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## The Ping-Pong Olympics of Antisuit Injunction in FRAND Litigation

King Fung Tsang

*The Chinese University of Hong Kong Faculty of Law*

Jyh-An Lee

*Centre for Legal Innovation and Digital Society (CLINDS), The Chinese University of Hong Kong Faculty of Law*

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# THE PING-PONG OLYMPICS OF ANTISUIT INJUNCTION IN FRAND LITIGATION

King Fung Tsang\* & Jyh-An Lee\*\*

## ABSTRACT

*In the past two years, antisuit injunctions (ASIs) and subsequent legal proceedings associated with standard-essential patents (SEPs) subject to fair, reasonable, and nondiscriminatory (FRAND) commitments have proliferated in multiple jurisdictions. This phenomenon reveals not only the transnational nature of technical standards and FRAND-encumbered SEPs but also the jurisdictional tension between different national courts. This Article explains the emergence of ASIs in FRAND scenarios and recent developments in six jurisdictions with major interests in standard development and adoption. Countries have developed different approaches to ASIs based on their own domestic rules and interests. We believe that to promote technical compatibility and international comity, it is necessary to facilitate legal compatibility between jurisdictions at the policy level. Currently, courts in multiple jurisdictions are competing to grant ASIs and anti-anti-suit injunctions (AASIs), leading to fragmented decisions and significant costs for global standardization. We propose to include an exclusive forum selection clause in the policy documents of standard-setting organizations (SSOs) to reduce undesirable transaction costs stemming from ASIs and subsequent legal actions. Our proposal is more realistic and cost-effective than others concerning FRAND dispute resolution.*

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\* Associate Professor, The Chinese University of Hong Kong Faculty of Law.

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## TABLE OF CONTENTS

I. INTRODUCTION .....	306
II. FRAND AND ASI.....	311
A. <i>Standards, SEP, and FRAND</i> .....	311
B. <i>ASIs and Their Anti-Comity Nature</i> .....	315
1. ASIs .....	315
2. Anti-Comity Nature .....	317
III. THE SUDDEN SURGE OF SEP-RELATED ASIS .....	321
A. <i>The Surge of SEP-Related ASIs</i> .....	321
B. <i>Why the Surge?</i> .....	323
1. National Interest in FRAND-encumbered SEPs .....	324
2. International Legal Vacuum .....	327
IV. CONFLICTING ASIS .....	329
A. <i>United States</i> .....	329
1. <i>Microsoft v. Motorola</i> .....	330
2. <i>TCL v. Ericsson</i> .....	334
3. <i>Apple v. Qualcomm</i> .....	334
4. <i>Huawei v. Samsung</i> .....	336
B. <i>China</i> .....	338
1. <i>Huawei v. Conversant</i> .....	339
2. <i>ZTE v. Conversant</i> .....	341
3. <i>Oppo v. Sharp</i> .....	342
4. <i>Xiaomi v. InterDigital</i> .....	343
5. <i>Samsung v. Ericsson</i> .....	344
6. Comparison between the United States and China .....	347
C. <i>England</i> .....	351
D. <i>France</i> .....	356
E. <i>Germany</i> .....	359
F. <i>India</i> .....	365
G. <i>Macro Perspective on SEP-Related ASIs</i> .....	368
V. SUGGESTED SOLUTION.....	370
A. <i>Problem Identification</i> .....	370
B. <i>Exclusive Forum Selection Clause</i> .....	371
C. <i>Evaluation of Other Proposals</i> .....	379
VI. CONCLUSION.....	383

## I. INTRODUCTION

An antisuit injunction (ASI), originating from the common law refers to a court order that forbids a party from initiating, continuing, or participating in judicial proceedings in foreign fora.<sup>1</sup> The landscape of ASIs has dramatically changed over the past few years in international disputes involving

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1. See GARY B. BORN & PETER B. RUTLEDGE, INTERNATIONAL CIVIL LITIGATION IN UNITED STATES COURTS 551 (6th ed. 2018); Enrico Bonadio & Luke McDonagh, *Paris Court Grants an SEP Anti-Anti-Suit Injunction in IPrCom v Lenovo: A Worrying Decision in Uncertain*

standard-essential patents (SEPs) and their owners' fair, reasonable, and non-discriminatory (FRAND) commitments; such ASIs turn out to be one of the most difficult issues at the intersection of intellectual property (IP) law and private international law.<sup>2</sup> Given the international nature of technical standards and FRAND licenses, courts in multiple countries often have concurrent jurisdictions over the same FRAND dispute, leading to potential jurisdictional conflicts. Parallel FRAND litigation in multiple jurisdictions has become increasingly common in the past few years, and we have witnessed the aggressive scrambling of exclusive jurisdiction by national courts via the use of an unprecedented number of ASIs. Most notably, we have seen:

1. aggressive use of ASIs was first initiated by U.S. courts, a jurisdiction that has a relatively liberal tradition of granting ASIs compared to other common law jurisdictions;<sup>3</sup>
2. the U.S. ASIs then triggered some surprising responses by other jurisdictions. China, for example, responded by issuing its own ASI for the first time in history,<sup>4</sup> notwithstanding that it is a civil law jurisdiction that lacked legislation to enable its courts to issue ASIs;<sup>5</sup>

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*Times?*, 15 J. INTELL. PROP. L. & PRAC. 149, 150 (2020); Jorge L. Contreras & Michael A. Eisenberger, *The Anti-Suit Injunction—A Transnational Remedy for Multi-jurisdictional SEP Litigation*, in THE CAMBRIDGE HANDBOOK OF TECHNICAL STANDARDIZATION LAW: COMPETITION, ANTITRUST, AND PATENTS 451, 451–53 (Jorge L. Contreras ed., 2017); Jorge L. Contreras, *The New Extraterritoriality: FRAND Royalties, Anti-Suit Injunctions and the Global Race to the Bottom in Disputes over Standards-Essential Patents*, 25 B.U. J. SCI. & TECH. L. 251, 265 (2019) [hereinafter Contreras, *New Extraterritoriality*]; Haris Tsilikas, *Anti-Suit Injunctions for Standard-Essential Patents: The Emerging Gap in International Patent Enforcement*, 16 J. INTELL. PROP. L. & PRAC. 729, 730 (2021).

2. ASI has been regarded as the form of provisional relief in the context of international litigation that has sparked the most interest and controversy. See George A. Bermann, *The Use of Anti-Suit Injunctions in International Litigation*, 28 COLUM. J. TRANSNAT'L L. 589, 589 (1990).

3. The first FRAND ASI was issued by a U.S. court in *Microsoft Corp. v. Motorola, Inc.*, 871 F. Supp. 2d 1089 (W.D. Wash. 2012), *aff'd*, 696 F.3d 872 (9th Cir. 2012). For the liberal tradition of U.S. courts to grant ASI, see TREVOR C. HARTLEY, INTERNATIONAL COMMERCIAL LITIGATION 279–80 (3d ed. 2020); Bermann, *supra* note 2, at 590 (“American courts do not consider it improper to order a person subject to their personal jurisdiction to perform, or refrain from performing, a specified act outside the forum, provided they have a sufficient interest in the performance of that act and intervention is warranted.”).

4. Huawei Jishu Youxian Gongsi Su Kang Wensen Wuxian Xuke Youxian Gongsi (华为技术有限公司诉康文森无线许可有限公司) [Huawei Tech. Co. v. Conversant Wireless Licensing S.A.R.L.], 2019 Zui Gao Fa Zhi Min Zhong No. 732, 733, 734 (Sup. People's Ct. Aug. 28, 2020) (China). An unofficial English translation of the judgment is available at <https://patentlyo.com/media/2020/10/Huawei-V.-Conversant-judgment-translated-10-17-2020.pdf>.

5. See Sophia Tang, *Anti-Suit Injunction Issued in China: Comity, Pragmatism and Rule of Law*, CONFLICTOFLAWS.NET (Sept. 27, 2020), <https://conflictoflaws.net/2020/anti-suit-injunction-issued-in-china-comity-pragmatism-and-rule-of-law> (“Chinese law does not explicitly permit the courts to issue anti-suit or anti-arbitration injunctions.”).

3. other jurisdictions including England,<sup>6</sup> India,<sup>7</sup> France,<sup>8</sup> and Germany<sup>9</sup> all responded to the ASIs of the United States and China by issuing anti-antisuit injunctions (AASIs, sometimes called anti-interference injunction<sup>10</sup> or counter-antisuit injunction)<sup>11</sup> which foreclose the obtaining of or enjoin the enforcement of the foreign ASIs;<sup>12</sup> and
4. anticipating an AASI, the Chinese court issued an anti-anti-antisuit injunction (AAASI)<sup>13</sup> while the German court even issued an anti-anti-anti-antisuit injunction (AAAASI).<sup>14</sup>

The purpose of technical standards is to benefit consumers by facilitating interoperable technologies to be used worldwide.<sup>15</sup> The FRAND license is a legal tool designed to achieve that goal by balancing the interests of SEP owners and standard implementers.<sup>16</sup> However, the increasing number of conflicting ASIs and AASIs concerning FRAND-encumbered SEPs threatens to defeat the very purpose of technical standards and FRAND licenses. Resources spent on ASI-related litigation unfortunately create the very inefficiency that the FRAND license seeks to prevent, and the legal costs will eventually be borne by the consumers.<sup>17</sup> Further, conflicting ASIs will cancel out

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6. IPCom GmbH v. Lenovo Tech. Ltd. [2019] EWHC (Pat) 3030 (Eng.).

7. InterDigital Tech. Corp. v. Xiaomi Corp., 2021 DEL 889 (India).

8. Cour d'appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426 (Fr.).

9. Landgericht München I [LG] [regional court Munich I] Oct. 2, 2019, 21 O 9333/19 (Ger.), <https://www.katheraugenstein.com/wp-content/uploads/2019/12/EN-21-O-9333-19.pdf>.

10. See, e.g., Ericsson Inc. v. Samsung Elecs. Co., No. 2:20-CV-00380-JRG, 2021 WL 89980, at \*1 (E.D. Tex. Jan. 11, 2021) (referring to an “anti-anti-suit injunction” as an “anti-interference injunction”).

11. BORN & RUTLEDGE, *supra* note 1, at 551.

12. *Id.*; see also HARTLEY, *supra* note 3, at 271.

13. Sanxing Dianzi Zhushi Huishe (三星电子株式会社诉爱立信公司) [Samsung Elecs. Co., v. Telefonaktiebolaget LM Ericsson], E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) (China).

14. Landgericht München I [LG] [regional court Munich I] Feb. 25, 2021, 7 O 14276/20 (Ger.), <https://www.arnold-ruess.com/wp-content/uploads/2021/03/InterDigitalvsXiaomi-AASI25Feb2021EN.pdf>.

15. See *infra* text accompanying notes 34–36; see also Jyh-An Lee, *Implementing the FRAND Standard in China*, 19 VAND. J. ENT. & TECH. L. 37, 42–43 (2016).

16. See *infra* text accompanying notes 43–44.

17. See *infra* text accompanying note 484.

the jurisdictions of both opposing courts, leaving no court to effectively resolve FRAND-related issues.<sup>18</sup> Professor Lowenfeld once called forum shopping the “favorite indoor sport of international lawyers.”<sup>19</sup> As the ping-pong ball of FRAND disputes continues to bounce from one courthouse to another,<sup>20</sup> it is clear that there is no gold medal in sight for this international game. Therefore, the transnational ping-pong game of FRAND disputes also eliminates the only value of an ASI, which is to preserve a natural forum that will best handle the dispute.<sup>21</sup> The negative effects of conflicting ASIs are not restricted to FRAND disputes but can also spill over to international relations. Many jurisdictions see their courts’ adjudicative jurisdiction as an integral part of their sovereignty, protected by their respective constitutions.<sup>22</sup> Aggressive ASIs that effectively take away their jurisdictions are therefore received negatively, and can thus adversely affect international relations.<sup>23</sup>

In this Article, we aim to address the above problems caused by the use of ASIs in SEP-related disputes. We argue that the current deadlock stemmed from three aspects of FRAND disputes: the significant economic interest in SEPs in each country, the regulatory vacuum in FRAND disputes, and the unfriendly choice of law rules in FRAND disputes. These three aspects are interrelated. First, there is no doubt that SEPs are of huge economic significance to every country. Most of the cases referred to above are related to high-

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18. Case C-159/02, *Turner v. Grovit*, 2004 E.C.R. I-03565, ¶ 27 (“a prohibition imposed by a court, backed by a penalty, restraining a party from commencing or continuing proceedings before a foreign court undermines the latter court’s jurisdiction to determine the dispute. Any injunction prohibiting a claimant from bringing such an action must be seen as constituting interference with the jurisdiction of the foreign court which, as such, is incompatible with the system of the [Brussels] Convention.”).

19. Andreas F. Lowenfeld, *Forum Shopping, Antisuit Injunctions, Negative Declarations, and Related Tools of International Litigation*, 91 AM. J. INT’L L. 314, 314 (1997).

20. See also Peter K. Yu, Jorge L. Contreras & Yu Yang, *Transplanting Anti-Suit Injunctions*, 71 AM. UNIV. L. REV. (forthcoming 2022) (manuscript at 3), [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3937716](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3937716) (describing that “[i]n the end, there was no clear court to resolve this dispute [concerning FRAND encumbered SEP-related ASI and subsequent legal proceedings]”).

21. See Bermann, *supra* note 2, at 608. Professor Bermann identified three objectives for ASI: “the prevention of highly inconvenient or vexatious litigation, the vindication of a prior and independent obligation not to sue, and preservation of the enjoining court’s own jurisdiction or other local policy-based need to forestall foreign judicial proceedings.” *Id.* These objectives ultimately all point to having the single natural forum to resolve the disputes regardless of the underlying reasons. See also *Laker Airways Ltd. v. Sabena, Belgian World Airlines*, 731 F.2d 909, 927 (D.C. Cir. 1984) (“If the foreign court reacts with a similar injunction, no party may be able to obtain any remedy.”).

22. See *infra* text accompanying notes 421, 466.

23. See Bermann, *supra* note 2, at 604 (“Judicial interference with a foreign country’s exercise of adjudicatory authority has a potential for embarrassing the political branches of government and disturbing our relations with that country.”); see also *id.* at 608 n.75 (discussing the political spillover effects of *Laker Airways* to the British and U.S. governments).

value telecommunication SEPs.<sup>24</sup> They involved most of the key players in the world's telecommunications market, including the top five smartphone manufacturers in the world (Samsung, Apple, Huawei, Xiaomi, and Oppo), which account for almost two-thirds of global sales in the world.<sup>25</sup> Apple and Samsung are the largest companies by market cap in the United States and South Korea, respectively.<sup>26</sup> The latter three manufacturers are all Chinese companies.<sup>27</sup> Although none of them are state-owned, they are of major economic significance to their respective countries.

Second, despite enormous economic interests involved in standard-setting activities, standard-setting organizations (SSOs) are industrial organizations formed by market players, and no government directly participates in them.<sup>28</sup> FRAND licenses are essentially self-regulations devoid of governmental control. When FRAND disputes arise, it is natural for the courts in each country to strive to define a FRAND license in its best interests.<sup>29</sup>

Third, the national courts' tendency to impose their own definitions could have been harmonized considerably if courts adopted similar choice-of-law rules. However, in a prior study, the authors found that national courts do the opposite.<sup>30</sup> They apply vastly different choice-of-law approaches, leading to different substantive laws being applied to the same FRAND issues.<sup>31</sup> Accordingly, the key battlefield has now been shifted to jurisdiction. Finding a court with a favorable choice-of-law rule (which in turn applies favorable national law) is imperative to both SEP owners and standard implementers. As this forum shopping intensifies, concurrent proceedings ensue, leading to increasing ASIs and eventually conflicting ASIs.

We argue that the problem can be better resolved *ex ante* at SSOs by inserting an exclusive forum selection clause into their IP policies, instead of leaving it to national courts *ex post*. An exclusive forum selection clause will

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24. See *infra* Table 1 for all relevant ASI cases. The rare ASI litigation that does not involve telecommunication is *Nokia v. Continental*. See *infra* text accompanying notes 403–30 for details of that case.

25. See Carmen Ang, *Top Smartphone Brands, By Global Sales*, VISUAL CAPITALIST (Apr. 21, 2021), <https://www.visualcapitalist.com/top-smartphone-brands-2020>.

26. See M. Szmigiera, *The 100 Largest Companies in the World by Market Capitalization in 2021*, STATISTA (Sept. 10, 2021), <https://www.statista.com/statistics/263264/top-companies-in-the-world-by-market-capitalization>.

27. Note even though all three Chinese companies are privately owned, the line between state-owned-enterprises and privately-owned-enterprises in China is blurred. See Curtis J. Milhaupt & Wentong Zheng, *Beyond Ownership: State Capitalism and the Chinese Firm*, 103 GEO. L.J. 665, 669 (2015) (“[L]arge firms in China—whether SOEs, POEs, or ambiguous state-private blends—survive and prosper precisely *because* they have fostered connections to state power and have succeeded in obtaining state-generated rents.”).

28. See *infra* text accompanying notes 48–50.

29. See *infra* Part III.B.1.

30. See King Fung Tsang & Jyh-An Lee, *Unfriendly Choice of Law in FRAND*, 59 VA. J. INT'L L. 220, 288–91 (2019).

31. *Id.*

substantially reduce the occasions of concurrent jurisdictions. This is because most national courts respect the exclusive forum selection clause, and will decline jurisdiction of their own volition,<sup>32</sup> thus eliminating the need for courts designated by the clause to have exclusive jurisdiction to issue ASIs.<sup>33</sup>

This Article proceeds as follows: Part II provides the background required for the latter discussions by outlining the history, nature, and significance of FRAND licenses and ASIs. Part III addresses the paradox of the sudden surge of ASIs in FRAND disputes. Part IV analyzes the ASI cases to date and tracks how the conflicting injunction deadlock has been developed. Cases from six jurisdictions (the United States, England, China, India, France, and Germany) are examined. Taking a holistic view, we explore why different countries have responded differently to the ASIs in FRAND disputes. Part V identifies the issues caused by ASIs in FRAND contexts and examines existing proposals to resolve SEP-related disputes. We argue that exclusive jurisdiction is the key to resolving the current deadlock. We also suggest that conflicting injunctions could be reduced if courts adopted the UK Supreme Court's approach in setting the global FRAND rate. Part VI concludes.

## II. FRAND AND ASI

### A. *Standards, SEP, and FRAND*

By providing a common design for products or processes to interoperate with each other, technical standards have become a principal component of different communications and platform technologies.<sup>34</sup> Standards have played a crucial role in major sectors of society, ranging from the computer to telecommunications industries.<sup>35</sup> With the advancement of 5G and the Internet of Things (IoT), technical standards have enabled compatibility not

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32. See *infra* text accompanying notes 490–514.

33. *Id.*

34. See, e.g., Jason R. Bartlett & Jorge L. Contreras, *Rationalizing FRAND Royalties: Can Interpleader Save the Internet of Things?*, 36 REV. LITIG. 285, 286 (2017); Thomas F. Cotter, *Is Global FRAND Litigation Spinning Out of Control?*, 2021 PATENTLY-O PAT. L.J. 1, 2; Lee, *supra* note 15, at 42–43; Tsang & Lee, *supra* note 30, at 225–26; Herbert J. Hovenkamp, *FRAND and Antitrust*, 105 CORNELL L. REV. 1683, 1683 (2020); John “Jay” Jurata, Jr. & Emily N. Luken, *Glory Days: Do the Anticompetitive Risks of Standards-Essential Patent Pools Outweigh Their Procompetitive Benefits?*, 58 SAN DIEGO L. REV. 417, 421 (2021); Daniel F. Spulber, *Licensing Standard Essential Patents with FRAND Commitments: Preparing for 5G Mobile Telecommunications*, 18 COLO. TECH. L.J. 79, 99–100 (2020).

