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Still no sign of FRANDship between Nokia and Oppo, as Oppo is dealt a blow in the UK as part of their global SEP dispute

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Nokia v Oppo [2023] EWHC 23 (Pat)

In a new development in the global dispute between Nokia and Oppo that spans seven jurisdictions across Europe and Asia, Mr Justice Meade of the English Patents Court has found that smartphone manufacturer Oppo infringes valid and standard essential Nokia 4G/5G patent EP2981103 on an “allocation of preamble sequences”. There are further technical trials listed in the UK relating to infringement of other Nokia SEPs by Oppo but, regardless of the outcome of these, with this finding the Court can now proceed to hear a FRAND trial in which a global FRAND licence rate will be determined. Oppo will have to undertake to accept this rate or else face being enjoined in the UK. The FRAND trial is listed for October 2023 with a hearing relating to the undertaking scheduled in April 2023.

In meantime, Oppo is pursuing determination of global FRAND licence terms in China. When the dispute began, Oppo challenged the UK court’s jurisdiction on the basis that the Chinese court would set the terms of a global FRAND rate. Oppo requested the UK court grant a stay while the Chinese proceedings were resolved, but the Court of Appeal in London upheld a decision to reject Oppo’s request and permission to appeal to the Supreme Court was refused. However, the Chinese Supreme People’s Court has confirmed that the Chinese courts have jurisdiction to hear the case, even in the absence of agreement between the parties as to the forum in which terms are to be determined and without any patent infringement claim. The cases are therefore proceeding alongside one another. It is unclear in which jurisdiction the global licence terms might be set first.

Having left the German market following similar findings of infringement there, the question remains whether Oppo will also be willing to give up the UK market following this decision rather than facing the prospect of a global FRAND licence rate determined by the English court, which is often considered to be more friendly to patent holders than implementers. It is considered to be the contrary in China, and discrepancies such as this lead to forum-shopping in SEP disputes. Oppo are also facing pressure from SEP infringement claims by Philips in the UK, with the first trials listed later in 2023.

It seems unlikely that any European jurisdictions will give Nokia a decisive victory over OPPO, owing to Oppo’s relatively small market share in Europe. Furthermore, in retaliation, OPPO has multiple countersuits pending against Nokia in Germany, relating to technology used in Nokia’s base stations. For Nokia, leaving the German market is presumably not a viable option so the

stakes of these countersuits are high. As such, at this stage there is no clear leader in the dispute and we expect the battles to continue in the near future.

Turning to the judgment itself, some noteworthy points were raised that will be of particular interest to those working in the telecommunications space. These include the dangers of experts being involved in disputes in other jurisdictions, the application of the *Aerotel* test for excluded subject matter, and the use of 3GPP Tdocs as evidence of common general knowledge (CGK).

Expert witnesses

Each side called one expert. Nokia's expert was Prof Marcus Purat and Oppo's expert was Dr David Cooper. Each had been an expert on multiple previous occasions in the UK and abroad.

Meade J identified a problem with the evidence of Dr Cooper relating to his involvement in the parallel litigation in the Netherlands, in the course of which he put in written evidence. There is nothing wrong with that in itself, and Dr Cooper acknowledged that he had done so, and exhibited his evidence from those proceedings. However, when Dr Cooper was cross-examined about his involvement in the proceedings in the Netherlands, and was taken both to his report there, and to briefs filed by Brinkhof, who were representing the Oppo company (called Orope) being sued by Nokia there, it transpired that Dr Cooper had contributed to the briefs extensively. This emerged when it was pointed out that text in his report for this action was very similar to text in one of the briefs, with Dr Cooper explaining that that was because of his involvement with it.

There was nothing wrong with Dr Cooper reusing text that he had written for another purpose previously, but Meade J considered it unfortunate that he did not acknowledge how the overall exercise was done, and that he had been so intimately connected with Orope's case being developed.

The overall effect was a significant lack of transparency about the way in which Dr Cooper's views were formed, and an inability, in particular, for Meade J to have any confidence that the idea of combining two pieces of prior art, ZTE and LGE (the main inventive step attack made by Oppo), came from Dr Cooper himself, originally.

Meade J therefore reached the conclusion that he should put significantly more weight on Prof Purat's evidence.

