IN THE SUPREME COURT OF THE UNITED KINGDOM
ON APPEAL FROM THE COURT OF APPEAL OF ENGLAND AND WALES
(CIVIL DIVISION)

B E T W E E N:

(1) TESLA, INC.
(2) TESLA MOTORS LIMITED **Appellants/Claimants**

and

(1) INTERDIGITAL PATENT HOLDINGS, INC.
(2) INTERDIGITAL HOLDINGS, INC.
(3) AVANCI, LLC **Respondents/Defendants**

APPELLANTS' WRITTEN CASE

(Unless defined below, defined terms have been carried over from the Statement of Facts and Issues.)

I. INTRODUCTION AND OVERVIEW

1. The Appellants ("**Tesla**") appeal against the Order of the Court of Appeal dated 6 March 2025 reflecting the judgment of the majority (Phillips and Whipple LJJ; Arnold LJ dissenting) of the same date [2025] EWCA Civ 193 (the "**CA Judgment**"), on appeal from an Order of Fancourt J dated 15 July 2024 reflecting his judgment [2024] EWHC 1815 (Ch) (the "**HC Judgment**"). **[12/236-299] [15/308-340] [13/300-304]**

2. Tesla wishes to launch 5G-enabled vehicles in the UK, its fourth largest market in the world. To do so, it requires a licence to many UK standard-essential patents ("**SEPs**"). Those SEPs are all subject to a contractual obligation upon the SEP owner to license them on fair, reasonable and non-discriminatory ("**FRAND**") terms, enforceable by third-party beneficiaries such as Tesla: ***Unwired Planet & ors v Huawei & ors*** [2020] UKSC 37; [2021] 1 All ER 1141 ("***UPSC***") at [8]. The owners of a large proportion of those SEPs, such as the First and Second Respondents ("**InterDigital**"), offer them for license via a global patent pool (or "platform") operated by a licensing agent, the Third Respondent ("**Avanci**"). **[173/3002]**

3. Tesla considers the Avanci offer to be non-FRAND. Accordingly, in December 2023, prior to launching 5G-enabled vehicles in the UK, Tesla brought these proceedings seeking (i) declarations of invalidity and/or inessentiality against certain 5G SEPs owned by

InterDigital ("**Challenged Patents**"; "**Patent Claims**") and (ii) various FRAND declarations, including as to (a) FRAND terms for a licence under the UK SEPs in the Avanci 5G Pool[1], alternatively the Challenged Patents, and (b) whether the Avanci offer for 5G is FRAND ("**Licensing Claims**").

4. In ***UPSC***, this Court held that UK courts do have jurisdiction to declare the FRAND terms of a global SEP licence (covering both UK and foreign patents), where the contractual entitlement of an implementer to be offered such a licence, arising from the SEP owner's commitment ("**FRAND Commitment**") to the European Telecommunications Standards Institute ("**ETSI**") is relied upon as a defence to the grant of an injunction on a UK SEP. A FRAND licence to UK SEPs may, depending on the circumstances and commercial practice, be a global licence of the relevant SEP owner's portfolio, as in ***UPSC***. But a SEP owner is entitled to argue that a FRAND licence to its SEPs has a broader scope and extends to a SEP pool or platform of which the SEP owner is a member: see ***Mitsubishi v Oneplus*** [2021] EWHC 1541 (Pat) ("***Mitsubishi***") at ¶¶26-33; HC Judgment ¶¶34-35. **[173/2994]** **[147/2394]** **[15/314]**

5. The 4G and 5G automotive SEP pools operated by Avanci are examples of such pools or platforms. The Avanci pool arrangements have certain key features which it is important to keep in mind throughout:

   5.1. First, many licensor members of Avanci rely on the availability of an Avanci pool licence as discharging their contractual obligation to make a FRAND offer under their SEPs, including when suing automotive manufacturers for patent infringement injunctions to exclude them from the marketplace.[2] By way of example, Ford was enjoined in Germany because the Court concluded that IP Bridge had complied with its FRAND obligations by virtue of the pool offer made through Avanci.[3] **f.n. 2** **[15/310]** **[12/242]** **[12/261]** **[35/536]** **[35/543]** **[39/580]** **[1/15]** **f.n. 3** **[35/543]**

   5.2. Secondly, the rate at which the Avanci 5G licence is offered (US $32 per vehicle, more than double the Avanci 4G rate) was devised by Avanci and not the members of the pool, such as InterDigital.[4] The members were, according to the evidence, presented **[43/612]** **f.n. 4** **[1/14]** **[1/16]**

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1 The Avanci 5G Pool covers the 2G, 3G, 4G and 5G SEPs of the 5G Licensors for use in vehicles with 5G connectivity. The earlier Avanci 4G Pool covers the 2G, 3G and 4G SEPs of the 4G Licensors for use in vehicles with up to 4G connectivity (but not 5G connectivity).

2 HC Judgment ¶13; CA Judgment ¶26, 95; Hopewell 3 ¶¶17-18, 34; Rajendra 2, ¶11; Statement of Facts and Issues ¶26(c)&(e).

3 Hopewell 3 ¶34(c); Hopewell 4 ¶19.

4 Statement of Facts and Issues ¶¶23, 31.

with the rate on a "take it or leave it" basis.[5] Avanci has repeatedly advertised that rate to the world as being FRAND.[6]

5.3. Thirdly, a declaration that the terms of the Avanci 5G licence are not FRAND would not be ignored. To the contrary, as InterDigital has explained, *"it would be untenable for the Platform to offer terms determined as non-FRAND against Avanci"*, so that the members would cause Avanci's terms to be adjusted to what is FRAND (or leave the pool).[7] The declaratory relief sought by Tesla is, as Fancourt J observed, relief *"which Tesla has a legitimate interest in pursuing and which would in principle serve a proper purpose"* as well as having a clear *"commercial rationale"*.[8]

6. There is an established jurisdiction for an implementer of a technical standard such as Tesla to bring proactive declaratory proceedings to determine whether so-called "bilateral" SEP licence offers, i.e. non-joint or non-pool offers, are FRAND. Since ***UPSC***, the High Court and Court of Appeal have held that a willing licensee "*does not sit back and wait for demands from SEP licensors"* but rather *"takes active steps to seek out the licences that it needs"*.[9] Implementers such as Tesla may therefore, including before entering a market, commence proactive declaratory proceedings to determine whether a given licensing offer made by a SEP owner is or is not FRAND.[10] That jurisdiction was not disputed by either InterDigital or Avanci below.[11]

7. The central question raised by this appeal is whether there is a serious issue to be tried as to whether an implementer such as Tesla is equally able to bring such proactive declaratory proceedings to test whether a SEP owner's licensing offer is FRAND, if that offer was made jointly with other SEP owners through a licensing agent as part of a patent pool.

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5 HC Judgment ¶11; IDG CA Skel ¶¶3, 16(b); Hopewell 3 ¶¶52(g), 69(c)(iii), 70; Brodie 2 ¶¶29.2, 75.7, 90.1.

6 HC Judgment ¶¶12, 96; CA Judgment ¶25; Hopewell 3 ¶¶32, 35; Rajendra 2 ¶10; Statement of Facts and Issues ¶26(a).

7 HC Judgment ¶¶94, 97; CA Judgment ¶97; IDG CA Skel ¶¶17, 27; Brodie 3, ¶39.

8 HC Judgment ¶¶15, 123.

9 ***InterDigital v Lenovo*** [2024] RPC 24, [38], ¶187 per Arnold LJ, ¶289 per Nugee LJ and ¶302 per Birss LJ.

10 See e.g. ***Kigen v Thales*** [2022] EWHC 2846 (Pat), ¶20 per Fancourt J; ***Interdigital v Lenovo*** [2023] RPC 14, ¶33 per Mellor J; ***Nokia v OPPO*** [2024] RPC 1, ¶¶147, 159-161, 361 per Meade J; ***Lenovo v InterDigital*** [2024] RPC 18, ¶6 per Richards J; ***Lenovo v InterDigital*** [2024] RPC 23, ¶8 per Richards J; ***Lenovo v Ericsson*** [2024] EWHC 1734 (Pat), ¶¶22-23 per Richards J; ***InterDigital v Lenovo*** [2024] RPC 24, ¶204 per Arnold LJ; ***Panasonic v Xiaomi*** [2024] EWCA Civ 1143, ¶15 per Arnold LJ; ***Lenovo v Ericsson*** [2025] RPC 11, ¶15 per Arnold LJ. See also the cases cited at ¶66 below.

11 CA Judgment ¶¶62, 240, 243.

8. In a detailed and comprehensive 221-paragraph Judgment, Arnold LJ explained – amongst other things – why and how Tesla's claim raises a serious issue to be tried. In two far more abbreviated Judgments, Phillips and Whipple LJJ held that Tesla's claim did not raise a serious issue to be tried. A patent pool licensing offer was, in their judgment, simply a "voluntary" commercial offer to which the FRAND obligation does not - even arguably - apply at all.[12] The effects of their decision, unless corrected, will be both profound and global, immunising patent pools and other joint or collective licensing arrangements from scrutiny in many important and developing areas of technology.

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9. Tesla's appeal (Grounds 1-3) is therefore focussed on the relatively narrow question of whether Tesla's claim for declaratory relief raises a serious issue to be tried. As the law currently stands, a SEP owner may arguably rely on the availability of a pool licence as discharging its contractual obligation to make a FRAND offer in relation to its UK SEPs; but, according to the majority below, an implementer is unarguably disentitled from making the same argument or bringing proceedings proactively to determine that issue.

10. The consequence is that, even though Avanci repeatedly describes its published rates for a 5G Pool Licence as being FRAND, and even though many Avanci members rely on the availability of an Avanci pool licence as discharging their FRAND Commitments both informally and formally in proceedings before courts, implementers such as Tesla are not entitled proactively to question or test whether those rates are, in fact, FRAND. This is a perverse outcome and shows that the majority fell into error on the question of whether there is a serious issue to be tried on the Licensing Claims.