35. See, e.g., Mark A. Lemley & Timothy Simcoe, *How Essential Are Standard-Essential Patents?*, 104 CORNELL L. REV. 607, 609 (2019).



only between smartphones but also between automobiles and various consumer electronics.<sup>36</sup> These technical standards normally contain many SEPs, which refer to patented technologies that standard implementers can neither choose alternative technologies to nor design around.<sup>37</sup> A standard implementer is therefore in a disadvantageous position in negotiations with an SEP holder who can withhold a license until the former agrees to pay an unduly high royalty rate for the SEP.<sup>38</sup> This disadvantageous position also results from the fact that a standard implementer normally has invested heavily in developing products based on a specific standard, and it is prohibitively expensive to opt out of the standard.<sup>39</sup> This is the so-called “hold-up problem” for the standard implementer.<sup>40</sup>

Most standards are developed collaboratively by technology innovators within SSOs.<sup>41</sup> To address the above hold-up problem, SSOs typically require their members to license their SEPs under FRAND terms.<sup>42</sup> The FRAND license is designed to balance the interests of SEP holders and standard implementers by assuring the former’s fair compensation and the latter’s access to standard.<sup>43</sup> Without a FRAND declaration and its effective enforcement,

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36. See, e.g., Bartlett & Contreras, *supra* note 34, at 287–89; Cotter, *supra* note 34, at 2; Jurata & Luken, *supra* note 34, at 421; Kung-Chung Liu, *Arbitration by SSOs as a Preferred Solution for Solving the FRAND Licensing of SEPs?*, 52 INT’L REV. INDUS. PROP. & COMPETITION L. 673, 673 (2021); Spulber, *supra* note 34, at 81.

37. See, e.g., Eli Greenbaum, *No Forum to Rule Them All: Comity and Conflict in Transnational FRAND Disputes*, 94 WASH. L. REV. 1085, 1089 (2019); Lee, *supra* note 15, at 43; Jyh-An Lee & Sang Jo Jong, *Asian Perspectives*, in SEPS, SSOS AND FRAND—ASIAN AND GLOBAL PERSPECTIVES ON FOSTERING INNOVATION IN INTERCONNECTIVITY 127, 127 (Kung-Chung Liu & Reto Hilty eds., 2020); J. Gregory Sidak, *Mandating Final-Offer Arbitration of FRAND Royalties for Standard-Essential Patents*, 18 STAN. TECH. L. REV. 1, 4 (2014); Tsang & Lee, *supra* note 30, at 225–26.

38. See, e.g., Lee, *supra* note 15, at 44; Jurata & Luken, *supra* note 34, at 421.

39. See, e.g., Hovenkamp, *supra* note 34, at 1705; Lee, *supra* note 15, at 44.

40. See, e.g., Bartlett & Contreras, *supra* note 34, at 290; Lee & Jong, *supra* note 37, at 128; Carl Shapiro & Mark A. Lemley, *The Role of Antitrust in Preventing Patent Holdup*, 168 U. PA. L. REV. 2019, 2042–43 (2020); Spulber, *supra* note 34, at 132–33.

41. See, e.g., Bartlett & Contreras, *supra* note 34, at 287; Mark A. Lemley & Carl Shapiro, *A Simple Approach to Setting Reasonable Royalties for Standard-Essential Patents*, 28 BERKELEY TECH. L.J. 1135, 1136 (2013); Spulber, *supra* note 34, at 82–83, 86–87.

42. See, e.g., Bartlett & Contreras, *supra* note 34, at 290; Jorge L. Contreras, *Global Rate Setting: A Solution for Standard-Essential Patents?*, 94 WASH. L. REV. 701, 704 (2019) [hereinafter Contreras, *Global Rate Setting*]; Contreras, *New Extraterritoriality*, *supra* note 1, at 254; Cotter, *supra* note 34, at 2; Garry A. Gabison, *Worldwide FRAND Licensing Standard*, 8 AM. U. BUS. L. REV. 139, 141 (2019); Greenbaum, *supra* note 37, at 1089; Jurata & Luken, *supra* note 34, at 421; Kirti Gupta, *How SSOs Work: Unpacking the Mobile Industry’s 3GPP Standards*, in THE CAMBRIDGE HANDBOOK OF TECHNICAL STANDARDIZATION LAW: COMPETITION, ANTITRUST, AND PATENTS 29, 35 (Jorge L. Contreras ed., 2017); Lee & Jong, *supra* note 37, at 127–28; Lemley & Shapiro, *supra* note 41, at 1136–37; Lemley & Simcoe, *supra* note 35, at 610; Shapiro & Lemley, *supra* note 40, at 2042–44; Spulber, *supra* note 34, at 87.

43. See, e.g., Cotter, *supra* note 34, at 2; Lee & Jong, *supra* note 37, at 128; Lemley & Shapiro, *supra* note 41, at 1137; Spulber, *supra* note 34, at 88, 94.

standard implementers may not legally employ SEPs without being overcharged by the SEP holders.<sup>44</sup> Therefore, the purpose of the FRAND license is to encourage wide adoption of the underlying standard.<sup>45</sup> However, since SSOs have never defined what is “fair” or “reasonable,”<sup>46</sup> controversies frequently arise between SEP holders and standard implementers regarding what constitutes FRAND licensing terms.<sup>47</sup>

The FRAND commitment has never been a statutory obligation in the law.<sup>48</sup> Both standard setting and the FRAND licenses are market-driven private orderings stemming from private parties’ collaborations.<sup>49</sup> Market actors voluntarily use standards and contracts to achieve their commercial goals and market efficiency.<sup>50</sup> Although national governments such as China have tried

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44. See, e.g., Gabison, *supra* note 42, at 141, 143–44; Toshiko Takenaka, *Patents for Sharing*, 26 MICH. TECH. L. REV. 93, 110 (2019); Tsang & Lee, *supra* note 30, at 227; see also Hovenkamp, *supra* note 34, at 1703 (“The FRAND process ensures that all participating firms have access to a common technology so that they can operate on a network where interconnection is essential.”).

45. See, e.g., Gabison, *supra* note 42, at 141.

46. See, e.g., Bartlett & Contreras, *supra* note 34, at 290; Contreras, *Global Rate Setting*, *supra* note 42, at 705; Cotter, *supra* note 34, at 3; Shapiro & Lemley, *supra* note 40, at 2044; see also Greenbaum, *supra* note 37, at 1090 (indicating that FRAND commitment is typically “terse and vague”).

47. See, e.g., Bartlett & Contreras, *supra* note 34, at 291–92; Contreras, *Global Rate Setting*, *supra* note 42, at 705–06; Contreras, *New Extraterritoriality*, *supra* note 1, at 254; Greenbaum, *supra* note 37, at 1090, 1104; Lee, *supra* note 15, at 45–46; Lee & Jong, *supra* note 37, at 127; Tsilikas, *supra* note 1, at 729.

48. See, e.g., Spulber, *supra* note 34, at 101 (“SSO FRAND policies do not suggest government regulation of patent license agreements but rather are intended to foster efficient market transactions.”).

49. See, e.g., Contreras, *Global Rate Setting*, *supra* note 42, at 703; Hovenkamp, *supra* note 34, at 1684–85, 1727; Pierre Larouche, Jorge Padilla & Richard S. Taffet, *Settling FRAND Disputes: Is Mandatory Arbitration A Reasonable and Nondiscriminatory Alternative?*, 10 J. COMPETITION L. & ECON. 581, 585–587 (2014); Lee & Jong, *supra* note 37, at 128; Toshiko Takenaka, *Inclusive Patents for Open Innovation*, 29 TEX. INTELL. PROP. L.J. 187, 197 (2021); Spulber, *supra* note 34, at 88–89; Tsang & Lee, *supra* note 30, at 299–300; see also Henry H. Perritt, Jr., *The Internet Adopts Two-Way Radio*, 10 HASTINGS SCI. & TECH. L.J. 147, 219 (2019) (“The most important thing about the regulatory embrace of the Internet’s adoption of two-way radio is to avoid mandating compliance with particular engineering standards.”); Spulber, *supra* note 34, at 81–82 (“FRAND commitments create economic benefits because they rely on private contract negotiation.”). But see Sidney A. Shapiro, *Outsourcing Government Regulation*, 53 DUKE L.J. 389 (2003) (arguing that SSOs may impose higher transaction costs than government prescription of standards).

50. Tsang & Lee, *supra* note 30, at 299–300; Jorge L. Contreras, *Patent Pledges*, 47 ARIZ. ST. L.J. 543, 572 (2015).

to enact or promote their preferred technical standards for global communications technologies,<sup>51</sup> such endeavors have never led to any successful result.<sup>52</sup>

SEP-related litigations are both legally and technically complicated. We have classified the main legal issues surrounding FRAND-encumbered SEPs into three categories: (1) enforceability issues, (2) licensing term issues, and (3) negotiation issues, each of which could lead to complex issues in patent law, contract law, and competition law respectively.<sup>53</sup> Enforceability issues concern the appropriate legal basis for the implementer to hold SEP holders liable for licensing their SEPs under FRAND terms.<sup>54</sup> Licensing term issues mainly cover issues relevant to the determination of FRAND terms and rates, which include, but are not limited to, determining a particular royalty rate and determining a proper way to calculate the FRAND rate.<sup>55</sup> Negotiation issues refer to whether SEP holders and standard implementers are obliged to negotiate the FRAND rate in good faith.<sup>56</sup>

Since standards are used internationally, and the markets for products built upon standards are global in nature, most SSOs aim to create worldwide standards under a FRAND license.<sup>57</sup> Therefore, most FRAND licenses are designed to be granted globally rather than in one single jurisdiction.<sup>58</sup> The

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51. See, e.g., Lee, *supra* note 15, at 46–47; D. Daniel Sokol & Wentong Zheng, *FRAND (and Industry Policy) in China*, in *THE CAMBRIDGE HANDBOOK OF TECHNICAL STANDARDIZATION LAW: COMPETITION, ANTITRUST, AND PATENTS* 306, 310–11 (Jorge L. Contreras ed., 2017).

52. See, e.g., Yu, Contreras & Yang, *supra* note 20 (manuscript at 24–25).

53. See, e.g., Greenbaum, *supra* note 37, at 1086–87; Shapiro & Lemley, *supra* note 40, at 2021–24; Tsang & Lee, *supra* note 30, at 228–36; see also Hovenkamp, *supra* note 34, at 1685 (pointing out government’s role associated with FRAND is the “enforcement of contract, intellectual property, or antitrust law”).

54. See generally Jorge L. Contreras, *Enforcing FRAND and Other SDO Licensing Commitments*, in *THE CAMBRIDGE HANDBOOK OF TECHNICAL STANDARDIZATION LAW: COMPETITION, ANTITRUST, AND PATENTS* 178 (Jorge L. Contreras ed., 2017); Tsang & Lee, *supra* note 30, at 230–32; Jurata & Luken, *supra* note 34, at 436–38.

55. See, e.g., Greenbaum, *supra* note 37, at 1090–91; Jurata & Luken, *supra* note 34, at 432; Tsang & Lee, *supra* note 30, at 232–33.

56. Tsang & Lee, *supra* note 30, at 234–36.

57. See, e.g., Alden F. Abbott, *US Government Antitrust Intervention in Standard-Setting Activities and the Competitive Process*, 18 VAND. J. ENT. & TECH. L. 225, 232 (2016); Tsang & Lee, *supra* note 30, at 237–38; see also Jorge L. Contreras, *Fixing FRAND: A Pseudo-Pool Approach to Standards-Based Patent Licensing*, 79 ANTITRUST L.J. 47, 47 (2013) (“Most of the thousands of technical standards currently deployed throughout the world were developed collaboratively by market participants in voluntary standard-development organizations.”); Kirti Gupta, *Technology Standards and Competition in the Mobile Wireless Industry*, 22 GEO. MASON L. REV. 865, 866 (2015) (“A broad variety of firms collaborate to develop common technology standards . . . .”); Jay P. Kesan & Carol M. Hayes, *FRAND’s Forever: Standards, Patent Transfers, and Licensing Commitments*, 89 IND. L.J. 231, 237 (2014) (stating that SSOs are voluntary collectives representing private companies).

58. See, e.g., Gabison, *supra* note 42, at 165–66; Greenbaum, *supra* note 37, at 1086–87; Tsang & Lee, *supra* note 30, at 237; see also *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 884 (9th Cir. 2012) (“[T]he face of the [FRAND commitment] contract makes clear that it

worldwide nature of FRAND licenses has been recognized by courts in jurisdictions such as the United Kingdom and the United States.<sup>59</sup> Since standards and FRAND licenses are global in nature, disputes over FRAND-encumbered SEPs are usually transnational.<sup>60</sup> Moreover, parties in FRAND disputes are normally multinational enterprises with business operations in different countries.<sup>61</sup> However, patents are granted by nation states as part of their sovereignty.<sup>62</sup> When disputes over the same FRAND-encumbered SEPs occur in different countries, their respective courts need to decide these cases separately.<sup>63</sup> Consequently, the tension between the global nature of FRAND licenses and the territorial characteristics of patents has created another layer of complexity in disputes over FRAND-encumbered SEPs.

## B. ASIs and Their Anti-Comity Nature

### 1. ASIs

Once an ASI is granted, the foreign court can no longer adjudicate the case. It is therefore often called a “weapon” in the arsenal of a common law court in private international law.<sup>64</sup> However, whether in the United States or England,<sup>65</sup> an ASI is rarely supposed to be granted<sup>66</sup> due to its impact on the alternative forum even though an ASI is in theory an *in personam* remedy issued against the litigant.<sup>67</sup> It is even rarer for there to be conflicting ASIs when the courts of more than one country grant ASIs in the same case. The most notable case is *Laker Airways Ltd. v. Pan American World Airways*

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encompasses not just U.S. patents, but all of Motorola’s standard-essential patents worldwide.”).

59. See, e.g., *Unwired Planet Int’l Ltd. v. Huawei Techs. Co.* [2018] EWCA (Civ) 2344 [129] (Eng.); *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d at 875, 883–85.

60. See, e.g., *Bonadio & McDonagh*, *supra* note 1, at 149; *Greenbaum*, *supra* note 37, at 1086–87, 1108; *Tsang & Lee*, *supra* note 30, at 239–40.

61. See, e.g., *Contreras*, *Global Rate Setting*, *supra* note 42, at 723; *Contreras*, *New Extraterritoriality*, *supra* note 1, at 255; *Liu*, *supra* note 36, at 675.

62. See, e.g., *Contreras*, *Global Rate Setting*, *supra* note 42, at 722–23; *Contreras*, *New Extraterritoriality*, *supra* note 1, at 255; *Tsang & Lee*, *supra* note 30, at 238–39.

63. See, e.g., *Gabison*, *supra* note 42, at 141; *Tsilikas*, *supra* note 1, at 729.

64. See, e.g., *Bermann*, *supra* note 2, at 601, 608.

65. Courts in other common law jurisdictions also possess the power to grant ASI, but rarely exercised such power. See *HARTLEY*, *supra* note 3, at 272.

66. *Gau Shan Co. v. Bankers Trust Co.*, 956 F.2d 1349, 1354 (6th Cir. 1992) (“Comity dictates that foreign antisuit injunctions be issued sparingly and only in the rarest of cases.”).

67. See *Trevor C. Hartley*, *Comity and the Use of Antisuit Injunctions in International Litigation*, 35 AM. J. COMPAR. L. 487, 506 (1987) (“In theory, an antisuit injunction does not interfere with the foreign court because it operates *in personam*: it is an order addressed to the litigant, not to the court. . . . [However], a court is in reality deciding whether the foreign court will hear the case.”).

(*Laker Airways*), explained below, where both the English and U.S. courts issued ASIs in a litigation regarding the antitrust disputes in the early 1980s.<sup>68</sup>

ASIs can save litigation costs for parties and prevent inconsistent court decisions across jurisdictions.<sup>69</sup> This is because it can protect the jurisdiction of the domestic court by enjoining the party from initiating or continuing the foreign proceedings.<sup>70</sup> From the litigant's perspective, ASIs can be a tool to prevent the opposing party from forum shopping. However, it is also dangerous. It can easily sour an international relationship, as no court wants to have its jurisdiction stripped by the court of another country.<sup>71</sup> It could also lead to retaliation, such as AASIs,<sup>72</sup> a court injunction ordering the party that has filed for an ASI in a foreign jurisdiction to withdraw that filing.<sup>73</sup> Thus, to protect comity, in jurisdictions that allow courts to issue ASIs, courts invariably refer to the importance of utilizing the remedy with care in every case.<sup>74</sup>

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68. *Laker Airways Ltd. v. Pan Am. World Airways*, 559 F. Supp. 1124 (D.D.C. 1983), *aff'd*, *Laker Airways Ltd. v. Sabena, Belgian World Airlines*, 731 F.2d 909 (D.C. Cir. 1984); see HARTLEY, *supra* note 3, at 272 ("This appears to be the only case in which conflicting antisuit injunctions have been granted by the courts of different countries."). Note, however, there is at least one more such litigation. See *Owens-Illinois, Inc. v. Webb*, 809 S.W.2d 899 (Tex. App. 1991) (issuing an AASI against the ASI issued by a Canadian court).

69. See, e.g., *Contreras & Eixenberger*, *supra* note 1, at 451, 458; *Contreras, New Extra-territoriality*, *supra* note 1, at 265; *Huawei Techs. Co. v. Samsung Elecs. Co.*, No. 3:16-cv-02787-WHO, 2018 U.S. Dist. LEXIS 63052, at \*34 (N.D. Cal. Apr. 13, 2018); see also *TCL Commc'n Tech. Holdings, Ltd. v. Telefonaktienbolaget LM Ericsson*, No. 8:14-cv-00341-JVS-AN, 2015 U.S. Dist. LEXIS 191512, at \*19 (C.D. Cal. June 29, 2015) (granting an ASI based on both parties' "desire that this action should result in a 'global resolution' of the SEP patent licensing and damages claims").

70. See *Bermann*, *supra* note 2, at 589–90.

71. See *Laker Airways*, 731 F.2d at 936.

72. *Kaepa, Inc. v. Achilles Corp.*, 76 F.3d 624, 629 (5th Cir. 1996) (Garza, J., dissenting) ("Unless we proceed in each instance with respect for the independent jurisdiction of a sovereign nation's courts, we risk provoking retaliation in turn, with detrimental consequences that may reverberate far beyond the particular dispute and its private litigants. Amicable relations among sovereign nations and their judicial systems depend on our recognition, as federal courts, that we share the international arena with co-equal judicial bodies, and that we therefore act to deprive a foreign court of jurisdiction only in the most extreme circumstances.").

73. *Tsilikas*, *supra* note 1, at 733.

74. For U.S. cases, see, e.g., *Laker Airways*, 731 F.2d at 927 ("A . . . reason cautioning against exercise of the power is avoiding the impedance of the foreign jurisdiction. Injunctions operates only on the parties within the personal jurisdiction of the courts. However, they effectively restrict the foreign court's ability to exercise its jurisdiction."). For English cases, see, e.g., *Deutsche Bank AG v. Highland Crusader Offshore Partners L.P.* [2009] EWCA (Civ) 725 [50] (Eng.) ("An anti-suit injunction always requires caution because by definition it involves interference with the process or potential process of a foreign court.").

## 2. Anti-Comity Nature

Comity in private international law can be traced back to Dutch scholar Ulrich Huber.<sup>75</sup> In essence, whether a country is applying foreign law,<sup>76</sup> assuming jurisdiction over foreign nationals,<sup>77</sup> or giving effect to foreign judgments,<sup>78</sup> decisions are based on comity. While the term is elusive and often criticized,<sup>79</sup> it generally refers to a voluntary concession made by a country's court.<sup>80</sup> The U.S. Supreme Court held in *Hilton v. Guyot* that there is never an obligation to grant such concessions to a foreign court.<sup>81</sup> According to Huber, the underlying reason for a domestic court to make concessions to its territorial sovereignty is to facilitate international trade:

Although the laws of one nation can have no force directly with another, yet nothing could be more inconvenient to commerce and to international usage than that transactions valid by the law of one place should be rendered of no effect elsewhere on account of a difference in the law. And that is the reason for the third maxim concerning which hitherto no doubt appears to have been entertained.<sup>82</sup>

Thus, the original concept of comity is a voluntary tradeoff of territoriality by a country to gain trade benefits that are in its national interest.<sup>83</sup> The goal is to

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75. Ernest G. Lorenzen, *Huber's De Conflictu Legum*, 13 ILL. L. REV. 375, 375 (1918–1919) (“[Huber’s *De Conflictu Legum*] has had a greater influence upon the development of the Conflict of Laws in England and the United States than any other work. No other foreign work has been so frequently cited. Story himself relied upon Huber more than upon any of the other foreign jurists.”).

