

ANTI-SUIT INJUNCTIONS

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I. Executive Summary

This paper addresses concerns motivating and opposing the use of anti-suit injunctions (“ASIs”) in patent litigation. In recent years, parties’ use of ASIs has increased, particularly in connection with standard essential patents (“SEPs”), i.e., patents that are essential to a standard such as 5G or Wi-Fi and whose owners have committed to license them on “reasonable and non-discriminatory” or “fair, reasonable and non-discriminatory” (“F/RAND”) terms and conditions during the standardization process.

Controversy has grown over the use of ASIs in the context of rate-setting litigation regarding SEPs. With an ASI, a party (usually but not always a potential licensee) procures an interim order by a court to prevent the other party (usually the patent owner) from initiating or continuing a related patent action in a foreign jurisdiction. Some have questioned the propriety of a potential licensee seeking a court of its own choosing to, *inter alia*, resolve whether the patent owner has complied or failed to comply with its FRAND commitments. Others have defended the concept, at least in theory, as a mechanism to ensure that a single forum can determine a FRAND royalty rate for a particular SEP or group of SEPs. Some parties on both sides of the debate draw parallels between a patent owner’s request for a national court of its choosing to require payment of global royalties (in lieu of a nationwide injunction for infringement) and a licensee’s request for a national court of *its* choosing to undertake the same analysis.

SEP owners may oppose the issuance of ASIs as an encroachment on their right to seek relief for alleged infringement of patents. They may argue that reluctance, delay, and other dilatory conduct by the potential licensee in conducting good faith negotiations (often referred to as “holdout”) leaves the patent owner with few options to pursue in reaching a licensing arrangement on a timely basis. Consequently, enforcement measures (e.g., a patent infringement suit) against the potential licensee by the patent owner are often taken to resolve the matter (i.e., by settlement or court decision). To the extent that enforcement measures are taken, the patent owner and potential licensee are often involved in parallel litigations in multiple jurisdictions throughout the world. A patent owner may argue that this is appropriate because a patent is a fundamentally national right, enforced by national courts. Thus, one jurisdiction should not be permitted to interfere with a party’s right to recover for acts of infringement under the laws of a different country.

By contrast, defenders of ASIs may argue that ASIs can be justified as a *defensive* tool to prevent SEP licensors from seeking to enforce injunctions that would exclude potential licensees from key markets during the pendency of litigation to resolve the value of licensors’ SEPs; such injunctions, the ASI proponents contend, can force licensees into global settlements on terms that are not FRAND (often referred to as “holdup”) and prevent them from asserting their legal rights in other jurisdictions. Defenders of ASIs also may argue that they are sometimes necessary to prevent jurisdictional overreach by foreign courts. In recent years, certain courts, particularly in Germany and the United Kingdom, have claimed jurisdiction over global SEP license negotiations and rate-setting. ASI proponents may argue that ASIs are

needed to restore international comity and permit other national courts to continue adjudicating cases involving their respective national patents without interference. Supporters of ASIs also may argue that they are needed to avoid conflicting or inconsistent judgments in multijurisdictional cases. Still other proponents of ASIs raise a different argument. They maintain that the FRAND commitment is contractual in nature, and may be adjudicated cross-nationally in a way that a patent infringement lawsuit cannot.

This white paper begins by describing the history of ASIs in the United States and the standards that govern ASIs in U.S. courts. It then details the expansion of ASIs to other jurisdictions and the subsequent invention and proliferation of anti-anti-suit injunctions as a response. It closes with a summary of current government actions that could affect the use of ASIs in the future.

II. Background and History - Definition and Origin of the Anti-Suit Injunction

An anti-suit injunction (“ASI”) is a form of court-ordered injunctive relief wherein a court orders a party to refrain from commencing and/or continuing to proceed with claims in another jurisdiction or forum that falls within the scope of the injunction.

The first “anti-suit injunction” was a writ of prohibition issued by the Court of Chancery in England during the 15th century.¹ The purpose of this and similar writs was to limit the expansive subject matter jurisdiction of the ecclesiastical courts that conflicted with the jurisdiction of the Chancery Court and other royal courts.² By the 16th century, the English Court of Chancery began issuing writs of prohibition known as “common injunctions” to “prevent parties from bringing suit in [English] common law courts when doing so would be considered contrary to good conscience.”³ Such injunctions extended beyond English courts to those in Scotland, Ireland, other British Colonies, and even foreign courts by the 19th century.⁴

In the United States, the ASI originated as a tool to prevent parallel litigation amongst different courts in different states.⁵ By the end of the 19th century, U.S. courts were using ASIs to prevent the prosecution of actions in foreign courts.⁶ The bulk of ASI jurisprudence developed in connection with non-patent disputes, including those concerning the enforcement of forum selection clauses. Thus, the use of ASIs by U.S. courts in patent disputes and specifically in the standard-essential patent (“SEP”) context is a relatively new development, with only ten cases being reported by LexisNexis over the last ten years.⁷

¹ Contreras, J., & Eixenberger, M. (2017). The Anti-Suit Injunction – A Transnational Remedy for Multi-jurisdictional SEP Litigation. In J. Contreras (Ed.), *The Cambridge Handbook of Technical Standardization Law: Competition, Antitrust, and Patents* (Cambridge Law Handbooks, p. 451); also available at: <https://dc.law.utah.edu/scholarship/40/> Last visited: April 12, 2022 and these footnotes point to this version.

² *Id.*

³ *Id.* (internal citations and quotations omitted).

⁴ *Id.*

⁵ *Id.*

⁶ *Id.* at 3 (internal citations omitted).

⁷ Search of all U.S. federal decisions containing “anti-suit injunction” and (“FRAND” or (“RAND” and “patent”)).

More specifically, and as discussed below, ASIs have only appeared in the context of SEP litigation within the past two decades. As this paper will discuss in further detail, different circuits within the United States have applied varying standards in determining whether an ASI is appropriate, and globally, ASIs have received different treatment depending on the jurisdiction.

III. Anti-Suit Injunctions in the U.S.

A. Standard for Evaluating Anti-Suit Injunctions in the U.S.

U.S. courts have adopted several methods for evaluating whether to grant an ASI, as summarized below.⁸ These are often referred to as the “liberal,” “conservative,” and “middle-ground.”⁹ The remaining circuits have not yet opined on which of these methodologies they apply and thus are categorized as “undecided.”

Methodology	Circuit(s)
Liberal	5th, 7th, 9th
Conservative	D.C., 3rd, 6th, 8th
Middle-Ground	1st, 2nd
Undecided	4th, 10th, 11th

1. Liberal

Courts employing the “liberal” methodology apply the three-step inquiry set forth in *E. & J. Gallo Winery v. Andina Licores S.A.*: (1) “whether or not the parties and the issues are the same” and “whether or not the first action is dispositive of the action to be enjoined”; (2) “whether at least one of the so-called ‘*Unterweser*’ factors applies”; and (3) whether the injunction’s ‘impact on comity is tolerable.’”¹⁰

The *Unterweser*¹¹ factors (applied as part of the *Gallo* test) are satisfied if the foreign litigation would:

- “frustrate a policy of the forum issuing the injunction;”
- “be vexatious or oppressive;”
- “threaten the issuing courts *in rem* or *quasi in rem* jurisdiction;” or
- “prejudice other equitable considerations.”¹²

⁸ Contreras and Eixenberger, *supra*, at 3.

⁹ *Id.* at 4-5 (internal citations and quotations omitted).

¹⁰ *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 881 (9th Cir. 2012) (quoting *E. & J. Gallo Winery v. Andina Licores S.A.*, 446 F.3d 984, 991 (9th Cir. 2006)).

¹¹ *In re Unterweser Reederei GmbH*, 428 F.2d 888, 896 (5th Cir.1970), *aff’d on rehearing en banc*, 446 F.2d 907 (1971), *rev’d on other gds. sub nom. M/S Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1 (1972)

¹² *Seattle Totems Hockey Club, Inc. v. Nat’l Hockey League*, 652 F.2d 852, 855 (9th Cir. 1981).

The court must then determine the impact on comity. Factors to be considered include the order in which the domestic and foreign suits were filed, with preference given to the first-filed action, and the scope of the ASI.¹³

2. Conservative

Courts applying the “conservative” methodology will enjoin a foreign proceeding only when necessary “to protect jurisdiction or an important public policy.”¹⁴ For example, a foreign proceeding initiated “for the sole purpose of terminating the United States claim and where the foreign court had enjoined parties from pursuing an action in the United States” may be properly enjoined.¹⁵ Similarly, a foreign proceeding may be enjoined to enforce a forum selection clause in order to protect a national public policy.¹⁶

Courts applying the “conservative” methodology deemphasize the “vexatious or oppressive” *Unterweser* factor and give more weight to comity. “[E]ven the fact that a foreign action was ‘harassing and vexatious’ would not, by itself, warrant injunctive relief.”¹⁷ The courts adopting the “conservative” methodology follow the presumption that “parallel proceedings on the same *in personam* claim should ordinarily be allowed to proceed simultaneously, at least until a judgment is reached in one, which can then be pled as *res judicata* in the other.”¹⁸

3. Middle-Ground

The First and Second Circuits apply the “middle-ground” methodology, recognizing a rebuttable presumption that parallel litigation in foreign jurisdictions is proper.¹⁹ This presumption may be overcome by examining certain factors, including but not limited to:

- “the nature of the two actions (*i.e.*, whether they are merely parallel or whether the foreign action is more properly classified as interdictory);”
- “the posture of the proceedings in the two countries;”
- “the conduct of the parties (including their good faith or lack thereof);”
- “the importance of the policies at stake in the litigation;” and
- “the extent to which the foreign actions has the potential to undermine the forum court’s ability to reach a just and speedy result.”²⁰

¹³ *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 887 (9th Cir. 2012).

¹⁴ *Stonington Partners v. Lernout & Hauspie Speech Prods. N.V.*, 310 F.3d 118, 127 (3d Cir. 2002) (internal citation omitted).

¹⁵ *Id.* (internal quotation omitted)

¹⁶ *Beijing Fito Med. Co. v. Wright Med. Tech., Inc.*, 763 F. App’x 388, 400 (6th Cir. 2019).

¹⁷ *Stonington Partners v. Lernout & Hauspie Speech Prods. N.V.*, 310 F.3d 118, 127 (3d Cir. 2002).

¹⁸ *Id.* at 127 n.7.

¹⁹ *Quaak v. Klynveld Peat Marwick Goerdeler Bedrijfsrevisoren*, 361 F.3d 11, 17-18 (1st Cir. 2004).

²⁰ *Id.* at 19.

The “middle-ground” methodology can be described as a rebalancing of the “liberal” approach where greater deference is given to comity and parallel litigation in a foreign litigation is presumed proper.