11. Faced with this challenge, InterDigital now contends for even greater asymmetry between UK SEP owners and implementers by launching an opportunistic attack on the well-established line of authorities in the Courts below holding that implementer-commenced claims for a determination of FRAND terms may be served pursuant to CPR 63.14 (where there is a registered UK address for service) and/or may pass through Gateway 11 (where there is no UK address for service in respect of a UK patent): see Grounds 2 and 3 of its Notice of Intention to Participate ("**NITP**") and Ground 1 of its Cross-Appeal. It is not joined in this regard by Avanci. InterDigital's proposed approach would leave implementers unable proactively to seek a determination of the terms of a FRAND licence to UK patents from a UK court (whether a pool licence or a bilateral licence) unless they also happen to

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[12] CA Judgment ¶¶228-231, 236, 243, 245 (last sentence), 248, 250-251, 254.

own UK SEPs and can point to an arguable need for a cross-licence with another SEP owner. The result would be immunity from scrutiny for the royalty demands of non-practising entities such as InterDigital. There is no principled analytical basis for departing from the ***Vestel*** approach (addressed in ¶¶40, 85-90 below) – see Arnold LJ at CA Judgment ¶109. **[12/265]**

12. Finally, InterDigital and Avanci join forces to contend that the Licensing Claims can more suitably be tried in the US - specifically, the Delaware Court of Chancery. Although this appears to invite scrutiny of Avanci's 5G rates by another Court, in reality, it is designed to avoid such scrutiny as the Delaware Court is unlikely to determine the terms of a licence for non-US patents (including a global licence covering both US and non-US patents) absent the consent of both parties. InterDigital and Avanci have been careful to withhold such consent such that the Delaware Court is not a genuinely available forum for the Licensing Claims whether characterised (correctly) as claims concerning the terms of a FRAND licence to UK patents or more broadly as a claim for a global FRAND licence.

13. The remainder of this Written Case follows broadly the three-part test[13] for an application to serve out of the jurisdiction. That three-part test is only relevant as regards the Second Respondent ("**IDH**") and Avanci, because the First Respondent ("**IDPH**") was properly served with the whole proceedings, including the Licensing Claims, within the jurisdiction (see ¶¶60-61 below). However, (i) the same merits test arises in relation to the strike-out application (see ¶15 below), (ii) InterDigital seeks to challenge the conclusions of Fancourt J and Arnold LJ under CPR 63.14 (see ¶11 above and ¶¶71-84 below), and in any event (iii) the test provides a convenient framework for examining all the issues which arise on the appeal. Accordingly: **f.n. 13** **[101/1342]**

    13.1. **Section II** addresses whether there is a serious issue to be tried on the Licensing Claims;

    13.2. **Section III** concerns the availability of Gateway 11 and CPR 63.14(2) for service of the Licensing Claims; and **[77/1082]** **[75/1064]**

    13.3. **Section IV** addresses the question of appropriate forum.

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[13] See e.g. ***Altimo Holdings and Investment Ltd v Kyrgyz Mobil Tel Ltd*** [2012] 1 WLR 1804 at ¶71 per Lord Collins.

II. SERIOUS ISSUE TO BE TRIED (Tesla Grounds 1-3; InterDigital NITP Ground 1)

(a) Introduction: the relevant test

14. Whether the Court is considering (a) the strike out application by IDPH, or (b) the applications by IDH and Avanci to set aside permission for service outside the jurisdiction, the relevant test is the summary judgment test: ***Tulip Trading Ltd v Bitcoin Association for BSV*** [2023] 4 WLR 16 at ¶¶12-15 *per* Birss LJ.

15. The summary judgment test requires a real, as opposed to fanciful, prospect of success: ***Altimo Holdings and Investment Ltd v Kyrgyz Mobil Tel Ltd*** [2012] 1 WLR 1804 at ¶71 *per* Lord Collins. Alternative formulations of the same concept include whether the claim is *"bound to fail"* or *"hopeless"* (***Altimo*** at ¶¶82, 103; ***Begum v Maran*** [2022] 1 All ER (Comm) 940 at ¶¶20-23 *per* Coulson LJ). In that connection: **[101/1342]** **[101/1345]** **[101/1350]** **[-/-]**

    15.1. A mini-trial is to be avoided; ***Lungowe v Vedanta Resources Plc*** [2020] AC 1045 at ¶¶9-16; ***Okpabi v Royal Dutch Shell Plc*** [2021] 1 WLR 1294 at ¶¶20-23. The analytical focus is on the particulars of claim and whether, on the basis that the facts there alleged are true, the cause of action has a real prospect of success: ***Okpabi*** at ¶22. **[140/2144]** **[151/2536]** **[151/2537]**

    15.2. The *"general rule is that it is not normally appropriate in a summary procedure (such as an application to strike out or for summary judgment) to decide a controversial question of law in a developing area"* (***Altimo*** at ¶84; ***Begum*** at ¶22; ***Tulip*** at ¶15). **[101/1345]**

(b) The procedural context

16. In both the High Court and Court of Appeal, InterDigital conceded that it was arguable that the Avanci 5G Pool Licence was required to be FRAND. For example[14], InterDigital's skeleton argument in the Court of Appeal stated at ¶14 that: **f.n. 14** **[40/590]** **[27/487]** **[28/491]**

> *"This raises a point of principle: must the Platform licence be FRAND? Tesla says the collective FRAND Commitments of Members require the Platform licence to be FRAND (POC ¶¶41, 54, 59). IDG says it suffices for individual Members to offer bilateral FRAND licences: the Platform licence is merely a commercial alternative which need not be FRAND (Brodie 3 ¶14). IDG does*

[14] See further Brodie 3 ¶16 (the *"issue of whether FRAND principles apply to the SPLA is not a point that InterDigital takes at this hearing for the purposes of the "serious issue to be tried" requirement"*) and InterDigital's skeleton argument in the High Court at ¶¶44-45.

not say Tesla's case on this is unarguable at the "serious issue to be tried" level for purposes of jurisdiction, but the point would be disputed on the merits."

17. Avanci likewise proposed that the issue of whether the SEP owners' FRAND Commitments were discharged by the availability of bilateral licences alone – such that the Avanci 5G Pool Licence need not be FRAND – should be heard in a *"gating trial"* following the jurisdictional dispute.[15] **f.n. 15** **[39/583]**

(c) The substantive context

18. In considering whether the Licensing Claims were bound to fail, the Court should have in mind the following further points of substantive context.

19. First, the Licensing Declaration that gives rise to the FRAND Commitment provides as follows:

> *"the Declarant hereby irrevocably declares that (1) it and its AFFILIATES are prepared to grant irrevocable licenses under its/their IPR(s) on terms and conditions which are in accordance with Clause 6.1 of the ETSI IPR Policy, in respect of the STANDARD(S), TECHNICAL SPECIFICATION(S), or the ETSI Project(s), as identified above, to the extent that the IPR(s) are or become, and remain ESSENTIAL to practice that/those STANDARD(S) or TECHNICAL SPECIFICATION(S) or, as applicable, any STANDARD or TECHNICAL SPECIFICATION resulting from proposals or Work Items within the current scope of the above identified ETSI Project(s), for the field of use of practice of such STANDARD or TECHNICAL SPECIFICATION; and (2) it will comply with Clause 6.1bis of the ETSI IPR Policy with respect to such ESSENTIAL IPR(s).*" (emphasis added)

Clause 6.1 of the ETSI IPR Policy refers to "*licences on fair, reasonable and non-discriminatory ("FRAND") terms and conditions*". **[52/727]**

20. Secondly, neither the Licensing Declaration nor Clause 6.1 of the ETSI IPR Policy, to which the Licensing Declaration refers, provides any further definition or explanation of "*fair, reasonable and non-discriminatory terms*". This Court held in ***UPSC*** that "*commercial practice in the relevant market is likely to be highly relevant to an assessment of what terms are fair and reasonable for these purposes* [i.e. for the purposes of discharging a SEP holder's contractual obligation under the FRAND Commitment to offer and grant FRAND licences]… *the courts below were correct to infer that in framing its IPR Policy ETSI intended that parties and courts should look to and draw on commercial practice in the real world*" (***UPSC*** ¶62). **[173/3015]**

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15 Rajendra 2 ¶25(c).

21. Thirdly, this Court further accepted in ***UPSC***, based on commercial practice in the telecommunications industry, that a FRAND licence under a single UK SEP may extend beyond that SEP and may be a global licence covering the entirety of the licensor's portfolio of SEPs (***UPSC*** ¶63). **[173/3016]**

22. Fourthly, lower Courts in this jurisdiction have held that the FRAND terms for a licence to a single UK SEP may, at least arguably, extend to (i) a global cross-licence of both parties' SEPs - ***Lenovo v Ericsson*** [2025] RPC 11, ¶¶42-44 *per* Arnold LJ, (ii) a global licence covering both SEPs and "non-essential patents" (i.e. patents that are not themselves subject to any FRAND Commitment) - ***Lenovo v InterDigital*** [2024] RPC 23, ¶¶19-45 *per* Richards J; ***Alcatel v Amazon*** [2024] RPC 26, ¶¶51-69 *per* Zacaroli J, and (iii) a global pool of patents having multiple owners - ***Mitsubishi*** at ¶¶26-33 *per* Mellor J. **[134/2010]** **[136/2046]** **[99/1317]** **[147/2394]**

23. Fifthly, at first instance, Fancourt J found (at ¶13) that "[i]*n practice, many of the Patentees will rely on an Avanci offer to discharge their obligation to offer a licence of their SEPs to automotive makers on FRAND terms*". There was, moreover, evidence from Tesla supporting this and demonstrating specific examples (see ¶5.1 above and ¶24 below). Similarly, Arnold LJ found (at ¶95) that Tesla had a real prospect of establishing that "*in reality even if not formally, most members of the Avanci 5G Platform rely upon the availability of a licence under that platform as fulfilling their FRAND obligations*" (emphasis added). The majority below did not disagree with Arnold LJ's assessment of Tesla's prospects on this point, but held the point to be irrelevant to the question of whether there was a serious issue to be tried: *per* Phillips LJ at ¶232. **[15/310]** **[12/261]** **[12/294]**

24. Sixthly, Tesla's evidence demonstrates that a number of SEP owners who sued Tesla for infringement in various jurisdictions prior to Tesla's entry into the Avanci 4G licence formally relied (in foreign Court proceedings) upon the availability of a licence through the Avanci 4G Platform as satisfying their obligations to licence their SEPs on FRAND terms. This allegation is recorded without comment by Arnold LJ at ¶26. It is supported by evidence from Tesla (see Hopewell 3, ¶17) – see further ¶5 above – and is plainly arguable. **[12/242]** **[35/536]**

(d) Is the Avanci 5G Pool Licence arguably required to be FRAND? (Tesla Ground 1)

25. Against that background, the central question arises: is it arguable that the Avanci 5G Licence is required to be FRAND?