76. *See id.* at 403 (“Sovereigns will so act by way of comity that rights acquired within the limits of a government retain their force everywhere so far as they do not cause prejudice to the power or rights of such government or of its subjects.”).

77. *See* James Weinstein, *The Dutch Influence on the Conception of Judicial Jurisdiction in 19th Century America*, 38 AM. J. COMPAR. L. 73, 80 (1990) (arguing that Huber’s maxims extend to jurisdiction).

78. *See* Lorenzen, *supra* note 75, at 407–08.

79. *See* Harold G. Maier, *Extraterritorial Jurisdiction at a Crossroads: An Intersection Between Public and Private International Law*, 76 AM. J. INT’L L. 280, 281 (1982) (stating that international comity is “an amorphous never-never land whose borders are marked by fuzzy lines of politics, courtesy, and good faith”); *Laker Airways*, 731 F.2d at 937 (calling comity a “complex and elusive” concept).

80. *See Laker Airways*, 731 F.2d at 937 (defining the term as “the degree of deference that a domestic forum must pay to the act of a foreign government not otherwise binding on the forum”).

81. *Hilton v. Guyot*, 159 U.S. 113, 163–64 (1895); *see also Laker Airways*, 731 F.2d at 937 (“*Hilton v. Guyot*, recognizes that comity never obligates a national forum to ignore ‘the rights of its own citizens or of other persons who are under the protection of its laws.’”)

82. *See* Lorenzen, *supra* note 75, at 403.

83. Canadian Supreme Court called it a balancing exercise. *See Pro Swing Inc. v. Elta Golf Inc.*, [2006] 2 S.C.R. 612, para. 27 (Can.) (“Comity is a balancing exercise. The relevant considerations are respect for a nation’s acts, international duty, convenience and protection of a nation’s citizens. Where equitable orders are concerned, courts must take care not to emphasize the factor of respect for a nation’s acts to the point of imbalance. An equitable order triggers

achieve mutual benefits: “[t]he interests of both forums are advanced—the foreign court because its laws and policies have been vindicated; the domestic country because international cooperation and ties have been strengthened. The rule of law is also encouraged, which benefits all nations.”<sup>84</sup>

However, ASIs are not based on this idea of comity. Where there are concurrent jurisdictions, the domestic court involuntarily deprives the foreign court of its jurisdiction through an ASI. The justification for an ASI instead comes from territoriality. In many occasions, the ASI is granted against foreign proceedings to protect the local proceedings.<sup>85</sup> For example, after the court has handed down a judgment against the defendant, a common law court would consider issuing an ASI against a defendant who tries to relitigate the same case in a foreign court.<sup>86</sup> The injunction, therefore, protects the integrity of local proceedings, even at the expense of intruding on a foreign court’s jurisdiction. While common law courts still include “comity” as an element when considering whether to issue an ASI,<sup>87</sup> it is not the same as Huber’s comity. Instead of a voluntary concession based on mutual benefits, it is a unilateral calculation by the ASI rendering court on whether the intrusion to a foreign court’s jurisdiction is “tolerable.”<sup>88</sup> In other words, comity is no longer the reason to make concessions to foreign jurisdiction but becomes a self-imposed limitation not to intrude the foreign jurisdiction excessively.

If the local court does not apply this alternative concept of “comity” properly, the ASI can seriously disrupt the traditional concept of comity on all fronts, but most clearly disrupting jurisdiction. Instead of letting foreign

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considerations of both convenience for the enforcing state and protection of its judicial system.”).

84. *Laker Airways*, 731 F.2d at 937.

85. *See Société Nationale Industrielle Aerospatiale v. Lee Kui Jak* [1987] AC 871 (PC) at 892–93 (appeal taken from Brunei) (“In [many] cases, it may be said that the purpose of the injunction is to protect the jurisdiction of the English court.”); *Laker Airways*, 731 F.2d at 927 (“Courts have a duty to protect their legitimately conferred jurisdiction to the extent necessary to provide full justice to litigants. Thus, when the action of a litigant in another forum threatens to paralyze the jurisdiction of the court, the court may consider the effectiveness and propriety of issuing an injunction against the litigant’s participation in the foreign proceedings.”).

86. *See BORN & RUTLEDGE*, *supra* note 1, at 551.

87. *See Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 886–89 (9th Cir. 2012).

88. *Id.* at 881; *Laker Airways*, 731 F.2d at 939 (“Comity ordinarily requires that courts of a separate sovereign not interfere with concurrent proceedings based on the same transitory claim, at least until a judgment is reached in one action, allowing *res judicata* to be pled in defense. The appeal to the recognition of comity by the American court in order to permit the critical issues to be adjudicated in England, which is the plea made by appellants here, thus comes based on a very strange predicate. Since the action seeking to determine Laker’s right to recover for anticompetitive injuries was first instituted in the United States, the initial opportunity to exercise comity, if this were called for, was put to the United Kingdom courts. No recognition or acceptance of comity was made in those courts. The appellants’ claims of comity now asserted in United States courts come burdened with the failure of the British to recognize comity.”).

courts concede the case by *lis pendens* or *forum non conveniens*, an ASI simply takes away the foreign courts' jurisdiction.

This also applies to the enforcement of foreign judgment. Under normal enforcement rules, a court of Country A may decide only whether to give effect to the foreign judgment of Country B in Country A's territory. Even if it is to deny the enforcement of Country B's judgment, it is a matter within Country A's sovereignty and will not infringe on Country B's sovereignty. However, through an ASI, the court of Country A may restrain the judgment creditor from enforcing Country B's judgment in the territory of Country B and/or a third country. Obviously, this would be a serious infringement of Country B's sovereignty, as its judgment will be denied effect in its own territory. This injunction is sometimes called an anti-enforcement injunction.<sup>89</sup>

Regarding choice of law, although the ASI does not impose the local rule on the foreign court, this can be achieved indirectly by taking away the jurisdiction of the foreign court, thereby denying its opportunity to apply a choice-of-law analysis.<sup>90</sup> Comparatively, extraterritorial application of local law does not have the same level of intrusion, as foreign courts can still proceed with their own choice-of-law analysis.<sup>91</sup>

However, this is not to say that the ASI does not have any positive value. As a means of self-defense, when used properly, it can prevent unjustified encroachment by the foreign court of the local jurisdiction.<sup>92</sup> AASIs can be seen as the best example of such self-defense. Instead of depriving a foreign court of its jurisdiction in adjudicating the dispute, an AASI simply nullifies the foreign court's ASI.<sup>93</sup> The challenge, however, is how to draw the line in concurrent jurisdictions when more than one national court can claim legitimate jurisdiction over the same matter. One court can see its initial ASI as a self-defense measure against a frivolous foreign proceeding, while the court presiding over that foreign proceeding can see the ASI as an unjustified encroachment of its jurisdiction and issue the AASI in return.

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89. SAS Institute Inc. v. World Programming Ltd. [2020] EWCA (Civ) 599 [92] (Eng.).

90. The impact of jurisdiction goes beyond the choice of substantive law as it also dictates the application of the procedural law. See HARTLEY, *supra* note 3, at 5–8.

91. This is illustrated by *Laker Airways*, 731 F.2d at 930 (explaining that even if the U.S. antitrust law applied extraterritorially, the English court can still apply its own law, including its choice of law rules, in the English proceedings).

92. See *id.* at 936 (“Our courts are not required to stand by while Britain attempts to close a courthouse door that Congress, under its territorial jurisdiction, has opened to foreign corporations. Under the nationality base of jurisdiction, Britain can punish its corporations for walking through that courthouse door, but it cannot close the American door. Thus, although British courts can sanction their citizens for resorting to United States antitrust remedies, United States courts are not required to cut off the availability of the remedy.”).

93. See *id.* at 938 (stating that the U.S. court's AASI was “purely *defensive*—it seeks only to preserve the district court's ability to arrive at a final judgment adjudicating Laker's claims under United States law. This judgment would neither make any statement nor imply any views about the wisdom of British antitrust policy.”).



This challenge is best illustrated by the litigation involving *Laker Airways*.<sup>94</sup> Laker Airways was a pioneer in economic airlines that started operations in late 1970s.<sup>95</sup> Despite some successes in operating the trans-Atlantic flights, it went bankrupt after some alleged predatory pricing tactics were adopted by several competing airlines, including two British airlines (British Airways and British Caledonian Airways).<sup>96</sup> Laker Airways then sued these airlines in the United States for violation of U.S. antitrust law.<sup>97</sup> The airlines then filed a declaration of non-liability in England.<sup>98</sup> In addition, they also applied for an ASI and AASI in England against Laker Airways, barring it from pursuing the U.S. antitrust suit and any potential countering ASI against the English proceedings.<sup>99</sup> The injunction conflict ensued when the U.S. court issued an AASI against the defendant airlines to preserve the U.S. proceedings.<sup>100</sup> The court's AASI was upheld on appeal. Meanwhile, the English ASI was eventually rescinded by the House of Lords, thus ending injunction conflicts.<sup>101</sup>

The initial ASI by the English court can be seen as a response to the perceived exorbitant jurisdiction of the extraterritoriality of U.S. antitrust law.<sup>102</sup> Hence, the English court's action was in self-defense to protect its jurisdiction. However, the U.S. court viewed the English ASI as an encroachment of U.S. jurisdiction granted by the Congress.<sup>103</sup> From the U.S. perspective, it was also defending its own jurisdiction. The conflicting injunctions in *Laker Airways*, therefore, reflected a much deeper difference in national policies and interests between the two countries.<sup>104</sup> These same differences in national

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94. *Id.* at 909.

95. *Id.* at 916.

96. *Id.* at 917.

97. *Id.*

98. *Id.* at 918.

99. *British Airways Board v. Laker Airways Ltd.* [1984] QB 142 (Eng.).

100. *Laker Airways*, 731 F.2d at 915-16.

101. *British Airways Board v. Laker Airways Ltd.* [1985] AC 58 (HL) (appeal taken from Eng.).

102. *British Airways Board* [1984] QB 142 at 158-59 ("Suppose, for example, that two United Kingdom companies, neither of which traded in or to America, openly made a price agreement lawful in this country but that the purchasers of their goods in this country exported them to the United States. Suppose further that some time later both United Kingdom companies appointed agents in the United States and thus enabled United States proceedings to be served upon them and that a United Kingdom company, with a place of business in the United States who had purchased the goods, launched an anti-trust action. In such circumstances it appears to me that justice might well demand that the plaintiff be prevented from pursuing an action in respect of acts performed wholly in this country and wholly lawful here even though, if so prevented, the plaintiff would be left without a remedy. To allow such an action to proceed at the suit of a United Kingdom company would involve exposing United Kingdom defendants to an action based on what is regarded here as an exorbitant assertion of extra-territoriality.").

103. *Laker Airways*, 731 F.2d at 935-36.

104. See Aryeh S. Friedman, *Laker Airways: The Dilemma of Concurrent Jurisdiction and Conflicting National Policies*, 11 BROOK. J. INT'L. 181 (1985).

interests are also reflected in the conflicting injunctions in FRAND litigations, which will be discussed in the following part.

### III. THE SUDDEN SURGE OF SEP-RELATED ASIS

#### A. *The Surge of SEP-Related ASIs*

ASIs and AASIs have become increasingly common in transnational FRAND litigations. Table 1 provides an overview of the global surge of ASIs. Four observations are noteworthy. First, despite the encroachment of foreign courts' jurisdiction highlighted in Part II.B, the total number of ASI litigations of the six surveyed countries is significant, amounting to twenty-two ASIs and AASIs. Second, although U.S. courts have started to issue ASIs since 2012, most countries have only started to issue ASIs or AASIs since 2019, showing a clear surge. Third, most of the filings of ASIs or AASIs in FRAND cases resulted in an ASI or AASI being issued. There were only four unsuccessful cases. This is contrary to the conventional belief that courts will consider an ASI application with care and only issue an ASI in the most extreme circumstances.<sup>105</sup> Fourth, AASIs are responses to ASIs, since many of the ASIs and AASIs stem from the same litigations. As will be seen in Part III, these conflicting injunction cases are particularly sophisticated.

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105. The authors do not intend to draw any empirical findings out of the limited sample size. We just highlight a general observation.

TABLE 1 THE SURGE IN ASI LITIGATIONS WORLDWIDE

	No. of ASI Cases <sup>106</sup>	No. of AASI Cases <sup>107</sup>	No. of Failed ASI/AASI Cases	Year of First ASI/AASI Issued
United States	8 <sup>108</sup>	1 <sup>109</sup>	4 <sup>110</sup>	2012
China	5 <sup>111</sup>	0	0	2020
Germany	0	3 <sup>112</sup>	0	2019
France	0	2 <sup>113</sup>	0	2019

106. This table counts the number of cases instead of litigations. For example, in the litigation between Microsoft and Motorola, the first instance decision in *Microsoft Corp. v. Motorola, Inc.*, 871 F. Supp. 2d 1089 (W.D. Wash. 2012) was affirmed by the Ninth Circuit in *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872 (9th Cir. 2012). Both cases are counted.

107. Like ASI, if an AASI litigation involves more than one case, all involved cases will be counted separately.

108. *Microsoft Corp. v. Motorola, Inc.*, 871 F. Supp. 2d 1089 (W.D. Wash. 2012), *aff'd*, 696 F.3d 872 (9th Cir. 2012); *TCL Commc'n Tech. Holdings v. Telefonaktienbolaget LM Ericsson*, No. 8:14-cv-00341-JVS-AN, 2015 U.S. Dist. LEXIS 191512 (C.D. Cal. June 29, 2015); *Apple Inc. v. Qualcomm Inc.*, No. 3:17-cv-00108-GPC-MDD, 2017 U.S. Dist. LEXIS 145835 (S.D. Cal. Sept. 7, 2017); *Huawei Techs. Co. v. Samsung Elecs. Co.*, No. 3:16-cv-02787-WHO, 2018 U.S. Dist. LEXIS 63052 (N.D. Cal. Apr. 13, 2018); *Vringo, Inc. v. ZTE Corp.*, No. 14-cv-4988, 2015 WL 3498634 (S.D.N.Y. June 3, 2015); *Optis Wireless Tech., LLC, v. Huawei Device Co.*, No. 2:17-cv-123-JRG-RSP, 2018 WL 476054 (E.D. Tex. Jan. 18, 2018); *Cont'l Auto. Sys. v. Avanci, LLC*, No. 19-CV-02520-LHK, 2019 U.S. Dist. LEXIS 214608 (N.D. Cal. Dec. 11, 2019).

109. *Ericsson Inc. v. Samsung Elecs. Co.*, No. 2:20-CV-00380-JRG, 2021 WL 89980 (E.D. Tex. Jan. 11, 2021).

110. *Apple*, 2017 U.S. Dist. LEXIS 145835; *Vringo*, 2015 WL 3498634; *Optis Wireless*, 2018 WL 476054; *Cont'l Auto. Sys.*, 2019 U.S. Dist. LEXIS 214608.

111. *Huawei Jishu Youxian Gongsi Su Kang Wensen Wuxian Xuke Youxian Gongsi* (华为技术有限公司诉康文森无线许可有限公司) [*Huawei Tech. Co. v. Conversant Wireless Licensing S.A.R.L.*], 2019 Zui Gao Fa Zhi Min Zhong No. 732, 733, 734 (Sup. People's Ct. Aug. 28, 2020) (China); *Sanxing Dianzi Zhushi Huishe* (三星电子株式会社诉爱立信公司) [*Samsung Elecs. Co., v. Telefonaktiebolaget LM Ericsson*], E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) (China); *Xiaomi Tongxun Jishu Gongsi Su Jiaohu Shuzi Gongsi* (小米通讯技术公司诉交互数字公司) [*Xiaomi Commc'n Tech. Co. v. InterDigital Holdings, Inc.*], E 01 Zhi Min Chu No. 431 (Wuhan Interm. People's Ct. Sept. 23, 2020) (China); *OPPO Guangdong Yidong Tongxin Youxian Gongsi Su Xiapu Zhushi Huishe* (OPPO 广东移动通信有限公司诉夏普株式会社) [*OPPO Guangdong Mobile Telecomms. Co. v. Sharp Corp.*], Yue 03 Min Chu No. 689 (Shenzhen Interm. People's Ct. Oct. 16, 2020) [hereinafter *Oppo*] (China); *Zhongxing Tongxun Gufen Youxian Gongsi Su Kang Wensen Wuxian Xuke Youxian Gongsi* (中兴通讯股份有限公司诉康文森无线许可有限公司) [*ZTE Corp. v. Conversant Wireless Licensing Co.*], Yue 03 Min Chu No. 335 (Shenzhen Interm. People's Ct. Sept. 28, 2020) (China).

112. Landgericht München I [LG] [regional court Munich I] Oct. 2, 2019, 21 O 9333/19 (Ger.); Oberlandesgericht München [OLG München] [Higher Regional Court of Munich] Dec. 12, 2019, 6 U 5042/19 (Ger.); Landgericht München I [LG] [regional court Munich I] Feb. 25, 2021, 7 O 14276/20 (Ger.).

113. Cour d'appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426 (Fr.).

England	1 <sup>114</sup>	1 <sup>115</sup>	0 <sup>116</sup>	2019
India	0 <sup>117</sup>	1 <sup>118</sup>	0	2021
Total	14	8	4	—

SEP-related ASIs, in a broader sense, may be growing even faster. Competition authorities may adopt measures with goals similar to that of an ASI. In 2013, the U.S. Federal Trade Commission found that Google and Motorola unlawfully sought injunctions against the infringement of FRAND-encumbered SEPs.<sup>119</sup> The parties eventually reached an agreement limiting the right of Google and Motorola to seek such injunctions.<sup>120</sup> This agreement applied to all actions for an injunction in any jurisdiction.<sup>121</sup>

### B. *Why the Surge?*

The surge of ASIs is puzzling. A FRAND dispute can involve contract, patent, and competition law issues.<sup>122</sup> Looking at the FRAND dispute as a patent issue, ASIs are most intrusive to a foreign country's jurisdiction because patent cases, particularly those concerning patent validity, are normally adjudicated by courts in the specific jurisdiction in which the subject patent is granted.<sup>123</sup> Similarly, a country's competition law reflects its economic policy, and competition authorities' law enforcement actions are normally based

114. *Unwired Planet Int'l Ltd. v. Huawei Techs. Co.* [2017] EWHC (Pat) 2831 (Eng.).

115. *IPCom GmbH & Co. KG v. Lenovo Tech. (UK) Ltd.* [2019] EWHC (Pat) 3030 (Eng.).

116. The only ASI application on FRAND-encumbered SEPs in English court was compromised before the court could hand down a decision. The judge was in the opinion that the ASI would have been granted had the case been fought to the conclusion. *See Unwired Planet* [2017] EWHC (Pat) 2831 [13].

117. Although IDC applied for ASI as well as AASI initially in *InterDigital Tech. Corp. v. Xiaomi Corp.*, 2021 DEL 889 (India), it did not pursue the ASI application in the end.

118. *Id.*

119. Complaint at 25, *Motorola Mobility LLC, F.T.C. Matter No. 1210120*, Docket No. C-4410 (July 23, 2013), <https://www.ftc.gov/sites/default/files/documents/cases/2013/07/130724googlemotorolacmpt.pdf>.

120. Decision and Order, *Motorola Mobility LLC, F.T.C. Matter No. 1210120*, Docket No. C-4410 (July 24, 2013), <https://www.ftc.gov/sites/default/files/documents/cases/2013/07/130724googlemotorolado.pdf>.

121. *Id.* at 4.

122. *See supra* text accompanying notes 53–56.

