the SEP holder against the same user.⁴⁸ The enforced patents thereby belong to the same SEP portfolio. It may be that the patents are parts of the same European patent (bundle); it is also possible to have proceedings on patents which not only have a different territorial scope of protection (like the different parts of a European patent), but which also protect different technologies of the same standard.⁴⁹ As part of the defence to the patent infringement action, the infringing defendant raises the so-called FRAND objection, developed by the CJEU in *Huawei v. ZTE*.⁵⁰ Consequently, a FRAND-compliant licence must be determined in court. The case may also fail before the court can assess the FRAND compliance of a licence if the parties have not fulfilled their FRAND-obligations in time and are therefore found not to be willing to license. I do not consider these cases here. Another possible constellation is that, first, the patent user directly raises a FRAND licence claim against the patent holder.⁵¹ Subsequently, the patent holder brings a patent infringement action before another court with the purpose of obtaining a global FRAND licence for the entire SEP portfolio. In a third constellation, the patent user could raise several FRAND licence claims in different

⁴⁸ See, for example, Philips and Xiaomi: Konstanze Richter, “Paris Court Asserts Jurisdiction in Philips and Xiaomi FRAND Dispute”, *JUVE Patent* (blog), December 14, 2021, <https://www.juve-patent.com/news-and-stories/cases/paris-court-asserts-jurisdiction-in-philips-and-xiaomi-frand-dispute/> or Nokia and Oppo: Florian Müller, “Nokia Tries to Drown OPPO in Patent Infringement Lawsuits, Making Germany (15 Patens-in-Suit and Anti-Antisuit Injunction) Center of Gravity of Multijurisdictional Enforcement Campaign”, *FOSS PATENTS* (blog), October 19, 2021, <http://www.fosspatents.com/2021/10/nokia-tries-to-drown-oppo-in-patent.html>.

⁴⁹ When different European patents belong to the same SEP portfolio; Kühnen, *Handbuch der Patentverletzung*, Chapter E paragraph 487.

⁵⁰ Judgment of 16 July 2015, *Huawei v. ZTE*, C-170/13, EU:C:2015:477, paragraphs 44 ff., 71.

⁵¹ Philipp Eckel, “Anspruch auf Lizenz einräumung aus FRAND-Erklärungen bei standardessentiellen Patenten – Teil 1”, *NZKart*, 2017, 414; Philipp Eckel, “Anspruch auf Lizenz einräumung aus FRAND-Erklärungen bei standardessentiellen Patenten – Teil 2”, *NZKart*, 2017, 469 ff.; Benjamin Franz, *Die “kartellrechtliche Zwangslizenz” im Verfahren: Geltendmachung eines kartellrechtlich begründeten Kontrahierungszwangs* (Hamburg: Kovač, 2014), 197; Daniel Antonius Hötte, *Die kartellrechtliche Zwangslizenz im Patentrecht* (Münster: Verl.-Haus Monsenstein und Vannerdat, 2011), 301 ff.; Kühnen, *GRUR* 2019, 665 (666 f); Kühnen, *Handbuch der Patentverletzung*, Chapter E paragraph 477; Philipp Maume, “Der Zwangslizenz einwand am Scheideweg”, *Zeitschrift für geistiges Eigentum*, 2012, 236 ff.

Member States. Of course, all constellations are also possible internationally, when the first or second action is brought in a third country which is not a member of the EU.

To my knowledge, an action for performance (to assert a FRAND licence claim) has not been filed in Germany since *Huawei v. ZTE*;⁵² the standard route is via the patent infringement action with FRAND objection. Therefore, I only focus on the first constellation. If the FRAND objection is raised, the court seized can assess whether the licence in question can or must be global. This allows the court to consider the entire SEP portfolio. Thus, I do not consider “parallel FRAND proceedings” parallel because of the patent infringement actions, but because of the parallel determination of a FRAND licence covering the same SEP portfolio. In other words, parallel FRAND proceedings are proceedings in which the courts seized determine cross-portfolio FRAND licences for the same SEP portfolio.

2.1.1.3.2. Difference to parallel patent infringement proceedings

Parallel FRAND proceedings differ significantly from parallel patent infringement proceedings concerning non-SEPs. If the SEP holder has issued a FRAND declaration to a standards development organization (SDO) for the entire portfolio, it has made it clear that it regards the portfolio in its uniformity. If, subsequently, out-of-court negotiations on a FRAND licence take place, it is recognized commercial practice in many sectors to cover SEP portfolios by worldwide licences.⁵³ Patent infringement actions concerning one or several patents of a SEP portfolio can be countered with the FRAND objection. In consequence, more and more courts consider *one* worldwide licence over the *entire* portfolio to be FRAND-compliant in a patent infringement proceeding.⁵⁴ Regularly, the portfolios even include SEPs belonging to different European (bundle) patents. On a factual level, the connection between the SEPs of the portfolio in combination with the

⁵² In 2011 the OLG Karlsruhe NJOZ 2011, 1080 – *FRAND-Grundsätze* addressed the issue in paragraphs 153 ff.

⁵³ COM[2017] 712 final, 9; BGH GRUR 2020, 961 – *FRAND-Einwand*, paragraph 78; *Unwired Planet v. Huawei*, [2020] UKSC 37, paragraph 60; Contreras et al., “The Effect of FRAND Commitments”, 182 f; Kühnen, *Handbuch der Patentverletzung*, Chapter E paragraph 511; Sophia Tang, “Unwired Planet v. Huawei [2020] UKSC 37: The UK Supreme Court Declared Competence to Determine Global FRAND Licensing Rate”, *Conflict of Laws. Net* (blog), September 22, 2020, <https://conflictoflaws.net/2020/unwired-planet-v-huawei-2020-uksc-37-the-uk-supreme-court-declared-competence-to-determine-global-frand-licensing-rate/>.

⁵⁴ Overview in Contreras et al., “The Effect of FRAND Commitments”, 181 ff.

globality of the protected technologies and the global activity of the patent users thus assumes a significantly higher degree than the (rather technological) pure connection of origin between the parts of most European patent bundles. Legally, the split of the portfolio into individual SEPs is contrasted by the cross-portfolio FRAND declaration of the SEP holder.