26. The majority in the Court of Appeal concluded that it was unarguable that SEP holders' contractual obligations under their FRAND Commitments apply when they license SEPs

collectively through a pool (CA Judgment ¶¶228-231, 236, 243, 245 (last sentence), 248, 250-251, 254). The effect, as Phillips LJ confirmed (at ¶231), is that even if an implementer commenced a set of proceedings against every member of the pool, the Court still could not determine whether the terms offered by Avanci are FRAND, because there is simply no obligation to ensure that those terms are FRAND. **[12/293] [12/295] [12/297] [12/297] [12/298] [12/298] [12/299] [12/294]**

27. This conclusion was wrong for two essential reasons:

27.1. First, there is nothing in the wording or purpose of the FRAND Commitment to warrant construing it as ceasing to apply or being abrogated when a SEP owner chooses to license jointly with other SEP owners through a pool. Indeed, the majority's conclusion would run counter to some of the most important policy considerations underlying the FRAND Commitment.

27.2. Secondly, the majority's acceptance that it was arguable that *"as a matter of "commercial reality" the only licence of UK SEPs covered by the Avanci 5G Platform is a global platform licence"* (CA Judgment ¶232) should have led, applying ***UPSC*** and the subsequent case law, to the conclusion that it was equally arguable that the only FRAND licence under the UK SEPs in suit, or those in the pool more generally, was a pool licence at a FRAND rate. **[12/294]**

28. These two reasons can be taken in turn.

(i) There is no basis for construing the FRAND Commitment as ceasing to apply when a SEP owner offers to license jointly through a pool

29. The FRAND Commitment must be construed *"like other contracts in French law, by reference to the language used in the relevant contractual clauses of the contract and also by having regard to the context"*, including its *"policy objectives"*: ***UPSC*** ¶8. **[173/3002]**

30. The language of the FRAND Commitment (see ¶¶19-20 above) requires a SEP owner to *"grant irrevocable licenses under its/their IPR(s)"* on *"fair, reasonable and non-discriminatory ("FRAND") terms and conditions*". The obligation is to make an *"offer which is capable of acceptance, and actually FRAND"*: ***Nokia v OPPO*** [2024] RPC 1, ¶258 per Meade J. **[150/2521]**

31. The majority's conclusion that a SEP owner's licence offer ceases to engage the FRAND Commitment simply because it is made jointly with other SEP owners through a licensing agent, Avanci, finds no support in the language, context or policy of the FRAND

Commitment. To the contrary, it is well arguable – indeed, it is submitted, obviously right – that having chosen to offer their SEPs for licence in that way, the SEP owners are obliged to ensure that any offer is FRAND.

32. First, as a starting point, an offer made through an Avanci pool remains an offer to license the SEP owner's portfolio, even if made in conjunction with other SEP owners who also owe FRAND obligations and even if each pool member is prepared to make an alternative, bilateral offer. Two parties who each own property which must be licensed in a particular way do not, absent some form of specific provision, avoid that obligation simply by choosing to license their property together; nor is there anything in the language or context of the FRAND Commitment to suggest that they do. The suggestion that a SEP owner can unilaterally designate an offer under its SEPs to be a "non-FRAND" offer outside the FRAND Commitment finds no support in the wording or purpose thereof. Avanci has in any event repeatedly done the *opposite*, describing the 5G Pool Licence to the market – on behalf of the SEP owners for whom it acts – as FRAND (see ¶5.2 above).

33. Secondly, SEP owners are required to give FRAND Commitments because otherwise they would have *"excessive power to disrupt an otherwise global market to the prejudice of manufacturers of equipment using such inventions ("implementers") and to exact excessive royalties for the use of their inventions in relation to SEPs"* (***UPSC*** ¶4). That policy rationale is even more compelling where numerous SEP owners – together owning more than 90% of the entire global stack of 2G-5G cellular SEPs on the facts of this case (CA Judgment ¶18) – have come together to offer licensing terms to the market. The utility of the FRAND Commitment would be compromised if its effect could be avoided whenever multiple SEP holders license their SEPs together. The scope for abuse by SEP owners, if the majority were correct, would be enormous. **[173/3000]** **[12/240]**

34. Thirdly, the approach of the majority would risk jeopardising the safe harbour protection otherwise enjoyed by SEP patent pools under competition and antitrust law. This is a highly relevant contextual factor since the FRAND Commitment was *"developed … with the close involvement of the European Commission, which reflects the importance of FRAND from the point of view of competition policy"* (***Unwired Planet v Huawei*** [2017] RPC 19 ("***UPHC***"), ¶89 *per* Birss J). Although patent pools may reduce transaction costs, they also raise obvious competition or antitrust law concerns, because they involve numerous undertakings which each own essential inputs for downstream market participants coming together to offer a joint global price for those essential inputs. Under EU competition law, the safe harbour for SEP pools **[171/2913]**

is available only if (*inter alia*) *"the pooled technologies are licensed out to all potential licensees on FRAND terms"*.[16] To similar effect under US antitrust law, the US Department of Justice (DOJ) when opining on the Avanci 5G Platform relied on a belief that *"[t]he essential cellular SEPs licensed here are subject to FRAND commitments"*; that *"Avanci represents that its current rates for the 4G Platform are FRAND"*; that *"Avanci intends its 5G rates also to be FRAND"*; and that implementers *"can enforce the commitments in contract proceedings if there are disputes"*.[17] **f.n.16 [92/1125]** **f.n. 17 [12/241] [20/443] [35/547]**

35. Fourthly, the Patents Court has held that it is arguable that an implementer must accept an offer of a licence under a patent pool or face a FRAND injunction on a UK SEP: see ***Mitsubishi***; discussed by Fancourt J at HC Judgment ¶¶34-35 (see ¶¶4, 9, 22 above). In ***Mitsubishi***, Mellor J held that *"for an implementer to refuse a pool licence but to insist only on a bilateral licence would require justification in a case where the pool comprised patents claimed to be essential to a particular standard which had been implemented by the products in question"* (¶32(ii)). An even starker position applies in Germany, where *"an offer for a licence to a pool has consistently been held to be FRAND and second, that a licensee seeking a bilateral only offer must have some legitimate interest for so doing"*: ***Mitsubishi***, ¶¶27-31 per Mellor J. Neither InterDigital nor Avanci disputed the relevant propositions in the ***Mitsubishi*** case, which is discussed at HC Judgment ¶¶34-35 and was relied upon by Tesla.[18] If pool licences were not required to be FRAND, however, then implementers would be left exposed to an injunction for declining to take a pool licence without having any means of testing proactively whether that offer is FRAND. **[15/314]** **[147/2397]** **[147/2394]** **[15/314]** **f.n. 18 [30/500] [67/998] [68/1005]**

36. Fifthly, in that regard, it is not correct that SEP owners have only relied informally upon the availability of licences through the platform as discharging their FRAND obligations: *pace* Phillips LJ at ¶233. To the contrary, many have formally relied upon the offer of an Avanci platform licence in court as discharging their obligations under the FRAND Commitment: see ¶¶5.1, 23-24 above. **[12/294]**

37. Sixthly, the fact that the master agreements between Avanci and the 5G Platform Members do not specifically provide that Avanci is agreeing to fulfil any SEP owner's FRAND Commitment (see Whipple LJ at ¶249) cannot alter whether the SEP owners are obliged by the FRAND Commitment to ensure that offers made under their patents are FRAND. If **[12/298]**

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16 Guidelines on the application of Article 101 of the Treaty on the Functioning of the European Union to technology transfer agreements 2014/C 89/03, ¶261(e).

17 CA Judgment ¶25; Annex 4 to the Particulars of Claim, page 20; Hopewell 3 ¶¶35-37.

18 Tesla's Supplemental Skeleton for the Court of Appeal ¶8(d); CA Day 1, p21 lines 3-7; CA Day 2, p318 lines 11-14.

the terms on which Avanci offers a licence are not FRAND, then the SEP owners would need to ensure that those terms are altered (or exit the Avanci platform), and it is common ground that they would indeed do so (see ¶5.3 above).

38. Seventhly, the fact that Avanci does not *itself* owe the FRAND obligation in relation to the SEPs which it is licensing is not dispositive even of the claim against Avanci: the Courts have recognised that declaratory relief may be granted against a non-party to a contract so long as that party is directly affected by the relief (CA Judgment ¶¶47-84). Here Avanci is the licensing agent appointed by the SEP owners and itself devised the terms being offered to the market (CA Judgment ¶¶17, 19; Statement of Facts and Issues ¶23). **[12/248]** **[12/240]** **[12/241]** **[1/14]**

39. Eighthly, the fact that InterDigital could not itself *grant* a pool licence does not alter any of this. Tesla is not claiming specific performance, and the Courts have not previously in FRAND cases compelled a SEP owner *"to enter into a contract by specific performance of the FRAND undertaking"* (***UPHC*** at ¶¶142-143, *per* Birss J). They rather decide whether a given offer was FRAND, and if not then what offer would have been, and then tailor the Court's approach to relief accordingly: see e.g. ***Panasonic v Xiaomi*** [2025] 3 All ER 66 at ¶25. There is obvious utility in determining whether the terms on which InterDigital is currently offering its patents for licence through the pool are or are not FRAND: see ¶5.3 above. Yet further, if it were a prerequisite to a declaratory claim that one or more of the SEP owners should be able themselves to grant the pool licence then that would render the pool licence immune from scrutiny, because it is only Avanci which can grant a pool licence (HC Judgment ¶95). **[173/3037]** **[157/2664]**

40. Ninthly, Tesla's case is consistent with prior authority. In ***Vestel Elektronik Sanayi Ve Ticaret AS v HEVC Advance LLC*** [2021] 4 WLR 60 ("***Vestel CA***"), the High Court was asked to make declarations as to whether the terms offered for a pool of SEPs were FRAND. The claim failed because the claimed declaration of FRAND terms was untethered to any legal standard. By the time that the matter came before the Court of Appeal, Vestel had dropped its Article 102 TFEU claim such that it no longer claimed any "*legally enforceable right to a FRAND licence*" at all, instead relying principally on the Court's inherent jurisdiction to grant declaratory relief: see ***Vestel CA***, ¶34. However, Birss LJ set out (*obiter*) at ¶71 a roadmap by which such claims could be brought, had the claimant asserted an arguable legal right *"to be offered a FRAND licence under the UK SEPs in the … pool"*: see ¶71. Tesla formulated these proceedings based on Birss LJ's roadmap and both pleaded and asserted such a right, as explained further below. **[174/3046]** **[174/3051]** **[174/3055]**

41. In light of the above, the majority were wrong – both as a matter of construction and as a matter of policy – to hold that it is unarguable that joint or pool licensing arrangements for SEPs are required to be FRAND.