123. *See, e.g., Voda v. Cordis Corp.*, 476 F.3d 887, 902 (Fed. Cir. 2007) (“[A] patent right . . . only arises from the legal right granted and recognized by the sovereign within whose territory the right is located. It would be incongruent to allow the sovereign power of one to be infringed or limited by another sovereign's extension of its jurisdiction.”); Cotter, *supra* note 34, at 3–4 (“[C]ourts often have been reluctant to adjudicate foreign patent rights, partly out of concern that doing so might undermine the principle of comity—that is, of the respect due to the courts and other institutions of foreign nations.”); Marketa Trimble, *GAT, Solvay, and the Centralization of Patent Litigation in Europe*, 26 EMORY INT'L L. REV. 515, 518 (2012) (describing that in Europe, “the courts and administrative bodies of the country in which a patent was granted may decide the validity of the patent”).

on the country's sovereignty.<sup>124</sup> Each country has its own interest in scrutinizing the potential anti-competitive effects within its border.<sup>125</sup> Therefore, any intervention in foreign patent and competition law issues may be controversial.<sup>126</sup> Intervention in the form of ASIs intrudes the territoriality of another country, perhaps in more ways than other aspects of private international law.

In addition, following *Laker Airways* and *Owens-Illinois, Inc. v. Webb* in early 1990s,<sup>127</sup> there had not been conflicting injunctions until 2019.<sup>128</sup> Professor Hartley observed that since *Laker Airways*, English and U.S. courts have tried to prevent such conflicting injunctions.<sup>129</sup> He also thought that the conflicting injunctions were “only ever likely to occur in cases involving these two countries.”<sup>130</sup> Although detailed discussion of the key precedents from each of the jurisdictions is necessary to fully analyze the surge,<sup>131</sup> the SEP-related ASI debacle has been attributed to three general reasons: (1) the national interests involved in ASIs, (2) the international legal vacuum of FRAND licenses, and (3) the choice of law induced forum shopping. These reasons were also present in *Laker Airways*, though FRAND disputes involve far more multinational corporations and jurisdictions.

### 1. National Interest in FRAND-encumbered SEPs

Significant economic interests are at stake when it comes to FRAND disputes due to its dictation of how SEP should be priced and licensed. An SEP owner's financial prospects depend on how FRAND issues are to be decided. Ericsson, an SEP owner who has been involved in numerous ASI litigations, illustrated the financial impacts from FRAND litigation. After filing its FRAND suit against Samsung, Ericsson announced that its operating income in the first quarter of 2021 would decrease by SEK 1–1.5 billion (approximately USD 118–177 million) due to delayed royalty income and litigation costs.<sup>132</sup> After the case was subsequently settled, Ericsson announced that its

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124. See *Apple Inc. v. Qualcomm Inc.*, No. 3:17-cv-00108-GPC-MDD, 2017 U.S. Dist. LEXIS 145835, at \*56–57 (S.D. Cal. Sept. 7, 2017).

125. See, e.g., Greenbaum, *supra* note 37, at 1127; see also Gabison, *supra* note 42, at 153 (introducing the viewpoint in *Apple v. Qualcomm* that “countries had their own interest enforcing their antitrust laws”); Liu, *supra* note 36, at 676 (indicating the challenge to coordinate competition authorities in different countries to cope with FRAND-related issues).

126. See also Greenbaum, *supra* note 37, at 1104 (showing that U.S. courts “have generally shied away from adjudicating disputes concerning foreign patents”).

127. *Owens-Illinois, Inc. v. Webb*, 809 S.W.2d 899 (Tex. App. 1991).

128. See *supra* Table 1.

129. See HARTLEY, *supra* note 3, at 272.

130. *Id.*

131. See *infra* Part IV.

132. See *Ericsson Update: IPR License Renewals and Risk of Financial Impact*, ERICSSON (Dec. 11, 2020, 7:00 AM), <https://www.ericsson.com/en/press-releases/2020/12/ericsson-update-ipr-license-renewals-and-risk-of-financial-impact>.

IP licensing revenues were expected to reach SEK 2–2.5 billion in the second quarter due to the new licensing deal with Samsung.<sup>133</sup> The same is also true for the standard implementers.<sup>134</sup> Considering that most SEP owners and implementers are technological giants in their respective countries,<sup>135</sup> success in FRAND litigations will often impact the economic prosperity of many countries.

Furthermore, the significance of FRAND-encumbered SEPs even rises to the level of strategic importance. This can be illustrated by the cases of the United States and China, the two global superpowers. Among others, standards for 5G and IoT are particularly relevant to national security.<sup>136</sup> Both the Chinese and the U.S. government have declared their determination to lead 5G development and emphasized its important implications for cybersecurity and national security.<sup>137</sup> For the United States, commentators have discussed how FRAND-encumbered SEPs and how its underlying technologies impacted U.S. national security:

Critical innovation in emerging technologies, such as 5G communications, artificial intelligence, autonomous vehicles, gene-based therapies, vaccine development, and so many more, is vitally important to the national security of the United States. The betterment of our collective experience depends on continued advance in these technologies. Those future advances in turn require broad technological access and proper protections and remuneration to innovators so that transformative companies and their ground-breaking scientists and inventors will have the resource and incentives to continue on their path of innovation. . . . [FRAND litigation] raises serious concerns about how critical innovation will be valued in the marketplace and in courts.<sup>138</sup>

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133. See *Ericsson and Samsung Sign Global Patent License Agreement*, ERICSSON (May 7, 2021, 6:00 AM), <https://www.ericsson.com/en/press-releases/2021/5/ericsson-and-samsung-sign-global-patent-license-agreement>.

134. Failing to reach license agreement with SEP owners could mean being shut out from markets. See *Microsoft Corp. v. Motorola, Inc.*, 871 F. Supp. 2d 1089 (W.D. Wash. 2012).

135. See Ang, *supra* note 25.

136. See, e.g., U.S. DEP'T OF HOMELAND SEC., STRATEGIC PRINCIPLES FOR SECURING THE INTERNET OF THINGS (IOT) 7–9 (2016), [https://www.dhs.gov/sites/default/files/publications/Strategic\\_Principles\\_for\\_Securing\\_the\\_Internet\\_of\\_Things-2016-1115-FINAL\\_v2-dg11.pdf](https://www.dhs.gov/sites/default/files/publications/Strategic_Principles_for_Securing_the_Internet_of_Things-2016-1115-FINAL_v2-dg11.pdf).

137. See, e.g., THE WHITE HOUSE, NATIONAL STRATEGY TO SECURE 5G OF THE UNITED STATES OF AMERICA 4–7 (2020), <https://trumpwhitehouse.archives.gov/wp-content/uploads/2020/03/National-Strategy-5G-Final.pdf>; MINISTRY OF INDUS. & INFO. TECH. IN CHINA, NOTICE CONCERNING PROMOTING THE ACCELERATED DEVELOPMENT OF 5G (工业和信息化部关于推动5G加快发展的通知) (2020), [http://www.gov.cn/zhengce/zhengceku/2020-03/25/content\\_5495201.htm](http://www.gov.cn/zhengce/zhengceku/2020-03/25/content_5495201.htm).

138. See Brief of Amici Curiae Senator Thom Tillis et al. in Support of Appellees at 2–3, *Ericsson Inc. v. Samsung Elecs. Co.*, No. 2:20-CV-00380-JRG, 2021 WL 89980 (E.D. Tex. Jan. 11, 2021) (No. 21-1565) [hereinafter Brief of Amici Curiae Senator Thom Tillis et al.].

Similarly, technological innovation is one of the top items of the Chinese national agenda.<sup>139</sup> Chinese dominance in the 5G standard setting and relevant SEPs has drawn particular national security concerns in the United States.<sup>140</sup> The U.S. government has explicitly indicated that given the importance of 5G standards in the critical infrastructure, Chinese companies' increasing control over these standards and associated SEPs have made the U.S. critical infrastructure more vulnerable.<sup>141</sup> The national interests of both China and the United States concerning technical standards can also be observed through their recent trade war. The United States has scrutinized China's aggressive development strategies in certain areas, many of which are built upon technical standards. These areas include, but are not limited to, advanced information technology, robotics, automated machine tools, and advanced medical devices.<sup>142</sup> Therefore, access to standards and subsequent costs concern not only competition between private entities, but, more importantly, are also closely related to the technological and economic competition between these two global superpowers.<sup>143</sup>

Regarding FRAND litigation and subsequent ASIs, some commentators argue that "China has strong national interests in the outcomes of such disputes, since those disputes can affect how much companies with close state ties, like Huawei, must pay for a license to implement SEPs in their own telecommunications systems and mobile devices."<sup>144</sup> The U.S. government even suggested that the proliferation of ASIs in China was because Chinese courts "'serv[e] the 'overall work' of the Chinese Communist Party and the Chinese state."<sup>145</sup> Considering the significant national interests associated with standard setting and SEPs, the ASI and AASI in FRAND litigation have become

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139. See Brief of 13 Law, Business, and Political Science Professors as Amici Curiae in Support of Appellee at 8–9, *Ericsson Inc.*, 2021 WL 89980 (No. 21-1565) [hereinafter Brief of 13 Professors].

140. Eli Greenbaum, *5G, Standard-Setting, and National Security*, HARV. NAT'L SEC. J. (July 3, 2018), <https://harvardnsj.org/2018/07/5g-standard-setting-and-national-security>.

141. *Id.*; see also NAT'L TELECOMMS. & INFO. ADMIN., NATIONAL STRATEGY TO SECURE 5G IMPLEMENTATION PLAN 27 (2021), [https://www.ntia.gov/files/ntia/publications/2021-1-12\\_115445\\_national\\_strategy\\_to\\_secure\\_5g\\_implementation\\_plan\\_and\\_annexes\\_a\\_f\\_final.pdf](https://www.ntia.gov/files/ntia/publications/2021-1-12_115445_national_strategy_to_secure_5g_implementation_plan_and_annexes_a_f_final.pdf) ("The Department of State leads department and agency efforts to communicate the range and breadth of risks and threats posed by untrusted vendors [of 5G products] that are subject to unchecked control or influence by authoritarian governments, including the People's Republic of China (PRC).").

142. See, e.g., Jyh-An Lee, *Shifting IP Battlegrounds in the U.S.-China Trade War*, 43 COLUM. J.L. & ARTS 147, 176–77 (2020).

143. *Cf. id.* at 175 (introducing the viewpoint that "the very nature of the trade war between the two powers is the competition for technological leadership").

144. Brief of 13 Professors, *supra* note 139, at 9.

145. OFF. OF THE U.S. TRADE REPRESENTATIVE, 2021 SPECIAL 301 REPORT 47–48 (2021), [https://ustr.gov/sites/default/files/files/reports/2021/2021%20Special%20301%20Report%20\(final\).pdf](https://ustr.gov/sites/default/files/files/reports/2021/2021%20Special%20301%20Report%20(final).pdf).

effective instruments for countries to maintain and reinforce their technological, economic, and political advantages in the international political economy.

The national interest on FRAND disputes today is comparable to the national interest in aviation and antitrust back in the early 1980s, when England and the United States were butting heads in the injunction conflicts in *Laker Airway*. “National air carriers are viewed by their governments as more than merely instruments of transportation—they are also ‘instruments of economic policy, domestic and foreign national policy, national defense and in some instances espionage.’”<sup>146</sup> In addition, it goes beyond the economic interest of aviation itself to “the larger debate over what constitutes appropriate economic regulatory policy in general, as well as the proper reach of national economic regulatory law.”<sup>147</sup> For the United States, predatory pricing by British airlines, despite occurring mainly in England, affected the U.S. market enough to justify the extraterritorial application of U.S. antitrust law.<sup>148</sup> This clashed with the regulatory policy of England, which also happened to own British Airways. The predatory pricing was legal in England,<sup>149</sup> and the extraterritorial application of U.S. antitrust law has long been an objection of England, which resulted in the parliament passing a defensive statute, the Protection of Trading Interests Act of 1980.<sup>150</sup> At the time of the lawsuit, the British government was in the midst of its plan to sell the majority stake of the airline.<sup>151</sup> Given the similar modern national interests in the subject matter, it is therefore not surprising that the injunction conflicts return after almost four decades.

## 2. International Legal Vacuum

With FRAND-encumbered SEPs being of high national interest, the lack of international regulation creates a scramble of powers over FRAND disputes, which contributed to the recent surge in ASIs. As standards and FRAND licenses are created by SSOs composed of private parties,<sup>152</sup> there is no international treaty that regulates FRAND disputes. With FRAND terms not defined by SSOs,<sup>153</sup> this creates a legal vacuum to be filled by national courts.<sup>154</sup> This is comparable to the context of *Laker Airways*.

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146. Friedman, *supra* note 104, at 219.

147. *Id.* at 223.

148. *Laker Airways Ltd. v. Sabena, Belgian World Airlines*, 731 F.2d 909, 922 (D.C. Cir. 1984).

149. *See* Friedman, *supra* note 104, at 223.

150. *Id.*

151. *Id.* at 206.

152. *See supra* text accompanying notes 49–50.

153. *See* Bartlett & Contreras, *supra* note 34, at 290–91.

154. *See* *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 876–77 (9th Cir. 2012); *Unwired Planet Int’l Ltd. v. Huawei Techs. Co.* [2020] UKSC 37, [6] (appeal taken from Eng.).



Although the pricing of cross-Atlantic flights was regulated by a bilateral treaty between England and the United States, antitrust matters are not similarly regulated internationally. For countries facing this international vacuum of antitrust, one approach is to apply its law extraterritorially, as the United States does.<sup>155</sup> Other countries, such as the United Kingdom, resist such extraterritoriality.<sup>156</sup> Faced with this political divergence in the regulatory approaches, national courts tend to side with the approach and interests of their respective governments. Judge Wilkey succinctly summarized this in *Laker Airway*:

Despite the real obligations of courts to apply international law and foster comity, domestic courts do not sit as internationally constituted tribunals. Domestic courts are created by national constitutions and statutes to enforce primarily national laws. The courts of most developed countries follow international law only to the extent it is not overridden by national law. Thus, courts inherently find it difficult neutrally to balance competing foreign interests. When there is any doubt, national interests will tend to be favored over foreign interests.<sup>157</sup>

Given that the aim of FRAND licenses is to license the same technology internationally,<sup>158</sup> it would certainly be more efficient to resolve the licensing issue in the same court, instead of risking inconsistent judgments across different countries. In *Unwired Planet International Ltd. v. Huawei Technologies Co. Ltd. (Unwired v. Huawei)*, the English court declared such “country by country licensing as madness.”<sup>159</sup> This explains why courts in certain jurisdictions recently seized the opportunity to decide global royalty rates for the exploitation of FRAND-encumbered SEPs beyond their jurisdictions.<sup>160</sup>

However, courts around the world have adopted different approaches to the calculation of FRAND royalty rates involving jurisdiction-specific economic, political, and social elements.<sup>161</sup> Commentators have observed that countries with more implementers as their main companies may set lower FRAND rates, and vice versa.<sup>162</sup> The national interests therefore drive certain national courts to set global rates. This means that a decisive factor in

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155. See Friedman, *supra* note 104, at 184.

156. *Id.*

157. *Laker Airways Ltd. v. Sabena, Belgian World Airlines*, 731 F.2d 909, 951 (D.C. Cir. 1984).

158. See *supra* text accompanying notes 57–60.

159. *Unwired Planet Int’l Ltd. v. Huawei Techs. Co.* [2017] EWHC (Pat) 711 [543] (Eng.).

160. See, e.g., Contreras, *Global Rate Setting*, *supra* note 42, at 723–24; Contreras, *New Extraterritoriality*, *supra* note 1, at 255, 259–64, 279; Greenbaum, *supra* note 37, at 1087–90.

161. Greenbaum, *supra* note 37, at 1100–01.

162. See Brief of Amici Curiae Senator Thom Tillis et al., *supra* note 138, at 14.

FRAND litigation is which national law is to be applied, which in turn, depends on the choice of law rules applied by the court.

Different courts apply different choice-of-law approaches, particularly on characterization, in FRAND matters.<sup>163</sup> This led to inconsistent decisions even when the courts decided on the same FRAND disputes.<sup>164</sup> With the choice of law approach of a court dictated by *lex fori*, the law of the forum, this gives litigants the motivation to shop for a favorable forum. When both sides do the same, concurrent litigations ensue, setting the stage for the injunction conflicts.

Choice of law was at the center stage of the *Laker Airways* dispute as well. The specific choice of law issue is different, focusing on the extraterritorial application of U.S. antitrust law.<sup>165</sup> The forum shopping, however, is the same. The antitrust suit can only be litigated in U.S. courts; thus, if the U.S. litigation was barred by the English ASI, the plaintiff would lose.<sup>166</sup>

In summary, forum shopping and corresponding ASIs will threaten comity and harm the goal of fostering international compatibility via worldwide standards under a global FRAND license.<sup>167</sup> The surge of SEP-related ASIs is not a pure coincidence but rather an accumulation of vast national interests present in a field with no international regulatory governance that could, in turn, be shaped by national choice of law rules. However, while this provides the general explanation on the surge in ASIs, it cannot explain the different ASI approaches adopted by different courts. Conflicts in ASIs have much to do with the different countries' legal traditions of ASIs, and their respective national interests in FRAND-encumbered SEPs, as seen in the next section.

#### IV. CONFLICTING ASIS

In analyzing the conflicting ASIs, it may be appropriate to divide the six jurisdictions into two groups: the aggressor group, including the United States and China, and the defender group, including England, India, France, and Germany. As will be seen in the following analysis, each of these jurisdictions has invented new ways to empower their respective injunctions in FRAND litigations.

##### A. *United States*

We began the discussion of developing conflicting injunctions with the United States. Although ASIs had a long history in England,<sup>168</sup> the United

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163. See Tsang & Lee, *supra* note 30, at 288–91, 293–96.

164. Greenbaum, *supra* note 37, at 1099.

165. *Laker Airways Ltd. v. Sabena, Belgian World Airlines*, 731 F.2d 909, 922–26 (D.C. Cir. 1984).

166. See Hartley, *supra* note 67, at 493–94.

167. See *supra* text accompanying notes 57–58.

168. See HARTLEY, *supra* note 3, at 412–24.

States certainly carried it to a new level. Despite the constant warning that ASIs could only be used sparingly and be granted in the rarest cases,<sup>169</sup> the reality is that U.S. courts have been quite willing to grant the injunction both domestically (in interstate cases) and internationally.<sup>170</sup> It is, therefore, not surprising that the first FRAND-related ASI, *Microsoft Corp. v. Motorola, Inc.*,<sup>171</sup> came from a U.S. court. Before discussing this case, however, it must be noted that there is no uniform test for granting an ASI in the United States, whether local or international.<sup>172</sup> Currently, the federal circuits are split between liberal and stringent approaches.<sup>173</sup> The former includes the Fifth, Seventh, and Ninth Circuits, while the latter includes the Third, Sixth, Eighth, and District of Columbia Circuits.<sup>174</sup> All FRAND-related ASI cases to date have been litigated in either the Fifth or Ninth Circuits (probably the result of forum shopping). The following analysis focuses only on the liberal approach.

### 1. Microsoft v. Motorola

In *Microsoft Corp. v. Motorola, Inc.*, a U.S. federal district court granted an ASI that prohibited Motorola from enforcing a German judgment.<sup>175</sup> Motorola was the owner of some SEPs in wireless and video standards, including certain European patents. When Motorola and Microsoft failed to agree on the licensing terms of the SEPs, Microsoft sued Motorola in U.S. federal court, alleging breach of the FRAND commitment.<sup>176</sup> In other words, the U.S. court was asked to rule on the licensing term issue.<sup>177</sup> Several months into the U.S. litigation, Motorola filed a proceeding in Germany, alleging Microsoft's infringement of the European patents.<sup>178</sup> Since German law did not recognize the implementer's third-party right to enforce the FRAND commitment, the German court did not allow Microsoft to rely on such a commitment as a valid defense.<sup>179</sup> Consequently, the court held that Microsoft had infringed on Motorola's SEPs and granted an injunction against Microsoft's

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169. See *supra* text accompanying note 74.

170. Bermann, *supra* note 2, at 594–95.

171. *Microsoft Corp. v. Motorola, Inc.*, 871 F. Supp. 2d 1089 (W.D. Wash. 2012).

172. Even for local cases, the full faith and credit clause does not apply. See Bermann, *supra* note 2, at 599.

173. Tsilikas, *supra* note 1, at 731; see also Contreras & Eixenberger, *supra* note 1, at 544–45 (classifying U.S. judicial approaches to ASI into liberal, conservative, and the middle-ground approaches); BORN & RUTLEDGE, *supra* note 1, at 551.