B. Summary of Notable U.S. Cases

1. *Microsoft v. Motorola* (W.D. Wash. 2012)

In *Microsoft Corp. v. Motorola, Inc.*, Microsoft sued Motorola in the Western District of Washington, alleging that Motorola had violated its RAND commitments to the Institute of Electrical and Electronics Engineers (“IEEE”) and International Telecommunication Union (“ITU”) by seeking unreasonable royalty rates for SEPs relating to the 802.11 (Wi-Fi) and H.264 (video codec) standards.²¹ Microsoft alleged claims for breach of contract and promissory estoppel and also sought a declaration of RAND terms for a license to Motorola’s 802.11 and H.264 patent portfolios.²²

About eight months after Microsoft filed suit, a Motorola affiliate sued Microsoft in a German court, alleging that Microsoft infringed two Motorola-owned H.264 SEPs that had been the subject of license negotiations between Microsoft and Motorola in the United States.²³ Before the German court issued a decision on the Motorola affiliate’s request to enjoin Microsoft sales of allegedly infringing products in Germany, Microsoft moved the W.D. Wash. court for “an anti-suit injunction against Motorola restraining and enjoining Motorola from enforcing any injunctive relief that it may receive in the German Action.”²⁴

The district court granted the injunction. Analyzing the *Gallo* factors,²⁵ it first found that “for purposes of an anti-suit injunction the parties are the same,” even though they were not identical.²⁶ It then concluded that the case before it was “dispositive of whether a German court may issue an injunction against Microsoft for infringement of the European Patents”

²¹ 871 F. Supp. 2d 1089, 1093 (W.D. Wash.), *aff’d*, 696 F.3d 872 (9th Cir. 2012). H.264 video compression/decompression is explained, e.g., at <https://learn.microsoft.com/en-us/windows-hardware/drivers/display/mpeg-4-avc-h-264> (“MPEG-4 Advanced Video Coding (AVC), also known as ITU-T H.264, is a standard for video compression that can provide good video quality at substantially lower bit rates than previous standards (for example, half or less the bit rate of MPEG-2, H.263, or MPEG-4).”

²² *Id.* at 1095.

²³ *Id.* at 1096.

²⁴ *Id.*

²⁵ Specifically, the court followed the framework set forth in *E. & J. Gallo Winery v. Andina Licores S.A.*, 446 F.3d 984, 991 (9th Cir. 2006), which it described as follows: “(1) whether or not the parties and the issues are the same, and whether or not the first action is dispositive of the action to be enjoined; (2) whether the foreign litigation would frustrate a policy of the forum issuing the injunction; and (3) whether the impact on comity would be tolerable.” *Microsoft*, 871 F. Supp. 2d at 1097. The court further noted that *Gallo* recognized the second factor could be fulfilled by any of the three considerations addressed by *In re Unterweser Reederei GmbH*, 428 F.2d 888, 896 (5th Cir. 1970), *aff’d on reh’g en banc*, 446 F.2d 907 (5th Cir. 1971), which the court described as meaning that “a showing that the foreign litigation frustrates a policy of the forum issuing the injunction could be replaced by a showing that the foreign litigation would be vexatious or oppressive, would threaten the issuing court’s in rem or quasi in rem jurisdiction, or where the proceedings prejudice other equitable considerations.” *Id.* at 1097 n.9.

²⁶ *Id.* at 1098.

because it would have to decide all relevant issues, including “whether Microsoft is entitled to a worldwide RAND license for Motorola’s standard essential patents, including the European Patents.”²⁷ The court then considered the risk of inconsistent judgments between the two cases, recognizing that it “may find that Motorola may not seek injunctive relief against Microsoft with respect to its standard essential patents, which include the European Patents; whereas to the contrary, the German court may grant Motorola the injunctive relief it seeks in the German Action with respect to the same European Patents.”²⁸ Finally, the court found that “an anti-suit injunction would not have an intolerable impact on comity,” in part because “a foreign court has been belatedly asked by Motorola to decide an issue already placed before this court.”²⁹

As to the remaining preliminary injunction factors, the court found that Microsoft would suffer irreparable harm to its German business interests if Motorola enforced a German injunction. *Id.* at 1102. It also found that the prospect of enforcing the German injunction would give Motorola undue leverage in any license negotiation with Microsoft, while nonenforcement would simply require Motorola to wait for the Washington court to resolve the issues.³⁰ Finally, it found that the public interest favored an ASI, in part because it would “ensur[e] standard essential patents are accessible to all comers under RAND terms.”³¹

On appeal, the Ninth Circuit affirmed the ASI, agreeing with the district court that Motorola’s RAND commitments were inconsistent with its requests to enjoin Microsoft from selling its products: “Implicit in such a sweeping promise is, at least arguably, a guarantee that the patent-holder will not take steps to keep would-be users from using the patented material, such as seeking an injunction, but will instead proffer licenses consistent with the commitment made.”³² In addition, the Ninth Circuit emphasized that the district court’s narrow holding “le[ft] Motorola free to continue litigating its German patent claims against Microsoft as to damages or other non-injunctive remedies to which it may be entitled” and that “Motorola may well ultimately be able to enforce the German injunction too.”³³

2. *Ericsson v. TCL (C.D. Cal. 2015)*

After Ericsson successfully obtained a preliminary injunction against TCL in Brazil, which prohibited TCL from marketing its smartphones in the country,³⁴ the parties filed a mutual request for an ASI in the Central District of California, stating their intention that the California

²⁷ *Id.* at 1099-100.

²⁸ *Id.* at 1100.

²⁹ *Id.*

³⁰ *Id.* at 1103.

³¹ *Id.*

³² *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 884 (9th Cir. 2012).

³³ *Id.* at 889.

³⁴ *Telefonaktienbolaget LM Ericsson v. TCT Mobile Telefones LTDA*, Case No. 0373121-63.2012.8.19.0001, Rio de Janeiro State Court (2012).

proceeding would “result in a ‘global resolution’ of the SEP licensing and damages claims.”³⁵ The California court granted the ASI.³⁶ The Brazilian court’s injunction against TCL’s sales of smartphones in the country was important to Ericsson, as TCL consented to the Central District of California’s jurisdiction to determine a global FRAND resolution only after being excluded from the Brazilian market.

3. ***Vringo v. ZTE* (D. Del. 2015)**

Vringo obtained a preliminary injunction preventing ZTE from marketing cellular base stations in Brazil, including the sealing of equipment in ZTE’s premises in São Paulo.³⁷ ZTE then filed an anti-monopoly lawsuit in China. As part of its filing, ZTE included information obtained during negotiations with Vringo that were subject to non-disclosure agreement (“NDA”). As a result, Vringo filed a lawsuit in New York alleging breach of the NDA and obtained a Temporary Restraining Order (TRO) and later a Preliminary Injunction against ZTE. In response, ZTE filed a request for a world-wide ASI against Vringo in Delaware, but omitted the existence of the pending case in New York. The Delaware court granted the order³⁸ but revoked it after learning of the New York case and of misrepresentations by ZTE about the facts in the litigation in other countries.

4. ***Huawei v. Samsung* (N.D. Cal. 2018)**

In *Huawei Technologies Co. v. Samsung Electronics Co.*, Samsung sought to enjoin Huawei from enforcing injunctions issued by the Intermediate People’s Court of Shenzhen in China, which had “enjoined Samsung’s Chinese affiliates from manufacturing and selling its 4G LTE standardized smartphones in China.”³⁹ Both companies had committed to the European Telecommunications Standards Institute (“ETSI”) to license their cellular SEPs on FRAND terms, and the litigation arose from a dispute about the terms of a renewed cross license.⁴⁰ Huawei initiated the California case, in which it asserted 11 SEPs against Samsung, alleged that Samsung breached its FRAND commitments, and requested that the court set the FRAND terms for a global cross license.⁴¹

The California court granted Samsung’s request for the ASI based on an analysis that relied heavily on the *Microsoft* case.⁴² After finding that the parties to the Shenzhen case and the case before it were functionally the same, the court noted that, unlike in *Microsoft*, the Chinese

³⁵ *TCL Communication Tech. Holdings, Ltd. v. Telefonaktienbolaget LM Ericsson et al.*, No. SACV14–00341 JVS (DFMx) (C.D. Cal. 2015).

³⁶ *Id.*

³⁷ *Vringo Infrastructure Inc. V. ZTE Corporation et al.*, Case No. 0126070-69.2014.8.19.0001, Rio de Janeiro State Court (2014).

³⁸ *ZTE Corporation v. Vringo, Inc.*, Case no. 15-CV-00132-UNA (D. Del. 2015).

³⁹ No. 3:16-CV-02787-WHO, 2018 WL 1784065, at *1 (N.D. Cal. Apr. 13, 2018).

⁴⁰ *Id.*

⁴¹ *Id.* at *2.

⁴² As with the *Microsoft* decision, the court looked to *Gallo* and *Unterweser* for the applicable framework to consider a request for an ASI. *Id.* at *4, *9-11.

litigation and the California case had been filed at the same time.⁴³ It also noted that, unlike the German court in *Microsoft* that “issued its injunction without evaluating whether Motorola had complied with its FRAND commitment,” the Chinese court “issued injunctive relief *because* it found that Samsung had not complied with its FRAND obligations.”⁴⁴

Nevertheless, the California court found that the California case was “dispositive of Huawei’s Chinese actions” because it would conclusively resolve the contract issues underlying both.⁴⁵ The court concluded that Huawei’s enforcement of the Chinese court’s injunctions would “undermine[] ... this court’s ability to determine the propriety of injunctive relief in the first instance” and subject Samsung to “the risk of significant harm, not just in China, but with impacts percolating around the world.”⁴⁶ Further, it noted that the Chinese injunctions “would likely force [Samsung] to accept Huawei’s licensing terms, before any court has an opportunity to adjudicate the parties’ breach of contract claims.”⁴⁷ Finally, the court concluded that the “scope of this anti-suit injunction, limited to a particular order dealing with two patents, a specific form of relief, and estimated to last less than six months, present[ed] a negligible impact on comity.”⁴⁸

5. ***Continental et al. v. Nokia et al.* (N.D. Cal. 2019)**

In March 2019, Nokia filed ten patent infringement proceedings in Germany against automobile manufacturer Daimler, after Daimler and multiple suppliers including Continental Automotive Systems (“Continental”) filed complaints at the European Commission alleging that Nokia’s practice of offering SEP licenses exclusively at the OEM level violated European antitrust laws.⁴⁹ Continental, which supplies Daimler with components including telematics control units incorporating communications technology, intervened in the German patent infringement proceedings shortly thereafter.

On June 12, 2019, Continental asked the U.S. District Court for the Northern District of California to enjoin Nokia from continuing to prosecute certain “patent infringement actions filed in Germany against Continental’s customer, Daimler AG.”⁵⁰ Continental’s motion also asked the court to enjoin Nokia from commencing any action globally against Continental or its customers that alleged infringement of Nokia’s 2G, 3G, or 4G SEPs.⁵¹ (The German matters are described below in Section IV (B) (3)).

⁴³ *Id.* at *7.

⁴⁴ *Id.* at *7 (emphasis in original).

⁴⁵ *Id.* at *8.

⁴⁶ *Id.* at *10.

⁴⁷ *Id.*

⁴⁸ *Id.* at *12.

⁴⁹ See <https://caselaw.4ipcouncil.com/german-court-decisions/olg-munich-higher-district-court/continental-v-nokia>, and <https://www.taylorwessing.com/en/insights-and-events/insights/2020/06/nokia-v-continental---munich-higher-regional-court>.

⁵⁰ *Cont’l Auto. Sys., Inc. v. Avanci, LLC*, No. 19-CV-02520-LHK, ECF No. 32, at 2 (N.D. Cal. June 12, 2019).

⁵¹ *Id.* at 3.

Continental also sought a binding worldwide FRAND license to the defendants' SEPs along with alleging antitrust violations. Continental argued that Nokia had refused to license SEPs to Continental in violation of its FRAND commitments and instead was targeting Continental's customers. Specifically, Continental alleged that Nokia filed "ten retaliatory patent infringement lawsuits against Daimler in Germany" seeking an injunction "to force [Daimler] to accept non-FRAND licenses."⁵² Continental argued that an injunction restraining Nokia from pursuing the German lawsuits would give the California court time to require Nokia to license its patents on FRAND terms to Continental, rather than forcing Continental's customers to accept "Nokia's unfair royalty demands."⁵³

As discussed in Section IV (B) (3), Nokia responded by filing an application for an anti-ASI directing Continental to withdraw the ASI motion pending in the US. The German court granted Nokia's request, and, in September 2019, Continental partially withdrew its request that the California court enjoin Nokia from pursuing the German infringement actions, but reserved the option to seek an ASI again if the Munich ruling was overturned.