(ii) There is a serious issue to be tried as to whether the FRAND licence under the UK SEPs in suit is a pool licence at a FRAND rate

42. Yet further, the conclusion of the majority is vitiated by a failure to appreciate that the central determinant of the scope of a FRAND licence under a given UK SEP or SEPs is commercial practice (see e.g. ¶¶4, 20-21 above). By the Licensing Claims, Tesla seeks declarations (*inter alia*) that:

42.1. It is contractually entitled to a FRAND licence to the 2G-5G SEPs of all Avanci 5G Licensors, including the Challenged Patents owned by InterDigital – Particulars of Claim ("**PoC**"), Prayer (4); **[16/359]**

42.2. The FRAND licence to the Challenged Patents – being UK patents owned by InterDigital – extends to the entirety of the Avanci 5G Platform – PoC, Prayer (6); and **[16/359]**

42.3. The "rack rate" royalty for the Avanci 5G Platform is not FRAND and should be lower – PoC, Prayer (5), (9) & (10). **[16/359] [16/360] [16/360]**

43. The majority appears to have reasoned only that Prayer (6) is unarguable. The majority expressly accepted that Prayer (4) is correct[19] and did not comment on Prayer (5), (9) or (10). In respect of Prayer (6), the majority's reasoning is distilled by Phillips LJ at ¶228: **[16/359]** **f.n. 19** **[12/293]**

> "*What the owners have <u>not</u> agreed to do, on any sensible interpretation of the contractual arrangements with ETSI, is to license their SEPs on a collective basis with other SEP owners, whether on "FRAND terms" or on any terms. The undertaking clearly and distinctly creates an obligation on individual owners to license the Patent Family of their declared SEPs, but it cannot be interpreted as extending to include licensing a portfolio which includes many SEPs owned by other organisations altogether.*" (Original emphasis) **[16/359] [16/360] [12/293] [16/359]**

44. With respect, this is asking the wrong question – i.e. whether the Avanci 5G Licensors have, by their FRAND Commitments, agreed to license on a collective basis. Tesla's case is not, as Phillips LJ appears to have thought, that the FRAND Commitments of the Avanci 5G

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[19] For example, *per* Phillips LJ at ¶227 "…*the owners (or their organisations) who have placed their SEPs on the Avanci 5G Platform … are each separately contractually obliged to negotiate with Tesla the terms of a licence for their own portfolio of SEPs on FRAND terms, and to grant such a licence*".

Licensors required them to establish a platform such as Avanci for licensing their SEPs on a collective basis. It is simply that having *chosen* to offer their SEPs jointly for licence through Avanci, the Avanci 5G Licensors cannot then sensibly deny that *"as a matter of "commercial reality" the only licence of UK SEPs covered by the Avanci 5G Platform is a global platform licence"* (to use Phillips LJ's words at CA Judgment ¶232). What is alleged - at Prayer (4) - and accepted, is that Avanci 5G Licensors have agreed, and are contractually obliged, to license their 2G-5G SEPs on FRAND terms. What is then alleged - at Prayer (6) - is that, on the facts of this case, a FRAND licence to the Challenged Patents (which are UK 5G SEPs) is a global licence to the entirety of the Avanci 5G Platform. **[12/294]** **[16/359]** **[16/359]**

45. The question that the majority ought, therefore, to have asked in respect of Prayer (6) is whether it is arguable that the FRAND licence to the Challenged Patents – or indeed the various alternative categories mentioned in Prayer (6) – extends to the Avanci 5G Platform. Arnold LJ rightly asked himself that question at [95]: **[16/359]** **[12/261]**

> "…*Tesla allege that, as a matter of commercial reality, the only licence of UK SEPs covered by the Avanci 5G Platform which can be FRAND is a global platform licence of the kind offered by Avanci as agent for the SEP owners because negotiating bilateral licences with more than 65 SEP owners is impracticable. Tesla also allege that, in reality even if not formally, most members of the Avanci 5G Platform rely upon the availability of a licence under that platform as fulfilling their FRAND obligations. Although these allegations are disputed by Avanci (and InterDigital), I consider that Tesla have a real prospect of establishing them. Indeed, the former allegation receives some support from a striking submission made by counsel for Avanci himself, who has considerable experience in this field, that there was a stark difference between what Avanci had achieved with its Platforms in the automotive sector and what he termed "the licensing debacle" in the mobile phone sector…."* (Emphasis added)

46. Arnold LJ's answer was also right. This Court has held that the assessment of what terms are FRAND is to be informed by "*commercial practice in the real world*" (***UPSC*** ¶62 - see further ¶¶4, 20-21 above) – or, as Arnold LJ put it, "*commercial reality*". The Court below had no evidence enabling it to conclude, at the jurisdiction stage, that commercial practice in this industry does not involve pool licensing. On the contrary, such evidence as the Court did have before it (from Tesla) suggested that Avanci 5G Licensors rely - both formally and informally - on Avanci Platform licences to discharge their FRAND Commitments. InterDigital and Avanci may dispute this – but that is a matter for trial; not for a summary determination on a strike out/CPR Part 11 application. **[173/3015]**

47. At ¶232, Phillips LJ accepted Arnold LJ's view that it is arguable that *"as a matter of "commercial reality" the only licence of UK SEPs covered by the Avanci 5G Platform is a global platform licence"*. But he fell back into error in the next sentence by suggesting that commercial practice was **[12/294]**

irrelevant to the contractual obligations owed under the FRAND Commitment. Commercial practice is of the utmost relevance to what is "FRAND".

48. The error of the majority's conclusion – that beneficiaries of the FRAND Commitment are not entitled to contend that the relevant FRAND licence is a pool licence – is indeed illustrated by its far-reaching implications and policy consequences, considered above.

49. Accordingly, for all of the reasons set out above, the majority's conclusion that there is no serious issue to be tried as to whether the FRAND Commitment applies to pool licences, with the effect that such licences must instead be treated as voluntary licences outside the FRAND Commitment, was wrong.

(e) Could the declaratory relief fairly be granted in the absence of other Avanci 5G Licensors? (Tesla Ground 2)

50. The majority was also wrong to conclude that *"considerations of procedural fairness"* meant that Tesla's declaratory claim had no real prospect of success absent joinder (or at least representation) of all the other Avanci 5G Licensors beyond InterDigital (CA Judgment ¶237). Again, the relevant question for these purposes is whether the Licensing Claims were "*bound to fail*" absent such joinder. **[12/295]**

51. The majority relied upon authority that persons interested in a declaration should be made parties to a claim *"except in very special circumstances"* (CA Judgment ¶237, referring to ***London Passenger Transport Board v Moscrop*** [1942] AC 332). But such authority is concerned with fairness, axiomatically a *"protean concept"*[20]: what it demands is *"dependent on the context of the decision, and this is to be taken into account in all its aspects"*: ***R v Secretary of State for the Home Department, Ex p Doody*** [1994] 1 AC 531 at 560 per Lord Mustill. The majority, however, failed to have regard to the specific circumstances which bore on that question in this particular case. **[12/295]** **[138/2078]** **[161/2724]**

52. In that regard, as Arnold LJ rightly held at CA Judgment ¶¶99-101 and 179: **[12/263]** **[12/282]**

    52.1. The Avanci 5G Licensors have little or nothing to contribute to the debate about the FRAND royalty for the Avanci 5G Platform because that rate was devised by Avanci

[20] See e.g. ***R (Moseley) v Haringey LBC*** [2014] 1 WLR 3947 at ¶24 per Lord Wilson (fair consultation under public law); ***Cinven v Mercury Pharmaceuticals*** [2025] EWCA Civ 578 at ¶9 per Green LJ (fair pricing under competition law); ***R (L) v West London Mental Health NHS Trust*** [2014] 1 WLR 3103 at ¶106 per Moses LJ (procedural fairness in the context of transfer of mental health patients).

"*based on its own investigations*" and no Licensors "*had any say in the choice of rate*": CA Judgment ¶99; see further ¶5.2 above. **[12/263]**

52.2. Licensors wishing to participate have the option to apply to join the proceedings: CA Judgment ¶100. **[12/263]**

52.3. The Licensing Claims would not necessarily adversely affect a Licensor's right in any event – for example, if the FRAND rate for the Avanci 5G Platform were held to be only somewhat lower than the rack rate, any reduction in revenues could be absorbed by Avanci: CA Judgment ¶101. **[12/263]**

53. In such circumstances, there is no unfairness – and certainly none which would justify concluding that the claim is unarguable at the jurisdiction stage or on a strike out basis (see e.g. ¶15 above) – in testing the issues raised against a single "test" licensor, InterDigital. If to defend the case InterDigital needs the assistance of its agent Avanci, then there is nothing unfair or unjust about that – see e.g. ***National Union of Rail, Maritime and Transport Workers v Tyne and Wear Passenger Transport Executive (t/a Nexus)*** [2025] AC 1222 at ¶58.[21] Avanci has made clear that is precisely what it intends to do; indeed it consents to jurisdiction if the case against InterDigital proceeds.[22] **[148/2428]** **f.n. 21** **[35/564]** **f.n. 22** **[15/312]** **[15/324]** **[12/283]** **[1/14]**

(f) Does Tesla's case arguably advance or embrace the possibility of a bilateral licence from InterDigital? (Tesla Ground 3)

54. The final issue which arises in the context of serious issue to be tried is whether Tesla's claim embraces the possibility that a FRAND licence of InterDigital's UK SEPs is a bilateral licence on terms to be determined by the Patents Court. If it does – and Tesla submits that Arnold LJ was right so to hold – then the majority's reasoning about FRAND not applying to pools would not prevent the Licensing Claims from proceeding in any event; indeed Tesla's right to be offered a FRAND licence covering InterDigital's 2G-5G SEPs cannot be seriously disputed (HC Judgment ¶83). **[15/324]**

55. The majority held that Tesla had not pleaded a claim to a bilateral licence of InterDigital's 5G SEPs in the alternative and had only raised this possibility for the first time in oral submissions before the Court of Appeal: see CA Judgment ¶241 *per* Phillips LJ. This was, as **[12/296]**

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21 See further Hopewell 3 ¶71(a).