174. BORN & RUTLEDGE, *supra* note 1, at 552–53; Contreras & Eixenberger, *supra* note 1, at 453–54; Tsilikas, *supra* note 1, at 731.

175. *Microsoft Corp.*, 871 F. Supp. 2d at 1103–04.

176. The standard involved was RAND under ITU's policy, but for easy reference, the article uses the term FRAND for all references of RAND, given the concepts of the two terms are the same. See *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 877 n.2 (9th Cir. 2012).

177. For the licensing term issue, see *supra* note 55.

178. *Microsoft Corp.*, 696 F.3d at 879.

179. *Id.*

sale of its products in Germany.<sup>180</sup> Microsoft then applied to the federal district court to enjoin Motorola from enforcing the German judgment.<sup>181</sup> After the court granted the injunction, Motorola appealed to the Ninth Circuit.

The Ninth Circuit applied a three-stage test for the ASI: (1) whether the parties and issues are the same, and whether the important policy of the forum is frustrated; (2) whether one of the *Unterweser* elements is present; and (3) whether the intrusion to comity is tolerable. At the first stage, the critical issue is whether the issues are the same, i.e., whether the U.S. proceedings can dispose of the foreign proceedings. The court answered in affirmative. In the court's view, since European patents were part of the portfolio covered by the U.S. proceedings, the resolution of the contractual issue in the U.S. courts would dispose of the patent infringement issue in Germany.<sup>182</sup> Had Microsoft asked the U.S. court to rule on the infringement of the European patents, that would not have been possible, as patent law is territorial in nature.<sup>183</sup> However, Microsoft's claim in the U.S. court was "not the patents themselves, but 'a contract between the parties' not to enforce the patents."<sup>184</sup> Analogizing the FRAND commitment to a forum selection clause, the court found the German patent infringement suit to be inconsistent with the FRAND commitment:

In sum, whether or not the district court ultimately determines that Motorola breached its contract with the ITU (it may or may not have), it is clear that there *is* a contract, that it is enforceable by Microsoft, and that it encompasses not just U.S. patents but also the patents at issue in the German suit. Moreover, even if Motorola did not breach its contract, then, *however* the [FRAND] rate is to be determined under the ITU standards, injunctive relief against infringement is arguably a remedy inconsistent with the licensing commitment.<sup>185</sup>

This can be viewed as the court's interpretation of the negotiation issue of FRAND disputes.<sup>186</sup> Since both the U.S. and German claims are under the "contractual umbrella,"<sup>187</sup> the first stage was satisfied.

The court also found the second stage to be satisfied. Here, the Ninth Circuit reviewed the district court's finding that the German proceeding was "vexatious," one of the *Unterweser* factors. The district court considered

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180. *Id.*

181. *Id.* at 880.

182. *Id.* at 882.

183. *Id.* at 883.

184. *Id.* (quoting *W. Elec. Co. v. Milgo Elec. Corp.*, 450 F. Supp. 835, 838 (S.D. Fla. 1978)).

185. *Id.* at 884–85.

186. *See supra* text accompanying note 56.

187. *Microsoft Corp.*, 696 F.3d at 883.

Motorola's filing of the German suit several months into the U.S. suit as raising "concerns of forum shopping and duplicative and vexatious litigation."<sup>188</sup> The district court also highlighted that the German suit involved only two of the 100 Motorola-owned patents. Accordingly, the German suit was found to be vexatious, which placed external pressure on Microsoft to succumb to an unfavorable license.<sup>189</sup> The Ninth Circuit only gave limited support to the district court finding, holding that it "may not be the only possible interpretation, [but] it is not 'illogical, implausible, or without support from inferences that may be drawn from facts in the record.'"<sup>190</sup>

Finally, the court also regarded the intrusion to comity as tolerable. As stated above, U.S. courts only unilaterally project the extent of interference to the foreign country in the assessment of comity.<sup>191</sup> In addition, that calculation "requires not that [the courts] calculate the precise quantum of the injunction's interference with comity, but only that we estimate whether any such interference is so great as to be intolerable."<sup>192</sup> Applying the test, the court concluded that the ASI simply suspended the enforcement of German judgment until the conclusion of the U.S. proceedings. The court also drew support by designating the dispute as a "private dispute under Washington state contract law, between two U.S. corporations."<sup>193</sup> Accordingly, the court granted the ASI in favor of Microsoft.

However, this private-public distinction is rather artificial, given that it only focused on the involvement of public international law.<sup>194</sup> Even if both parties were U.S. corporations, the court clearly did not consider Germany's sovereign interest in seeing German patent rights being protected in Germany.<sup>195</sup> This is not to mention the national interest in FRAND-encumbered SEPs discussed above.<sup>196</sup> Further, the impact of the ASI on the German proceeding may not be as temporary as the court made it out to be. Once the FRAND terms are set by the U.S. court, there will be three possibilities. First, the parties agree to enter into a license agreement, which prohibits Motorola from enforcing the German injunction. Second, if Motorola decides that the FRAND terms set by the U.S. court are not favorable and refuses to license the SEP to Microsoft, it will also be impossible for Motorola to enforce the injunction. This is because the enforcement in that case will be a clear breach of FRAND terms and thus likely to be subject to another ASI by the U.S.

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188. Microsoft Corp. v. Motorola, Inc., 871 F. Supp. 2d 1089, 1100 (W.D. Wash. 2012).

189. *Id.*

190. *Microsoft Corp.*, 696 F.3d at 886 (quoting *United States v. Hinkson*, 585 F.3d 1247, 1251 (9th Cir. 2009)). Note also that the Ninth Circuit did not rule on the second justification of the district court.

191. *See id.* at 881.

192. *Id.* at 886.

193. *Id.* at 888.

194. *See id.*

195. *See infra* text accompanying note 422.

196. *See supra* text accompanying notes 132–151.

court.<sup>197</sup> Third, if Microsoft considers the FRAND terms set by the U.S. court unfavorable and decides not to enter into a license agreement thereunder, it will then be subject to enforcement if it continues to utilize the SEP in Germany. Accordingly, in only one of the three scenarios will the German injunction be temporarily suspended, while in the other cases, the right to enforce the injunction will be lost permanently.

This case presents three significant impacts. First, as will be shown below, the issues analyzed by the court in each of the three stages are often the key legal issues to subsequent ASI proceedings: (1) do the foreign proceedings involve the same issue? (“disposition issue”); (2) is the foreign proceeding vexatious? (“vexation issue”); and (3) does the temporary suspension of foreign proceeding violate comity? (“comity issue”). The case therefore sets up the framework of analysis for not only the U.S. courts but also for other courts worldwide. Although the ASI tests are certainly different among the countries, the factors considered in these three stages are common sense. For the disposition issue, since ASIs mainly deals with parallel proceedings,<sup>198</sup> courts invariably consider the extent to which foreign and local proceedings overlap. This may not be an independent condition in some jurisdictions per se,<sup>199</sup> but could still be considered under other stages, such as vexation.<sup>200</sup> Similarly, the standards required at this stage could be different. The U.S. standard is relatively high, as it requires local proceedings capable of handling all issues in the foreign proceedings.<sup>201</sup> In the reverse case of AASIs, it is often seen that courts deny any overlap between local and foreign proceedings to justify the issuance of an AASI.<sup>202</sup> The vexation issue considers how foreign proceedings can prejudice the interests of private parties. This is in direct contrast to the comity issue, which handles the interests of foreign courts. No matter how the tests are actually formulated, courts invariably consider these interests, even though the emphasis could be different.

Second, the case clearly illustrates the benefits of ASIs. Given the difference between U.S. law and German law on the enforceability of FRAND commitments (the enforceability issue),<sup>203</sup> the ASI ensured that U.S. law would have the final say on the matter. Finally, the case also illustrates the cost of ASIs on comity. In particular, most ASIs involve prohibiting only the

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197. See *Conversant Wireless Licensing S.A.R.L. v. Huawei Techs. Co.* [2019] EWCA (Civ) 38 [98(v)] for the position under English law.

198. Though under English law, this may not always be the case. See *Hartley*, *supra* note 67, at 494–95.

199. For example, English law does not have the same disposition requirement. *Id.* at 496.

200. See *infra* text accompanying note 394.

201. See *Microsoft Corp. v. Motorola, Inc.*, 871 F. Supp. 2d 1089, 1089 (W.D. Wash. 2012) (“Anti-suit injunctions are only appropriate when the domestic action is capable of disposing of all the issues in the foreign action.”).

202. See *infra* text accompanying note 383.

203. See *supra* text accompanying note 54.

initiation or continuance of foreign proceedings. However, the anti-enforcement injunction prohibits the enforcement of a foreign judgment resulting from a completed foreign proceeding.<sup>204</sup> In some jurisdictions, such anti-enforcement injunction is subject to a higher threshold than other ASIs.<sup>205</sup> This is mainly because the “vast amounts of judicial time and costs” the foreign court expended on the case is more significant after the whole proceedings have been completed.<sup>206</sup> Yet, the Ninth Circuit did not apply a different test and thus showed a strong willingness to grant ASIs to preserve the local proceeding. Whatever the justification, the objective result of the case is that a German judgment on German patents, having gone through the proper judicial process of Germany, was not given effect in Germany.

## 2. TCL v. Ericsson

In *TCL Communication Technology Holdings v. Telefonaktienbolaget LM Ericsson*, TCL claimed a breach of contract against Ericsson concerning the latter’s obligation to license its SEPs on FRAND terms.<sup>207</sup> TCL also applied for an ASI against Ericsson’s patent infringement actions in France, Brazil, Russia, the United Kingdom, Argentina, Germany, and the Eastern District of Texas.<sup>208</sup> The court granted an ASI enjoining proceedings in seven other jurisdictions. Most of the legal issues highlighted in *Microsoft* were not tested. When granting the ASI, the court considered only the parties’ agreement that the U.S. global royalty determination would be “dispositive” of all foreign patent actions.<sup>209</sup> The only issue in dispute was simply whether the ASI should only bind Ericsson, but not TCL. When TCL agreed to a bilateral injunction, the case was quickly dismissed.<sup>210</sup>

## 3. Apple v. Qualcomm

The real development of the ASI regime came from the third case, *Apple Inc. v. Qualcomm Inc.*,<sup>211</sup> which challenged many aspects of the rules laid down in *Microsoft*. Here, Qualcomm, the SEP owner, asked a federal court to issue an ASI against Apple, the standard implementer, to enjoin Apple’s

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204. See *InterDigital Tech. Corp. v. Xiaomi Corp.*, 2021 DEL 889, para. 77 (India).

205. See *Sun Travels & Tours Pvt. Ltd. v. Hilton Int’l Manage (Maldives) Pvt. Ltd.* [2019] SGCA 10, para. 114 (Sing.).

206. *Id.*

207. *TCL Commc’n Tech. Holdings, Ltd. v. Telefonaktienbolaget LM Ericsson*, No. 8:14-cv-00341-JVS-AN, 2015 U.S. Dist. LEXIS 191512, at \*10 (C.D. Cal. June 29, 2015).

208. *Id.* at \*10–14.

209. *Id.* at \*16–19.

210. *Id.* at \*18–19.

211. *Apple Inc. v. Qualcomm Inc.*, No. 3:17-cv-00108-GPC-MDD, 2017 U.S. Dist. LEXIS 145835 (S.D. Cal. Sept. 7, 2017).

concurrent proceedings in eleven other jurisdictions.<sup>212</sup> Applying the *Microsoft* three-part inquiry, the court rejected the ASI. On the disposition issue, the court concluded that the legal issues overseas were not the same as those in the United States, and thus the U.S. action would not dispose of the foreign actions.<sup>213</sup> Here, the foreign proceedings filed by Apple were not patent infringement, as in the case of *Microsoft*. Instead, they involved Apple's challenges of the validity and exhaustion of Qualcomm's foreign patents and Qualcomm's potential violation of foreign antitrust law caused by its licensing practices.<sup>214</sup> Unlike *Microsoft*, this time, it was the implementer's foreign proceedings that were subject to the ASI. Since Apple, as the implementer, did not make the FRAND commitment like Motorola did in *Microsoft*, the court thought that the analogy to the forum selection clause used by the *Microsoft* court could not be applied to Apple.<sup>215</sup> Thus, "even if [the US court] ultimately sets a worldwide FRAND rate for Qualcomm's global portfolio, Apple's patent claims for invalidity and exhaustion under foreign law as to foreign patents will remain unaddressed."<sup>216</sup> Many of the court's ensuing analysis in the second and third stages relied on the same reasoning.

In connection with the *Unterweser* factors applied, the court first considered Apple's foreign suits to be not vexatious or oppressive. Even though the foreign proceedings were all subsequent to U.S. proceedings, the court observed that the foreign proceedings were all filed before the parties' pleadings were finalized.<sup>217</sup> The court also did not find any other equitable considerations as being present. Most notably, unlike the *Microsoft* district court, it did not see the overseas' actions as a tactic to gain leverage. Citing again the difference in the legal issues raised abroad, the court found that Apple's pursuit of foreign actions was "legitimate."<sup>218</sup> Since there was a legitimate issue to decide in the foreign proceedings, judicial resources were also not "wasted" in those proceedings.<sup>219</sup> Finally, the possibility of inconsistent judgments was not a concern. Here, the court saw that possibility as a result of Qualcomm asking the court to determine the global FRAND rate. It was "Qualcomm [who] placed global relief on the table, not Apple."<sup>220</sup> Thus, Qualcomm could not complain when its counterclaim for global relief

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212. *Id.* at \*12.

213. *Id.* at \*19.

214. *Id.* at \*33–34.

215. *Id.* at \*31.

216. *Id.* at \*37.

217. *Id.* at \*39.

218. *Id.* at \*41–42.

219. *Id.* at \*45–46. Note here that the court relied on *China Trade & Dev. Corp. v. M.V. Choong Yong*, 837 F.2d 33 (2d Cir. 1987), a decision by the Second Circuit which adopted a narrower view of ASIs than the Ninth Circuit. See BORN & RUTLEDGE, *supra* note 1, at 560–62.

220. *Apple Inc.*, 2017 U.S. Dist. LEXIS 145835, at \*48.



brought home inconsistent judgments in the end. In sum, while the court applied the same *Unterweser* factors, it interpreted them more narrowly than the courts did in *Microsoft*.

On comity, the court distinguished the case from *Microsoft*. Unlike the latter, many of the foreign suits involved claims of violating foreign antitrust laws. It is thus not purely private matters.<sup>221</sup> The court also cited many foreign antitrust investigations on Qualcomm's questionable licensing practices.<sup>222</sup> However, it is difficult to see how overseas antisuit claims make that much of a difference. After all, even if the overseas claims were based on antitrust law, they were still private claims. In addition, Qualcomm only sought to enjoin the private actions initiated by Apple. It did not seek to enjoin the foreign actions initiated by foreign authorities.

Although *Apple* may be reconciled with *Microsoft* on the distinction of the reverse roles of the SEP owner and implementer, it is clear that the *Apple* court sought to cut back on the rather broad application of the three-stage test. This reactionary approach might be prompted by the substantial impact that a successful ASI could have internationally, as that would have enjoined the then-existing proceedings in eleven other jurisdictions.

#### 4. Huawei v. Samsung

The differing approaches in *Microsoft* and *Apple* were tested in *Huawei Technologies Co. v. Samsung Electronics Co. (Huawei I)*, where both parties owned SEPs but failed to negotiate a global patent cross-license to each other.<sup>223</sup> Huawei filed a suit in a U.S. district court seeking a global FRAND cross-license and several patent infringement suits in China against Samsung.<sup>224</sup> The Chinese court determined that Samsung infringed on Huawei's patents and issued an injunction against the infringement.<sup>225</sup> Based on Samsung's application, the U.S. district court then enjoined Huawei from enforcing the Chinese injunctions.<sup>226</sup> At first glance, the facts are similar to those in *Microsoft*, where a U.S. proceeding on FRAND rate setting was followed by a patent infringement case heard by a foreign court. Unsurprisingly, the court followed the framework of analysis of *Microsoft*.<sup>227</sup> However, it was Huawei, the implementer, who initiated the U.S. suit. In addition, the Chinese suit was filed just one day after the U.S. suit. The Chinese court also considered the FRAND commitment, unlike the German court which failed to do so in *Microsoft*. The court, however, considered these factual distinctions as irrelevant

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221. *Id.* at \*52–54.

222. *Id.* at \*54–57.

223. *Huawei Techs. Co. v. Samsung Elecs. Co.*, No. 3:16-cv-02787-WHO, 2018 U.S. Dist. LEXIS 63052, at \*8–10 (N.D. Cal. Apr. 13, 2018).

224. *Id.* at \*11.

225. *Id.* at \*12.

226. *Id.* at \*7.

227. *Id.* at \*17–40.

to the disposition issue.<sup>228</sup> The court held that its adjudication of the FRAND dispute would dispose of Chinese questions—whether Huawei’s FRAND commitment would contractually relinquish its right to seek injunctive relief.<sup>229</sup> This is because “[b]oth parties have presented [before the court] with a breach of contract claim based on the other’s alleged failure to abide by its commitments to [the subject SSO European Telecommunications Standards Institute (ETSI)].”<sup>230</sup>

Regarding the *Unterweser* factors, the court found that there was frustration with the forum’s policy, as there would be a chance for inconsistent judgment if the ASI was not granted.<sup>231</sup> However, unlike the German lawsuit in *Motorola*, which was filed several months after the U.S. proceedings, Huawei essentially filed the Chinese lawsuit concurrently with the U.S. lawsuit. The Chinese lawsuit was therefore not vexatious or oppressive.<sup>232</sup> Nonetheless, since the test only requires one *Unterweser* factor to apply, the second stage was satisfied.

Finally, adopting *Microsoft*’s line of reasoning, the court was of the opinion that there was a “negligible impact on comity.”<sup>233</sup> Like *Microsoft*, the court thought that the ASI only temporarily restrained Huawei from enforcing the Chinese injunction until it could rule on the issues in front of the court.<sup>234</sup> In effect, the Chinese injunction was suspended for only a few months, while it remained possible for Huawei to seek damages.<sup>235</sup> Once again, the court also pointed to the fact that the Chinese injunction only involved two patents.<sup>236</sup> It must be noted, however, that the interference to comity in this case may be more severe than in *Microsoft*. Here, neither party was a U.S. enterprise, whereas in *Microsoft*, both parties were U.S. companies. Even though Huawei is not a state-owned enterprise, it is strategically important to China as one of the largest telecommunication companies in the country.

After *Huawei I*, the U.S. approach may be described as follows: (i) if there is a jurisdictional conflict between a U.S. suit on a global FRAND contract and a foreign patent infringement suit, the U.S. courts (or at least the Ninth Circuit) will adopt a rather liberal test for an ASI; (ii) however, if the conflict involves only a U.S. suit on global FRAND contract and a foreign suit on patent invalidity and/or antitrust filed by the implementer, the U.S. courts will be reluctant to grant an ASI. Accordingly, under this general proposition, the U.S. approach to ASIs is more favorable to standard implementer

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228. *Id.*

229. *Id.* at \*17.

230. *Id.* at \*26.

231. *Id.* at \*34.

232. *Id.* at \*37.

233. *Id.* at \*40.

234. *Id.* at \*39.

235. *Id.*

236. *Id.* at \*40. Note however that the Ninth Circuit discussed this under the “vexation” factor at stage two. See *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 882–86 (9th Cir. 2012).

than the SEP owner. While an ASI is only more likely to be granted under scenario (i) above, it is already sufficient to attract rather hostile reactions from foreign courts.<sup>237</sup>

In subsequent cases, the filing of ASIs in U.S. courts triggered foreign courts to issue AASIs.<sup>238</sup> These AASIs will be discussed further below. China, however, took the opposite path. Instead of issuing AASIs, Chinese courts took a page from the U.S. courts' playbook and began issuing ASIs. This, ironically, resulted in the U.S. court issuing an AASI against the Chinese ASI in *Ericsson Inc. v. Samsung Electronics Co. (Ericsson v. Samsung)*.<sup>239</sup> The preliminary injunction requires, inter alia, Samsung to reimburse Ericsson for any fines it incurs in China due to violating the Chinese ASI by litigating in the Texas action. Before we discuss *Ericsson*, we will first introduce the development of the Chinese approach to ASIs.