The California court ultimately denied the remainder of Continental's motion without prejudice because certain defendants were added to the case after the ASI was filed, and it was unclear whether the initial ASI would apply to those new parties. Continental, however, was permitted to refile its motion against all the defendants.

Instead, Continental applied for an *ex parte* temporary restraining order prohibiting the defendants from seeking an anti-anti-suit injunction (AASI) and order to show cause why an ASI should not issue against the defendants. The California court denied the temporary restraining order, finding that Continental failed to set forth specific facts that showed why irreparable harm would result if the temporary restraining order was not issued.

6. *Lenovo v. IPCoM* (N.D. Cal. 2019)

After several years of unsuccessful negotiations for a global FRAND license to IPCoM's portfolio of SEPs, Lenovo's U.S. affiliates ("Lenovo US") filed a declaratory relief case in the Northern District of California seeking, among other things, judicial determination of the terms and conditions of a FRAND license.⁵⁴ Four months later, IPCoM filed a patent infringement case in the United Kingdom requesting, among other things, injunctive relief. In response to the IPCoM UK infringement case, Lenovo US filed a motion seeking to: (1) enjoin IPCoM from prosecuting its UK infringement case; and (2) enjoin IPCoM from instituting against Lenovo or its customers any action alleging infringement of any of IPCoM's 2G, 3G, or 4G SEPs, regardless of country, during the pendency of Lenovo's US case.

Shortly after Lenovo US filed its ASI motion, IPCoM filed another patent infringement case, this time in France. In response to Lenovo's US ASI motion, IPCoM filed applications for AASIs in

⁵² *Id.* at 8-9.

⁵³ *Id.* at 9-10.

⁵⁴ *Lenovo (US) Inc. v. IPCoM GmbH & Co., KG*, No. 5:19-cv-01389-EJD, 2019 U.S. Dist. LEXIS 215266 (N.D. Cal. Dec. 12, 2019)

both the UK and in France. Both the UK and French courts granted ICom's requests. The French AASI enjoined Lenovo US from pursuing its ASI against ICom's French infringement action, and the UK AASI enjoined Lenovo's UK affiliates ("Lenovo UK") from participating in or sanctioning Lenovo US's ASI. The AASIs granted in the UK and France are the subject of separate summaries provided in Section IV (B) (4).

The Northern District of California court denied Lenovo US's ASI on the grounds that Lenovo US had failed to establish that ICom was subject to personal jurisdiction in the district. During oral argument on the ASI, the court also noted that denying a party of its lawful right to enforce its foreign intellectual property rights in a foreign court was an extraordinary request.⁵⁵ The ASI was denied without prejudice for Lenovo US to renew its motion after jurisdictional discovery had completed. However, by the time jurisdictional discovery was completed, the UK and French actions were no longer pending because the patent at issue had expired.

7. *Ericsson v. Samsung* (E.D. Tex. 2020)

On December 11, 2020, Ericsson Inc. and Telefonaktiebolaget LM Ericsson (collectively, "Ericsson") sued various Samsung entities in the Eastern District of Texas alleging that Samsung had violated its FRAND obligations during the parties' negotiations for a 4G/5G SEP license. The parties had previously negotiated a global cross-license in 2014, but that agreement expired at the end of 2020. In its complaint, Ericsson alleged that Samsung had breached its FRAND obligations and failed to negotiate a cross-licenses in good faith, and sought a declaratory judgment that Ericsson had not breached its FRAND commitment.

As discussed below in Section IV (B) (9), however, Samsung had already filed an action in the Wuhan Intermediate People's Court on December 7, 2020. On December 14, 2020, Samsung requested an ASI against Ericsson from the Wuhan court, which the court granted on December 25, 2020. Ericsson did not receive notice of Samsung's ASI application prior to the Wuhan court's issuance of the ASI.

On December 28, 2020, Ericsson moved for an emergency temporary restraining order and an anti-interference injunction from the Texas district court, which the court granted on the same day. The court granted the emergency motion, concluding that there was "a substantial risk of irreparable harm to Ericsson, and to the jurisdiction of this Court, if Samsung were to attempt to enforce or further pursue its antisuit injunction against Ericsson."⁵⁶ As part of the temporary restraining order, the Texas court enjoined Samsung from making any request or otherwise pursuing or enforcing an injunction from a foreign court, including the Wuhan Intermediate Court, that would prevent Ericsson from prosecuting the instant case or limit Ericsson in enforcing its U.S. patent rights. The Texas court also ordered Samsung to indemnify Ericsson for

⁵⁵ In contrast with *Microsoft* and *Huawei*, above, Lenovo was not seeking anti-injunctive relief or anti-enforcement relief but was instead asking the US court to prohibit ICom from even asserting its foreign-granted patent rights in foreign jurisdictions. Lenovo's request was a true ASI, similar in scope to the later ASIs granted by the Wuhan Intermediate People's Court in *Xiaomi v. InterDigital* and *Samsung v. Ericsson*.

⁵⁶ See *Ericsson Inc. v. Samsung Electronics Co., Ltd.*, Case No. 2:20-cv-00380-JRG, ECF No. 14 (E.D. Tex. Dec. 28, 2020).

any fine that might be levied by the Wuhan Intermediate Court on Ericsson for pursuing the action in Texas. The Texas court set a preliminary injunction hearing for January 7, 2021. The temporary restraining order was set to expire on January 11, 2021, unless it was further extended.

On January 11, 2021, after full briefing by the parties and oral argument held on January 7, the Texas court issued an order granting a preliminary AASI against Samsung.⁵⁷ The order enjoined Samsung from taking any action in the Chinese case that (i) would interfere with the Texas court's jurisdiction or (ii) would interfere with Ericsson's ability to assert its U.S. patent rights before any court or administrative agency in the United States. In addition, the order required Samsung to indemnify Ericsson for "any and all fines or other penal assessments levied against and actually incurred by Ericsson" by the Wuhan Intermediate Court as a result of the ASI issued by that court.⁵⁸

The Texas court used the factors from the Fifth Circuit case *In re Unterweser Reederei, GmbH*,⁵⁹ (i.e., the **Unterweser factors**) to inform its decision, even though these factors applied to ASIs, not AASIs (also referred to as "anti-interference injunctions"). Under the *Unterweser* factors, "an injunction against the prosecution of a foreign lawsuit may be appropriate when the foreign litigation would: (1) frustrate a policy of the forum issuing the injunction; (2) be vexatious or oppressive; (3) threaten the issuing court's *in rem* or *quasi in rem* jurisdiction; or (4) cause prejudice or offend other equitable principles."⁶⁰ The court specifically rejected the position that principles of international comity dominate this analysis as inconsistent with Fifth Circuit law.⁶¹

The court found that the first factor weighed in favor of the court's issuance of an AASI because "[a]llowing Samsung to enjoin Ericsson from asking this Court to adjudicate legally cognizable claims under United States law would frustrate this Court's compelling interest in ensuring that litigation within its legitimate jurisdiction proceed in this forum."⁶² In reaching this conclusion, the court specifically found that the order in which the suits were filed was not dispositive on this question and instead, rested its decision on the "virtually unflagging obligation of the federal courts to exercise the jurisdiction given them."⁶³

The Texas court found that the second factor also weighed in favor of issuing an AASI after analyzing "whether both litigations are vexatious or oppressive from the posture of both jurisdictions" in Wuhan and the Eastern District of Texas.⁶⁴ The district court found that Ericsson, but not Samsung, would suffer inequitable hardship if the Wuhan ASI were enforced because it would "unfairly deprive Ericsson of the right to bring claims it is entitled to bring

⁵⁷ See *id.*, ECF No. 45 (E.D. Tex. Jan. 11, 2021).

⁵⁸ See *id.*

⁵⁹ *In re Unterweser Reederei, GmbH*, 428 F.2d 888 (5th Cir. 1970).

⁶⁰ See *id.* at 6.

⁶¹ *Id.*

⁶² *Id.* at 8.

⁶³ *Id.* (citing *Colo. River Water Conserv. Dist. v. U.S.*, 424 U.S. 800, 817 (1976)).

⁶⁴ *Id.*

under United States law.”⁶⁵ The Texas court also noted under this factor that the Wuhan Intermediate Court entered the ASI without giving Ericsson “notice or an opportunity to be heard.”⁶⁶ By contrast, the Texas court found that the Texas litigation would not be vexatious or oppressive as to Samsung because of admissions by Samsung that parallel litigations were inevitable and that the specific action in which Ericsson had asserted additional U.S. patents was not vexatious.⁶⁷

Third, the Texas court found that the Wuhan ASI would frustrate and delay the cause of action before that court because the Wuhan ASI by its very terms specifically prohibited the adjudication of the claims brought before the Texas court. By contrast, the Texas court found that the proceedings before it would not frustrate or delay the proceedings in the Wuhan court.⁶⁸

Further, the Texas court found that the two actions were not duplicative.⁶⁹ The Texas court emphasized that this point focused on the “*legal, not factual, similarity*” between the two cases.⁷⁰ The Texas court found that while the Wuhan Intermediate Court was asked to “determine the global licensing terms,” which would result in a royalty rate, it was asked “to look at the parties’ pre-suit negotiation conduct and determine whether the parties breached or complied with their mutual FRAND obligations.”⁷¹ Thus, “[t]he Wuhan Court is asked to provide a number,” whereas the Texas court “is asked to evaluate conduct.”⁷²

Finally, the Texas court found that the fourth *Unterweser* factor also weighed in favor of an injunction.⁷³ As the court noted, Samsung had filed a complaint at the International Trade Commission seeking injunctive relief against Ericsson for its 4G and 5G compliant devices, “the very type of injunctive relief the ASI bars Ericsson from seeking” against Samsung.⁷⁴ The Texas court further found that the penal provisions of the ASI created “an inequitable disparity between the parties which prejudices Ericsson’s right to assert lawful causes of action.”⁷⁵ According to the Texas court, the court “should not allow Samsung to impose financial penalties against Ericsson for attempting to file the same claims that Samsung itself has filed without a counterbalance.”⁷⁶ With respect to this situation, the Texas court closely questioned the parties about the ability of the judges in the Wuhan Intermediate Court to have *ex parte* communications with individual parties, and appeared concerned about a situation in which

⁶⁵ *Id.* at 9.

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ *Id.* at 11.

⁷⁰ *Id.* (citing *MWK Recruiting Inc. v. Jowers*, No. 19-51064, 2020 WL 6572570, *4 (5th Cir. Nov. 6, 2020) (emphasis in *MWK*)).

⁷¹ *See id.* at 11-12.

⁷² *Id.*

⁷³ The Texas court found that the third *Unterweser* factor did not apply to its analysis.

⁷⁴ *Id.* at 12.

⁷⁵ *Id.*

⁷⁶ *Id.*

Samsung could request sanctions against Ericsson without any record being made of such a request.⁷⁷

8. *Ericsson v. Apple* (E.D. Tex. 2021)

On October 4, 2021, Ericsson filed a declaratory judgment claim against Apple in the Eastern District of Texas seeking a ruling that it had complied with its FRAND obligations in making an offer to Apple for a new license. Apple filed its own complaint against Ericsson before the same court in December 2021 seeking a determination of FRAND terms for a global license to Ericsson's claimed essential patents and expressing its willingness to have the court make such a determination in the form of a cross-license. The Texas court scheduled a trial for December 2022.

After the parties' license expired in January 2022, Ericsson brought infringement claims and sought injunctions against Apple for FRAND-committed patents in jurisdictions across the globe, including in multiple courts in Colombia. In April 2022, Ericsson succeeded in obtaining an injunction from Court 43 in Bogota that prohibited Apple from selling 5G iPhones in Colombia.⁷⁸ (The injunction was later reversed on appeal in November 2022.)