22 HC Judgment ¶¶20, 79; CA Judgment ¶177; Statement of Facts and Issues ¶25.

Arnold LJ explained at CA Judgment ¶171, wrong. Tesla refers in this regard to PoC, Prayer (5), which seeks: **[12/280]**

> *"A declaration that the terms of the SPLA in so far as they relate to any patents in the Avanci 5G Pool which designate the United Kingdom are not FRAND and therefore do not comply with the relevant FRAND commitments given under Clause 6.1 of the ETSI IPR Policy; alternatively, a declaration as to the terms which are FRAND for those patents (alternatively, such patents within that pool as are owned by InterDigital)."* (emphasis added)

56. Tesla also refers to PoC, ¶40, which states: **[16/353]**

> "*As pleaded below, Tesla is a beneficiary of InterDigital's FRAND Commitment (as to which see paragraph 54 below); it is, accordingly, entitled to a licence on FRAND terms covering InterDigital's International SEP Portfolio (including InterDigital's UK SEP Portfolio and the Challenged Patents) and further entitled to such a licence by the time that it begins to sell Tesla 5G-enabled Vehicles in the United Kingdom.*" (emphasis added)

57. Whilst Phillips LJ was right to remark at CA Judgment ¶240 that Tesla's commercial objective in this litigation is a determination of FRAND terms for a licence to the Avanci 5G Platform, that does not determine or limit what Tesla has pleaded by way of relief in this case. The passages quoted above plainly do, as Arnold LJ observed, *"embrace the possibility that a FRAND licence of InterDigital's SEPs is a bilateral licence on terms to be determined by the Patents Court, i.e. a licence which extends to all of the SEPs in InterDigital's global portfolio"* (CA Judgment ¶171). **[12/295]** **[12/280]**

(g) Would declaratory relief against InterDigital arguably serve a useful purpose? (InterDigital NITP Ground 1) **[23/465]**

58. InterDigital has floated in its NITP Grounds a suggestion that declaratory relief against InterDigital would not serve a useful purpose. Tesla will respond to such arguments as are advanced on this issue; but in the meantime submits that Fancourt J was plainly right to conclude that the declaratory relief sought by Tesla is relief *"which Tesla has a legitimate interest in pursuing and which would in principle serve a proper purpose"* as well as having a clear *"commercial rationale"* (see ¶5.3 above).

(g) Conclusion on serious issue to be tried

59. For all of the reasons set out in this **Section II**, the majority erred in concluding that Tesla's Licensing Claims are bound to fail. Arnold LJ was right to conclude that Tesla's claim does indeed raise a serious issue to be tried.

III. AVAILABILITY OF CPR 63.14(2) AND GATEWAYS (InterDigital NITP Grounds 2 & 3; InterDigital Cross-Appeal, Ground 1)

(a) Introduction

60. As to the second aspect of the test for establishing jurisdiction (see ¶13 above), both Fancourt J and Arnold LJ reached the conclusions:

60.1. that Tesla's whole claim, including the Licensing Claims, had been properly served on IDPH within the jurisdiction under CPR 63.14,[23] so that this was not a "service out" case as regards IDPH; and **[75/1064] f.n. 23 [15/329] [12/246] [12/288]**

60.2. that Tesla had a good arguable case[24] that the Licensing Claims passed through Gateway 11 (CPR Practice Direction 6B).[25] **f.n. 24 [107/1479] [77/1081] f.n. 25 [15/314] [15/334] [12/257] [12/264] [77/1081]**

61. Fancourt J further held that Gateway 3 would be available to serve Avanci if the Licensing Claims against InterDigital proceeded;[26] and Arnold LJ concluded that Gateway 3 would be available to serve IDH if the Licensing Claims against IDPH proceeded.[27]

62. The majority in the Court of Appeal did not disagree with any of these conclusions, confining their judgments only to the merits of the Licensing Claims. **f.n. 26 [15/312] [15/318] [15/324] [15/334]**

63. By its NITP Grounds 2-4 and Ground 1 of its Cross-Appeal, InterDigital suggests that the conclusions of Fancourt J and Arnold LJ summarised in ¶¶59-60 above were wrong. This suggestion is not only unfounded but also involves, as explained below, a challenge to a consistent and clear line of case law in the courts below. It should be rejected. **f.n. 27 [12/290]**

(b) The current law on CPR 63.14 and Gateway 11 in implementer-commenced claims

64. *UPSC* established, as explained above, that a SEP holder may obtain a determination of the FRAND terms for a licence to its global portfolio of patents as an incident of seeking injunctive relief for infringement of a single UK SEP. Such a claim for injunctive relief can **[173/2994]**

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23 HC Judgment ¶103; CA Judgment ¶¶43(iv), 206-212.

24 See e.g. *Brownlie v Four Seasons Holdings Inc* [2018] 1 W.L.R. 192 at ¶7.

25 HC Judgment ¶¶36-45, 126-128; CA Judgment ¶¶80-81, 103-109.

26 HC Judgment ¶¶20, 49, 80, 129.

27 CA Judgment ¶213.

be served out of the jurisdiction through Gateways 2 (injunctions), 9 (tort) and 11 (property in the jurisdiction).

65. Following ***UPSC***, the lower Courts have confirmed that an implementer has the symmetrical ability to approach the English Court proactively for a determination of FRAND terms, rather than simply having to *"sit back and wait for demands from SEP licensors"*, a position which would risk the implementer being regarded as an unwilling licensee: see ¶6 above. **[173/2994]**

66. In relation to the applicable gateways for such proceedings, the Court of Appeal and High Court have repeatedly stated that a claim by an implementer to have a legally enforceable right to a FRAND licence under one or more UK SEPs (i) can be served as of right pursuant to CPR 63.14(2) and/or (ii) passes through Gateway 11 for the purposes of service out, even where the scope of the claimed licence is said to extend to foreign patents. Taking the cases in the order in which they were decided, see:

66.1. ***Vestel CA*** at ¶71 *per* Birss LJ (Gateway 11), considered further at ¶¶85-89 below; **[174/3055]**

66.2. HC Judgment at ¶103 (CPR 63.14) & ¶¶126-127 (Gateway 11) *per* Fancourt J; **[15/329] [15/334]**

66.3. ***Alcatel v Amazon*** [2024] RPC 26 at ¶¶110, 118-120 *per* Zacaroli J (Gateway 11); **[99/1325] [99/1326]**

66.4. CA Judgment at ¶¶108-109, ¶214 (Gateway 11) and ¶¶208-212 (CPR 63.14) *per* Arnold LJ; **[12/265] [12/290] [12/289]**

66.5. ***Mediatek v Huawei*** [2025] EWHC 649 (Pat) at ¶163 (CPR 63.14) & ¶184 (Gateway 11) *per* Leech J; **[142/2271] [142/2279]**

66.6. ***Warner Bros. v Nokia*** [2025] EWHC 2888 (Pat) at ¶¶23-27 per Mellor J (Gateway 11); **[176/3137]**

66.7. ***Acer et al v Nokia*** [2025] EWHC 3331 (Pat) at ¶¶311-312 *per* Mellor J (Gateway 11); and **[94/1205]**

66.8. ***Amazon v InterDigital*** [2025] EWHC 3334 (Pat) at ¶¶56-65 *per* Meade J (CPR 63.14 and Gateway 11). **[102/1363]**

67. CPR 63.14(2) and/or Gateway 11 were upheld as the basis for service of implementer-commenced FRAND claims or counterclaims by Zacaroli J in ***Alcatel v Amazon*** (¶65.3 above); by Leech J in ***Mediatek v Huawei*** (¶65.5 above); by Mellor J in ***Acer et al v Nokia*** (¶65.6 above); and by Meade J in ***Amazon v InterDigital*** (¶65.7 above).

(c) InterDigital's challenge to the current position

68. By its NITP Grounds 2 and 3 and Ground 1 of its Cross-Appeal, InterDigital seeks to shut all gateways for implementer-commenced FRAND claims – and to do so for bilateral licences as well as pool licences. This would give rise to undesirable asymmetries: **[23/466] [25/470]**

68.1. As between **SEP holders and implementers**, with the former always having the option to seek a determination of FRAND terms in the UK provided that they hold at least one UK SEP, but the latter unable to approach a UK court unless the relevant UK SEP holder is itself also an implementer of the standards in the UK. This would be particularly unfortunate as implementers have a strong legal and commercial interest in understanding their potential liabilities for FRAND royalties at an early stage. Any delay in taking a licence can result in (i) being categorised as an unwilling licensee, (ii) being exposed to royalty demands with no limitation periods, and (iii) being required to pay interest: see generally ***InterDigital v Lenovo*** (cited above), in which the Court of Appeal emphasised that an implementer should not *"sit back and wait for demands from SEP owners*" but should pro-actively seek out licences and put money aside.

68.2. As between **one way licence and cross-licence scenarios**. Whilst implementers would be able, if they owned UK SEPs and could therefore bring UK infringement proceedings, to interrogate the royalty rates demanded by major SEP holders that also implement the standards (such as Ericsson and Nokia), the demands of non-practising entities (such as InterDigital) would be immunised from scrutiny.