This should serve as a reminder to those who seek to rely on the same expert in multiple jurisdictions, as the differing approaches to handling experts can result in difficulties. The approach in the UK is carefully constructed to minimise the danger of an expert's views being impacted by hindsight. At the very least, one should be open with the court in cases where the same expert is being used in other proceedings, be careful that the approach taken with the expert elsewhere is consistent with the UK, and perhaps document the process.

Excluded subject matter

Oppo contended that all the claims of the Patent were invalid on the ground of excluded subject matter under s. 1(2)(c) of the Patents Act 1977 (Article 52 EPC). There are several areas of subject matter that are excluded from patentability, and this particular sub-section excludes any "scheme, rule or method for performing a mental act, playing a game or doing business, or a program for a computer". *Aerotel v Telco* [2006] EWCA Civ 1371 remains the leading authority on excluded

subject matter, where the Court of Appeal set out a four-stage test at [40]:

- (1) properly construe the claim;
- (2) identify the actual contribution;
- (3) ask whether it falls solely within the excluded subject matter;
- (4) check whether the actual or alleged contribution is actually technical in nature

A point arose in this case because Oppo's argument on excluded subject matter would, or at least could, be stronger if it could use a novelty-only prior art document (s.2(3) Patents Act, Art. 54(3) EPC), *Woo*, to define the actual contribution of the Patent at *Aerotel* question (2).

The question was therefore whether a novelty only document can be used to decide the actual contribution (2); Oppo argued that it is the case.

There has been a tendency in this area of the law in the UK to look at the subject matter exclusions as being related to inventive step, stripping out the wrong kinds of contribution before seeing whether what is left is inventive. However, Meade J identified that on the other hand, one can imagine situations where it would seem necessary to take account of novelty-only art to get to the correct result.

To take an example, what if a piece of novelty-only art disclosed all the claimed features of a patent claim except for a claim feature that the product be painted blue (an aesthetic choice clearly excluded by s.2(b) Patents Act, Art 52(2)(b) EPC)? Surely the claim could not be valid, but why not? The example is not a realistic one because such a claim feature would not be allowed through examination, but it makes the point: what if novelty lies purely in excluded matter?

On this basis Meade J (tentatively) concluded that novelty-only prior art must be capable of being considered in this way.

Oppo then argued that the actual contribution of the patent falls entirely within excluded subject matter at *Aerotel* step (3), as the real contribution of the Patent is in network planning which is merely a mental act, performed in reality by a computer, which is a "cognitive exercise", and gives rise only to a sequence of numbers, not a real-world effect. Meade J rejected this, as whilst the Patent would make network planning easier, that is not all that it does. It enables real-world effects such as power saving, information reduction and a reduction in complexity of the system. This attack therefore failed.

Common general knowledge (CGK) in Tdocs

Tdocs will be familiar to those working in the telecommunications field. In the development of 3GPP standards such as 4G and 5G, working groups are attended by representatives from a range of industry participants, including manufacturers of mobile stations, manufacturers of network infrastructure equipment, network operators, and chipset producers. Within the framework of these meetings, technical proposals called "Tdocs" are submitted for new aspects of the standard or for proposed changes to existing aspects of the standard. The standardisation process is an iterative one, participants put forward Tdocs via the 3GPP email reflector in advance of working group meetings, which are then considered for potential inclusion in the standard, with various technical

proposals being analysed and debated. These Tdocs are publicly available via the 3GPP server and can be accessed by anyone who is interested in them as soon as they have been distributed. Once consensus is reached within a working group as to the best way forward, that technical aspect is set out in a “technical specification” or “TS”.

The identification of what constituted common general knowledge posed a problem in this case in that the field that the patent relates to (the use of ZC sequences for RACH preambles) was a very narrow one and concerned a problem which had arisen only fairly close to the priority date. Furthermore, developments and communications were very rapid. It was possible for things to become accepted and known to those working in the field in a short space of time. There clearly was CGK (and the parties had agreed a long and detailed statement of it) but identifying it, especially at its margins where there are disputes, was unusually difficult in this context. Tdocs therefore became relevant as possible evidence of CGK.