### B. China

After Chinese companies were on the receiving end of the ASIs in *TCL* and *Huawei I*, one might expect China to develop a kind of AASI as a defense. This is because China actually had a precedent for issuing that kind of injunction in an earlier maritime case.<sup>240</sup> With the determination of FRAND issues highly dependent on the governing law and thus the forum, the best way to ensure a country's standard is to ensure that its courts serve as the only fora. ASIs will greatly facilitate that. This explains why China did not pursue the AASI path and opted to develop its ASI regime.

However, there is no clear legal basis for granting ASIs under Chinese law.<sup>241</sup> Chinese civil procedure law also allows parallel proceedings.<sup>242</sup> This means that the Chinese courts may assume jurisdiction over a case even if another proceeding on the same matter has already been initiated in another country. These factors, combined with the first international response to the threat of a U.S. ASI being an AASI by a German court, suggest that Chinese courts should follow suit and grant an AASI to defend its jurisdiction against the encroachment of an U.S. ASI.<sup>243</sup> Surprisingly, China decided to take a

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237. See *infra* Part IV.D.

238. See, e.g., Cour d'appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426 (Fr.).

239. *Ericsson Inc. v. Samsung Elecs. Co.*, No. 2:20-CV-00380-JRG, 2021 WL 89980 (E.D. Tex. Jan. 11, 2021).

240. See Guangjian Tu, *The Latest Development on Anti-suit Injunction Wielded by Chinese Courts to Restrain Foreign Parallel Proceedings*, CONFLICTOFLAWS.NET (July 9, 2021), <https://conflictoflaws.net/2021/the-latest-development-on-anti-suit-injunction-wielded-by-chinese-courts-to-restrain-foreign-parallel-proceedings>.

241. See Tang, *supra* note 5.

242. See ZHENG SOPHIA TANG ET AL., CONFLICT OF LAWS IN THE PEOPLE'S REPUBLIC OF CHINA 91 (2016).

243. Landgericht München I [LG] [regional court Munich I] Oct. 2, 2019, 21 O 9333/19 (Ger.).

more aggressive approach and started granting ASIs instead. Out of the blue, the Supreme People's Court (SPC) granted an ASI under the behavior preservation provision of the Chinese Civil Procedure Law in *Huawei Technology Co. v. Conversant Wireless Licensing S.A.R.L. (Huawei II)*. Prior to the case, the provision was used for an entirely different purpose.<sup>244</sup> Ever since *Huawei II*, Chinese courts have issued four more ASIs in a span of just five months. Despite hostile countermeasures from foreign courts, there is no sign that Chinese courts are slowing down on the issuance of ASIs. To the contrary, Chinese courts have been even more aggressive than the U.S. courts in issuing ASIs.

### 1. Huawei v. Conversant

In *Huawei II*, the SPC granted an injunction prohibiting Conversant from enforcing an injunction against Huawei in Germany. The facts of the case greatly resemble those in *Microsoft*, as does the test adopted by the SPC.<sup>245</sup> The court set out a five-factor test to decide whether to issue an ASI.<sup>246</sup> These factors are as follows:

- (i) the effect of the enforcement of the foreign judgment on litigation in China;
- (ii) necessity of taking behavior preservation measures;
- (iii) the reasonable balance of the interests of the applicant and the respondent;
- (iv) whether the behavior preservation measures harm the public interest; and
- (v) consideration of international comity.<sup>247</sup>

Factor (i) relates to the disposition issue. The court considered that the enforcement of German injunction would have interfered with Chinese proceedings, thus making these proceedings and their resulting judgments meaningless.<sup>248</sup> However, this is no more than a conclusory statement without elaborating how the enforcement of the German injunction would lead to the negative effects. In particular, unlike *Microsoft*, where the U.S. courts were

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244. See Zhonghua Renmin Gongheguo Minshi Susong Fa (中华人民共和国民事诉讼法) [Civil Procedure Law of the People's Republic of China] (promulgated by the Standing Comm. Nat'l People's Cong., June 27, 2017, effective July 1, 2017), art. 100.; Tang, *supra* note 5.

245. Cotter; *supra* note 34, at 20; Tang, *supra* note 5.

246. Although the SPC did not mention it in the judgment, the test is clearly based on the SPC guideline on intellectual property preservation. See *infra* note 256 and *Oppo*, *supra* note 111 which applied the said guideline.

247. Huawei Jishu Youxian Gongsi Su Kang Wensen Wuxian Xuke Youxian Gongsi (华为技术有限公司诉康文森无线许可有限公司) [Huawei Tech. Co. v. Conversant Wireless Licensing S.A.R.L.], 2019 Zui Gao Fa Zhi Min Zhong No. 732, 733, 734 (Sup. People's Ct. Aug. 28, 2020) (China) [hereinafter *Huawei II*].

248. *Id.*

asked to set the *global* FRAND terms, the Chinese proceedings only relate to the setting of FRAND terms for *Chinese* patents.<sup>249</sup> It is therefore impossible to say that the Chinese proceedings would dispose of German proceedings that dealt with the infringement of German patents. It is, perhaps, for this reason that the SPC did not follow the exact terminologies adopted by the U.S. courts. However, in doing so, the Chinese test is clearly broader than its U.S. counterpart.

Any negative impact by enforcement is likely to be economic or strategic rather than legal. This is shown in the SPC's discussion in Factor (ii). If Samsung manages to enforce the German injunction, it will put pressure on Huawei to either be kicked out of the German market, or to accept the higher FRAND rate set by the German court (18.3 times higher than the rate set by the Chinese court).<sup>250</sup> Relatively speaking, the pressure imposed on Ericsson by a favorable Chinese judgment will be substantially reduced. This argument effectively resembles the vexation issue. However, the correlation (or in the term of the SPC court, necessity) between the enforcement of the German injunction and the Chinese proceedings may not be as obvious as the SPC made it out to be. Once again, the German injunction dealt with German patents, while the Chinese injunction dealt with Chinese patents. Accepting the German rate for the use of SEP in Germany *does not* mean that Huawei will have to pay the German rate in China for the Chinese patents. In fact, the Chinese rate will be set by the Chinese courts. Additionally, while the difference between the FRAND rates of the two countries appears to be substantial, it must be noted that even if a court is to set global FRAND rates, the rates are likely to be different for different parts of the world even if the SEPs belong to the same family.<sup>251</sup> The German rate was approved as being in compliance with the FRAND terms by the German court for using German patents in Germany. Even if it appeared to be high, the courts never discussed the underlying bases upon which the German court set the rate. In any event, it seems reasonable for Ericsson to want to set a high asking price for negotiation. It does not necessarily mean that the initial asking price will be the final price agreed upon by the parties. Factor (iv), public policy, is also another *Unterweser* factor,<sup>252</sup> though there was no substantive discussion there by the SPC.

Factors (iii) and (v) relate to the comity issue. Under both factors, the SPC relied substantially on the temporary nature of the ASI in the enforce-

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249. *Id.*

250. *Id.*

251. In *Unwired Planet v Huawei*, under the global rates set by the English court, the Chinese royalty rates were 50% lower than the rest of the world. *See Unwired Planet Int'l Ltd. v. Huawei Techs. Co.* [2020] UKSC 37, [47] (appeal taken from Eng.).

252. This is the frustration of a policy of the forum issuing the injunction. *See Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 882–86 (9th Cir. 2012).

ment of the German injunction. On first glance, this argument may be substantially the same as the one given in *Microsoft* and *Huawei I*. However, the impact on comity is indeed lower in this case, as the Chinese courts were only setting FRAND rates for Chinese patents. Ultimately, although the Chinese proceedings would still put pressure on Conversant to enter into a global license agreement and thus preempt its enforcement of the German injunction, the Chinese proceedings do not impose legal liability on Conversant if it decides not to enter into a global license. Under Factor (v), the SPC also considers the sequence of the litigations. As the Chinese proceedings were initiated first, the court thought that this justified the ASI from a comity perspective.<sup>253</sup>

In summary, the ASI test under *Huawei II* has a lower threshold compared with that of the United States (particularly due to its substitution of the disposition requirement with “negative effect,” and its more flexible application on vexatious and comity factors). In addition, non-compliance will be punished by a daily fine of RMB 1 million, and the ASI proceeding was conducted *ex parte*.<sup>254</sup> Although the judgment never referred to the national interest of China, subsequent reports of the case by the Chinese legal media complimented how the issuance of ASIs promoted the national interest of China.<sup>255</sup> The SPC also issued an “adjudication guidelines” in February 2021, codifying the five-factor test set out in *Huawei II*.<sup>256</sup>

## 2. ZTE v. Conversant

Within five months, four more ASIs were issued by lower courts. The simplest is *ZTE Corp. v. Conversant Wireless Licensing Co. (ZTE)*,<sup>257</sup> a companion case to *Huawei II*. The German injunction obtained by the Conversant also applied to ZTE. Thus, after *Huawei II*, ZTE applied to the Shenzhen Intermediate People’s Court for an ASI. The court directly applied the SPC’s

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253. *Huawei II*, *supra* note 247. The sequence of litigations was considered under the vexation issue in *Apple Inc. v. Qualcomm Inc.*, No. 3:17-cv-00108-GPC-MDD, 2017 U.S. Dist. LEXIS 145835, at \*23–24 (S.D. Cal. Sept. 7, 2017). Yet, it should be noted that the German proceedings were filed just three months after the Chinese proceedings. In *Apple*, that kind of time gap was not considered substantial enough to warrant designating foreign proceedings as vexatious. *Apple*, 2017 U.S. Dist. LEXIS 145835, at \*38–42.

254. *Huawei II*, *supra* note 247.

255. See, e.g., *The First Anti-Suit Injunction Issued by China’s Intellectual Property Trial—The Collegiate Panel of the Case Explained in Detail the Standard Essential Patent License Dispute Between Convension and Huawei*, INTELL. PROP. CT. OF THE SUPREME PEOPLE’S CT. (Feb. 26, 2021, 10:49 AM), <http://ipc.court.gov.cn/zh-cn/news/view-1056.html>.

256. Judgment Digests of the Intellectual Property Court of the Supreme People’s Court, SUPREME PEOPLE’S CT. (Feb. 26, 2021), <http://www.court.gov.cn/zixun-xiangqing-288131.html>.

257. Zhongxing Tongxun Gufen Youxian Gongsu Su Kang Wensen Wuxian Xuke Youxian Gongsu (中兴通讯股份有限公司诉康文森无线许可有限公司) [*ZTE Corp. v. Conversant Wireless Licensing Co.*], Yue 03 Min Chu No. 335 (Shenzhen Interm. People’s Ct. Sept. 28, 2020) (China).

reasoning for every factor and granted an ASI against the German injunction.<sup>258</sup> The case was selected as a Guangdong top ten intellectual properties event in 2020.<sup>259</sup> The Guangdong court system also highlighted how the case promoted the national interest of China through perfecting the ASI regime.<sup>260</sup>

### 3. Oppo v. Sharp

Another important case is *Oppo v. Sharp (Oppo)*, which was also selected as a 2020 Ten Landmark Intellectual Property Case by the SPC alongside *Huawei II*.<sup>261</sup> Here, the Shenzhen Intermediate People's Court issued another ASI against the Japanese company Sharp and its Chinese subsidiary in favor of Oppo, a major Chinese telecommunication company. The case is significant because it was considered to be the first case where a Chinese court issued a worldwide ASI, instead of targeting a specific jurisdiction, as was the case in *Huawei II*.<sup>262</sup> The expanded scope coincided with the Shenzhen Intermediate People's Court's confirmation that Chinese courts had jurisdiction to set the global FRAND rate in an earlier case between the same parties.<sup>263</sup> Prior to that decision, the UK Supreme Court (UKSC) was of the opinion that Chinese courts did not have such jurisdiction.<sup>264</sup> This formed the basis for the UKSC's rejection of ZTE's *forum non conveniens* claim.<sup>265</sup> Within just one month of that decision, Chinese courts quickly assumed the jurisdiction to set a global rate and further expanded the scope of its ASI to the world.<sup>266</sup> How-

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258. *Id.*

259. *See Top Ten Intellectual Property Cases in Guangdong Province in 2020*, GUANGDONG POL. & LEGAL NETWORK (Apr. 22, 2022), [http://www.gdzf.org.cn/zwgd/202104/t20210422\\_1073020.htm](http://www.gdzf.org.cn/zwgd/202104/t20210422_1073020.htm).

260. *Id.*

261. *See Top 10 IP Cases and 50 Typical IP Cases in Chinese Courts in 2020*, SUPREME PEOPLE'S CT. (Apr. 22, 2021), <https://www.court.gov.cn/zixun-xiangqing-297991.html>.

262. *See Request for Information Pursuant to Article 63.3 of the TRIPS Agreement, Communication from the European Union to China*, WTO Doc. IP/C/W/682 (June 7, 2021).

263. *Oppo*, *supra* note 111

264. *See Unwired Planet Int'l Ltd. v Huawei Techs. Co.* [2020] UKSC 37, [97] (appeal taken from Eng.).

265. *See id.* at [98].

266. *See Xiapu Zhushi Huishe, Sai'enbeiji Riben Zhushi Huishe Su OPPO Guangdong Yidong Tongxin Youxian Gongsu, OPPO Guangdong Yidong Tongxin Youxian Gongsu Shenzhen Fen Gongsu (夏普株式会社, 赛恩倍吉日本株式会社诉OPPO广东移动通信有限公司, OPPO广东移动通信有限公司深圳分公司)* [Sharp Corp. v. OPPO Guangdong Mobile Telecommunications Co.], 2020 Zhi Min Xia Zhong No. 517 (Sup. People's Ct. Aug. 19, 2021) (China). Interestingly, in a subsequent case regarding whether English court should decline jurisdiction on *forum non conveniens* in light of the Chinese courts' proclamation of its ability to set global rates, the English court did not consider that fact alone changed the analysis, and rejected to stay the proceedings based on the characterization of the English dispute as one primarily dealing with the infringement of UK patents. *See Nokia Techs. OY v. OnePlus Tech. (Shenzhen) Co.* [2021] EWHC (Pat) 2952 [36]–[48] (Eng.).

ever, the *Opportunity* court limited the worldwide ASI to Sharp filing new infringement cases or applying for new relief.<sup>267</sup> Thus, it did not affect the proceedings already filed in Germany, Taiwan, and Japan.<sup>268</sup> The court used the forward-looking nature of the ASI to justify its worldwide scope. The case was touted to have transformed China from a “follower of international intellectual property rules” to a “guide of international intellectual property rules.”<sup>269</sup>

#### 4. Xiaomi v. InterDigital

In *Xiaomi Communication Technology Co. v. InterDigital Holdings, Inc. (Xiaomi)*,<sup>270</sup> the Wuhan Intermediate People’s Court granted a worldwide ASI against InterDigital in favor of Xiaomi, which forbade InterDigital from claiming its SEPs against Xiaomi anywhere in the world, pending the court’s determination of a global FRAND rate. As Yu and Contreras indicate, this ASI is “more sweeping than any ASI issued in US or other countries in FRAND cases” because “its geographic scope is not limited to the country in which InterDigital sought injunctive relief (India).”<sup>271</sup> The scope is also broader than *Opportunity*, as it applied to existing foreign actions (one filed in India) and future actions (one subsequently filed in Germany).<sup>272</sup> Interestingly, the Wuhan court did not address the impact of the worldwide ASI on comity. Like *Opportunity*, the Wuhan court was also asked by the implementer (Xiaomi in this case) to set the global FRAND rate. These two cases therefore aligned the Chinese ASIs to *Microsoft* as far as the disposition issue is concerned, i.e., the setting of the global FRAND rate by Chinese courts would have resolved the foreign infringement actions filed by the SEP owners.

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267. Xiapu Zhushi Huishe, Sai’enbeiji Riben Zhushi Huishe Su OPPO Guangdong Yidong Tongxin Youxian Gongsi, OPPO Guangdong Yidong Tongxin Youxian Gongsi Shenzhen Fen Gongsi (夏普株式会社, 赛恩倍吉日本株式会社诉OPPO广东移动通信有限公司, OPPO广东移动通信有限公司深圳分公司) [Sharp Corp. v. OPPO Guangdong Mobile Telecommunications Co.], 2020 Zhi Min Xia Zhong No. 517 (Sup. People’s Ct. Aug. 19, 2021) (China).

268. *Id.*

269. See Request for Information Pursuant to Article 63.3 of the TRIPS Agreement, *supra* note 262.

270. See *Xiaomi Tongxun Jishu Gongsi Su Jiaohu Shuzi Gongsi* (小米通讯技术公司诉交互数字公司) [Xiaomi Commc’n Tech. Co. v. InterDigital Holdings, Inc.], E 01 Zhi Min Chu No. 431 (Wuhan Interm. People’s Ct. Sept. 23, 2020) (China).

271. Yang Yu & Jorge L. Contreras, *Will China’s New Anti-Suit Injunctions Shift the Balance of Global FRAND Litigation?*, PATENTLY-O (Oct. 22, 2020), <https://patentlyo.com/patent/2020/10/contreras-injunctions-litigation.html>.

272. See *Xiaomi Tongxun Jishu Gongsi Su Jiaohu Shuzi Gongsi* (小米通讯技术公司诉交互数字公司) [Xiaomi Commc’n Tech. Co. v. InterDigital Holdings, Inc.], E 01 Zhi Min Chu No. 431 (Wuhan Interm. People’s Ct. Sept. 23, 2020) (China).



### 5. Samsung v. Ericsson

The latest ASI case in China is *Samsung Electronics Co., v. Telefonaktiebolaget LM Ericsson* in which the Wuhan Intermediate People's Court similarly granted an injunction forbidding Ericsson from claiming its SEPs anywhere in the world pending the court's determination of a global rate.<sup>273</sup> Here, the Wuhan court made the ASI even more aggressive by adding an AAASI on top of the ASI.<sup>274</sup> Under this AAASI order, Ericsson was prohibited from asking the foreign court to enjoin Samsung's enforcement of the ASI.<sup>275</sup> This AAASI was probably prompted by the countering AASI issued by foreign courts against the ASIs issued in *Oppo* and *Xiaomi* (these AASIs will be further discussed below). The Wuhan court therefore sought to preempt these AASIs at the time of its issuance of the ASI. In the judgment, the court simply justified the AAASI under the first factor, claiming that the potential AASI issued by a foreign court would interfere with the Chinese proceedings. The court, however, did not address the potential added damage to comity caused by the AAASI. In the discussion of comity, it referred to the Chinese court as being the first seized court. Procedurally, the ASIs issued by the Chinese courts were generally made on an *ex parte* basis.<sup>276</sup> Ericsson was not aware of the ASI application by Samsung until the ASI was issued by the court on Christmas day in 2020.<sup>277</sup> It was Samsung who asked the Wuhan court not to notify Ericsson.<sup>278</sup> In the subsequent motion filed by Ericsson to reconsider the ASI, the Wuhan court explained that the *ex parte* application was necessary to prevent Ericsson from applying for an AASI in foreign courts.<sup>279</sup>

The wide scope of Chinese ASI is also shown in the persons subject to the injunction. All Chinese ASIs are directed to SEP owners and its associated companies (not just subsidiaries). As explained by the Wuhan court in *Samsung*, this is to ensure Ericsson could not sue Samsung through its associated companies.<sup>280</sup> Although extending the coverage of the ASI to all the associated companies appears to be overly broad, it may be justified by the fact that

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273. See Sanxing Dianzi Zhushi Huishe (三星电子株式会社诉爱立信公司) [Samsung Elecs. Co., v. Telefonaktiebolaget LM Ericsson], E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) (China).

274. *Id.*

275. *Id.*

276. The only exception appears to be *Oppo*.

277. Ericsson Inc. v. Samsung Elecs. Co., No. 2:20-CV-00380-JRG, 2021 WL 89980, at \*3 (E.D. Tex. Jan. 11, 2021).

278. See also *id.* at \*2. It appears that the *ex parte* application was suggested by Samsung in the first place. See *id.* at \*5.