69. As explained below, the jurisdictional position is not asymmetric, and the approach taken by the lower Courts in the aforementioned cases is correct.

(d) CPR 63.14

70. This concerns service on IDPH, which is the owner of the Challenged Patents and other InterDigital UK SEPs, and was served with the Licensing Claims at the UK addresses for service pursuant to CPR 63.14. Tesla did not purport to service IDH or Avanci in this way.[28] **f.n. 28 [1/19]**

[28] Statement of Facts and Issues ¶44.

71. Pursuant to CPR 63.1(1)(a)(i), CPR Part 63 applies "*to all intellectual property claims including … registered intellectual property rights such as … patents*". CPR 63.1(2) makes clear that a 'patent' in this context means a patent under the Patents Act 1977. **[75/1059]**

72. CPR 63.14(2)(a) provides that "*A claim form relating to a registered right may be served … on a party who has registered the right at the address for service given for that right in the appropriate register at … the United Kingdom Patent Office … provided the address is within the United Kingdom*". This is wider than Gateway 11 – discussed below – as a claim need only "*relate*" to a registered right rather than relating "*wholly or principally*" to such registered right: see ***Mediatek v Huawei*** (cited at ¶65.5 above) at ¶163 *per* Leech J. **[142/2271]**

73. In ***Apple v Qualcomm*** [2018] FSR 27, Morgan J held (at ¶¶65-66) that a claim for declarations as to alleged exhaustion of rights/implied licence concerning five UK patents was a claim "*relating to*" the relevant patents and could be served pursuant to CPR 63.14(2), even though the Court determining the claim would need to consider whether certain express contractual terms barring an implied licence were void because they breached section 18 of the Competition Act 1998. **[103/1425]**

74. In ***Mediatek v Huawei***, Leech J held (at ¶¶160-167) that claims to FRAND declarations, including as to the terms of a global FRAND licence, were likewise claims *"relating to"* UK registered rights which had been validly served under CPR 63.14(2). He noted that the distinction drawn by Zacaroli J at ***Alcatel HC*** ¶120 between the "*subject matter of the licence*" and the "*subject matter of the claim*" applied equally to the analysis under CPR 63.14(2). **[142/2270]** **[99/1326]**

75. Most recently, in ***Amazon v InterDigital***, Meade J declined InterDigital's invitation to depart from Leech J's approach in ***MediaTek***, which Meade J considered (at ¶65) was "*not only right but supported by all the preceding and carefully reasoned decisions*" (referring to the *obiter* comments on CPR 63.14(2) in the HC Judgment and CA Judgment as well as the earlier judgments on the availability of Gateway 11 for implementer-commenced claims – as to which, see ¶66 above and ¶¶86-92 below). In rejecting InterDigital's suggestion that it would not be appropriate to allow service of "contractual" claims to enforce the FRAND Commitment against a foreign SEP holder "*simply because it owns patents within the jurisdiction*", Meade J observed at ¶69: **[102/1377]** **[102/1377]**

> "*It is no trivial matter for a party to have patents within the jurisdiction. Patentees choose to do so and it makes perfect sense that if they do, then they are subject to the jurisdiction of the courts here when it comes to determining the scope and effect of their monopolies. It is entirely sensible that claims about patents can be served in the jurisdiction as of right and in a broader context it is obviously*

rational for ownership of a patent in the UK to be regarded as a sufficient connection in the sense in which Lord Leggatt was considering that in Brownlie II."

76. Likewise, at HC Judgment ¶103, Fancourt J concluded that the Licensing Claims had been properly served on IDPH pursuant to CPR 63.14(2). Arnold LJ endorsed the approach at CA Judgment ¶¶208-212 – and, in so doing, addressed the points that InterDigital makes by its NITP Ground 3 and Cross-Appeal Ground 1. The majority did not address this issue. **[15/329]** **[12/289]** **[23/466]** **[25/471]**

77. InterDigital contends that Arnold LJ's analysis of CPR 63.14(2) is wrong for three reasons:

77.1. **First**, it is said to be inconsistent with the Court of Appeal's analysis of that provision in ***Actavis v Eli Lilly*** [2013] RPC 37: InterDigital's Grounds of Cross-Appeal, ¶¶12 & 13. **[95/1235]** **[25/472]**

77.2. **Secondly**, it is said that the Licensing Claims are not "*intellectual property claims*" for the purposes of CPR 63.1 and, therefore, cannot be served pursuant to CPR 63.14(2): InterDigital Grounds of Cross-Appeal, ¶¶11, 12 & 14-15. **[25/471]** **[25/472]**

77.3. **Thirdly**, it is said that the Licensing Claims seek the determination of FRAND terms for a global Avanci 5G Pool Licence and so cannot "*relate*" to InterDigital's UK SEPs: InterDigital Grounds of Cross-Appeal, ¶18. **[25/473]**

78. **Alleged inconsistency with *Actavis***: Tesla relies on Arnold LJ's comprehensive analysis at CA Judgment ¶¶211-212: **[12/290]**

> "*211. In Actavis Group HF v Eli Lilly & Co [2013] EWCA Civ 517, [2013] RPC 37 this Court held that a claim form seeking declarations of non-infringement had not been validly served pursuant to rule 63.14(2) in so far it related to French, German, Italian and Spanish designations of a European Patent as opposed to the UK designation. This is because, once granted, European Patents are distinct national patents even though they are the result of a single application to the European Patent Office. Thus they are commonly referred to as "bundle patents". A European Patent (UK) is, by virtue of provisions of the Patents Act 1977 which it is unnecessary to set out, a patent under the 1977 Act, but European Patents (DE), (FR), (IT) and (SP) are not.*
>
> *212. InterDigital argue that this reasoning applies to the Licensing Claims. I disagree. Once again, the point depends upon the proper characterisation of the Licensing Claims. The Licensing Claims seek to enforce the FRAND obligations attaching to InterDigital's UK SEPs, and thus "relate to" patents under the 1977 Act as explained above. It makes no difference that Tesla contend that a FRAND licence of InterDigital's UK SEPs is a licence which extends to InterDigital's non UK-SEPs, and indeed non-UK SEPs of other members of the Avanci 5G Platform.*" (emphasis added)

79. Putting the point in the terms used by Zacaroli J in ***Alcatel v Amazon***, InterDigital's ***Actavis*** argument confuses the subject matter of the claim with the subject matter of the

licence. In ***Actavis***, the subject matter of the relevant claims (i.e. the declarations of non-infringement in respect of the French, German, Italian and Spanish designations of the relevant patents) was those foreign patents. Here, the subject matter of the Licensing Claims is UK patents (in particular, the Challenged Patents); the FRAND licence for which Tesla contends, however, is global and covers all other InterDigital 2G-5G SEPs (and other SEPs on the Avanci 5G Platform). The same point emerges from ***Vestel CA***, considered in ¶¶86-89 below. **[174/3046]**

80. **Whether the Licensing Claims are claims within CPR Part 63**. InterDigital first suggests that the Licensing Claims do not fall within the scope defined in CPR 63.1 because they are contractual claims, not claims under the Patents Act 1977: InterDigital Grounds of Cross-Appeal, ¶14. However, CPR 63.1 does not refer to "*claims under the Patents Act 1977*"; it refers to "*intellectual property claims including… patents*". As Arnold LJ explained below at CA Judgment ¶210, the Licensing Claims clearly "*relate to*" those UK patents, not least because a licence would provide a defence to any claim of infringement. **[75/1059]** **[25/472]** **[12/289]**

81. InterDigital then contends that the words "*relating to*" in CPR 63.14(2) must be read to mean "*about*" patents and not simply "*connected to*" patents: InterDigital Grounds of Cross-Appeal, ¶15. Apart from unnecessarily glossing the clear words used in CPR 63.14(2) – "*relating to*" – this distinction fails on its own terms. A claim of an entitlement to a licence to UK patents is just as much "*about*" those UK patents as it is "*connected to"* them. **[25/472]**

82. **Alleged minor nature of UK patents as component of the Avanci 5G Platform**: The proportion of the Avanci 5G Platform accounted for by UK patents is irrelevant for the reasons given by Birss LJ at ***Vestel CA*** ¶71 (considered below), Zacaroli J at ***Alcatel v Amazon*** ¶120 and Arnold LJ at CA Judgment ¶212. **[174/3055]** **[99/1326]** **[12/290]**

83. Finally, InterDigital's assertion that the majority judgment is "*antithetical*" to or "*irreconcilable*" with Arnold LJ's findings at ¶¶210-212 is wrong and reads too much into Phillips LJ's remarks at ¶232 about "*determining FRAND terms in relation to foreign SEPs*": InterDigital Grounds of Cross-Appeal, ¶¶9 & 17. Phillips LJ was not there commenting on the application of CPR 63.14 or the appropriate characterisation of the claims, but on the utility of declaratory relief in circumstances where he had held that it was not arguable the FRAND licence to the Challenged Patents may be a global Avanci 5G Platform Licence. **[12/289]** **[12/294]** **[25/471]** **[25/473]**

(e) Gateway 11

84. Moreover, and regardless of the position under CPR 63.14, Gateway 11 was rightly held to be available to enable service on all three Respondents. (Although Tesla served IDPH in the jurisdiction pursuant to CPR 63.14, it also applied for permission to serve it out of the jurisdiction in the alternative.)