Against this background, the legal and factual connection outweighs the split described under 2.1.2. Therefore, the split between the SEPs of a SEP portfolio should not be considered in the same way. If different courts were to determine different (global) FRAND licences, there would be a risk of irreconcilable judgments. Other than in the case of parallel non-SEP infringement proceedings, the conflict of *res judicata* is imminent.⁵⁵ As seen above, Art. 29 Brussels *Ibis* Regulation is designed to prevent these conflicts. The substantive connection of the SEP portfolio should therefore also be reflected in FRAND litigation law. It is at least conceivable that a cross-portfolio FRAND declaration of the SEP holder makes the patents of said portfolio become the same subject matter of the dispute. If the *CJEU*'s definitions of identical subject matters of the disputes are interpreted in consideration of the principles revealed in the introduction, this notion is in line with current law. This will be demonstrated in the following sections.⁵⁶

2.1.1.3.3. FRANDly approach to the European concept of the subject matter of the dispute

First, the *object* of the two actions, i.e., their legal purpose, has to be analysed with regard to the FRAND principles⁵⁷. At first glance, the patent infringement actions of the SEP holder could aim at the injunction of the infringing conduct as well as damages, both with respect to the territory covered by the scope of protection of the respective patent in suit, exactly

⁵⁵ For *res judicata* see below in 2.1.2.

⁵⁶ Kühnen, *Handbuch der Patentverletzung*, Chapter E paragraph 241 ff. does not see Art. 29 Brussels *Ibis* Regulation applicable. However, his opinion is based on those constellations in which the SEP user first brings an action for a declaratory judgment to have declared that the SEP holder is violating competition law by enforcing its patent in suit. The SEP holder's action for infringement is brought second. If the first court only assesses the violation of competition law and if the second court must deny jurisdiction because of Art. 29 Brussels *Ibis* Regulation, no court would be able to decide on the patent infringement. However, these constellations differ significantly from the FRAND licence constellations analysed in this paper, where no such problem can be found.

⁵⁷ Proximity of facts and evidence, predictability, consistency of decisions, reducing transaction costs, territoriality principle, openness of the law to innovation, effective competition, FRAND-criteria (see above in 1.).

as described in 2.1.1.2. From that perspective, the legal purposes of both actions differ. However, it is worth taking a closer look at the FRAND procedure established by the CJEU in *Huawei v. ZTE*: Only if the SEP holder has approached the SEP user beforehand and if both have shown willingness to license in the subsequent negotiations can the patent infringement action, as well as the FRAND objection, be successful.⁵⁸ Due to this strict procedure, at the time of the SEP holder's patent infringement action, it is already *predictable* for both parties that the proceedings will focus on the determination of the FRAND licence. The SEP holder's actions' actual purpose is to obtain a FRAND-compliant licence fee from the SEP user.⁵⁹ In general, SEP holders pursue global, i.e., cross-portfolio licences.⁶⁰ Economic considerations and the principles identified in the introduction support this approach: As mentioned in the previous section, it is common commercial practice in most fields to agree on a *global* FRAND licence covering the entire portfolio and the entire activities of the parties.⁶¹ Furthermore, it increases *legal certainty* if the relationship between SEP holder and user can be legally clarified in one procedure. At the same time, *transaction costs* are lowered. If better predictability, greater legal certainty, and lower transaction costs simplify the handling of SEPs for both parties, this promotes *innovation*. From this point of view, the legal purpose of both legal actions is the same and so is the object of the actions.⁶²

Following the traditional approach, there would be a lack of *identity of the causes of the actions* because it focusses solely on the facts and the rule

⁵⁸ Judgment of 16 July 2015, *Huawei v. ZTE*, C-170/13, EU:C:2015:477, paragraphs 61 ff.; Kühnen, *Handbuch der Patentverletzung*, Chapter E paragraph 398 ff.

⁵⁹ Seen the same way by OLG Karlsruhe, GRUR 2020, 166, paragraph 155: "Finally, it must be taken into account that the plaintiff as SEP holder does not primarily want to exclude the defendant permanently from the use of the patent but strives for licensing of its SEP patents. In this respect, the enforcement of the injunctive relief primarily serves to urge the infringer to take a license, which is inherent in the patent system as part of the legal and economic order and, in particular, is not abusive within the limits of antitrust law. No further economic significance can be attributed to the enforcement of the claims dismissed as currently unfounded" [author's translation].

⁶⁰ Overview in Contreras et al., "The Effect of FRAND Commitments", 181 ff.

⁶¹ COM[2017] 712 final, 9; BGH GRUR 2020, 961 – *FRAND-Einwand*, paragraph 78; *Unwired Planet v. Huawei*, [2020] UKSC 37, paragraph 60; Kühnen, *Handbuch der Patentverletzung*, Chapter E paragraph 511; Tang, "Unwired Planet v. Huawei".

⁶² The same applies to the second constellation described above in *aa*). Disagreeing on that, but without explanation: Thomas Kühnen, "FRAND-Lizenz in der Verwertungskette", *GRUR*, 2019, 669.

of law applicable to the patent infringement.⁶³ In parallel FRAND proceedings, the law applicable to the disputed patents differs even more: The patents enforced in the “parallel” proceedings do not have to be parts of the same European (bundle) patent; it is sufficient that they belong to the same SEP portfolio. The SEP holder could enforce two patents which do not only differ with respect to their territorial scope of protection (e.g., French and German), but also protect different technical claims.⁶⁴ However, this view would be too short-sighted, because, in reality, the SEP holder seeks the determination of a FRAND licence covering the entire portfolio. With regard to this “global” FRAND licence, the facts are the same in both proceedings: the SEP portfolio and its (worldwide) use by the defendant. The main pillars of the applicable law are also the same: EU national courts must consider European competition law (Art. 102 TFEU) and the implementation of the *Huawei v. ZTE* case law of the *CJEU*.⁶⁵ Hence, the legal consequence of the proceedings must also be identical regardless of the court’s venue: The determined FRAND licence may cover the entire SEP portfolio.