279. See Sanxing Dianzi Zhushi Huishe (三星电子株式会社诉爱立信公司) [Samsung Elecs. Co., v. Telefonaktiebolaget LM Ericsson], E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) (China).

280. *Id.*

the SEP owners would usually give the FRAND undertaking on its own behalf and for its affiliates.<sup>281</sup>

Given the expansive scope of the Chinese ASI, a clash with the U.S. jurisdiction seemed inevitable. This happened when Ericsson applied to a U.S. court for an AASI to enjoin Samsung from enforcing the ASI obtained from the Wuhan court.<sup>282</sup> In deciding whether to grant an AASI, the U.S. court essentially applied the same test as *Microsoft* for ASI.<sup>283</sup> This provides an excellent opportunity to compare the two ASI regimes.

The U.S. proceeding was originally filed by Ericsson to determine the cross-licensing FRAND issues between the parties.<sup>284</sup> The AASI was initially filed by Ericsson as an emergency *ex parte* temporary restraining order (TRO).<sup>285</sup> The U.S. court granted the TRO and subsequently granted a preliminary injunction after a hearing.<sup>286</sup> The court's reasoning can be organized under the same three-issue framework. First, on the disposition issue, the court concluded that the Chinese and U.S. proceedings were not duplicative. In the court's words,

Samsung asks the Wuhan Court to determine the global licensing terms, including the FRAND royalty rates applicable for Samsung's communication products implementing all of Ericsson's 4G and 5G SEPs. Ericsson, on the other hand, asks this Court to look at the parties' pre-suit negotiation conduct and determine whether the parties breached or complied with their mutual FRAND obligations. The Wuhan Court is asked to provide a number. This Court is asked to evaluate conduct. The legal questions presented to each Court are different.<sup>287</sup>

In other words, the Chinese proceedings were concerned with licensing terms issues, while the U.S. proceedings were concerned with negotiation issues.<sup>288</sup> It is not surprising that the two courts disagree on the characterization of the issue. As mentioned above in the discussion of *Huawei II*, the SPC only requires foreign proceedings to negatively affect the Chinese proceedings,

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281. See, e.g., EUR. TELECOMMS. STANDARDS INST., ETIS INTELLECTUAL PROPERTY RIGHTS POLICY 43 (2021), <https://www.etsi.org/images/files/IPR/etsi-ipr-policy.pdf>; *Unwired Planet Int'l Ltd. v. Huawei Techs. Co.* [2020] UKSC 37, [14] (appeal taken from Eng.).

282. *Ericsson*, 2021 WL 89980.

283. *Id.* at \*3–4. Note that the AASI test adopted by the Texas court only includes the analysis of the *Unterweser* factors and thus only the second stage of the three-stage inquiry for ASI adopted by the Ninth Circuit. The analysis of the first stage is incorporated in the analysis of the “vexation” factor, namely, “the extent to which the foreign suit is duplicative of the litigation in the United States,” while third stage was covered by the factor regarding other equitable principles. *Id.* at \*4–7.

284. *Id.* at \*6 & n.10.

285. *Id.* at \*3.

286. *Id.*

287. *Id.* at \*6.

288. See *supra* notes 55–56 and accompanying text.

including economic and strategic effects,<sup>289</sup> given the interrelated nature of the licensing terms and negotiation issues. However, under the U.S. standard, even if the issues are interrelated, the determination of the royalty rates will not result in violation of the FRAND commitment in the negotiation process.

On the vexation issue, the U.S. court took issue on the *ex parte* application process of the Chinese ASI. Although the AASI application in the U.S. court was also initiated as an *ex parte* TRO, the court distinguished it from the *ex parte* process in China on both the duration and burden of proof to overturn the injunction. While the TRO typically lasts no more than fourteen days pursuant to the Federal Rules of Procedure, the Chinese ASI lasts until the end of the Chinese proceedings, which could take years.<sup>290</sup> Once the TRO lapses, the petitioner has the burden of proof in the subsequent motion for preliminary injunction. However, in the Chinese ASI process, if the injunction is to be overturned, it is the respondent who has the burden of proof in the motion to reconsider, which must be filed within five days of the ASI. Against this backdrop, the U.S. court was of the opinion that Samsung's real motivation behind the ASI was to weaken Ericsson's negotiating position regarding cross-licensing.<sup>291</sup> Comparatively, considering that the United States is the largest market for both parties, the U.S. proceedings were not vexatious or oppressive, to which Samsung also agreed.<sup>292</sup> Accordingly, the U.S. court concluded the Chinese ASI resulted in an inequitable hardship on Ericsson.<sup>293</sup> In addition, the court also considered the worldwide nature of the Chinese ASI to be inequitable. With this ASI, Samsung limited Ericsson to litigate on FRAND disputes in the Wuhan Court, yet it filed injunctive relief in the U.S. International Trade Commission. The court considered this disparity in tribunal to be "the height of inequity (and hypocrisy)."<sup>294</sup> Overall, the court was highly critical of Samsung's litigation strategy, saying that the FRAND issues "should be resolved on the merits and not based on unfair economic leverage gained through litigious gamesmanship. Equity demands no less."<sup>295</sup>

On interference to comity, it is much easier to justify the AASI than the ASI given that the former only seeks to preserve the local proceedings instead of interfering with foreign proceedings. Even after the AASI was granted, Samsung could still continue with the Wuhan proceedings regarding global royalty rates. The U.S. court also referred to the private nature of the FRAND litigation, just as the Ninth Circuit did in *Microsoft*.<sup>296</sup> The contrast between

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289. See *supra* notes 248–49 and accompanying text.

290. *Ericsson*, 2021 WL 89980, at \*5.

291. *Id.* ("Ericsson argues this was the real motivation behind the ASI. This Court does not disagree.").

292. *Id.*

293. *Id.*

294. *Id.* at \*7.

295. *Id.*

296. *Id.*

the courts' comity considerations is particularly apparent if one refers to the Wuhan court's judgments. The Wuhan court only cited the fact that it was the first seized court to justify interference to international comity.<sup>297</sup> In its subsequent motion to reconsider, the court did not provide any further justification on comity.<sup>298</sup>

To minimize the impact on comity and intrusion to the Chinese jurisdiction, the U.S. court declined to grant Ericsson's request to order Samsung to withdraw the ASI, keeping the AASI's scope to the preservation of the court's jurisdiction on U.S. patents only.<sup>299</sup> To do otherwise would certainly help Ericsson, since it would no longer be subject to the worldwide ASI in a third country (such as Germany). However, the court's decision is certainly sensible, as some U.S. courts have long cautioned that the United States should not seek to play the role of police:

Comity dictates that foreign antisuit injunctions be issued sparingly and only in the rarest of cases. The days of American hegemony over international economic affairs have long since passed. The United States cannot today impose its economic will on the rest of the world and expect meek compliance, if indeed it ever could. The modern era is one of world economic interdependence, and economic interdependence requires cooperation and comity between nations. In an increasingly international market, commercial transactions involving players from multiple nations have become commonplace. Every one of these transactions presents the possibility of concurrent jurisdiction in the courts of the nations of the parties involved concerning any dispute arising in the transaction.<sup>300</sup>

Furthermore, the court did not seek to directly interfere with the Chinese court's penalty for non-compliance with the ASI. Instead, the court simply ordered Samsung to indemnify Ericsson for any such penalty.<sup>301</sup>

## 6. Comparison between the United States and China

The ASI regimes of China and the United States share many characteristics. Both countries remain the only jurisdictions to date that have issued ASIs in FRAND matters. This similarity is understandable. FRAND terms relate to standard setting in the most cutting-edge technologies for the world. With the two countries being the largest technology markets in the world, they

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297. Sanxing Dianzi Zhushi Huishe (三星电子株式会社诉爱立信公司) [Samsung El-ecs. Co., v. Telefonaktiebolaget LM Ericsson], E 01 Zhi Min Chu No. 743 (Wuhan Intern. People's Ct. Dec. 25, 2020) (China).

298. *Id.*

299. *Ericsson*, 2021 WL 89980, at \*8.

300. *Gau Shan Co. v. Bankers Trust Co.*, 956 F.2d 1349, 1354 (6th Cir. 1992) (internal citation omitted).

301. *Ericsson*, 2021 WL 89980, at \*8.

share strong motivations to impose their own standards on FRAND terms. The U.S. interest in protecting its jurisdiction on intellectual property matters is well documented. This is reflected in a number of *forum non conveniens* cases. For example, in *Mintel Learning Technology, Inc. v. Beijing Kaidi Education & Technology Development Co., Ltd.*, the court stated that “the local interest in resolving a local controversy at home weighs heavily in favor of California as the place of trial. A forum has a significant interest in protecting the intellectual property of its citizens and businesses from infringement by foreign defendants.”<sup>302</sup> For China, it has been observed that technological innovation has become a “unique political and economic interest,”<sup>303</sup> motivating Chinese courts to exercise jurisdiction to promote China’s national interests.<sup>304</sup> In particular, both countries’ courts are now capable of setting global FRAND rates. For China, it has the motivation to set a lower royalty rate because most of its largest technology companies are standard implementers rather than SEP owners. Its lower royalty rate in general is well illustrated in *Huawei II*, with the Chinese rate being 18.3 times lower than the German rate.<sup>305</sup>

The ASI would mean nothing if it could not bind these sophisticated players in the technology industries. It is clear that ASIs would ordinarily not be legally enforced outside the issuing court’s country.<sup>306</sup> The real enforcement mechanism lies with the ability to conduct business operations in these countries’ respective markets. None of the key players in the technology world could afford to lose these two markets, and failure to follow their orders would mean exactly that. In *Buchanan v. Rucker*,<sup>307</sup> one of the most quintessential common law jurisdiction cases, the law of the island of Tobago allowed its courts to assume jurisdiction over any person in the world by nailing a writ on the courthouse door on the island. This practice was ridiculed by the English court: “how could that be obligatory upon the subjects of other countries? Can the Island of Tobago pass a law to bind the rights of the whole world? Would the world submit to such an assumed jurisdiction?”<sup>308</sup> One might wonder if the end result is the same if England, a dominating market at the time, and Tobago, an insignificant market economically, swapped places in the case. Ridiculous as that may sound, laws passed by the United States and China are indeed applied extraterritorially.<sup>309</sup> The ASI is just another, though even more aggressive, example of such extraterritorial assertion.

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302. *Mintel Learning Tech., Inc. v. Beijing Kaidi Educ. & Tech. Dev. Co.*, No. C 06-7541 PJH, 2007 WL 2403395, at \*11 (N.D. Cal. Aug. 20, 2007).

303. *See* Brief of 13 Professors, *supra* note 139, at 8.

304. *See* TANG ET AL., *supra* note 242, at 50.

305. *Huawei II*, *supra* note 247.

306. *Id.*

307. *Buchanan v. Rucker* (1808) 103 Eng. Rep. 546, 9 East 192 (KB).

308. *Id.* at 194.

309. *See, e.g., Laker Airways Ltd. v. Sabena, Belgian World Airlines*, 731 F.2d 909 (D.C. Cir. 1984).

That said, if we were to compare the two ASI regimes, it is clear that China, while being an up-and-comer in ASI use, is now more aggressive than the United States. To date, China has issued the most ASIs in FRAND cases worldwide.<sup>310</sup> In addition, all Chinese applications were successful, while a couple of cases in the United States failed, most notably the *Apple* case.<sup>311</sup> Also, as highlighted above, the ASI orders from China applied much more broadly. The last three ASIs from China apply worldwide, whereas the U.S. ASIs only target litigation in specific jurisdictions.<sup>312</sup> China also remains the only jurisdiction that has issued an AAASI on FRAND disputes.<sup>313</sup>

China is also more aggressive in setting global FRAND rates.<sup>314</sup> To date, although the U.S. courts have assumed the role of setting global FRAND rates in several cases, the parties involved have all voluntarily submitted to the determination of the global rates.<sup>315</sup> However, Chinese courts may set global rates against the opposition of the parties, as seen in *Samsung*.<sup>316</sup>

Another important but often overlooked dimension is the much lower jurisdictional threshold of Chinese courts in issuing the ASI. Although Chinese courts did not explicitly explain the *in personam* nature of ASIs, it is implied in the judgments. Having personal jurisdiction over the subject of the ASI is therefore necessary. In *ZTE*, Conversant challenged the Chinese court's personal jurisdiction over it, as it did not have a branch in China.<sup>317</sup> Characterizing FRAND disputes as outside the jurisdictional categories of either contract or property, the SPC formulated a new rule that jurisdiction on FRAND disputes could be obtained after the court considers some factors, including the place of negotiation, place of performance, and whether the party has assets in China.<sup>318</sup> In *Oppo*, the Shenzhen Intermediate People's Court further

310. See *supra* Table 1.

311. *Id.*

312. See *Oppo*, *supra* note 111; Xiaomi Tongxun Jishu Gongsi Su Jiaohu Shuzi Gongsi (小米通讯技术公司诉交互数字公司) [Xiaomi Commc'n Tech. Co. v. InterDigital Holdings, Inc.], E 01 Zhi Min Chu No. 431 (Wuhan Interm. People's Ct. Sept. 23, 2020) (China); Sanxing Dianzi Zhushi Huishe (三星电子株式会社诉爱立信公司) [Samsung Elecs. Co., v. Telefonaktiebolaget LM Ericsson], E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) (China).

313. See Sanxing Dianzi Zhushi Huishe (三星电子株式会社诉爱立信公司) [Samsung Elecs. Co., v. Telefonaktiebolaget LM Ericsson], E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) (China).

314. See *Oppo*, *supra* note 111.

315. See *Unwired Planet Int'l Ltd. v. Huawei Tech. Co. Ltd.* [2020] UKSC 37, [68]–[74] (appeal taken from Eng.); Brief of Amici Curiae Senator Thom Tillis et al., *supra* note 138, at 14–16.

316. See Brief of Amici Curiae Senator Thom Tillis et al., *supra* note 138, at 14–16.

317. See *Zhongxing Tongxun Gufen Youxian Gongsi Su Kang Wensen Wuxian Xuke Youxian Gongsi* (中兴通讯股份有限公司诉康文森无线许可有限公司) [ZTE Corp. v. Conversant Wireless Licensing Co.], Yue 03 Min Chu No. 335 (Shenzhen Interm. People's Ct. Sept. 28, 2020) (China).

318. *Id.*

pushed the boundaries by assuming jurisdiction over Sharp, the Japanese parent company that did not have operation in China, for owning Chinese patents. It was not clear whether these Chinese patents were involved in the FRAND dispute in question.<sup>319</sup> The Shenzhen Court decision was subsequently upheld by the SPC.<sup>320</sup>

The SPC also rejected the *forum non conveniens* request by the SEP owner previously.<sup>321</sup> Given the highly stringent rules on *forum non conveniens* in China, such requests are unlikely to be successful.<sup>322</sup> Meanwhile, lack of personal jurisdiction remains a viable defense in U.S. ASI cases for non-U.S. companies. This was the case in *Lenovo (U.S.) Inc. v. ICom GmbH & Co.*<sup>323</sup> As a German incorporated non-practicing entity with no clear presence in the United States, ICom has been resisting the assumption of jurisdiction by U.S. courts.<sup>324</sup> A lower jurisdictional threshold under Chinese law greatly facilitates the possible range of the Chinese ASI.

The combination of a lower jurisdictional threshold, worldwide ASIs, the availability of preemptive AAASIs, and involuntary setting of global rates, gives Chinese courts huge advantages in power-grabbing jurisdictions on FRAND matters. In one amicus brief in the appeal of *Ericsson v. Samsung* at the Federal Court of Appeals, the Chinese ASI regime was said to have given Chinese courts a monopoly on FRAND matters and made them the “one court to rule them all.”<sup>325</sup> In the motion to reconsider the same case in China, Ericsson even argued that the ASI practice was essentially a compulsory technology transfer.<sup>326</sup>

The differences between the ASI approaches may once again be explained by differences in national interests. Of the five ASIs issued by Chi-

319. See *Oppo*, *supra* note 111.

320. See Xiapu Zhushi Huishe, Sai'enbeiji Riben Zhushi Huishe Su OPPO Guangdong Yidong Tongxin Youxian Gongs, OPPO Guangdong Yidong Tongxin Youxian Gongs Shenzhen Fen Gongs (夏普株式会社, 赛恩倍吉日本株式会社诉OPPO广东移动通信有限公司, OPPO广东移动通信有限公司深圳分公司) [*Sharp Corp. v. OPPO Guangdong Mobile Telecommunications Co.*], 2020 Zhi Min Xia Zhong No. 517 (Sup. People's Ct. Aug. 19, 2021) (China).

321. See Kang Wensen Wuxian Xuke Youxian Gongs Zhongxing Tongxun Gufen Youxian Gongs zhuanli hetong jiu fen (康文森无线许可有限公司, 中兴通讯股份有限公司专利合同纠纷) [*Conversant Wireless Licensing Co v. ZTE Corp.*], 2019 Zhi Min Xia Zhong No. 157 (Sup. People's Ct. Aug. 21, 2020) (China).

322. See SUPREME PEOPLE'S CT., INTERPRETATIONS OF THE SUPREME PEOPLE'S COURT ON THE APPLICABILITY OF THE CIVIL PROCEDURE LAW OF THE PEOPLE'S REPUBLIC OF CHINA art. 532 (2015); TANG ET AL., *supra* note 242, at 108–116.

323. See *Lenovo (U.S.) Inc. v. ICom GmbH & Co.*, No. 5:19-cv-01389-EJD, 2019 WL 6771784 (N.D. Cal. Oct. 25, 2019).

324. *Id.* at \*3–4.

325. See Brief of Amici Curiae Senator Thom Tillis et al., *supra* note 138, at 9.

326. Sanxing Dianzi Zhushi Huishe (三星电子株式会社诉爱立信公司) [*Samsung El-ecs. Co., v. Telefonaktiebolaget LM Ericsson*], E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) (China).

nese courts, four were issued in favor of Chinese telecommunication companies (Huawei, Oppo, Xiaomi, and ZTE), which happened to be four of the largest telecommunication companies in China.<sup>327</sup> Despite none of them being state-owned enterprises, they are all considered indispensable for the furtherance of Chinese national strategies.<sup>328</sup> The only exception is Samsung, a Korean company that has large manufacturing facilities in China. This is not to suggest that the Chinese courts were biased in the ruling of the specific ASI, but rather that the national interest in furthering the Chinese standard of resolving FRAND disputes likely prompted the SPC to design an ASI regime that would better facilitate such interests, should the ASI be granted. The position of the United States is more complicated. Unlike China, the United States has both large implementers and owners. Technology giants such as Apple and Microsoft are usually both major SEP owners and implementers, concurrently. From the cases, we can see that courts have been struggling with the balancing the protection of both the SEP owners and implementers. This probably explains not only the U.S. courts' less aggressive ASI rules but also the United States' status as the only jurisdiction in the world, to date, that has issued both ASIs and AASIs in FRAND litigations.<sup>329</sup>

### C. England

While the United States and China represent the first group of aggressive users of ASIs, the second group comprises of jurisdictions that simply countered ASIs from the first group by issuing AASIs.<sup>330</sup> This group of countries includes England, France, India, and Germany. There are clearly common considerations in their decisions to issue AASIs in response to ASIs issued by or ASI applications in Chinese or U.S. courts. However, each country also has its own unique considerations, influenced by its respective legal traditions and national interests.

As the original ASI-issuing country, England and its courts have been issuing ASIs for centuries.<sup>331</sup> Since the UKSC has ruled that the English courts have jurisdiction to set global FRAND rates, even if the parties do not agree,<sup>332</sup> one might expect English courts to be active in issuing ASIs, like

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327. See *supra* text accompanying note 27; Team Counterpoint, *Global Smartphone Market Share: By Quarter*, COUNTERPOINT RSCH. (Feb. 8, 2022), <https://www.counterpoint-research.com/global-smartphone-share> (showing the sizeable smartphone market share of these companies).

328. See Milhaupt & Zheng, *supra* note 27.

329. See *supra* Table 1.

330. Thus, despite the fact that the U.S. courts also granted an AASI in *Ericsson v. Samsung*, the United States did not fall into the second group.