In July, Apple requested that the Texas court adjudicating the parties' FRAND dispute order Ericsson to indemnify Apple for costs incurred as the result of the Colombian injunction. Apple argued that Ericsson's Colombian injunction undermined the ability of the Texas court to conduct the parties' FRAND trial because of the leverage it provided Ericsson in negotiations.⁷⁹ The court denied Apple's request, concluding that "any purported 'pressure' on Apple to negotiate with Ericsson regarding the parties' global licensing disputes exists between the parties and has no effect on this Court."⁸⁰ The court further found that although "Ericsson may have hop-scotched all over the planet filing suits against Apple as a means to bring pressure to bear—or as Apple has termed it: for coercive effect—such actions, including the Colombian case embodied in the Motion, do not interfere with this Court's pending action or its efforts to bring the instant case to an early trial near the end of this calendar year."⁸¹ The court, however, granted Apple's request to expand the terms of the protective order to allow certain documents, including copies of Ericsson's filings in Colombia, to be shared with Apple's Colombian counsel because they did not have access through the Colombian proceeding.⁸²

⁷⁷ See, e.g., *id.*, Hearing Transcript, ECF No. 43, at 82-83.

⁷⁸ Order at 2, *Ericsson Inc. v. Apple Inc.*, No. 2:21-CV-00376-JRG, ECF No. 1682 (E.D. Tex. July 28, 2022).

⁷⁹ *Id.* at 2-3.

⁸⁰ *Id.* at 8.

⁸¹ *Id.*

⁸² *Id.* at 9.

IV. Anti-Suit Injunctions Issued Outside the U.S.

A. Selected Global Legal Approaches

1. India

Anti-suit injunctions are recognized by Indian courts. Cases involving ASIs are governed by the doctrine of equity, under the same principles that govern the granting of other types of injunctions.⁸³ The only statutory provision addressing the granting (or denial) of ASIs is Section 41 of the Specific Relief Act, 1963, the relevant part of which is reproduced below:

41. Injunction when refused.— *An injunction cannot be granted—*

(a) to restrain any person from prosecuting a judicial proceeding pending at the institution of the suit in which the injunction is sought, unless such restraint is necessary to prevent a multiplicity of proceedings;

*(b) to restrain any person from instituting or prosecuting any proceeding in a court not sub-ordinate to that from which the injunction is sought[.]*⁸⁴

The Supreme Court of India has held that *“It is a well-settled law that the courts in India have power to issue anti-suit injunction to a party over whom it has personal jurisdiction, in an appropriate case”*⁸⁵ and further observed that anti-suit injunctions *“should be granted sparingly and not as a matter of routine as such orders involve a court impinging on the jurisdiction of another court, which is not entertained very easily specially when the it restrains the parties from instituting or continuing a case in a foreign court.”*⁸⁶

With respect to the Section 41(b), the Supreme Court has held that *“This provision ... will be attracted only in a fact-situation where an injunction is sought to restrain a party from instituting or prosecuting any action in a court in India which is either of coordinate jurisdiction or is higher to the court from which the injunction is sought in the hierarchy of Courts in India.”*⁸⁷ Thus, there is no restriction on the grant of an ASI by a court with respect to institution or continuance of a legal proceeding in a lower court or a court outside India.

The Supreme Court of India has also provided certain **principles and guidelines that must be considered by any court while granting an ASI**. In general, courts should only grant an ASI if the following **three-prong test** is met:

- The Defendant, against whom injunction is sought, is amenable to the personal jurisdiction of the court;

⁸³ *Dinesh Singh Thakur v. Sonal Thakur*, AIR 2018 SC 2094.

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ *Oil & Natural Gas Comm’n v. W. Co. of N.A.*, AIR 1987 SC 674.

⁸⁷ *Id.*

- If the injunction is declined, the ends of justice will be defeated and injustice will be perpetuated; and

- The principle of comity of courts (respect for the court in which the commencement or continuation of action/proceeding is sought to be restrained) must be borne in mind.”⁸⁸

The Supreme Court has also provided some clarifications with respect to the grant of ASIs when there are more than one forum available (forum conveniens considerations):

“(2) In a case where more forums than one are available, the court in exercise of its discretion to grant [an ASI] will examine as to which is the appropriate forum (forum conveniens) having regard to the convenience of the parties and may grant [an ASI] in regard to proceedings which are oppressive or vexatious or in a forum non-conveniens.

...

(7) The burden of establishing that the forum of choice is a forum non-conveniens or the proceedings therein are oppressive or vexatious would be on the party so contending to aver and prove the same.”⁸⁹

As to ASIs and the doctrine of *forum non-conveniens*, the Delhi High Court stated the following:

“An [ASI] is granted by the court preventing the parties before it from instituting or continuing with proceedings in another court. On the other hand, the doctrine of forum non convenience is invoked by court to not entertain a matter presented before it in view of the fact that there exists a more appropriate court of competent jurisdiction which would be in a better position to decide the lis between the parties. So, in a sense the principle on which an [ASI] is imposed is just the reverse of the principle on which the doctrine of forum non convenience is employed.”⁹⁰

The Supreme Court of India also has provided special guidelines for the granting of ASIs where the dispute arises out of a contract between the parties which may, or may not, contain an exclusive jurisdiction clause:

“(3) Where jurisdiction of a court is invoked on the basis of jurisdiction clause in a contract, the recitals therein in regard to exclusive or non-exclusive jurisdiction of the court of choice of the parties are not determinative but are relevant factors and when a question arises as to the nature of jurisdiction agreed to between the

⁸⁸ *Modi Ent. Network v. WSG Cricket Pte Ltd.*, AIR 2003 SC 1177, available at <https://main.sci.gov.in/jonew/judis/18887.pdf>.

⁸⁹ *Moser Bear of India Ltd. v. Koninklijke Philips Elecs. NV & Ors.*, 151 (2008) DLT 180 [Delhi High Court]. Available at: <https://www.casemine.com/judgement/in/56090c53e4b0149711176ea9>.

⁹⁰ *Id.*

parties the court has to decide the same on a true interpretation of the contract on the facts and in the circumstances of each case.

(4) A court of natural jurisdiction will not normally grant [an ASI] against a defendant before it where parties have agreed to submit to the exclusive jurisdiction of a court including a foreign court, a forum of their choice in regard to the commencement or continuance of proceedings in the court of choice, save in an exceptional case for good and sufficient reasons, with a view to prevent injustice in circumstances such as which permit a contracting party to be relieved of the burden of the contract; or since the date of the contract the circumstances or subsequent events have made it impossible for the party seeking injunction to prosecute the case in the court of choice because the essence of the jurisdiction of the court does not exist or because of a vis major or force majeure and the like.

(5) Where parties have agreed, under a non-exclusive jurisdiction clause, to approach a neutral foreign forum and be governed by the law applicable to it for the resolution of their disputes arising under the contract, ordinarily no [ASI] will be granted in regard to proceedings in such a forum conveniens and favoured forum as it shall be presumed that the parties have thought over their convenience and all other relevant factors before submitting to the nonexclusive jurisdiction of the court of their choice which cannot be treated just as an alternative forum.

(6) A party to the contract containing jurisdiction clause cannot normally be prevented from approaching the court of choice of the parties as it would amount to aiding breach of the contract; yet when one of the parties to the jurisdiction clause approaches the court of choice in which exclusive or nonexclusive jurisdiction is created, the proceedings in that court cannot per se be treated as vexatious or oppressive nor can the court be said to be forum non-conveniens.”⁹¹

Thus, one may conclude that because courts of equity exercise jurisdiction *in personam*, Indian courts have the power to issue ASIs against parties over whom they have personal jurisdiction. This power is to be exercised sparingly where such an injunction is sought. Such injunction is to be granted only if its refusal defeats the ends of justice and perpetuates the injustice.

While adjudicating applications for ASIs in matters relating to intellectual property rights, Indian courts give due consideration to the territorial nature of IP rights. In a matter in which an ASI request was denied, the division bench of Delhi High Court observed that:

“Not only two causes appear to be different and ground of inconvenience to the respondent does not appear to be correct, it is also noticeable that since the patent law

⁹¹ *Id.*

is territorial in nature, therefore, the infringement caused in different countries where the patents are registered and monopoly rights are granted, will lead to a separate cause of action and the mere fact that the appellants has [sic] brought one suit of civil nature before this Court for the violation of the patent rights in India will not lead to the conclusion that a party is debarred from filing any action restraining the misuse of the patent/monopoly rights, which are granted in the jurisdiction of some other court.”⁹²

2. China

Chinese law does not explicitly provide for a court to issue an ASI. However, Article 100 of the Civil Procedure Law of China allows a court to order or prohibit the respondent to do, or from doing certain actions, if the respondent’s behavior may lead to the difficulty to enforce the judgment or cause other damages to the other party. Until recently, Article 100 had not been applied as the equivalent of an ASI and was instead typically used to preserve property, enjoining infringing acts or otherwise causing substantive harm to a party’s property (real or personal). However, a party can now seek and obtain an *ex parte* “Behavior Preservation Order” (the equivalent of an ASI) without providing notice to the other party. The first time China’s Supreme People’s Court (SPC) issued a Behavior Preservation Order against a parallel foreign IP proceeding in the *Huawei v. Conversant* case in 2020 (see Section IV(B)(5)), which set forth the conditions and factors that Chinese court considers when reviewing requests for ASIs. Consequently, Chinese courts now have a set of guiding SPC principles to work with in considering similar IP related cases requesting Behavior Preservation Orders under Article 100.

B. Summary of Notable Global Cases

1. *Unwired Planet Int’l v. Huawei Tech. Co.* (UK 2017-2020)

In 2017, following patent infringement proceedings involving Unwired Planet’s UK patents, the English High Court of Justice found the patents valid and infringed, held that Unwired Planet was entitled to demand a global FRAND license rather than one limited to the UK, and determined FRAND terms for a global license. In June 2017, the court also entered an injunction against Huawei restraining infringement in the UK, unless Huawei agreed to the global FRAND License set by the Court. The injunction was stayed pending appeal after Huawei agreed to abide by the terms of the FRAND license pending appeal; Unwired Planet did not give a similar undertaking.

Notwithstanding Huawei’s payments under the court-imposed global license, Unwired Planet brought suit in Mexico ten days later seeking a preliminary injunction related to the associated Mexican patents. In July 2017, Huawei commenced proceedings against Unwired Planet in China (Shenzhen court). In response, Unwired Planet abandoned its suit in Mexico and asked

⁹² *Magotteaux Indus. Pvt. Ltd. v. AIA Eng’g Ltd.*, 2008 (155) DLT 73 (DB), available at: <https://indiankanoon.org/doc/42847057>.

the English court to issue an ASI related to the Chinese Proceedings and to lift the stay of the UK injunction. During the ASI proceedings, the parties agreed not to undertake further litigation regarding their portfolios in any jurisdiction without five days' prior notice. The English court denied Unwired Planet's motion by ordered Huawei to pay costs. Though critical of both parties' actions, the court concluded that Unwired Planet was the prevailing party in the ASI proceedings because Huawei's Chinese action was improper.

On October 23, 2018, the UK Court of Appeals dismissed the appeal of the underlying FRAND trial, holding that an SEP owner has the right to choose whether it prefers a national or a global FRAND license. On August 26, 2020, in a consolidated appeal with *Conversant v. ZTE*, the UK Supreme Court held that injunctions against SEP infringement, absent the potential licensee's consent to a global FRAND license, are "necessary in order to do justice."⁹³

2. *Conversant Wireless Licensing v. ZTE et al.* (UK 2018)

In 2017, Conversant commenced proceedings against ZTE and Huawei in the United Kingdom seeking either a nationwide injunction against infringement or a determination of FRAND terms for a global license. Conversant subsequently brought proceedings in the German courts.