85. Gateway 11 is satisfied where: "*The subject matter of the claim relates wholly or principally to property within the jurisdiction, provided that nothing under this paragraph shall render justiciable the title to or the right to possession of immovable property outside England and Wales.*"

86. The availability of Gateway 11 for implementer-commenced claims for declarations as to the terms of a global FRAND licence was first addressed by Birss LJ (with whom Nugee and Laing LJJ agreed) in ***Vestel CA***. That case did not concern ETSI cellular standards, but **[174/3046]** a pool of SEPs for the H.265/HEVC video coding standard of the International Telecommunications Union – Standardisation Sector. The claim was brought against both the pool administrator (Access Advance) and one of the pool members (Philips), which was sued in its own right and as a representative of other pool members: see ¶8. The claimant **[174/3048]** initially claimed an entitlement to be offered a licence to the pool under EU competition law (Article 102 TFEU); however, by the time the matter came before the Court of Appeal, that plea had been abandoned but had not been replaced with any alternative claim to a legally enforceable right to be offered a licence. Instead, the claimant was asking the Court to declare the reasonable and non-discriminatory (RAND) terms of a licence to the pool in the exercise of its inherent jurisdiction, without any asserted right to such a licence or legal standard by which to judge the case: see ¶34. **[174/3051]**

87. Birss LJ held that there was no serious issue to be tried on the declaratory relief sought absent any claim to a legal right – "*there is no such thing as a free-standing FRAND claim*": see ¶¶78-79. However, he considered that, had such a legal right been asserted, the claim for a **[174/3056]** declaration of RAND terms would have passed through Gateway 11 – see ¶71: **[174/3055]**

> "*I am prepared to accept that if Vestel did claim to have a legally enforceable right against a patentee or a licensing agent of a patentee, whereby Vestel were entitled to be offered a FRAND licence under the UK SEPs in the HEVC Advance pool, then the subject matter of that particular claim would be the UK SEPs. The question that claim would be concerned with is the licence terms which are available to license those UK rights. The fact that the only licence of the UK patents which is FRAND would also involve licensing foreign patents does not alter the subject matter of the claim. The fact that UK patents in the FRAND licence were only 5% or less of the patents licensed by it would make no difference. I would hold that such a claim was one which related wholly or principally*

to property within the jurisdiction and therefore fell within gateway 11. If I am differing from the judge below in this respect it may be because in the court below Vestel never clearly narrowed its claim to the extent it now does." (emphasis added)

88. In these proceedings, Fancourt J stated that he would have "*no hesitation*" in following the above reasoning, which was *"part of Birss LJ's careful analysis of the way that licensing claims work"* and *"right in principle"*: HC Judgment ¶¶44-45, 126-127. **[15/317] [15/334]**

89. Birss LJ's ***Vestel*** analysis was also accepted and applied in ***Alcatel v Amazon***. Dismissing Nokia's argument that the claim for declaratory relief as to RAND terms did not relate "*wholly or principally*" to property in the jurisdiction because Amazon sought a global licence, Zacaroli J (as he then was) held at ¶120: **[99/1326]**

> *"In my judgment, this obiter comment of Birss LJ is correct. Nokia's argument confuses the subject matter of the licence that is sought with the subject matter of the claim that is brought. The claim is one to enforce the contractual obligation of Nokia pursuant to the declarations made in respect of the two UK patents, to grant a licence on RAND terms. That is a claim which relates wholly to property within the jurisdiction, even though the licence sought is one that covers a global portfolio of patents, of which the UK patents are only a small element. The legislative history of the rule does not, in my view, affect that conclusion. I note that Fancourt J in Tesla v Avanci [2024] EWHC 1815 (Ch), at §45, considered that Birss LJ's conclusion on this point was right in principle."* (emphasis added)

90. The availability of Gateway 11 for implementer-commenced FRAND claims was next addressed by Arnold LJ in these proceedings. Arnold LJ also agreed with Birss LJ's analysis at CA Judgment ¶108 and expanded upon it at ¶109 as follows: **[15/330] [15/331]**

> *"…the Licensing Claims relate wholly to property within the jurisdiction because the claims concern UK SEPs. InterDigital argue that the jurisdiction question cannot be determined by what InterDigital characterise as the artificial framing of the declarations sought by Tesla, when in reality the claim on Tesla's own case is a contractual claim to a global licence of SEPs, the vast majority of which are non-UK SEPs. While I appreciate the superficial attraction of this argument, I do not accept it for reasons which should be familiar to students of the English courts' jurisprudence in this field. In short, it is necessary to distinguish between the property on the one hand and the FRAND obligation which affects it on the other hand. Patents are territorial rights, but (i) standards such as the ETSI Standards are global standards which are exploited globally, (ii) the FRAND obligation under clause 6.1 is a global one and (iii) a licence on FRAND terms may well be a global one (meaning that a UK-only licence is not FRAND). Thus a licence to a single UK SEP on FRAND terms can be, and often is, a global licence to all corresponding SEPs (and indeed other families of SEPs in the same portfolio). In Nokia v OPPO this Court upheld the jurisdiction of the English courts in respect of the claim even though the UK represented less than 0.5% of the relevant market (which does not necessarily mean that only 0.5% of the SEPs were UK ones, but nevertheless gives a sense of the order of magnitude). That case concerned an infringement claim, and so the jurisdictional analysis was somewhat different, but nevertheless it illustrates the point. Thus the Licensing Claims relate wholly to UK SEPs even though it is Tesla's case that the FRAND obligations attaching to those UK SEPs carry with them an obligation to grant a licence of global, and not merely UK, extent.*

Indeed, neither Avanci nor InterDigital dispute that a licence on FRAND terms of the relevant SEPs would be a global one." (emphasis added)

91. As noted above, Gateway 11 has also been relied upon to permit service out of claims for declarations as to the FRAND terms of one-way licences in ***MediaTek v Huawei***, ***Amazon v InterDigital*** and ***Acer et al v Nokia*** (in each case as part of the *ratio decidendi* of those judgments). **[142/2187] [102/1352] [94/1143]**

92. By its NITP Ground 2, InterDigital contends that the Licensing Claims do not fall within Gateway 11 because they do not relate to be "*wholly or principally*" to property in the jurisdiction. This appears to be the argument refuted by Arnold LJ at CA Judgment ¶109 and by Zacaroli J at ***Alcatel v Amazon*** ¶120. Tesla endorses and relies upon the reasoning in those paragraphs; together with that of Birss LJ in ***Vestel CA***; Fancourt J in the HC Judgment; Leech J in ***Mediatek v Huawei***; Mellor J in ***Acer et al v Nokia*** and Meade J in ***Amazon v InterDigital***. **[23/466]** **[12/265]** **[99/1326]**

(f) Gateway 3

93. By its NITP Ground 4, InterDigital contends that the conclusions of Fancourt J and Arnold LJ in relation to Gateway 3 – summarised at ¶60 above – were wrong. InterDigital contends that Fancourt J *"did not uphold Gateway 3"* but that is contrary to the HC Judgment ¶129. InterDigital does not address the conclusion of Arnold LJ on Gateway 3 at all. Tesla submits that Fancourt J and Arnold LJ were clearly right to hold that if the Licensing Claim was properly served upon and is proceeding against IDPH then each of IDH and Avanci is a *"necessary or proper party to that claim"*. **[23/466]** **[15/334]**

(g) Conclusion as to CPR 63.14 and the gateways

94. For the reasons given above, Tesla asks the Court to uphold the conclusions of Fancourt J and Arnold LJ, with which the majority did not disagree, that the Licensing Claims (i) were validly served on IDPH pursuant to CPR 63.14(2) and (ii) pass through Gateways 11 and/or 3 for the purposes of service out of the jurisdiction.

IV. APPROPRIATE FORUM (Tesla Ground 5; InterDigital NITP Grounds 5 & 6; InterDigital Cross-Appeal Ground 2; Avanci NITP Ground 1)

(a) Introduction

95. As to the third aspect of the test for establishing jurisdiction (see ¶13 above), this is another area that was addressed by Arnold LJ at CA Judgment ¶¶110-156 & 217, but was not addressed by the majority. **[12/266] [12/290]**

96. In short, Arnold LJ held that there was no basis to set aside service out and/or order a forum stay because the Delaware Court of Chancery - the only alternative forum proposed by either Avanci or InterDigital - was not available for the Licensing Claims. In so holding, he departed from Fancourt J's *obiter* view that the Delaware Court was available. Tesla asks the Court to affirm Arnold LJ's analysis.

(b) Characterisation (Avanci NITP Ground 1; InterDigital NITP Ground 5(i) & (ii); InterDigital Cross-Appeal Ground 2) **[24/468] [23/467] [25/470]**

97. For the purposes of assessing the appropriate forum, Arnold LJ characterised the dispute as being about "*what terms for a licence of the UK SEPs in Avanci's 5G Platform are FRAND*": CA Judgment ¶116. He disagreed in this respect with Fancourt J, who characterised the claim as "*a licensing claim about FRAND terms for a worldwide licence of the 5G SEPs*" (emphasis added): HC Judgment ¶131. **[12/267]** **[15/335]**

98. Both InterDigital and Avanci contend that Fancourt J's characterisation is to be preferred: Avanci NITP Ground 1 and InterDigital NITP Ground 5(i) & (ii); InterDigital Grounds of Cross-Appeal, ¶¶26-27. This ignores the terms of the relief sought – for example, at Prayer (5) "*a declaration that the terms of the SPLA in so far as they relate to any patents in the Avanci 5G Pool which designate the United Kingdom are not FRAND … alternatively, a declaration as to the terms which are FRAND for those patents*" (emphasis added). Tesla respectfully submits that Arnold LJ was right and that his characterisation should be preferred. Such characterisation is, indeed, consistent with ***Vestel CA***, considered in ¶¶86-89 above. **[24/468] [23/467] [25/475] [16/359]**

99. The point on characterisation is, however, potentially sterile since Arnold LJ (rightly) found that the Delaware Court of Chancery is not an available forum for the Licensing Claims even if Fancourt J's characterisation were correct: see CA Judgment ¶149. **[12/338]**

100. The availability of the Delaware Court for the Licensing Claims is the critical issue on forum and is addressed next.