Thus, the subject matters of the disputes of parallel FRAND proceedings are identical within the meaning of Art. 29 Brussels *Ibis* Regulation. Does this mean that parallel FRAND proceedings before the courts of EU Member States are always precluded by Art. 29 Brussels *Ibis* Regulation? Unfortunately, it is not that simple.

2.1.1.3.4. Procedural obstacle: document instituting the proceedings

My argumentation was based on an overall consideration of two FRAND proceedings pending in different courts at the same time. However, according to Art. 32(1) Brussels *Ibis* Regulation, only the documents instituting the proceedings are relevant for the judicial assessment of the

⁶³ See for example Tribunal judiciaire de Paris, 6 February 2020, n° 19/02085 and Gerechtshof Den Haag, 2 July 2019, 200.219.487/01 (English translation in *GRUR Int.* 2020, 174), paragraph 4.1.

⁶⁴ Explained above in 2.1.1.3.4.

⁶⁵ Judgment of 16 July 2015, *Huawei v. ZTE*, C-170/13, EU:C:2015:477, paragraphs 60 ff.; Kühnen, *Handbuch der Patentverletzung*, Chapter E paragraph 348, 350, 399. The UKSC took a different view in *Unwired Planet*: The court based the determination of the FRAND licence on the ETSI policy, since the FRAND declaration had been made to ETSI (*Unwired Planet v. Huawei*, [2020] UKSC 37, paragraph 58). However, the ETSI policy is subject to French law, so that Art. 102 TFEU and the *CJEU* case law must all the same be taken into account.

subject matter's identity.⁶⁶ This applies not only to the determination of the time of when the court is seized, but also to the substantive assessment of the identity of subject matters of the disputes. Potential objections of the defendant (such as the FRAND objection) are not taken into consideration.⁶⁷ This leads to problems in FRAND proceedings. The character of the patent infringement proceeding as "FRAND proceeding" is only established after the FRAND objection has been raised by the defendant in its statement of defence. In the plaintiff's claim, the SEP holder will normally only refer to a patent infringement by the defendant and prove the fulfilment of its own obligations from *Huawei v. ZTE*.⁶⁸ In its reply, at the earliest, it will also comment on the FRAND objection and justify why only a global licence would be FRAND-compliant for the portfolio in question. Thus, even if – as described above – the object and the cause of actions are essentially the same, the court cannot deduce this solely from the document instituting the proceedings, as the FRAND objection has not yet been raised. Consequently, *de lege lata*, no *lis pendens* rule is applicable in parallel FRAND proceedings.

2.1.1.4. Interim conclusion

A *lis pendens* rule would be substantively justified, but the document instituting the proceedings does not provide the facts necessary for the assessment. Therefore, the number of competent courts cannot be limited *de lege lata* on the basis of Art. 29(1)(3) Brussels Ibis Regulation.

2.1.2. Plea of (foreign) *res judicata* in FRAND proceedings

While the *lis pendens* rule prevents parallel proceedings, the plea of foreign *res judicata* ensures that the same case is not decided several times by different courts.⁶⁹ Unlike *lis pendens*, however, *res judicata* is not defined independently in the Brussels Ibis Regulation (2.1.2.1.). Due to the conception of the FRAND objection (as a defence), it is questionable whether the

⁶⁶ Stefan Leible in Thomas Rauscher, *EuZPR*, Art. 29 Brüssel Ia-VO, paragraph 16.

⁶⁷ Judgment of 8 May 2003, *Gantner v. Basch*, C-111/01, EU:C:2003:257, paragraph 30; Janal, *Europäisches Zivilverfahrensrecht*, § 12 paragraph 12 (with further references); Stefan Leible in Thomas Rauscher, *EuZPR*, Art. 29 Brüssel Ia-VO paragraph 16.

⁶⁸ Kühnen, *Handbuch der Patentverletzung*, Chapter E paragraph 364 (with further references on jurisprudence).

⁶⁹ On the topic of *res judicata* in the EU: Krüger, *Europäischer Rechtskraftbegriff*; Sepperer, *Der Rechtskrafteinwand*.

determination of a FRAND-compliant licence has any legal force at all in the Member States (2.1.2.2.).

2.1.2.1. No European definition of *res judicata*

The plea of (foreign) *res judicata* follows from Art. 36, 39 Brussels *Ibis* Regulation: A new action concerning the same subject matter of the dispute has to be dismissed as inadmissible.⁷⁰ The objective and subjective limits of the legal force of the first judgment are to be determined according to the law of the country of origin⁷¹; a European concept of legal force does not exist (yet).⁷² As seen above, the European concept of the subject matter of the dispute regarding the *lis pendens* rule of Art. 29 Brussels *Ibis* Regulation includes an entire SEP portfolio and its FRAND licence. However, it is questionable whether, in the context of *res judicata*, the concepts of subject matter of the dispute of the Member States allow the same interpretation.⁷³ Since the limits of legal force diverge in the EU⁷⁴, the results may differ within some Member States. Consequently, even if parallel FRAND proceedings were precluded by Art. 29(1)(3) Brussels *Ibis* Regulation, proceedings could still be conducted consecutively.

2.1.2.2. No “setting” of a FRAND licence by national courts

In the majority of European legal systems, *de lege lata*, only the operative part of the judgment produces legal effects; legal force of certain grounds of the judgment is an exception.⁷⁵ In German civil procedure law, too, legal force was deliberately limited to the operative part by the legislature.⁷⁶ This

⁷⁰ Judgment of 30 November 1976, *de Wolf vs. Cox*, C-42/76, EU:C:1976:168, paragraph 9/10; Stefan Leible in Thomas Rauscher, *EuZPR*, Art. 29 Brüssel Ia-VO paragraph 5; Magnus/Mankowski/*Wautelet*, *Brussels Ibis Regulation*, Art. 36 note 17.

⁷¹ Krüger, *Europäischer Rechtskraftbegriff*, 90 ff. (with further references).