On January 17, 2018, ZTE brought proceedings in Shenzhen requesting a FRAND determination for Conversant's Chinese patents, alleging that Conversant's demand for a global FRAND determination in the UK action had undermined ZTE's right to obtain a verdict from the Chinese Court. ZTE sought a declaration that Conversant had engaged in unfair practices with FRAND and an injunction restraining Conversant from unfair practices related to FRAND licensing.

ZTE challenged the English court's jurisdiction to set a global license, but on April 16, 2018, the judge rejected ZTE's arguments. The court concluded that, as in *Unwired Planet*, a global FRAND license does not determine the validity of foreign patents and can include a mechanism for royalty adjustment if foreign patents are found invalid in those jurisdictions. The court also found that because the case was brought first in the United Kingdom, it had jurisdiction to decide a global FRAND license.⁹⁴

In July 2018, Conversant moved in the English court for an ASI prohibiting pursuit of the relevant claims in the Shenzhen proceedings, or any similar claims in any other jurisdiction. Conversant argued that certain parts of the Shenzhen proceedings sought to prohibit it from moving forward in the English court or from relying on any license set by that court.

During the English ASI proceedings, the parties agreed that any findings in the Shenzhen Proceedings would not affect any action outside Shenzhen or preclude any relief in any other proceedings. Accordingly, ZTE undertook to amend the Shenzhen complaint and agreed not pursue any other action against Conversant in China relating to FRAND. Conversant likewise

⁹³ *Unwired Planet Int'l Ltd. et al. v. Huawei et al.* UKSC 37 (2020), consolidated appeal available at: <https://www.supremecourt.uk/cases/docs/uksc-2018-0214-judgment.pdf>.

⁹⁴ *Conversant v Huawei and ZTE*, [2018] EWHC 808 (Pat), available at: <https://caselaw.4ipcouncil.com/english-court-decisions/england-and-wales-high-court/conversant-v-huawei-and-zte-2018-ewhc-808-pat>.

sought to stay determination of the FRAND issues in the parallel German proceedings until after the English Court ruled on those issues.

With these undertakings, the English Court dismissed the application for an ASI. A subsequent ruling on costs found that Conversant was the prevailing party in the ASI motion.

3. *Nokia et al. v. Continental et al. (Germany 2019)*

While Continental's ASI motion in California, described in Section III(B)(5) above, was pending, Nokia asked the District Court of Munich to issue an anti-ASI (AASI) preventing Continental from enforcing any ASI it received and from pursuing the California motion further.

On July 11, 2019, the Munich court granted Nokia's request and ordered Continental to withdraw its California ASI motion, finding that the ASI, if granted, would interfere with Nokia's property rights under German law by limiting its ability to enforce its patents.⁹⁵ The court found that Nokia "would stand to fear significant economic disadvantages" if the California court issued an ASI, which was "intended to deprive [Nokia] of [its] right of action in Germany."⁹⁶ It further concluded that Nokia did "not need to wait for an initial unlawful prejudice by issuing the anti-suit injunction" because its issuance was already "sufficiently imminent."⁹⁷

The Munich court's decision was later upheld on appeal. The Higher Regional Court of Munich found that, in weighing the parties' interests, Nokia's right to pursue patent infringement remedies including injunctive relief would prevail over Continental's ability to pursue a foreign ASI, which would ultimately render Continental's California ASI motion to be an unlawful tort under German law—notwithstanding that ASIs are a recognized and legal remedy in the United States.⁹⁸

4. *IPCom v. Lenovo (United Kingdom & France 2019)*

a. *IPCom GmbH v. Lenovo Group (United Kingdom) (2019)*⁹⁹

On July 2, 2019, during the pendency of the Lenovo U.S. action addressed above in Section III (B) (6), IPCom filed an action for patent infringement seeking a determination of infringement of EP2184168 ("EP268") by Lenovo's UK entities and requesting injunctive relief on infringing products. On September 18, 2019, Lenovo US responded by filing an ASI in the United States [N.D. California] action seeking to enjoin IPCom from prosecuting its UK action. On October 25,

⁹⁵ *Nokia v. Daimler*, Munich District Court (Landgericht München) Case No 21 O 9333/19 (Oct. 2, 2019); *Cont'l Auto. Sys., LLC*, ECF No. 89-1, at 6-7 (certified translation of German decision; hereinafter "Translation"); see also Tsang and Lee at 45.

⁹⁶ Translation at 12.

⁹⁷ *Id.* at 13.

⁹⁸ *Nokia v. Daimler*, Higher Regional Court of Munich (Oberlandesgericht München) Case No 6 U 5689/19 (Dec. 12, 2019).

⁹⁹ *IPCom GmbH & Co KG v. Lenovo Group Ltd. & Ors.* [2019] EWHC 2980 (Pat); [2019] 3030 (Pat).

2019, ICom applied for an AASI in the United Kingdom, seeking to restrain Lenovo UK from pursuing the ASI in the U.S. action. The UK AASI hearing was listed for hearing on Nov. 8, 2019.

After learning that the English court would hear ICom’s AASI before the U.S. court could hear Lenovo’s ASI, Lenovo US sought to expedite the ASI hearing, but the request was denied. In the meantime, ICom successfully moved the English court to issue an interim AASI on October 30, 2019, enjoining Lenovo UK from supporting or sanctioning Lenovo’s ASI before the U.S. court.

Interim Injunction. The English court noted that, despite Lenovo’s efforts to obtain an ASI, it had serious doubts as to whether it should issue an AASI to effectively prevent the US Lenovo entities from seeking an ASI. Reviewing the claims in the U.S. and UK, the English court determined that the U.S. action would not resolve issues of infringement, validity, or the consequences of infringement for EP268 at issue in the UK action. The English court then determined that AASIs were appropriate under UK law, and that the English court would determine whether an AASI should issue. The English court then granted the interim injunction until November 14, 2019, preserving its ability to hold the AASI hearing. The interim injunction prohibited the Lenovo UK entities “from seeking to assist or sanction or continue to sanction their US affiliates from seeking to prevent the English court addressing the issues on the anti-anti-suit injunction.”¹⁰⁰

Anti-anti-suit Injunction. The English court issued the AASI largely based on the same conclusions made in the interim injunction order. First, the English court determined that there was no duplication of issues in between the U.S. and the UK cases as because the UK case dealt with infringement and validity of EP268. Second, the English court determined that the scope of the AASI prevented only *Lenovo UK* from participating or supporting the ASI and would not extinguish the US action or even prevent the Lenovo US entities from enforcing the ASI.

The English court also found that an infringement suit is “the only realistic means a patentee of a standard essential patent has to move things forward,” and concluded that if the ASI were granted, ICom’s only “means of bringing pressure would vanish altogether.”¹⁰¹ The English court also noted that the deprivation of ICom’s right to litigate the infringement and validity of EP268 would be vexatious and oppressive. However, the ASI was an issue before the U.S. Court, and not the UK Court.

b. ICom v. Lenovo (France) (2019)¹⁰²

After Lenovo US filed an ASI in the Northern District of California on September 18, 2019, as discussed above in Section III (B) (6), ICom moved for a French AASI on October 25, 2019. ICom’s AASI request sought to have Lenovo US withdraw its ASI application as pertained to the

¹⁰⁰ *Id.*; see also <https://www.taylorwessing.com/en/insights-and-events/insights/2020/06/ipcom-v-lenovo---court-of-appeal-of-paris> (description of the saga in various jurisdictions).

¹⁰¹ *ICom GmbH & Co KG v. Lenovo Group Ltd. & Ors.* ¶ 51 [2019] 3030 (Pat).

¹⁰² *ICom v. Lenovo*, Tribunal de grande instance Paris, November 8, 2019, RG 19/59311; Cour d’appel Paris, March 3, 2020, RG 19/21426.

filing of an action for infringement of EP268 in France. IPCom also asked the court to prohibit Lenovo US from filing an ASI new motion, on penalty of 200,000 Euros per day.

The French court granted the AASI, finding that it “was not the proper administration of justice for the US court to rule on a request for withdrawal of the anti-suit motion on French territory, even though it is seized for a request for anti-suit injunction.”¹⁰³ This court further found that the exercise of the rights associated with the French part of a European Patent falls within the exclusive jurisdiction of the French courts. Thus, IPCom had a fundamental right to initiate or pursue relief relating to its intellectual property in France.

Importantly, the French Court also noted that French public policy does not recognize ASIs unless their purpose is to “enforce a jurisdiction clause or an arbitration clause[.]” Instead, the court concluded that an ASI “constitutes an interference with the jurisdiction of the courts and has the effect of indirectly undermining the exclusive competence of each State to freely determine the international jurisdiction of its courts.”

Lenovo appealed the AASI, which was upheld on March 3, 2020 with a minor modification. Due to Lenovo US’s withdrawal of EP268 from its California ASI request, the French court found that there was no imminent danger to IPCom and overturned the prohibition on Lenovo US’s from filing of a new ASI motion.

5. ***Huawei v. Conversant (China 2020)***

In *Huawei v. Conversant*, the Chinese Supreme People’s Court (SPC) affirmed an ASI enjoining Conversant Wireless Licensing, a European patent holder, from enforcing a German injunction against Huawei.¹⁰⁴

The dispute began on January 25, 2018, when Huawei filed three cases in the Nanjing Intermediate People’s Court (a court of first instance) requesting declaratory judgments that Huawei did not infringe three of Conversant’s Chinese SEP patents. On April 20, 2018, Conversant filed a patent infringement case in the Dusseldorf Court against Huawei for patent infringement of the three corresponding German SEP patents. On August 27, 2020, having found that Huawei infringed one of Conversant’s patents, the Dusseldorf Court (Germany) enjoined Huawei from selling, using, and importing mobile equipment that infringed the patent. On August 27, 2020, Huawei petitioned the Intellectual Property Tribunal of the Supreme People’s Court to enjoin Conversant from enforcing the Dusseldorf Court injunction before final judgments have been rendered in the three pending Chinese cases.

On August 28, 2020, the Supreme People’s Court granted Huawei’s ASI petition and ordered Conversant not to enforce the Dusseldorf Court injunction. The SPC also imposed a fine of RMB 1 million per day for any violation by Conversant.

¹⁰³ *Id.*

¹⁰⁴ *Huawei v. Conversant* (Sup. People’s Ct. Aug. 28, 2020) (China). Unofficial translation available at <https://patentlyo.com/media/2020/10/Huawei-V.-Conversant-judgment-translated-10-17-2020.pdf>.

