

Patent Issues in Telecoms and the Scope for Resolving these by Arbitration

ITU-WIPO Symposium

Dispute Resolution at the Crossroads of ICT and IP

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Patent Issues in Telecoms and the Scope for Resolving these by Arbitration

- ▼ Benefit of adjudicating on disputes as to parallel rights in a single proceeding
- ▼ IP in telecoms
 - ▼ The "patent thicket" in telecoms ...
 - ▼ Increasing asymmetries as hardware manufacture concentrates and as patent portfolios are acquired by Non Practising Entities (NPEs)
- ▼ Current negotiation or litigation responses
 - ▼ Negotiation with "proud lists", typically on basis of US claims
 - ▼ Patent pools and licensing programmes...
 - ▼ Multinational patent litigation ...
- ▼ Arbitration as an alternative
 - ▼ Case study of international patent arbitration ...



The Patent Thicket in Telecoms

- ▼ "As of **2009-09-22**, the ETSI IPR Database contains **21258** entries organized in **94** projects between **156** companies"
 - ▼ ie, declared patents and patent applications, of which
 - ▼ 4804 in the USA
 - ▼ 1580 in EPO, 1010 in Germany (some possible double counting)
 - ▼ 1345 in China
 - ▼ 1125 in Japan
 - ▼ 800 in Korea
 - ▼ ie, conservatively more than 1000 declared patent families
- ▼ But not all are valid or necessarily infringed, and none are assessed by ETSI for essentiality to the relevant standard
- ▼ And not all patents essential to the standard are declared



Patent Pools and Joint Patent Licensing Programmes in Telecoms

- ▼ Patent pools found in discrete areas of technology
 - ▼ Such as specific codec standards
 - ▼ Where there are relatively few patents to evaluate
- ▼ Joint patent licensing programmes
 - ▼ eg 3G Licensing Ltd (NTT DOCOMO, NTT, NEC, Mitsubishi, Fujitsu, Sharp, Panasonic, Siemens, France Telecom, KPN, SK Telecom, DETECON at September 2008)
- ▼ Both approaches require "gatekeepers" acting performing an expert adjudication role to check on the essentiality of patents
- ▼ But that leaves
 - ▼ Other major manufacturers
 - ▼ Non practising entities



Multinational Patent Litigation

- ▼ Types of patent dispute in telecoms
 - ▼ Infringement actions
 - ▼ Revocation proceedings (or counterclaims)
 - ▼ Proceedings for declarations of "non-essentiality" (where local procedure permits)
- ▼ Patents are territorial and have to be enforced in separate jurisdictions in separate actions, each with different procedures and timescales
 - ▼ One recent instance of parallel patent litigation over telecoms patent portfolios involved patent litigation in 6 jurisdictions (US, China, 4 European)
- ▼ Some examples of concluded telecoms patent disputes
 - ▼ Between "non-practising entities" and manufacturers (and sometimes operators)
 - ▼ *Nokia v Interdigital* – GB
 - ▼ Proceedings for declarations of non-essentiality to 2G and 3G standards of patents declared to ETSI as essential
 - ▼ *RIM v Inpro* – UK and DE
 - ▼ Inpro patent invalid for anticipation and lack of inventive step
 - ▼ Between manufacturers
 - ▼ *Ericsson v Samsung* – UK
 - ▼ Settled before full hearing
- ▼ Is arbitration an alternative?



Is Patent Arbitration an Alternative?

- ▼ Almost all countries of the world treat patent disputes as capable of being arbitrated
 - ▼ Even though in very few will a decision finding a patent unenforceable have effect other than on the parties
- ▼ Benefits
 - ▼ Possibility of avoiding many of the problems of multinational patent litigation, including
 - ▼ Establishing a tribunal to deal with patents in multiple jurisdictions in the single proceeding
 - ▼ Appointing a tribunal with patent and technical expertise
 - ▼ Choice of procedures appropriate to an IP dispute, with for example provisions for confidentiality etc (especially if WIPO Rules applied)
- ▼ But
 - ▼ Agreement to arbitrate required



Case Study

- ▼ Parties - US and Asian companies
- ▼ Subject - US and European patents
- ▼ Settlement Agreement of prior litigation in US and Europe
- ▼ WIPO Arbitration Clause:
 - ▼ First Instance Tribunal:
 - ▼ Sole US Arbitrator jurisdiction re US Patents
 - ▼ Sole European Arbitrator jurisdiction re European Patents
 - ▼ Appeal Tribunal: 3 arbitrators
 - ▼ New York place of arbitration



Case Study

- ▼ Lawyers representing parties agreed:
 - ▼ Appointment of sole US arbitrator and sole European arbitrator
 - ▼ Use of WIPO Electronic Case Facility
 - ▼ Timetable of proceedings
 - ▼ Scope of discovery
 - ▼ Protective order Art. 52
 - ▼ Preliminary claim construction of US and European patents
 - ▼ Hearing schedule
- ▼ Arbitration lasted 18 months following appointment of arbitrators



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