⁷² The CJEU’s reasoning in Judgment of 15 November 2012, *Gothaer Allgemeine Versicherung et al. v. Samskip*, C-456/11, EU:C:2012:719 should not be generalized and, in any case, should not be extended to matters of substance. On this topic see Stefan Heiss, “Konturierung eines europäischen Rechtskraftbegriffs: Rs Gothaer und die Folgen”, in *Beiträge zur Rechtsvergleichung und Europa* (Wien: MANZ Verlag, 2022), 1 paragraphs 225 ff.; Krüger, *Europäischer Rechtskraftbegriff*, 91 ff., 278.

⁷³ For a comparative law analysis of *res judicata* see Krüger, *Europäischer Rechtskraftbegriff*, 145 ff.

⁷⁴ Heiss, “Beiträge zur Rechtsvergleichung und Europa”, 1 paragraphs 16 ff.; Krüger, *Europäischer Rechtskraftbegriff*, 145 ff.

⁷⁵ Krüger, *Europäischer Rechtskraftbegriff*, 145 ff.

⁷⁶ BGH NJW 1965, 693; BGH NJW 1993, 333; BGH NJW 2010, 2210; MüKo/Gottwald, ZPO (2020) § 322 paragraph 84; Krüger, 205 (with further references).

causes problems in parallel FRAND proceedings. In the classic situation of a patent infringement action with FRAND objection, proceedings in Germany can end in three different ways: (1) If a FRAND licence is agreed upon in the course of the proceedings, the SEP holder (plaintiff) has to file a declaration that there is no need to adjudicate (*Erledigungserklärung*).⁷⁷ (2) If the court finds the SEP holder's offer to be FRAND-compliant, but the defendant SEP user does not accept it, the court shall grant an injunction concerning the German patent in suit; the injunction being thus limited to German territory. (3) If, on the other hand, the SEP holder does not agree to a FRAND-compliant licence, the court will dismiss the patent holder's action as (currently) unfounded.⁷⁸ In none of the three cases can it be expected that the court's considerations on FRAND conformity will appear in the operative part. This means that they would not produce any legal effect. Another court could therefore decide again on the FRAND conformity of a licence regarding the same SEP portfolio without this leading to irreconcilable decisions as provided for in Art. 45(1)(c)(d) Brussels *Ibis* Regulation⁷⁹.

If the legal situation is similar in several EU Member States, this has the – unsatisfactory – consequence that many national courts can enforce different ideas of the FRAND conformity of a licence by means of a (local) injunction. Since this would not result in irreconcilable decisions in the sense of Art. 45(1)(c)(d) Brussels *Ibis* Regulation, the application of Art. 29 Brussels *Ibis* Regulation (as described in 2.1.1.) would not be necessary at all.⁸⁰ Instead, application of Art. 30 Brussels *Ibis* Regulation should be considered, which is intended to prevent inconsistent decisions that are legally compatible.⁸¹ However, the application of Art. 30 Brussels *Ibis* Regulation would not have the desired effect in FRAND proceedings (see below in 4.1.1.3.).

2.1.3. Interim conclusion

The existing instruments to reduce the number of courts competent for the same case are not effective in parallel FRAND proceedings. The application

⁷⁷ Kühnen, *Handbuch der Patentverletzung*, Chapter E paragraph 223, 317.

⁷⁸ Kühnen, Chapter E paragraph 221, 315. On the legal effects of a judgment dismissing the action see Krüger, *Europäischer Rechtskraftbegriff*, 178 ff.

⁷⁹ On this topic, Stefan Leible in Thomas Rauscher, *EuZPR*, Art. 45 Brüssel Ia-VO paragraph 63.

⁸⁰ Magnus/Mankowski/Fentiman, *Brussels Ibis Regulation*, Introduction to Art. 29-30 note 2 f.

⁸¹ Magnus/Mankowski/Fentiman, *Brussels Ibis Regulation*, Introduction to Art. 29-30 note 2 f.

of Art. 29 Brussels *Ibis* Regulation fails because the FRAND objection is not yet apparent from the document instituting the proceedings. Due to the diverging national concepts of *res judicata*, the plea of *res judicata* is difficult to establish. At least in Germany, the court's assessment of the FRAND conformity of a licence does not produce any legal effect and the plea can therefore not be raised in later proceedings.

2.2. Limiting the scope of international jurisdiction

The number of courts competent for the assessment of the same SEP portfolio can also be reduced by limiting the scope of the court's jurisdiction (*Kognitionsbefugnis*). The scope of jurisdiction of EU Member States' national courts has already been limited in the *GAT v. LuK* decision (2.2.1.) and in the case of infringement of personality rights via the Internet (2.2.2.). Perhaps FRAND constellations can be treated similarly.

2.2.1. Application of *GAT v. LuK*

When thinking of limiting the scope of international jurisdiction in cross-border patent actions, the CJEU's *GAT v. LuK*⁸² decision springs to mind. However, in *GAT v. LuK* the CJEU dealt with the question of jurisdiction concerning the validity of patents. The CJEU held that solely the court with exclusive jurisdiction provided for in Art. 24(4) Brussels *Ibis* Regulation may adjudicate the validity of a patent – irrespective of whether the question of validity was raised by way of an action or a defence.⁸³ In a patent infringement proceeding, the national court may also assess the validity of the patent enforced by the SEP holder. When calculating the licence for a globally structured SEP portfolio however, only the use of the patents covered by the portfolio is included in the calculation. The court does not decide on the validity of these patents. The judicially determined FRAND licence is detached from any assessment about the validity of the other SEPs in the portfolio. Furthermore, no exclusive jurisdiction for FRAND licences is provided for in the Brussels *Ibis* Regulation. Therefore, solutions for parallel FRAND proceedings cannot be found in *GAT v. LuK*.

⁸² Judgment of 13 July 2006, *GAT v. LuK*, C-4/03, EU:C:2006:457.

⁸³ Judgment of 13 July 2006, *GAT v. LuK*, C-4/03, EU:C:2006:457, paragraph 25.

2.2.2. Cross-border infringements of personality rights

The question, then, is: Can the jurisdiction of a national court be limited in such a way that it may only decide on a territorially limited FRAND licence? Such licence would only cover the court's national territory, which also falls within the scope of protection of the patent in suit. However, in order to license the whole SEP portfolio, proceedings would have to be brought in every patent's national court. This would expose the parties and the national courts to heavy burdens. *Parallel proceedings* on the SEPs of the same portfolio would be encouraged. Admittedly, this course of actions would avoid irreconcilable decisions regarding a *global* FRAND licence. Nevertheless, strongly diverging decisions could be issued with respect to the individual patents (often protecting identical technical claims) with similar facts of use.