In addressing whether to issue the ASI, which the court described as “preservation measures,” the court considered the following five factors: (1) the effect of the injunction in German case on the litigation in China; (2) whether failing to take preservation measures would create irreparable harm for Huawei; (3) weighing the harm to Conversant of acting against the harm to Huawei of not acting; (4) the impact of preservation measures on the public interest; and (5) the impact on international comity.¹⁰⁵

As to the first factor, the SPC concluded that “Conversant’s application for enforcement of the injunction judgment by Dusseldorf court will have a substantial negative impact on the trial proceedings and execution of the judgement of the three cases. Huawei Technologies Company's application to the court to prohibit Conversant from performing the above-mentioned acts meets the prerequisite for the preservation of such acts.”¹⁰⁶

On the second factor, the SPC concluded that “due to the pressure of the injunction judgment, Huawei Technologies Company and its German affiliated companies have to accept the price of 18.3 times of the license rate determined by the court of first instance, and may be forced to give up the opportunity of obtaining legal aid in the three cases. No matter how Chinese rate is determined in the three cases, the judgments of the three cases will be difficult to be implemented. In any case, the damage suffered by Huawei Technologies Company is irreparable. It is necessary to take behavior preservation measures in the three cases, and the situation is indeed urgent.”¹⁰⁷

With regard to the third factor, the SPC concluded that “if the court takes behavior preservation measures, the damage to Conversant Company is merely temporary suspension of the execution of the first instance judgment of Dusseldorf court. The judgment of Dusseldorf court is not final, and the suspension of execution of the judgment will not affect the other litigation rights of Conversant in Germany. At the same time, Conversant is the patentee of standard essential patents, and its core interest in German litigation is to obtain economic compensation. The damage caused by suspending the execution of the suspension judgment of Dusseldorf court is relatively limited. Comparing the two situations, the damage caused by not taking behavior preservation measures to Huawei Technologies Company is obviously more than that caused by taking behavior preservation measures to Conversant Company, so it is reasonable to take behavior preservation measures. At the same time, Shenzhen Huawei Branch of Industrial and Commercial Bank of China Limited provides corresponding guarantee for Huawei Technologies Company's behavior preservation application, which can protect the interests of Conversant Company according to law.”¹⁰⁸

¹⁰⁵ *Id.* at 5-6.

¹⁰⁶ *Id.*

¹⁰⁷ *Id.* at 7.

¹⁰⁸ *Id.*

With regard to the fourth factor, the SPC concluded “the adoption of behavior preservation measures in the three cases will not damage the public interest.”¹⁰⁹

With regard to the fifth factor, the SPC concluded “the prohibition of Conversant company from applying to the Dusseldorf court for enforcement of the relevant judgments before the final judgment of the three cases is made, will neither affect the follow-up hearing of German litigation nor impair the legal effect of German judgment. It only delays the execution of its judgment, and therefore has a moderate impact on the trial and judgment of Dusseldorf court.”¹¹⁰

Although the legal standard the court considered largely resembled that applied by American courts, it did not require that the domestic proceedings would dispose of the foreign litigation, but only that enforcement of the foreign injunction would have “a substantial negative impact on the trial and the enforcement of the judgment” of the cases in China.¹¹¹ As a result, the court concluded that it should act even though the Chinese proceedings related only to FRAND terms for Chinese patents and therefore could not resolve the issues underlying the German litigation about German patents.¹¹² The court’s consideration of whether the German litigation was vexatious and whether an ASI respected comity was also “more flexible” than under the standards applied in the US.¹¹³

Conversant applied to the China’s SPC for reconsideration, which resulted in a hearing before the court. On Sept. 11, 2020, the SPC upheld its original ASI and extended it to prohibit Conversant from applying for an AASI in any foreign court.

6. *InterDigital v. Xiaomi (China, Germany & India 2020)*

a. *Xiaomi v. InterDigital Corp. (IDC) (China 2020)*¹¹⁴

After several years of unsuccessful negotiations for a global FRAND license to InterDigital’s SEP portfolio, Xiaomi filed a lawsuit in the Wuhan Intermediate People’s Court (“Wuhan Court”) on June 9, 2020 alleging that the parties could not agree on FRAND licensing terms and requesting the Wuhan court to set a global FRAND rate for InterDigital’s 3G and 4G patent portfolio.

On July 29, 2019, upon becoming aware of the Wuhan Court filing, InterDigital responded by filing two patent infringement actions against Xiaomi and its affiliates in the Delhi High Court of India, seeking temporary and permanent injunctions.

¹⁰⁹ *Id.* at 9-10.

¹¹⁰ *Id.* at 10.

¹¹¹ *Id.* at 6.

¹¹² *Id.* at 6-7. See also Dicky King Fung Tsang and Jyh-An Lee, *The Ping-Pong Olympics of Antisuit Injunction in FRAND Litigation* at 28 (Nov. 22, 2021), MICH. TECH. L. REV., Vol. 28, No. 2, 2022 (last revised 21-June-2022), available at <https://ssrn.com/abstract=3968645>.

¹¹³ *Id.* at 29.

¹¹⁴ *Xiaomi v. InterDigital Corp. (IDC)*, ASI Ruling (2020) No. 169-2 at p. 7. WUHAN.

On August 4, 2020, the same day Xiaomi was served with the Indian complaints, Xiaomi filed an *ex parte* application for an ASI in the Wuhan Court seeking to prevent InterDigital from filing any suits against Xiaomi anywhere in the world relating to InterDigital's SEP portfolio.¹¹⁵ The Wuhan Court granted the ASI application on Sept. 23, 2020,¹¹⁶ without any opportunity for InterDigital to intervene,¹¹⁷ and ordered InterDigital and its affiliates to: (i) withdraw or suspend its applications for any injunctions (permanent or temporary) at the Delhi High Court; (ii) refrain from applying for or enforcing any other temporary or permanent injunctions during the pendency of the Wuhan rate-setting case; and (iii) refrain from filing any other rate-setting lawsuit pertaining to the 3G and 4G SEPs involved in the Wuhan case during its pendency. The court set a fine of 1 million RMB per day for any violation of the ASI.¹¹⁸

b. InterDigital v. Xiaomi (Germany 2020)¹¹⁹

On Oct. 30, 2020, InterDigital applied for an *ex parte* AASI in Munich, Germany, which the court granted on Nov. 10, 2020. The German AASI prevented Xiaomi from enforcing the Wuhan ASI on penalty of 250,000 Euros or up to six-months imprisonment on an authorized representative of the defendant.¹²⁰ Specifically, the German AASI: (1) ordered Xiaomi to withdraw or revoke its application for the Wuhan ASI; (2) prohibited Xiaomi from continuing to litigate the Wuhan ASI before the Wuhan Court, except for the purpose of withdrawal or revocation; and (3) prohibited Xiaomi from attempting to prevent InterDigital from initiating or conducting SEP infringement proceedings in Germany.¹²¹

In granting the AASI, the German court concluded that InterDigital needed legal protection to provide certainty that it would not be subject to the penalties imposed by the Wuhan ASI. According to the court, InterDigital's rights to its intellectual property were unlawfully encroached by Xiaomi, which was required to remedy this encroachment. The District Court of Munich also granted what it labelled an anti-anti-anti-anti-suit injunction (AAAASI), which prohibited Xiaomi from seeking an order in any other jurisdiction that would prohibit InterDigital from enforcing the Munich AASI. In doing so, the District Court of Munich argued that AASIs or AAAASIs would be justified in certain other cases, even without specific indication that the respective party would seek an ASI or AAASI in a foreign jurisdiction. Specifically, the court found that AASIs and AAAASIs might be warranted in cases where: (a) the license seeker

¹¹⁵ Copies of the complaint and court summons were emailed by the Wuhan Court to InterDigital. InterDigital contended that this was improper service and neither replied to the emails nor signed proof of service.

¹¹⁶ Of particular import in arriving at its decision, the Wuhan Court held that (a) InterDigital did not respect or cooperate with the Wuhan Court, and its filing of a lawsuit in the Delhi High Court interfered with and hindered the process of the pending case before the Wuhan Court; (b) the decision of the Delhi High Court could impact the conclusion of a SEP license agreement between the Xiaomi and InterDigital and create difficulty in enforcing a decision issued by the Wuhan Court; (c) the injunctions from the Delhi High Court would irreparably harm Xiaomi in the Indian market; and (d) InterDigital, as a non-practicing entity, would not be substantially harmed by the ASI.

¹¹⁷ InterDigital filed an application for reconsideration before the Wuhan Court, as well as a jurisdictional challenge, both of which were denied.

¹¹⁸ *Xiaomi v. InterDigital Corp.*, ASI Ruling (2020) No. 169-2. WUHAN.

¹¹⁹ *InterDigital v. Xiaomi*, District Court of Munich, 7 O 14276/20 (February 25, 2021).

¹²⁰ InterDigital sought penalty payments from Xiaomi per the German AASI on Dec. 4, 2020, and Jan. 14, 2021.

¹²¹ *InterDigital v. Xiaomi*, District Court of Munich, 7 O 14276/20 (February 25, 2021).

had filed a rate-setting case in a jurisdiction that generally allows the grant of ASIs; (b) license seeker had sought ASIs in the past, in the absence of evidence that the license seeker had abandoned that past practice; and (c) the license seeker had not declared that it would not seek an ASI in the specific case.¹²²

Xiaomi challenged the German AASI, which was upheld in a further decision by the District Court of Munich issued on February 25, 2021. Xiaomi appealed to the Higher Regional Court of Munich on June 10, 2021, but the parties settled before any decision from the appellate court reached a decision.

c. **InterDigital v. Xiaomi (India 2020)**

In parallel with its requests for reconsideration to the Wuhan Court, InterDigital on September 29, 2020 filed an application for an AASI before the Delhi High Court, which issued an *ad interim* injunction on October 9, 2020 stating:

“The order of the Wuhan Court directly negates the jurisdiction of this Court, and infringes the authority of this Court to exercise jurisdiction in accordance with the laws of this country. It is not open to any Court to pass an order, prohibiting a court, in another country, to exercise jurisdiction lawfully vested in it. Any such decision would amount to a negative of jurisdiction which cannot be countenanced.”¹²³

The Indian AASI hearings continued until December 17, 2020, and on May 3, 2021, the Delhi High Court made final the *ad interim* injunction for the pendency of the Indian patent infringement actions.

7. **Koninklijke Philips NV v. TCL Corp. et al. (United Kingdom 2020)**

On October 30, 2018, Philips brought patent infringement proceedings against TCL in the UK, indicating in the Complaint that Philips was willing to license for FRAND terms. On February 19, 2019, TCL commenced proceedings in France against Philips seeking determination of FRAND terms, based on Philips’ undertaking to the European Telecommunications Standards Institute (ETSI), which is governed by French law. In July 2019, Philips served a FRAND statement in the English court and then filed a jurisdictional challenge in the French court. On Feb 6, 2020, the French court rejected the jurisdictional challenge holding that the English proceedings involved UK patent rights while the French proceedings were contractual in nature.¹²⁴

TCL then moved to stay the English proceedings, arguing that the French and English cases involved the same causes of action, and that the issue of FRAND terms hadn’t arisen until Philips served its FRAND statement, after the French case had commenced. Accordingly, TCL

¹²² *Id.*

¹²³ *InterDigital Tech. v. Xiaomi Corp. & Ors.* I.A. 8772/2020 in CS(COMM) 295/2020 (Delhi High Court), available at: <https://indiankanoon.org/doc/118671167>.