(c) The Delaware Court of Chancery is not an available forum for the claim as properly characterised (Tesla Ground 5; Avanci NITP Ground 1; InterDigital Ground 5(i) & (iii)) **[22/456] [24/468] [23/467]**

101. The starting point for this analysis is that the burden of proving that an alternative forum is available to try the claims as properly characterised is always on the party challenging jurisdiction. This is so whether service is effected as of right or permission for service out is required:[29] see ***UPSC*** at ¶96 (relied upon in CA Judgment ¶125 *per* Arnold LJ): **[173/3027] [12/268]**

> *"… A challenge to jurisdiction on forum conveniens grounds requires the challenger to identify some other forum which does have jurisdiction to determine the dispute. Even in a case where permission is required to serve out of the jurisdiction, so that the burden then shifts to the claimant to show that England is the more appropriate forum, that still requires there to be another candidate with the requisite jurisdiction.*" (emphasis added)

102. InterDigital Grounds of Cross-Appeal, ¶29 suggests that all the party challenging jurisdiction need do is to "*identify*" an alternative forum – in the sense of naming one – and the party bringing proceedings will then be required to prove that such forum is not available. That would be an unusual and irregular requirement to prove a negative. It is not a tenable reading of ***UPSC*** ¶96. **[25/476]** **[173/3027]**

103. At HC Judgment ¶138, Fancourt J concluded that "*it has not been shown that the Delaware Court of Chancery, to which the Defendants have agreed to submit, is not an available and appropriate forum for the licensing claim*". This was a clear, and erroneous, reversal of the burden of proof on the availability of Delaware for the Licensing Claims, as Arnold LJ rightly found at CA Judgment ¶¶126, 130. **[15/336]** **[12/269]**

104. Arnold LJ went on to assess the evidence on the availability of the Delaware Court of Chancery, applying the correct approach on the burden of proof. He was appropriately placed to do so as all of the relevant evidence was in writing and there had been no cross-examination: CA Judgment ¶129. As a preliminary matter, he observed at ¶133 that: **[12/269]** **[12/270]**

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[29] By contrast, the burden of showing which forum is clearly and distinctly more appropriate differs between service in and service out cases as discussed below.

104.1. It was common ground that, so far, no US court had ever determined what terms for a global licence under a portfolio of SEPs are FRAND without the consent of both parties.

104.2. There have been two District Court decisions refusing to exercise subject matter jurisdiction with respect to foreign patents (including in respect of global licences, which necessarily include both US and foreign patents).

104.3. In one case, the Delaware Court of Chancery had refused to strike out a claim for a global FRAND determination that had been brought without the consent of one party. That case had not proceeded to a final determination of FRAND terms.

105. He had also previously noted that, whilst InterDigital and Avanci were prepared to consent to the *personal* jurisdiction of the Delaware Court, they had been careful not to waive objections as to subject matter jurisdiction and had not expressly consented to a global FRAND determination by that Court: CA Judgment ¶117. **[12/267]**

106. At CA Judgment ¶¶133-149, Arnold LJ undertook a careful consideration and analysis of the evidence from Tesla's and Avanci's US law experts, including a review of case law referred to therein.[30] He concluded at CA Judgment ¶149 that: **[12/270]** **f.n. 30** **[12/270]** **[12/275]**

> "*…if Tesla were to bring the Licensing Claims against Avanci in the Delaware Court of Chancery, Avanci would be likely to move to dismiss those claims on the ground that US courts lack subject matter jurisdiction, alternatively should not exercise any such jurisdiction, in respect of claims concerning foreign patents, and that motion would be likely to succeed. Accordingly, on the balance of probabilities, the Delaware Court of Chancery is not an available forum for the determination of the dispute as properly characterised. The same conclusion applies to Tesla's Licensing Claims against InterDigital. I would add that, in my view, the same conclusion would apply to the dispute as characterised by the judge, because the US courts would probably not accept jurisdiction in respect of the non-US patents."*

107. Arnold LJ's analysis of the material before him (and before Fancourt J) is unimpeachable and should be upheld. In ***Amazon v InterDigital,*** Meade J reached a similar conclusion on the availability of the US Courts at the time when service pursuant to CPR 63.14 was effected and permission to serve out was granted: see ¶142 *"I accept and prefer Amazon's evidence that the Delaware court would not entertain a global rate setting claim in the absence of InterDigital's consent."* He considered, however, that InterDigital had made the Delaware Court available by its **[102/1392]**

[30] He also referred to the evidence from InterDigital's US law expert, but noted that he had not been provided with a copy and so presumed it went no further than that of Avanci's US law expert – CA Judgment ¶131.

subsequent undertaking to consent to global rate-setting in Delaware:[31] see ¶106-107. No similar undertaking is offered by any of the Respondents in this case. **[102/1387]**

108. In any event, given that the Court must be satisfied that an alternative forum is available, it need not go so far as to conclude that the Delaware Court is *unlikely to* (Arnold LJ) or *would not* (Meade J) determine global FRAND terms absent consent. Material doubt on this point means that the Respondents have failed to discharge their burden.

109. InterDigital's (and, it is assumed, Avanci's) main point on availability is that, even if the Delaware Court of Chancery is unlikely to, or may not, determine global FRAND terms without consent and even if InterDigital and Avanci continue to withhold such consent, that is a difference in remedy which does not make the Delaware Court unavailable for the Licensing Claims: InterDigital Ground 5(iii) and InterDigital Cross-Appeal, ¶30 referring to ***Re Harrods***. **[23/466] [25/477] [122/1789]**

110. This contention is difficult to follow in relation to a claim that the Respondents characterise as being "*for a global licence of 5G SEPs*": see Avanci NITP Ground 1; similarly, InterDigital Cross-Appeal, ¶26. If a forum will not – or may not – determine global licence terms, it cannot sensibly or logically be an available forum for a claim "*for a global licence*". The position is even clearer if the Licensing Claims are correctly characterised, as they are by Arnold LJ, as claims concerning FRAND terms for a licence of UK SEPs: the difficulties with US subject matter jurisdiction over such a claim, given the US authorities considered at CA Judgment ¶¶140-145, are obvious. **[24/468] [25/475] [12/272]**

(d) The Delaware Court of Chancery is not clearly or distinctly more appropriate (Tesla Ground 5; Avanci NITP Ground 1; InterDigital NITP Ground 5(iii) & 6; Cross-Appeal Ground 2) **[22/456] [24/468] [23/466] [25/470]**

111. In contrast to the burden of proof on availability, which is always on the defendant, the burden of proof on appropriate forum differs depending on whether service is validly made as of right (CPR 63.14) or permission to serve out the jurisdiction is required. For service in, the burden is on the defendant to show that another forum is clearly or distinctly the more appropriate forum. For service out, the burden is on the claimant to show that England is clearly or distinctly the more appropriate forum: see CA Judgment ¶¶110-125. **[12/266]**

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[31] Subject to Amazon succeeding in its argument that Licensing Declarations submitted by InterDigital to the ITU in respect of AVC and HEVC video coding standards give rise to a contractual obligation to make FRAND offers.

112. As the Respondents have failed to show that the Delaware Court of Chancery is available for the Licensing Claims on any of the characterisations advanced, the Court is unlikely to reach this stage of the analysis. If it does, and pending sight of the Respondents' detailed arguments, Tesla makes two principal points.

113. First, if IDPH was validly served with the whole claim, including the Licensing Claim, within the jurisdiction under CPR 63.14 – as Fancourt J and Arnold LJ both concluded (see ¶59.1 above) – then Arnold LJ was clearly right to conclude that Delaware had not been shown to be clearly or distinctly more appropriate than England and Wales: CA Judgment ¶217. **[12/290]**

114. Secondly, even if CPR 63.14 were not available, so that the case fell to be treated as a purely "service out" case:

114.1. There is a tension between Arnold LJ's (correct) characterisation of the Licensing Claims as claims about FRAND terms for a licence of UK SEPs (CA Judgment ¶116) **[12/267]** and his view that the English and US Courts would be equally appropriate fora for such a dispute: CA Judgment at ¶¶155, 217. A UK court is the natural forum for a dispute about the terms of a licence to UK patents. **[12/277]** **[12/290]**

114.2. Contrary to the suggestion at InterDigital's Grounds of Cross-Appeal, ¶32, the domicile of the parties – in the sense of the headquarters and/or place of incorporation of the individual claimants and defendants – is a weak connecting factor given that each of Tesla, InterDigital and Avanci is, in reality, a multinational business with operations across a range of jurisdictions. **[25/477]**

114.3. InterDigital's Grounds of Cross-Appeal, ¶32 refer to the US anti-trust authority "*clearing the platform*". If this is intended to suggest that the US DOJ has taken any view on the royalty rates adopted by Avanci – which will be the key substantive issue between the parties in these proceedings – that is simply wrong: see CA Judgment ¶25. The DOJ Business Review letter states in terms that "*Each standard-essential patent holder will have to decide whether the Avanci Platform comports with its own FRAND commitments.*" **[25/477]** **[12/241]** **[20/443]**

(e) Discretion to set aside service out (InterDigital NITP Ground 7) **[23/467]**

115. InterDigital appears to suggest that, even if (i) there is a serious issue to be tried on the Licensing Claims, (ii) there is an available Gateway for the Licensing Claims and (iii) there is

no reason to stay on *forum (non) conveniens* grounds, permission to serve IDH and Avanci outside the jurisdiction should still have been refused as matter of wider discretion.

116. It is unclear what grounds may be relied upon in this regard, but InterDigital's contention is especially unattractive in circumstances in which IDPH was properly served with the Licensing Claims within the jurisdiction, and those claims would therefore (if properly arguable and within CPR 63.14, as submitted above) be proceeding against IDPH in any event. Whilst the Court has a broad power to stay proceedings on case management grounds, this Court explained in ***UPSC*** (at ¶99) that a case management stay (as distinct from a *forum conveniens* stay) in favour of parallel proceedings in another jurisdiction would be "*justified only in rare or compelling circumstances*". There are no relevant parallel proceedings here; much less any exceptional circumstances warranting a stay. **[173/3027]**

117. Further and in any event, this point has been raised too late. It is not a point determined in InterDigital's favour by Fancourt J. It was not one of the 15 points raised in InterDigital's Respondents' Notice to the Court of Appeal and, therefore, was not considered by either the majority or Arnold LJ.

V. CONCLUSION

118. Tesla respectfully asks the Court to allow the appeal, so that Tesla's claim can proceed to a determination by the High Court on its merits. As set out above:

118.1. Tesla's Licensing Claims have a real prospect of success and thus deserve a trial on their merits.

118.2. Tesla's Licensing Claims were properly served on IDPH pursuant to CPR 63.14(2) and pass through Gateways 11 and/or 3.

118.3. Tesla's Licensing Claims were appropriately brought in England and Wales and the Delaware Court of Chancery is neither an available nor a more appropriate alternative forum.

JAMES SEGAN KC **LIGIA OSEPCIU**

INSTRUCTED BY POWELL GILBERT LLP

13 JANUARY 2026