Hence, while the scope of jurisdictions could be limited in all other jurisdictions, only one court could be granted full scope of jurisdiction for the determination of a cross-portfolio FRAND licence. Case law on infringements of personality rights on the Internet could serve as a model, as its approach has already been suggested to limit *forum shopping* for other intellectual property rights.⁸⁴ In the case of infringement of personality rights on the Internet, according to current case law⁸⁵, the following jurisdictions are provided for in Art. 7 No. 2 Brussels Ibis Regulation: (1) The jurisdiction at the place where the event which gave rise to the harm occurred, with *full scope of jurisdiction*, (2) the jurisdiction at the place where the damage occurred, with *limited scope of jurisdiction* regarding the damage incurred in the respective Member State, and (3) the jurisdiction at the place of the centre of interests of the plaintiff, with *full scope of jurisdiction*.⁸⁶ This raises the question of what criteria should be used to determine the one jurisdiction with full scope of jurisdiction in FRAND proceedings. Various approaches are conceivable: One option would be to require a minimum share of national patents ("national" from the perspective of the court seized) in the considered patent portfolio, in view of the idea of *proximity* of the court to the facts and evidence. Another solution could focus on the centre of the main interests (COMI) of the SEP

⁸⁴ On fair trading law: Dregelies, *Territoriale Reichweite*, 123 ff.

⁸⁵ Judgment of 7 March 1995, *Shevill*, C-68/93, EU:C:1995:61; Judgment of 25 October 2011, *eDate Advertising*, C-161/10, EU:C:2011:685; Judgment of 17 October 2017, *Bolagsupplysningen*, C-194/16, EU:C:2017:766; in detail: Dregelies, 86 ff.

⁸⁶ In detail Dregelies, 88 ff.

holder or the SEP user⁸⁷ or on the location of the centre of gravity of the conflict⁸⁸, respectively.

When looking for the most appropriate approach, the principles mentioned in the Introduction should be taken into account. It would be especially important to find a balance between the interests of the SEP holders and the SEP users.⁸⁹ That's why the SEP user's domicile would not be an appropriate forum: At the time of the ETSI-FRAND-declaration it would not be predictable for SEP holders in which jurisdictions they might have to file for injunction to seek a FRAND licence. And SEP users could choose their domicile according to the FRAND case law to secure their preferred jurisdiction. This could prevent SEP holders from disclosing the standard-essentiality of their patents and thereby hinder innovation and standardization. However, the centre of gravity of the conflict could be the most appropriate criterion: The FRAND objection is based on the FRAND declaration given to the standards development organization (SDO) by the respective SEP holder. Thus, the centre of gravity of the conflict should be located at the domicile of the SDO to which the SEP-holder has given its FRAND-declaration. In case of ETSI, this would be *Sophia Antipolis* in France, leading to the international jurisdiction of the *Tribunal judiciaire de Paris* (Art. D211-6 of the Code de l'organisation judiciaire). The jurisdiction at the domicile of the SDO would be favourable for various reasons. It is predictable for both the SEP holder and user. It is based on a neutral criterion and cannot be influenced by either the SEP holder or the SEP user. Since only one court would have jurisdiction to declare a global FRAND licence, the parties might actually bring their respective cases before the *CJEU*. This would allow the *CJEU* to rule on important FRAND issues, thereby providing legal certainty and making the outcome of future SEP proceedings more predictable. And if ETSI's members disagree with the French court's decisions, they could include a choice of court agreement in the ETSI rules of procedure. However, as most FRAND disputes

⁸⁷ As in Judgment of 25 October 2011, *eDate Advertising*, C-161/10, EU:C:2011:685, paragraphs 48 ff. on the infringement of personality rights or as the "centre of main interest (COMI)" in insolvency law, Art. 3(1) Regulation (EU)2015/848 of 20 May 2015 on insolvency proceedings.

⁸⁸ On this proposal regarding the infringement of personality rights via the Internet see Dregelies, *Territoriale Reichweite*, 92 ff. referring to Jan Oster, *Kommunikationsdeliktsrecht: Eine transnationale Untersuchung am Beispiel des Ehrschutzes* (Tübingen: Mohr Siebeck, 2019), 404 and A-G Villalón, Opinion of 29 March 2011, *eDate Advertising*, C-161/10, EU:C:2011:192 paragraphs 55 ff.

⁸⁹ Judgment of 16 July 2015, *Huawei v. ZTE*, C-170/13, EU:C:2015:477, paragraph 55.

concern ETSI-FRAND-declarations, the *Tribunal judiciaire de Paris* could face a large wave of patent-suits.

But there are doubts regarding the comparability of typical FRAND proceedings⁹⁰ with proceedings concerning the infringement of personality rights on the Internet: In the latter, as listed above, the assertion of claims for damages, injunctive relief and rectification has been limited in most jurisdictions, while assertion of all claims has only been granted in two jurisdictions.⁹¹ FRAND licences, however, are not currently “asserted” in a comparable manner, but only become part of the proceedings with the FRAND objection. As in the case of claims for damages and injunctive relief for *infringement* of personal rights, it is true that a patent *infringement* usually gives rise to the jurisdiction of the court. However, the FRAND licence is only determined at the level of the FRAND objection, at the initiative of the defendant. Thus, it is not linked to the establishment of jurisdiction in the same way. Therefore, a direct application of the case law on infringements of personality rights appears inappropriate on the one hand. On the other hand, the actual purpose of the patent infringement action in FRAND proceedings must be considered. As described above in 2.1.1.3.3., the purpose of the SEP holder’s action is to obtain a FRAND-compliant licence fee from the patent user. Seen in that light, the patent infringement action in the form of the injunction action is the patent holder’s way of “asserting” the FRAND licence.