¹²⁴ *Koninklijke Philips NV v. TCL Corp. et al.* [2020] EWHC 2553 (Ch) (UK 2020); available at: <https://www.bristows.com/app/uploads/2020/10/2020-EWHC-2553-Ch-Philips-v-TCL.pdf>.

argued jurisdiction fell to the French court. On September 25, 2020, one month after the Supreme Court’s ruling in *Unwired Planet*, the English court denied the stay, holding that: (1) the proceedings involved different causes of action (contract vs. patent infringement), (2) even if that were not the case, FRAND issues were raised first in the English case, and (3) in any event, the English case was both first filed and likely to render judgment first.¹²⁵

8. *Philips et al. v. Xiaomi (Germany 2020)*

In July 2020, Philips and others brought infringement proceedings against Xiaomi in Germany seeking injunctions based on High Efficiency Video Coding (HEVC) patents. On December 11, 2020, Philips and others filed a motion for a preliminary injunction with the District Court of Düsseldorf, seeking a preventive AASI to prevent Xiaomi from filing an ASI motion abroad. Although Xiaomi had not brought any foreign countersuits seeking a determination of RAND rates and had not tried to obtain any ASI blocking the German infringement complaints, the applicants argued that a preventive AASI was justified because Xiaomi had filed ASI motions in previous SEP licensing disputes and had not agreed to provide a binding commitment not to seek an ASI in the pending dispute. The District Court of Düsseldorf granted the preventive AASI, relying largely on the applicant’s second reason.¹²⁶

Following Xiaomi’s appeal, however, the Higher Regional Court of Düsseldorf, reversed the judgment and overturned the preventive AASI. While the Higher Regional Court of Düsseldorf stated a patent holder would have need to obtain legal protection in Germany if a license seeker sought an ASI in a foreign jurisdiction, it found no need for a preventive AASI absent a substantial indication that a foreign ASI request was imminent. In addition, the appellate court concluded that there is no general obligation for license seekers to provide a binding declaration of their intent to seek or not to seek an ASI motion in the future.¹²⁷

9. *Samsung v. Ericsson (China 2020)*

On December 7, 2020, the Wuhan Intermediate People’s Court accepted a petition filed by various Samsung entities (collectively, “Samsung”) asking the court to set the royalty rate for a set of SEPs held by Telefonaktiebolaget LM Ericsson (“Ericsson”). On December 14, 2020, Samsung filed an ASI application against Ericsson with the Wuhan Court asking the court to prohibit Ericsson from: (1) filing for any preliminary or permanent injunctive relief in any court or tribunal involving the SEPs at issue before the Wuhan Court; (2) seeking to enforce any such injunctive relief; (3) requesting that any other court adjudicate the licensing terms or royalty amount from the SEPs before the Wuhan Court; (4) requesting that any court rule on whether Ericsson had fulfilled its FRAND obligations; and (5) filing any request with any other court seeking an order that Samsung withdraw its request for, or not enforce, the ASI to be issued by

¹²⁵ *Philips v. Xiaomi*, District Court of Düsseldorf, 4c O 73/20; 4c O 74/20; 4c O 75/20 (2020).

¹²⁶ *Philips v. Xiaomi*, District Court of Düsseldorf, 4c O 73/20, June 29, 2021.

¹²⁷ *Philips v. Xiaomi*, Higher Regional Court of Düsseldorf, 2 U 27/21, February 7, 2021.

the Wuhan Court. Ericsson was not notified of the ASI application and received notice of the ASI application only after the Wuhan Court issued an ASI.

In granting Samsung's ASI, the Wuhan Court considered five factors in reaching its decision to issue the ASI:

- (a) Whether there may arise situations in which it would be difficult to enforce the court's judgment due to acts by Ericsson. The Wuhan Court looked at each of the prayers for relief requested by Samsung. With respect to the first two requests, the Wuhan Court found that if Ericsson applied for injunctive relief in any other court, it would impact the ability of the Wuhan Court to effectively set an SEP license rate because Samsung would still be subject to an injunction and thus could possibly frustrate the ability of the Wuhan Court to adjudicate as to the first two prayers for relief. With respect to the third and fourth requests for relief, the Wuhan Court found that if another court were to adjudicate the SEP licensing terms or whether Ericsson fulfilled its FRAND obligations, then doing so would potentially conflict with issues to be determined by the Wuhan Court. Thus, the Wuhan Court found that its ability to enforce its judgment as to these two requests could also be impeded by Ericsson. Finally, with respect to the fifth request, the Wuhan Court found that, with one exception, Ericsson's ability to seek an injunction preventing Samsung from enforcing the ASI would impede the Wuhan Court's ability to adjudicate the case before it. With respect to the one exception, the Wuhan Court found that Samsung's request for Ericsson to rescind any such ruling was not supported by any evidence showing that Ericsson had already obtained such injunctive relief. Thus, the Wuhan Court held that this portion of the fifth request for relief lacked an evidentiary basis and was not supported at this stage of the proceedings.
- (b) Whether the legitimate interests of Samsung would suffer irreparable harm if the relevant ASI measures were not taken. The Wuhan Court found that it might be possible for Ericsson to seek injunctive relief against Samsung because the parties had not agreed upon licensing terms for the SEPs. Such injunctive relief would block the sales of Samsung's products and may cause Samsung's market share to shrink irreversibly, thereby leading to irreparable damage to Samsung's interest.
- (c) Whether the damage caused to Samsung by not issuing the ASI exceeded the damage caused to Ericsson by adopting the ASI. The Wuhan Court found that if the ASI were not granted, then Samsung's production and sales activities would be adversely affected or even prohibited. By contrast, if the ASI did issue, then Ericsson would not suffer the fundamental loss of its rights, although its ability to exercise its patents rights would be somewhat restricted. The Wuhan Court also found that issuing the ASI, which would prevent Ericsson from seeking an injunction against Samsung's sales activities, would ultimately benefit Ericsson as well because Samsung would be forced to pay the royalty as set by the Wuhan Court for the SEP license on any products it sold during the litigation. More sales by Samsung would thus lead to a higher royalty payment to Ericsson. Accordingly, the Wuhan Court found that this factor favored issuing the ASI.

- (d) Whether adoption of the ASI would harm the public interests or other international litigations. The Wuhan Court found that the public interest would not be harmed by an ASI. To the contrary, if the ASI issued, then consumers would still be able to purchase Samsung devices, and there would be no risk that Samsung would be subject to an injunction. With respect to international litigations, the Wuhan Court found that it was the first court to accept the royalty dispute between the two parties, and as such, the ASI could eliminate the possibility of jurisdictional conflicts arising if the parties were to file parallel lawsuits in other jurisdictions.
- (e) Whether Samsung provided sufficient security for the ASI. The Wuhan Court found that Samsung's submission of a RMB 50 million certificate of deposit, as well as an offer to increase the security amount while Ericsson complied with the ASI, evidenced Samsung's goodwill to compensate Ericsson for any loss and its sincere willingness to resolve the parties' dispute. The Wuhan Court recognized the RMB 50 million as being sufficient security for any initial losses that Ericsson might suffer under the ASI and did not impose a condition on Samsung to increase the security amount as part of its order.

The Wuhan Court also ordered that fines of up to 1 million RMB per day would be levied against Ericsson if it violated the ASI order.

10. *Ericsson v. Apple (The Netherlands 2021)*

In September 2021—while Ericsson and Apple were conducting licensing negotiations in advance of the January 2022 expiration of their existing license—Ericsson asked the District Court of The Hague (a Dutch court) to issue a global ASI against Apple. Specifically, Ericsson sought to prohibit Apple from seeking an injunction restraining Ericsson's ability to enforce its SEPs against Apple.

Although the Dutch court provisionally granted Ericsson's request on October 4, 2021, it reversed itself in a second preliminary opinion on October 18, finding that Ericsson had not sufficiently demonstrated a concrete threat from Apple and that Apple's refusal to promise not to seek an ASI was insufficient to create such a threat, particularly because Apple indicated to the court that it did not plan to do so.¹²⁸ The court also rejected Ericsson's claim that Apple would pursue an ASI because it had allegedly pursued one against Qualcomm in the past, after Ericsson conceded that it had been Qualcomm, not Apple, that had sought an ASI during their prior litigation.¹²⁹

The final ruling on Ericsson's motion confirmed the court's second preliminary opinion. The court found that Apple's refusal to promise that it would not seek an ASI did not entitle Ericsson to an AASI, particularly because Apple had never sought an ASI against Ericsson nor were there other circumstances from which the court could infer a threat that Apple would do so.¹³⁰

¹²⁸ *Ericsson v. Apple*, Court of The Hague, Case C/09/618542 (Oct. 18, 2021).

¹²⁹ *Id.*

¹³⁰ *Ericsson v. Apple*, Court of the Hague, Case C/09/618542 (Dec. 16, 2021).

11. *Oppo v. Sharp (China 2021)*

On August 2, 2021, the Supreme People’s Court of China (SPC) ruled that Chinese courts have jurisdiction over global SEP rate setting if certain criteria were satisfied.¹³¹ This was the first time that China’s highest court had determined the jurisdictional rules for adjudicating a global SEP license rate. The decision affirmed an October 2020 ruling by the Shenzhen Intermediate People’s Court,¹³² which the SPC earlier had identified as one of China’s top 10 intellectual property cases in 2020.

The dispute began in July 2018, when Sharp contacted Oppo regarding a license to Sharp’s 3G, 4G, Wi-Fi, and HEVC SEPs. In February 2019, the parties had licensing discussions at Oppo’s headquarters in Shenzhen. In the first four months of 2020, Sharp sued Oppo in Japan, Taiwan, and Germany for infringement of LTE and Wi-Fi SEPs. In March 2020, Oppo responded with a suit in Shenzhen seeking a declaratory judgment to:

- determine that Sharp violated its FRAND licensing obligations,
- order Sharp to pay compensation for the FRAND obligation violations, and
- set a global royalty rate for Sharp’s SEPs.

Oppo obtained an ASI from the Shenzhen court in October 2020, just hours before the German court issued its own AASI in a case filed by Sharp.

The Shenzhen Court analyzed four of the five factors identified by China’s Supreme People’s Court in *Huawei v. Conversant* case: (1) whether the ASI was necessary; (2) the reasonable balance of interests of both parties (*i.e.*, whether the harm to Oppo if the ASI were denied would exceed the harm to Sharp if it were granted); (3) whether the ASI would harm the public interest; and (4) whether it would conform to international judicial comity. The final factor—“how will the request for enforcing injunction granted by a foreign court impact on the pending Chinese proceedings”—was not analyzed as a separate factor but discussed as part of the first factor.¹³³

The Shenzhen court’s ASI restrained Sharp from pursuing any new action or applying for any judicial injunction before a final judgment in the patent dispute in the Chinese court, with a fine of RMB 1 million per day if the Sharp violated the order.

12. *Nokia v. Oppo, OnePlus, Realme et al. (UK, Germany & India 2021)*

In July 2021, Nokia began filing patent infringement cases actions against Oppo and affiliated companies in the United Kingdom, Germany, France, India, Spain, Indonesia, and Russia. Oppo

¹³¹ *Sharp v. OPPO*, (2020) Zui Gao Fa Zhi Min Xia Zhong No. 517 (SPC).

¹³² *OPPO v. Sharp*, (2020) Yue 03 Min Chu No. 689 (Shenzhen IPC).

¹³³ *Id.*

filed counteractions in China and Germany. There are three developments regarding ASI related topics.¹³⁴

First, Oppo attempted to leverage its actions in China to stay Nokia’s infringement claims in the UK, seeking to stay the UK proceedings pending final determination of its rate setting and non-FRAND claims by the court in Chongqing, China. In the alternative, Oppo sought a stay of the determination of FRAND terms by the English court. The English court denied both of Oppo’s requests in November 2021. The court noted that non-abusive actions should be stayed only in rare circumstances. The court likened the scenario to that of *Conversant v. Huawei*, where the UK Supreme Court ruled that English courts had jurisdiction to settle FRAND terms of a patent license.¹³⁵ Because UK courts’ claimed jurisdiction to decide global FRAND terms was similar to the practice of Chinese courts, the English court found that Nokia’s action was not abusive, even if it risked overlapping with decisions on FRAND terms by the Chongqing court. The court also found no compelling reason to grant the stay based on the balance of justice: the court acknowledged that a multiplicity of proceedings creates practical disadvantages, but it concluded that that did not resolve *which* tribunal should ultimately decide FRAND terms in a global dispute over SEPs.

Second, Nokia secured a preemptive AASI in Germany (Munich Regional Court) against Oppo-affiliated companies in March 2022. The AASI prohibited the Oppo-affiliated defendants from applying for an ASI that would prevent Nokia from bringing SEP infringement suits anywhere in Germany.