In the circumstances, Meade J considered it especially important to bear in mind that one is concerned with information that was *generally accepted* when identifying common general knowledge and that it may be misleading to focus on individual documents. The CGK will have come from, among other sources, communications among working group members by email or orally at meetings, and Tdocs, but that does not make all such communications CGK as to their full contents.

He stated that it is perfectly possible that from reading a collection of individual Tdocs the notional skilled person would derive some basic concepts that they could see were repeatedly used, reliable and the basis of the overall direction of a working group, while other ideas, specific to only one or two Tdocs perhaps, were not.

Nokia said that common general knowledge ought best to be identified from meeting minutes or from statements of agreed conclusions at meetings, so that Tdocs should be completely ignored. Meade J commented that in general, and in other cases, that approach might provide good guidance, where a problem is worked on over time so that a clear written consensus emerges. The problem in the present case, however, was that the things that Nokia accepted were CGK and were necessary to work the Patent were not in meeting minutes, resulting in a sufficiency squeeze between the Patent and CGK. Meade J therefore concluded that from a broad reading of a number of Tdocs and the like, one can identify what was commonly known and accepted.

On one of the CGK issues in dispute, Oppo submitted that it could show that 8 out of the 11 companies that made RACH Tdoc submissions to RAN1 working group meeting #50bis had addressed the issue of QPSK of CM as a cut-off. Meade J considered that in this unusual field where the sources available to prove the CGK are limited, for reasons given above, this is quite an impressive showing of a broad understanding among those working on the problem and was enough to hold in Oppo’s favour.

However, turning to specific Tdocs (ZTE and LGE) that Oppo sought to rely on as common general knowledge in an inventive step attack, Meade J considered that neither ZTE nor LGE was CGK. He found that they were specific, detailed proposals that were under discussion, but they had not been accepted by the community as the way to go, or ever implemented. In fact it was Oppo’s own case in their inventive step argument that they had shortcomings. The fact that they at one time formed part of a relatively small pack of information, along with some other Tdocs, about the RACH preamble issue for a particular RAN1 meeting did not overcome the failure of their

methods to meet the necessary quality of general acceptance.

Meade J commented that it is perfectly possible and consistent with the principles applicable to CGK that *some* of the information in each document was CGK, and that the documents formed part of a wider pattern of communications within RAN1 making some information CGK. However, he was not prepared to accept the entirety of either document as CGK for the reasons outlined above.

This serves as a useful reminder that a collection of Tdocs can serve as evidence for CGK, particularly in narrow and fast developing fields, but individual documents are unlikely to be considered CGK on their own and in their entirety. They should instead be viewed holistically, in light of other relevant documents from the time.

Key points:

- One should be open with the court in cases where the same expert is being used in other proceedings, be careful that the approach taken with the expert elsewhere is consistent with the UK, and perhaps document the process.
- Novelty-only prior art documents (s.2(3) Patents Act 1977, Art. 54(3) EPC) may be used to define the actual contribution of the Patent when assessing excluded subject matter (s. (2)(c) of the Patents Act 1977, Art. 52 EPC) under the *Aerotel*
- A collection of Tdocs can serve as evidence for CGK, particularly in narrow and fast developing fields, but individual documents are unlikely to be considered CGK on their own and in their entirety. They should instead be viewed holistically, in light of other relevant documents from the time.

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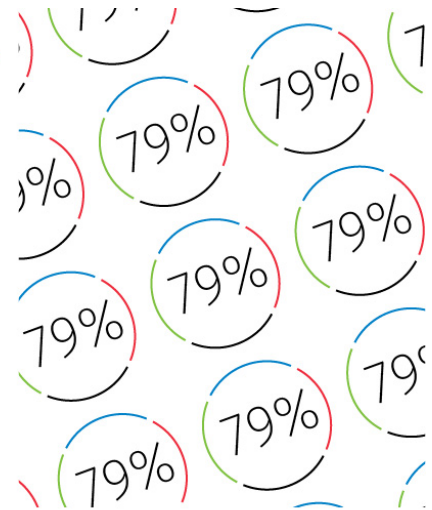
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This entry was posted on Thursday, February 9th, 2023 at 4:00 pm and is filed under [Exceptions to patentability](#), [FRAND](#), [Infringement](#), [Prior art](#), [SEP](#), [United Kingdom](#)

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