Limiting the scope of jurisdiction in all jurisdictions but one, however, would not solve the problems of *lis pendens* and *res judicata* identified above in 2.1. If a global FRAND licence is to be determined (or has already been determined) in the jurisdiction with full scope of jurisdiction, different courts with limited scope of jurisdiction could determine further territorially limited FRAND licences and vice versa.

3. The Unitary Patent system – a FRANDlier regulation of patent disputes?

The European Unitary Patent system only addresses these problems to a very limited extent. The Unified Patent Court (UPC) with its divisions in different states is to be understood to function as a *national court* of each

⁹⁰ Described in 2.1.1.3.1.

⁹¹ See, for example, Dregelies, *Territoriale Reichweite*, 86 ff., 90.

Member State.⁹² Once the international jurisdiction of the UPC is established under Art. 71a(2)(b), 71b Brussels *Ibis* Regulation in conjunction with Art. 31 UPCA, the local jurisdiction of the local division is determined by Art. 33 UPCA. According to Art. 33(1)(a) UPCA, an action for patent infringement must be brought before the local division in the contracting Member State where the actual or threatened infringement has occurred or may occur. According to Art. 33(1)(b) UPCA, it can also be brought before the local division in the contracting Member State where the defendant has its residence. Based on this provision, a patent infringement action concerning a Unitary Patent or European bundle patent can be brought before the local division of any Member State in a global FRAND constellation.⁹³ Therefore, *forum shopping* will continue to be possible, at least with respect to the local divisions. Until a unifying case law has been developed, it is therefore conceivable that competition will develop between the local divisions – instead of the national instance courts, as has been the case⁹⁴.

Also, with regard to *parallel FRAND proceedings* and resulting conflicting decisions, there is no improvement in sight. Art. 29 ff. Brussels *Ibis* Regulation will be applicable due to Art. 71 UPCA and Art. 71c Brussels *Ibis* Regulation. In addition, Art. 33(2) UPCA contains a *lis pendens* rule regarding actions “between the same parties on *the same patent*”. However, if a SEP portfolio contains different European (unitary or bundle) patents, each patent could be enforced before a different local division. Thus, with a broad SEP portfolio, parallel FRAND proceedings would still be possible. Surely, the parties could voluntarily combine the proceedings and agree according to Art. 33(7) UPCA to bring only one action before, e.g., the central division. However, usually the parties have already negotiated for a long time before but have not been able to agree on a FRAND licence. To strengthen its position in the negotiations, the SEP holder brings several patent infringement actions.⁹⁵ Hence, it is unlikely that any such agreement can be reached.

⁹² The FRAND objection must be possible in the UPC, because it applies European Union Law, as Art. 20 UPCA declaratorily states.

⁹³ Benjamin Schröer, “Einheitspatentgericht – Überlegungen zum Forum-Shopping im Rahmen der alternativen Zuständigkeit nach Art. 83 Abs. 1 EPGÜ”, *GRUR Int.*, 2013, 1103.

⁹⁴ See above in I.

⁹⁵ Interestingly, these disputes are usually settled outside the courthouses, and the proceedings are terminated before one of the courts has issued a final judgment. See, for example, Apple’s Press release of 23 May 2017 on a settlement with Nokia, <https://www.apple.com/fi/newsroom/2017/05/>

According to Art. 34 UPCA, the decisions of the UPC concerning European bundle patents cover the territory of those contracting Member States for which the European (bundle) patent has effect. An injunction against the SEP user would therefore also be issued for the territory of all Member States in which the European (bundle) patent has effect. However, it is not clear from the regulatory system whether *res judicata* of the judgment would comprise the FRAND licence that would be determined following a FRAND objection. No legal rules on the legal effect's content or specifically on the legal force of the FRAND objection can be found in the Unitary Patent system's regulatory framework. Hence, actions enforcing different European patents that are part of the same SEP portfolio would still be possible and – consequently – different FRAND licences could be determined. This shows that the *res judicata* problem is not an issue regarding the territorial legal effect of judgments, but a question of the legal effect's actual “content” (in German: *Breitenwirkung* vs. *Tiefenwirkung* der Rechtskraft⁹⁶).

4. New proposals to reduce conflicts of jurisdiction in global FRAND-proceedings

The following section presents ideas on how the problems raised above could be solved. Even if no perfectly elaborated solution has been found yet, the following shows that the FRAND route does not necessarily have to lead to alternative dispute resolution mechanisms. Solutions that integrate into the existing EU regulatory system or the UPCA are also possible. They can serve as an inspiration for amendments in international civil procedure law of European and non-European countries.

nokia-and-apple-sign-agreement-settle-all-litigation/, Nokia's press release of 7 April 2021 on a settlement with Lenovo, <https://www.nokia.com/about-us/news/releases/2021/04/07/nokia-and-lenovo-conclude-patent-cross-licensing-agreement/> and Daimler's and Nokia's joint press information of 1 June 2021 <https://group-media.mercedes-benz.com/marsMediaSite/en/instance/print/Joint-press-release-of-Nokia-and-Daimler-AG-Daimler-and-Nokia-sign-patent-licensing-agreement.xhtml?oid=50102151>.

⁹⁶ The legal effect's “*Breitenwirkung*” refers to whether the judgment produces any legal effect at all in other jurisdictions. The legal effect's “*Tiefenwirkung*” refers to which parts of the judgment produce legal effect (only the operative part or the grounds, also).

4.1. Limiting the establishment of international jurisdiction

4.1.1. Modifying lis pendens in parallel FRAND-proceedings

The problem of the incomplete facts at the time of the appeal arises from the character of the FRAND objection as a defence mechanism. If a different procedure were established that led directly to the judicial determination of a FRAND licence, this procedural hurdle would not exist.⁹⁷ However, since the standard route currently goes via the patent infringement action and FRAND objection, it is necessary to find ways to overcome the obstacle. The trend from *Huawei v. ZTE* towards a proceduralization of the FRAND matter could be continued by imposing further procedural obligations on the parties (4.1.1.1.). Another option would be to move the temporal reference point for assessing the lis pendens rule to a later time (4.1.1.2.). Finally, one could dispense with the lis pendens rule altogether and rely on judicial cooperation (4.1.1.3.). All possible solutions also have disadvantages.