Third, and most recently, Nokia sought an AASI in India (the High Court of Delhi at New Delhi) against an Oppo-affiliated company, Vivo. In response, Vivo represented it would not seek an ASI restraining Nokia from pursuing its patent infringement claims in India. This assurance was recorded by the Indian court in April 2022.

¹³⁴ Case background: On July 1, 2021, Nokia filed a patent infringement suit regarding SEPs against Oppo and affiliated companies in the UK. Twelve days later, Oppo filed two counteractions in the No. 1 Intermediate People’s Court of Chongqing Municipality of the People’s Republic of China (“the Chongqing court”). In one of its counteractions, Oppo asked the Chongqing court to decide the terms of a global FRAND license. Oppo’s request followed earlier rulings by Chinese courts in *Oppo v. Sharp* that Chinese courts can adjudicate royalty rates worldwide where (i) the parties seek a worldwide license, and (ii) there is a close nexus to China. Oppo’s second counteraction in the Chongqing court sought a declaration that Nokia’s licensing negotiations were non-FRAND and in breach of good faith principles under Chinese law. Nokia has challenged the jurisdiction of the Chongqing court to set the terms of a worldwide license.

¹³⁵ The UK Supreme Court’s judgment concerned joined appeals in *Unwired Planet v. Huawei*, *Conversant v. Huawei*, and *Conversant v. ZTE*.

V. The Future of ASIs

A. EU Consultations

In July 2021, the European Union submitted a “Request for Information” under Article 63.3 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”), requesting information from China regarding four judicial decisions relating to patents.¹³⁶

In February 2022, the EU submitted a letter outlining its concerns, citing Articles 63.1 and 63.3 of the “TRIPS Agreement” and Article XXII:1 of the General Agreement on Tariffs and Trade 1994.¹³⁷ Subsequently, the USA, Canada, and Japan requested to join the process.¹³⁸

The EU Consultations referenced four cases, *Xiaomi v. InterDigital* (Wuhan), *ZTE v. Conversant* (Shenzhen), *Oppo v. Sharp* (also Shenzhen), *Samsung v. Ericsson* (also Wuhan), and also mentioned support from the Supreme People’s Court (SPC) which included the *Oppo v. Sharp* matter granting a global injunction prohibiting the patent owner from starting infringement cases or other relief regarding its patents along with noting the RMB 1 million daily fines for violation.¹³⁹

Consultations held in China in April 2022 did not resolve the dispute.¹⁴⁰ In December 2022, the EU submitted a second request to the World Trade Organization asking the Dispute Settlement Body to establish a panel to examine the EU claims around China’s enforcement of intellectual property rights in light of its obligations under TRIPS.¹⁴¹ A wide array of countries have reserved their rights to take part in the proceedings.¹⁴²

B. US Trade Representative, Special 301 Report

In 2021, 2022, and now in 2023, IPO submitted to comments to the United States Trade Representative for their Special 301 Report addressed of ASIs.¹⁴³ The 2021 Special 301 Report

¹³⁶ <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/IP/C/W682.pdf>

¹³⁷ https://trade.ec.europa.eu/doclib/docs/2022/february/tradoc_160051.pdf (“EU Consultation”)

¹³⁸ World Trade Organization, Dispute Settlement (DS611) China – Enforcement of Intellectual Property Rights, available at: [WTO | dispute settlement - the disputes - DS611: China – Enforcement of intellectual property rights](https://www.wto.org/english/press/p/20220304_ds611.htm) (“On 4 March 2022, Canada, Japan and the United States requested to join the consultations.”).

¹³⁹ EU Consultation.

¹⁴⁰ <https://www.chinaiplawupdate.com/2022/12/eu-requests-establishment-of-wto-panel-in-chinese-patent-anti-suit-injunction-cases/>

¹⁴¹ <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/DS/611-5.pdf&Open=True>, and https://trade.ec.europa.eu/doclib/docs/2020/april/tradoc_158696.pdf.

¹⁴² “Ukraine, the United States, Chinese Taipei, the United Kingdom, Norway, Switzerland, Russia, India, Japan, Korea, Brazil, Canada, Colombia, Indonesia, Singapore and Viet Nam reserved their third party rights to take part in the proceedings.” https://www.wto.org/english/news_e/news23_e/dsb_27jan23_e.htm. LV: Feb. 5, 2023.

¹⁴³ IPO Comments Letter 28 January 2021: USTR 2021 Special 301 Review, Request for Public Comment (Docket No. USTR– 2020–0041), at page 17, https://ipo.org/wp-content/uploads/2021/01/IntellectualPropertyOwnersAssociation_2021-Special-301_Review_Comment.pdf. IPO Comment Letter 31 January 2022, USTR 2022 Special 301 Review, Request for Public Comment (Docket No. USTR

noted that “worrying developments such as broad anti-suit injunctions issued by Chinese courts have emerged.”¹⁴⁴ The USTR’s 2021 report further noted,

“Right holders have also expressed strong concerns about the emerging practice in Chinese courts of issuing [ASIs] in [SEP] disputes, reportedly without notice or opportunity to participate in the injunction proceedings for all parties. Since the first issuance of such an [ASI] in August 2020, Chinese courts have swiftly issued additional [ASIs] in other SEP cases. Several of these [ASI] are not limited to enjoining enforcement of an order from a specific foreign proceeding but broadly prohibit right holders from asserting their patents anywhere else in the world. These [ASIs] have imposed penalties for violation as high as 1 million RMB (approximately \$155,000 USD) per day. Recent high-level statements have raised concerns about whether the proliferation of such [ASIs] has been purposeful, including statements from President Xi about promoting the extraterritorial application of China’s IP law and from China’s IP appellate court about how issuance of China’s first SEP-related [ASI] accelerated global settlement in a SEP dispute and was an example of the court ‘serving’ the ‘overall work’ of the Chinese Communist Party and the Chinese state.”¹⁴⁵

The 2022 Report included a mention of the transparency concerns, stating: “Transparency remains a key concern with Chinese courts, which publish only selected decisions rather than all preliminary injunctions and final decisions.”¹⁴⁶ Further, a specific note indicated that ASIs issued by Chinese courts in

“standards essential patents (SEP) disputes continue[] to raise due process and transparency concerns for right holders. Right holders are also concerned about how such rulings may favor domestic companies over foreign patent holders, which places pressure on royalty rate negotiations. Right holders have raised concerns that Chinese courts appear to use the issuance of [ASIs] in support of their attempts to assert jurisdiction over global SEP disputes. High-level political and judicial authorities have called for extending the jurisdiction of China’s courts over global IP litigation and have

2021-0021), at page 20, https://ipo.org/wp-content/uploads/2022/02/IntellectualPropertyOwnersAssociation_2022-Special-301_Review_Comment.pdf; IPO Comment Letter, 30 January 2023, USTR 2023 Special 301 Review, Request for Public Comment (Docket No. USTR–2022-0016), at page 24, https://ipo.org/wp-content/uploads/2023/01/Intellectual-Property-Owners-Association_2023-Special-301_Review_Comment.pdf.

¹⁴⁴ 2021 Special 301 Report of the U.S. Trade Representative, at 40, [https://ustr.gov/sites/default/files/files/reports/2021/2021%20Special%20301%20Report%20\(final\).pdf](https://ustr.gov/sites/default/files/files/reports/2021/2021%20Special%20301%20Report%20(final).pdf).

¹⁴⁵ 2021 Special 301 Report of the U.S. Trade Representative, at 47-48, [https://ustr.gov/sites/default/files/files/reports/2021/2021%20Special%20301%20Report%20\(final\).pdf](https://ustr.gov/sites/default/files/files/reports/2021/2021%20Special%20301%20Report%20(final).pdf)

¹⁴⁶ <https://ustr.gov/sites/default/files/IssueAreas/IP/2022%20Special%20301%20Report.pdf> at 49.

cited the issuance of an [ASI] as an example of the court ‘serving’ the “overall work” of the Chinese Communist Party and the Chinese State.”¹⁴⁷

The 2021 submission from IPO yielded a detailed question from the USTR around whether ASIs involving state-owned businesses have been different from matters not involving any state-owned enterprise. IPO responded that it was too early to tell, adding other concerns around global SEP rates and potential procedural disadvantages especially when Chinese courts act without notice or procedural transparency.¹⁴⁸

In response to IPO’s 2022 submission, the USTR asked, “In the past year, have you seen the increasing prevalence of anti-suit injunctions impact the behavior of Chinese courts and Chinese companies? IPO answered, “Due to limited transparency regarding anti-suit injunctions in China, IPO is unable to say whether there has been an increase in the prevalence of anti-suit injunctions and how the behavior of Chinese courts and companies has been impacted in the past year.”¹⁴⁹

As these issues remain unresolved, the 2023 IPO letter submitted Jan. 31 again included ASIs.¹⁵⁰

C. IPO Resolution on transparency:

The IPO Asian Practice Committee had previously recommended that the IPO Board of Directors adopt a resolution supporting publication of judicial and administrative decisions on a timely basis in China and elsewhere (publication shortly after decision has been rendered and not limited to only after the appeal process has been exhausted). This Committee led efforts to propose an IPO Resolution, with jurisdiction neutrality (*e.g.*, not specific to China), expanding to all decisions around litigation including administrative decisions, and not limited to ASI matters. The May 2022 meeting generated strong interest, discussion, and suggestions. Then, the updated Resolution was discussed during the July 2022 meeting, slightly amended, and passed as follows:

“IPO generally supports transparency including publishing of judicial and administrative decisions shortly after being rendered that pertain to the subject matter of the TRIPS

¹⁴⁷ <https://ustr.gov/sites/default/files/IssueAreas/IP/2022%20Special%20301%20Report.pdf>, at 51, citing Supreme People’s Court Intellectual Property Tribunal, Provide a Judicial Guarantee for Innovation driven Development (Feb. 2021), http://www.xinhuanet.com/politics/2021-02/05/c_1127068693.htm.

¹⁴⁸ IPO Response to Questions, USTR 2021 Special 301 Review (Docket No. USTR–2020–0041), at 5-6, <https://ipo.org/wp-content/uploads/2021/03/Response-to-Questions-Intellectual-Property-Owners-Association.pdf>

¹⁴⁹ IPO Response to Questions, USTR 2022 Special 301 Review (Docket No. USTR–2021–0021), at 2, <https://ipo.org/wp-content/uploads/2022/03/Response-to-Questions-Intellectual-Property-Owners-Association.pdf>

¹⁵⁰ Comment Letter, 30 January 2023, USTR 2023 Special 301 Review, Request for Public Comment (Docket No. USTR–2022–0016), at 24, https://ipo.org/wp-content/uploads/2023/01/Intellectual-Property-Owners-Association_2023-Special-301_Review_Comment.pdf.

Agreement (except for decisions on unpublished applications for intellectual property rights).”¹⁵¹

D. Defending American Courts Act

In March 2022, a bipartisan bill was introduced in the U.S. Senate that would impose penalties against a party seeking to enforce a foreign ASI to hinder a U.S. proceeding, and provide certain presumptions that would make enhanced damages and attorneys’ fee awards more likely. The proposed law would also require the U.S. Patent and Trademark Office to prepare a study on the alleged harms of ASIs.¹⁵²

¹⁵¹ IPO Daily News, July 15, 2022. https://ipo.org/index.php/daily_news/ipo-board-adopts-resolution-related-to-transparency/.

Note also, IPO Board Resolutions can be found at:
<https://ipo.org/index.php/resources/?cat=Board%20Resolutions>.

¹⁵² <https://www.tillis.senate.gov/2022/3/tillis-coons-cotton-hirono-and-scott-introduce-bipartisan-bill-to-prevent-the-chinese-communist-party-from-stealing-american-intellectual-property>.