4.1.1.1. Option 1: Lis pendens with further procedural obligations

As explained above, it is already predictable at the time of filing the document instituting the proceedings that the proceedings will lead to a dispute concerning the determination of a global FRAND licence. This is just not apparent from the document instituting the proceedings. One possible solution would be to impose on the SEP holder further substantive requirements for the document instituting the proceedings: Following *Huawei v. ZTE*, the SEP holder must have completed certain pre-litigation steps in order to successfully file a patent infringement suit regarding parts of a SEP portfolio. If it does not comply with the requirements from *Huawei v. ZTE*, it will be in breach of European competition law itself. In Germany, at any rate, it must also state in the document instituting the proceedings that it has fulfilled these obligations.⁹⁸ In addition to that information, in the same document, the SEP holder could be required to provide credible facts that the defendant SEP user will most certainly raise the FRAND objection. This prima facie case could then be considered sufficient to assume identity of the subject matters of the disputes in parallel FRAND proceedings. This solution faces some procedural considerations:

⁹⁷ See, for example, the second constellation described in 2.1.1.3.1.

⁹⁸ Kühnen, *Handbuch der Patentverletzung*, Chapter E, paragraph 364 (with further references on jurisprudence).

The FRAND objection from *Huawei v. ZTE* is designed precisely as a procedural defence for the defendant and only applies in the event of abuse of a dominant position by the SEP holder.⁹⁹ It is incumbent on the SEP user to invoke this defence in the proceedings. Requiring the SEP holder to disclose the FRAND character of the proceedings would run counter to this original function of the FRAND objection. At the same time, it is hardly convincing to artificially maintain a procedural step solely on the basis of the origin of the FRAND objection, whereas the entire process has since become automatic and in which each procedural step is predictable for the parties. For reasons of procedural economy, it is also preferable to disclose the FRAND character of the proceedings as early as possible. In this way, the court and the parties can adjust to the FRAND licence calculation at an early stage. The *lis pendens* rule would prevent parallel FRAND-proceedings and irreconcilable or inconsistent decisions.

However, cases are possible where the FRAND objection is raised in the first infringement proceeding but not in the second, filed with a different court. The identity of the subject matter of the dispute would not exist in such a constellation. Let's assume that the SEP holder first brings action in a German court and later in a Bulgarian or Italian court and provides credible facts that the SEP user will raise a FRAND objection in both cases. In Bulgaria or Italy, the SEP user generates very low sales, so that it decides to leave the Bulgarian or Italian market altogether.¹⁰⁰ The SEP user accepts a cease-and-desist order and a small payment for damages in order to avoid, in its view, disproportionately high FRAND licence fees. In that case, only the German proceeding can be seen as a "FRAND proceeding", but the Bulgarian or Italian case is a patent infringement action regarding one or more Bulgarian or Italian SEPs. If the Bulgarian or Italian court were to follow the solution described here, they would have to decline jurisdiction according to the document instituting the proceedings – wrongly, since the identity of the subject matter of the dispute would precisely not exist. This would deprive the defendant SEP user of party sovereignty over the second proceedings. However, it would still be free to include its own withdrawal from individual markets in the licence negotiations before the German

⁹⁹ Judgment of 16 July 2015, *Huawei v. ZTE*, C-170/13, EU:C:2015:477, paragraph 54; OLG Düsseldorf, Beschluss v. 17.11.2016 – I-15 U 66/15 paragraph 4; Kühnen, Chapter E, paragraph 242, 233, 238.

¹⁰⁰ This would be comparable to Oppo's recent situation in Germany, described by Dhenne, "OPPO's New FRAND Order".

court. Since a global FRAND licence would have to be determined, any withdrawal from a national market would have to be taken into account in the calculation.¹⁰¹ Nevertheless, it is unsatisfactory to determine the identity of the subject matters of the disputes on the basis of FRAND statements by the SEP holder in the document instituting the proceedings if cases are conceivable in which this leads to legally incorrect results.

4.1.1.2. Option 2: *Lis pendens* rule with different timing

This disadvantage could be averted by a further modification of the *lis pendens* rule in parallel FRAND proceedings: The “court first seised” pursuant to Art. 29(1) Brussels Ibis Regulation would still be determined by the time of the lodging of the document instituting the proceedings. However, the relevant point in time for the assessment of the identity of the dispute’s subject matter could be shifted backwards – to the time of the filing of the defence. Additionally, the defendant could be required to raise the FRAND objection in the statement of defence. This obligation would correspond to the above-described obligation of the plaintiff to establish credible facts regarding the defendant’s FRAND objection in the document instituting the proceedings. In the statement of defence, the identity of the disputes’ subject matter would thus be disclosed. This would require the court to include the two respective defence statements when assessing the identity of the subject matters of the disputes. The interests of both parties would thus be adequately taken into consideration, since both parties would have to fulfil procedural obligations. Thus, neither the defendant nor the plaintiff would be disadvantaged, which would be in line with the *Huawei v. ZTE* case, in which the *CJEU* sought to strike a fair balance between the interests of the parties.¹⁰²

However, this would lead to the creation of a new system of *lis pendens* for FRAND constellations alone. To develop a separate concept for each individual case contradicts the idea of a uniform European international civil procedure law. Adopting this option for FRAND proceedings could raise concerns that a new procedural concept would soon be created for every special legal problem. However, these concerns are to be firmly

¹⁰¹ However, the right method of calculation is still being discussed. See, for example: Kühnen, *Handbuch der Patentverletzung*, Chapter E, paragraph 514 ff.; Borghetti, Nikolic, and Petit, “FRAND Licensing Levels”; Dornis, “Das standardessentielle Patent (Teil 1)”; Dornis, “Das Standardessentielle Patent (Teil 2)”; Ghafele and Schmitz, “Economic Perspectives”, 90 ff.

¹⁰² Judgment of 16 July 2015, *Huawei v. ZTE*, C-170/13, EU:C:2015:477, paragraph 55.

opposed. Prior to *Huawei v. ZTE*, no uniform approach existed in the EU to handle SEPs with FRAND declarations. The *CJEU* therefore developed the FRAND procedure, at the end of which the FRAND objection of the SEP user stands as a procedural defence. This conduct showed that the regulatory system in the FRAND/SEP field had gaps that could only be filled by further development of the law. The *CJEU*'s step in *Huawei v. ZTE* must be taken further if it becomes apparent that more gaps exist – or have resulted from *Huawei v. ZTE*. The problem of conflicting decisions in parallel FRAND proceedings only exists because the FRAND objection creates the possibility to include the determination of a global FRAND licence in patent infringement proceedings. Prior to *Huawei v. ZTE*, these proceedings were strictly territorial. Against this background, this second option would precisely not be a special treatment of any individual case, but an adequate continuation of the *Huawei v. ZTE* case law.¹⁰³

4.1.1.3. Option 3: Application of Art. 30 Brussels Ibis Regulation

A *lis pendens* rule could also be rejected altogether and Art. 30 Brussels Ibis Regulation could be applied instead. Considering the remarks on *res judicata* in 2.1.2., this could be the appropriate solution. In that case, the second or third courts seized later could stay their proceedings on the determination of a FRAND licence until the first court has rendered a decision. Unlike Art. 29 Brussels Ibis Regulation, the subject matters of the disputes do not need to be identical, but the actions must be “so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings” (Art. 30(3) Brussels Ibis Regulation).

This option's disadvantage is that the decision to stay proceedings is fully at the discretion of the second court. In view of the current developments mentioned in the Introduction¹⁰⁴, the trend seems to be to decide every FRAND case pending before one's own court based on one's own legal position.¹⁰⁵ It must therefore be assumed that only very few, if any national

¹⁰³ Additionally, in its Judgment of 28 January 2015, *Kolassa*, C-375/13, EU:C:2015:37, paragraph 65, the *CJEU* explicitly stated that it was permissible for the court seized to examine its international jurisdiction in the light of all the information available to it, including, where appropriate, the allegations made by the defendant. The FRAND objection could be seen as such an allegation.

¹⁰⁴ Contreras, “Private Law”, 11 ff.; Contreras, “The New Extraterritoriality”, 286; Klos, “Patentprozesse”; Herr and Rinkel, “Münchener Hinweise”, 93 ff.

¹⁰⁵ See, for example, Tribunal judiciaire de Paris, 6 février 2020, n° 19/02085, rejecting the application of Art. 30 Brussels Ibis Regulation.

courts would stay their proceedings. Inconsistent decisions would continue to be issued.

4.1.2. Modifying Art. 33(2) UPCA

Instead of modifying Art. 29 Brussels *Ibis* Regulation, the options analysed under 4.1.1. could also be integrated into the UPCA. A suitable legal rule would be Art. 33(2) UPCA, which is already intended to prevent patent infringement actions between the same parties on the same patent.¹⁰⁶ A similar provision could be created for patents of the same SEP portfolio, if the patent holder brings an infringement action to pursue a FRAND licence.

4.1.3. Modifying *res judicata*

A European concept of *res judicata* (4.1.3.1.) on the one hand and a new FRAND-specific rule of law (4.1.3.2.) on the other hand could help to overcome the problems concerning the plea of *res judicata*.

4.1.3.1. European concept of *res judicata*

A European concept of *res judicata* would at any rate provide more legal certainty with regard to the legal effect of decisions of EU national courts. For reasons of competence, however, it appears difficult to determine a common European understanding regarding the extent of legal effects of national judgments.¹⁰⁷ Since European law is not designed for a European concept of *res judicata*, this would also entail many consequential problems.¹⁰⁸ Moreover, only a uniform, narrow concept of legal effect of the operative part of the judgment would be conceivable for the Brussels *Ibis* Regulation.¹⁰⁹ Thus, with a European concept of *res judicata*, the determination of the FRAND licence would probably not produce legal effects.

4.1.3.2. FRAND-specific rule of law

In order to solve the *res judicata* problem, it seems necessary to provide the judicially determined FRAND licence with legal effect. For this purpose, for example, a special FRAND provision could be included in the

¹⁰⁶ See above in 3.

¹⁰⁷ Heiss, "Beiträge zur Rechtsvergleichung und Europa", 1 paragraph 228 (with further references).

¹⁰⁸ Krüger, *Europäischer Rechtskraftbegriff*, 297.

¹⁰⁹ Krüger, 287 ff.

UPCA. The rule of law could be similar to the German § 322 (2) ZPO¹¹⁰, which refers to set-off and reads: “Should the defendant have asserted the set-off of a counterclaim, the decision as to the counterclaim not existing shall be able to attain legal validity up to the amount for which the set-off has been asserted”. A statutory extension of the *res judicata* effect of a judgment to the FRAND objection and the determined FRAND licence could adapt procedural law to the CJEU’s *Huawei v. ZTE* decision. This is easier said than done, however. A FRAND-specific rule of law would be based on competition law which falls under the exclusive competence of the EU (Art. 2, 5 TEU). On the other hand, the European Unitary Patent Package is based on Art. 326 TFEU. This provision stipulates that competition between the EU Member States shall not be distorted by enhanced cooperation. In this respect, amendments in the legal framework of the UPCA might be necessary to not further distort competition in EU patent law. In any case, the addition of a FRAND-specific rule of law to the UPCA would require a thorough assessment of the Member States’ competences.

4.2. Limiting the scope of international jurisdiction

A solution to the problems merely via limiting the scope of international jurisdiction is not apparent, since the *lis pendens* and *res judicata* problems would remain, at least to a certain degree.

5. Conclusion

The article aimed to answer the following question: Can the number of European national courts that can determine FRAND licences on the same SEP portfolio be reduced by means of international civil procedure law? This is hardly possible *de lege lata*. The Unitary Patent System with the UPC will not improve the situation for FRAND disputes, either. If parties are not to be pushed into alternative dispute resolution, solutions must be found and integrated in the current European regulatory system. The article has shown that solutions can be found: A modified application of Art. 29 Brussels Ibis Regulation or Art. 33(2) UPCA, a limitation of the scope of jurisdiction in most jurisdictions, as well as the extension of *res judicata* to the FRAND objection, certainly are steps in the right direction.

¹¹⁰ Code of Civil Procedure.

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