331. See HARTLEY, *supra* note 3, at 412–24.

332. See *Unwired Planet Int'l Ltd. v. Huawei Techs. Co.* [2020] UKSC 37, [97] (appeal taken from Eng.).



their counterparts in the United States and China. However, due to the different ASI test under English law, a more “flexible” view on the setting of global FRAND rate and a different national interest on FRAND-encumbered SEPs, the English courts have adopted a vastly different perspective of AASIs. We first look at the AASI that was actually issued by the English court.

In *IPCom v. Lenovo (IPCom)*, IPCom asked the English court to enjoin the English companies of the Lenovo Group (English companies) from assisting the U.S. companies of the same group (U.S. companies) in their ASI application in a California court.<sup>333</sup> The court stated that the test for an AASI is substantially similar to that of an ASI, except that greater caution needs to be applied in granting AASIs, since “there is an even greater danger of interfering improperly with the conduct of foreign proceedings.”<sup>334</sup>

First, this test provides that an English court may restrain a defendant who is subject to the court’s jurisdiction from instituting or continuing foreign proceedings when it is necessary in the interests of justice to do so.<sup>335</sup> This will often be the case when the court finds that the foreign proceeding is vexatious or oppressive.<sup>336</sup> In order to establish vexation or oppression, the court will essentially go through a reverse exercise of *forum non conveniens*, namely, (1) a finding that the English court is a natural forum, and (2) that justice requires the claimant to refrain from continuing in the foreign proceedings.<sup>337</sup> Second, the court must consider the restraining influence of comity.<sup>338</sup> “The stronger the connection of the foreign court with the parties and the subject matter of the dispute, the stronger the argument against intervention.”<sup>339</sup> Ultimately, the court retains the discretion to grant an ASI.<sup>340</sup> More specifically on AASI, the judge added that the less that an English AASI would interfere with foreign proceedings, the more likely that the court would exercise its discretion.<sup>341</sup>

Compared with the test applied by the Ninth Circuit, the English test focuses more heavily on the second and third stages of the analysis: vexation and comity.<sup>342</sup> Although the disposition issue is not officially a component of the test, the English court did make a similar analysis of it in this case.<sup>343</sup> The

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333. *IPCom GmbH & Co. v. Lenovo Tech. Ltd.* [2019] EWHC (Pat) 3030 (Eng.).

334. *Id.* at [20]. This remark is puzzling since an AASI usually will not prohibit the original proceeding in the foreign court but to fend off the encroachment of the local court’s jurisdiction. This point however has not been further explained by the court.

335. *See id.* at [21].

336. *Id.*

337. *Id.*

338. *Id.*

339. *Id.*

340. *Id.*

341. *See id.* at [24].

342. The tests on ASIs by the two countries clearly share a lot of similarities. *See HARTLEY, supra* note 3, at 279.

343. *IPCom*, [2019] EWHC at [46].

court pointed out that the U.S. and English proceedings did not overlap. The U.S. proceedings were brought by the U.S. companies and dealt with the settlement of a global FRAND license and the two U.S. patents. The English proceedings, however, were against the UK companies and were only concerned with the infringement and validity of the UK designation of a European patent.<sup>344</sup> In addition, since the AASI sought by IPCom was only to prohibit the UK companies from assisting the U.S. ASI against the UK proceedings,<sup>345</sup> it would not even prevent the U.S. companies from continuing the ASI in the U.S. courts or initiating substantive proceedings there. Thus, the interference with foreign proceedings was much less than a usual AASI.<sup>346</sup> However, this distinction is still rather technical, following the aged-old argument that the ASI is *in personam*,<sup>347</sup> and puts much less weight on the fact that the UK and U.S. companies are functionally the same parties as under the U.S. ASI test.<sup>348</sup>

On the vexation issue, the court thought that the English court was “very clearly” the natural forum, considering that the patent was an English one, and its validity could only be decided by the English court.<sup>349</sup> Should the ASI prevail, no court in the world, including the U.S. court, could decide that issue.<sup>350</sup> This “only court” argument is invariably present in all AASI decisions below. Another core argument made here is that the local patent infringement proceeding is justified as a means to prevent “holding out” by the implementer: “[t]he only realistic means a patentee of a standard essential patent has to move things forward is to bring an action for infringement. . . . If the present action were to be brought to a halt, that means of bringing pressure would vanish together.”<sup>351</sup> Depriving this right to litigate infringement in England would therefore be vexatious and oppressive to IPCom.<sup>352</sup> This extends to the UK companies even if their role was only to assist and sanction the U.S. ASI.<sup>353</sup> Accordingly, even though the English acknowledged that both parties were content to have the U.S. court to settle the FRAND term, English court was clearly the more appropriate forum.<sup>354</sup>

On comity, apart from reiterating the limited interference to the U.S. proceedings highlighted above, the court specifically addressed Lenovo’s argument that the English court should leave the U.S. court to reject the ASI. The judge believed that there was a risk that the U.S. court would assume that the

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344. *Id.*

345. *See id.* at [15].

346. *See id.* at [47].

347. *See id.* at [23].

348. *See* Microsoft Corp. v. Motorola, Inc., 696 F.3d 872, 882–83 (9th Cir. 2012).

349. *See* IPCom, [2019] EWHC at [48].

350. *Id.* at [49].

351. *Id.* at [51].

352. *See id.* at [52].

353. *See id.* at [53].

354. *See id.* at [48].

UK companies were allowed to sanction the U.S. companies' ASI motion. Granting the AASI here would thus eliminate the risk. However, commentators have often argued that courts, in considering whether to issue an ASI, should not do so where the foreign court could have declined jurisdiction itself by *forum non conveniens*. "If the foreign court has not yet considered the question [of *forum non conveniens*], it is hard to see the justification for preempting its decision with an injunction."<sup>355</sup> This would preserve comity. By analogy, given that the U.S. court has yet to rule on the ASI motion, it will be in the interest of comity to take that "risk" and trust the U.S. court in making the right decision. The choice to intervene anyway shows that, at least in FRAND litigations, national interest trumps the elusive comity consideration for the English court. Finally, the court did not find the fact that the U.S. court was the first seized court to be significant.<sup>356</sup>

Turning to the question of the lack of ASIs issued by the English court in FRAND litigations, it may be attributed to four reasons: (1) the English ASI test is more stringent in certain aspects; (2) the view of the English court in setting global FRAND rates; (3) restriction on ASIs issued by the English court against EU member states pursuant to the Brussels Recast Regulation; and (4) the lack of emphasis on public (or national) interest by the English court in private international law.

As highlighted above, the finding of vexation requires the English court to be the natural forum.<sup>357</sup> This is, however, not a requirement under either U.S. or Chinese law on ASIs. For example, in *Samsung*, neither company was based in China.<sup>358</sup> While the case certainly involves Chinese patents, Samsung's underlying request was, however, to set global FRAND rates.<sup>359</sup> If the Chinese patents do not account for a substantive share of the SEP portfolio in question, China may not be the natural forum to the case. Although the UKSC confirmed in *Unwired* that it could set a global FRAND rate,<sup>360</sup> it did not consider foreign proceedings regarding the validity of foreign patents and the rate setting as being mutually exclusive. In that case, the UKSC approved that the proposed formula for the global rate can always include a contingency in which some patents would subsequently be found invalid or not essential.<sup>361</sup>

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355. See Hartley, *supra* note 67, at 507; see also Lowenfeld, *supra* note 19, at 323 (proposing such rule in an international convention).

356. See *IPCom*, [2019] EWHC at [57].

357. See *id.* at [21].

358. Sanxing Dianzi Zhushi Huishe (三星电子株式会社诉爱立信公司) [*Samsung Elecs. Co., v. Telefonaktiebolaget LM Ericsson*], E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) *Samsung Elecs. Co., v. Telefonaktiebolaget LM Ericsson*, E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) (China).

359. *Id.*

360. See *Unwired Planet Int'l Ltd. v. Huawei Techs. Co.* [2020] UKSC 37, [97] (appeal taken from Eng.).

361. *Id.* at [64] ("If an implementer is concerned about the validity and infringement of particularly significant patents or a group of patents in a particular jurisdiction which might

In those cases, the formula would simply adjust the global rate to reflect the invalid patents.<sup>362</sup> Accordingly, concurrent proceedings of the English global rate setting and the foreign invalidity suit are certainly acceptable to the English court. In other words, the foreign patent invalidity suit will not generally be considered vexatious. This aligns with what the U.S. court decided in the *Apple* case, and probably the reason why ASIs by the English court against the concurrent Chinese proceedings on patent validity never came into the picture. However, this formula does not work against the reverse case, such as *Microsoft*, where it was the SEP owner who filed the overseas proceeding on the basis of patent infringement. This was also the case in *Unwired*. Apart from the Chinese proceedings, another concurrent litigation on patent infringement was proceeding in Germany. However, the English court was, at the time, forbidden from issuing ASIs against fellow EU member states by the Brussels Recast Regulation. Although there was no such express article under the Brussels Recast Regulation, the European Court of Justice laid down such a rule in *Turner v. Grovit* that “a prohibition imposed by a court, backed by a penalty, restraining a party from commencing or continuing proceedings before a foreign court undermines the latter court’s jurisdiction to determine the dispute.”<sup>363</sup> The European Court of Justice (ECJ) insisted that ASIs against member states would be against the spirit of mutual trust and harmonization embedded in the Regulation. Thus, it would be impossible for the English court to enjoin the concurrent German proceedings in *Unwired*. Nevertheless, after Brexit, England was no longer bound by the Regulation and *Turner v. Grovit*. It is, therefore, more likely for England to issue ASIs against EU member states in the future.

There is a lack of emphasis on public (or national) interest by English courts in private international law traditionally.<sup>364</sup> This is not to say that England is immune from pursuing self-interest. Rather, its national interests may be different from other countries. By technology market share, England certainly trails behind China and the United States. Its interest in setting a global rate may have more to do with its status as an international dispute center.<sup>365</sup>

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have a significant effect on the royalties which it would have to pay, it might in our view be fair and reasonable for the implementer to reserve the right to challenge those patents or a sample of those patents in the relevant foreign court and to require that the licence provide a mechanism to alter the royalty rates as a result. It might also be fair and reasonable for the implementer to seek to include in the licence an entitlement to recover sums paid as royalties attributable to those patents in the event that the relevant foreign court held them to be invalid or not infringed . . .”).

362. *Id.*

363. Case C-159/02, *Turner v. Grovit*, ECLI:EU:C:2004:228, ¶ 27 (Apr. 27, 2004).

364. Richard Fentiman, *Anti-Suit Injunction*, in *ENCYCLOPEDIA OF PRIVATE INTERNATIONAL LAW* 79, 81 (Jürgen Basedow et al. eds., 2017).

365. See RICHARD FENTIMAN, *INTERNATIONAL COMMERCIAL LITIGATION* 8 (2nd ed. 2010) (“The [English] Commercial Court, established to adjudicate ‘any claim arising out of the transaction of trade and commerce’, is regarded by litigants, and by the court itself, as an international not local tribunal. Consistently, a majority of disputes initiated concern at least

While that might still give England an interest to issue ASIs, this interest might not be as strong as that of China or the United States in their respective quests to lead the technology market.<sup>366</sup>

In the end, the English court entertained issuing an ASI in a past FRAND case. In *Unwired v. Huawei*, Unwired asked the court to enjoin Huawei's proceeding in China after the English court ruled previously that Huawei infringed certain Unwired's SEPs over wireless telecommunications standards.<sup>367</sup> The substance of the application was compromised before the court could rule on whether to grant the ASI.<sup>368</sup> However, the English court indicated that if there were no such compromise, it would have granted an AASI.<sup>369</sup> Should this happen in the future, England may join China and the United States as an aggressor in the first group.

#### D. France

In the dispute between Lenovo and IPrCom, the French Court of Appeals also issued an AASI against the ASI application in the United States.<sup>370</sup> However, despite certain similarities, the bases of the French AASI were different from those of the English AASI.

Since ASIs are a common law product, it is surprising that the French court would issue an AASI. Generally, civil law countries find ASIs offensive, or even against international law.<sup>371</sup> Also, as elaborated in Part II above, AASIs are fundamentally different from ASIs, in that the former aims to protect the local court's jurisdiction while preserving the underlying proceedings in the foreign court, but the purpose of the latter is to stop foreign court(s) from adjudicating the case.<sup>372</sup> This forms the basis of the French court's decision in *Lenovo v. IPrCom*.

The background of the U.S. ASI was set out above. Apart from seeking an AASI from the English court, IPrCom also sought an AASI from the French court.<sup>373</sup> The Paris Court of First Instance granted an AASI against the U.S.

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one party which is not English, of which many are disputes involving two foreign parties."); *see also* Jane Croft, *London Cements Position as Hub for Telecoms Patent Disputes*, FIN. TIMES (June 16, 2021), <https://www.ft.com/content/af93f7c8-c291-41d3-8d4c-b45c55b61d75>.

366. Maintaining an image of neutrality is also important. *See* Fentiman, *supra* note 364, at 81 (stating that some "legal systems seek only to vindicate the private rights of the parties to the exclusion of other considerations, an approach followed . . . in England").

367. *Unwired Planet Int'l Ltd. v. Huawei Techs. Co.*, [2017] EWHC (Pat) 2831 (Eng.) at [5]–[7].

368. *Id.* at [1].

369. *Id.* at [13].

370. Cour d'appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426 (Fr.).

371. *See, e.g.*, Contreras & Eixenberger, *supra* note 1, at 455; *see also* Case C-159/02, *Turner v. Grovit*, ECLI:EU:C:2004:228 (Apr. 27, 2004). Importantly, none of the justices sitting in that case came from common law jurisdictions. *Id.*

372. *See supra* text accompanying notes 92–93.

373. *See* Cour d'appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426, paras. 11–13 (Fr.).

companies of Lenovo, ordering them to withdraw their ASI motion from the U.S. court as it relates to ICom's infringement action in France regarding the French part of a European patent against the Lenovo entities.<sup>374</sup> In addition, the AASI had a worldwide effect and prohibited U.S. companies from filing new ASI proceedings before any foreign court.<sup>375</sup> Violation of the AASI will subject Lenovo to a penalty of EUR 200,000 per infringement and for each day's delay of compliance from the date of issue of the judgment.<sup>376</sup> This AASI happened to be issued on the same day as the English AASI.<sup>377</sup> The U.S. companies withdrew their U.S. ASI motion regarding the French proceedings accordingly but appealed the first-instance decision to the Paris Court of Appeal, which by then had the full benefit of reading the English judgment.<sup>378</sup> In addition, the Paris Court of First Instance, in a subsequent order, rejected ICom's application for a provisional ban, as it considered the measures of prohibition, recall, and confiscation disproportionate in light of the soon-to-be expired patent in question.<sup>379</sup>

With no ASI rules in its legal system, the Paris Court of Appeals resorted to Article 835 of the Code of Civil Procedure. This article allows the president of the Court of First Instance to order interim protective measures or restoration measures to put an end to a manifestly unlawful disturbance.<sup>380</sup> The language of the article resembles Article 100 of Chinese Civil Procedure Law.<sup>381</sup> Given the earlier date of the French judgment, it is possible that the SPC used Article 835 as a reference before deciding to make use of Article 100 in *Huawei II*.<sup>382</sup> Despite the different legal bases, the French court still considered the same three core issues.

On the disposition issue, the French court found the U.S. and French actions to be distinct.<sup>383</sup> The U.S. action concerned the contractual liability for breaching the FRAND commitment and the setting of the global FRAND rate.<sup>384</sup> “[I]t does not relate to the infringement of the patent in dispute and . . . the outcome of the infringement action in France is not [of] interest [to]

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374. *Id.* at para. 13.

375. *Id.*

376. *Id.*

377. *See id.* at para. 14. Though it does not appear that either court had a chance to look at each other's judgment before releasing their own. *See* ICom GmbH & Co. v. Lenovo Tech. Ltd. [2019] EWHC (Pat) 3030 [19] (Eng.).

378. *See* Cour d'appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426, paras. 11–14 (Fr.).

379. *See id.* at para. 20.

380. *See id.* at para. 51.

381. *See supra* note 244.

382. The SPC, however, never cited the French judgment nor the French Civil Procedure Code. *See Huawei II*, *supra* note 247.

383. *See id.* at para. 59.

384. *Id.* at para. 7.

the California judge . . . .”<sup>385</sup> Following the English approach,<sup>386</sup> this strict characterization of the matters into two categories of “contract” and “patent” is clearly more stringent than the disposition test under U.S. law.<sup>387</sup>

While employing the term “manifestly unlawful disturbance,”<sup>388</sup> the factors considered by the French court are similar to those discussed under the vexation issue by the English court. Like the English court, the French court highlighted the rights of SEP owners given by the French patent. The Paris Court of Appeals explained that without the AASI, ICom would be deprived of its SEP in France.<sup>389</sup> Most notably, there was the “only court” factor: “[the U.S. ASI] infringes the right for the holder of an industrial patent to access the only judge competent to rule on the infringement of its title.”<sup>390</sup> However, the court went beyond just the right derived from the patent pursuant to the French Intellectual Property Code, and also regarded the U.S. ASI as an infringement of the owner’s human right pursuant to the European Convention on Human Rights (ECHR).<sup>391</sup> Not only is peaceful enjoyment of one’s possession guaranteed under the ECHR,<sup>392</sup> but it is also one’s litigation right: “everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law.”<sup>393</sup>

In evaluating comity,<sup>394</sup> by highlighting that the French action was distinct from the U.S. action, the court utilized the same argument as the English court that the U.S. substantive proceedings would continue without being affected by the AASI.<sup>395</sup> Following the English court, the French court also tried to limit the unnecessary worldwide effect of the AASI. It reversed the first-instance order to prohibit Lenovo from filing any new applications for ASIs, as it considered the mere possibility of such a new motion as insufficient to constitute a manifestly unlawful disturbance.<sup>396</sup>

However, the French certainly went above and beyond the comity consideration of the English court. The court took time to address the “temporary

385. *Id.* at para. 59.

386. *See supra* text accompanying note 343.

387. *See supra* text accompanying note 182.

388. Cour d’appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426, at paras. 57, 59 (Fr.).

389. *Id.* at para. 4.

390. *Id.* at para. 57.

391. *Id.*

392. Protocol to the European Convention on Human Rights, art. 1, Mar. 20, 1952, E.T.S. No. 9.

393. European Convention on Human Rights, art. 6, Nov. 4, 1950, E.T.S. No. 5.

394. It is noted that the comity doctrine is not generally used in civil law jurisdictions. *See* Horatia Muir Watt & Tim W. Dornis, *Comity*, in *ENCYCLOPEDIA OF PRIVATE INTERNATIONAL LAW* 383, 384 (Jürgen Basedow et al. eds., 2017). However, courts still engage in the analysis of possible impact to international relations. The label used here is just for convenience.

395. Cour d’appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426, para. 59 (Fr.).

396. *Id.* at para. 61.

suspension” argument often raised by U.S. and Chinese courts in justifying the limited impact on comity by ASIs:

If the Lenovo companies maintain that this prohibiting measure is only temporary and only lasts for the time of the proceedings before the American judge, such a stay, having regard to the duration thereof which might take several years, but also of its uncertain outcome, compared to the limited duration of protection granted to the owner of a patent, . . . [it] amounts to a concrete deprivation of the right for its holder . . . .<sup>397</sup>

The potentially long suspension and limited term of the patent did not sit well with the French judges. Their view on comity, or the lack thereof, is also reflected in the court’s clear assertion of the territorial interest of the French court on the matter, emphasizing that “the Californian judge . . . could not . . . rule on such an action for infringement which is of the exclusive jurisdiction of the Paris Court of First Instance.”<sup>398</sup> Consequently, the AASI is the “only appropriate way to put an end to the manifestly unlawful disturbance” that the U.S. ASI has caused.<sup>399</sup>

In sum, despite the French AASI arising from the same U.S. ASI as the English AASI, the French court apparently considered the U.S. ASI a more damning encroachment on its territorial jurisdiction (instead of simply calling French court the natural forum) and on the rights of the SEP owner (not only intellectual property rights but also human rights enshrined in the ECHR). The ultimate order was also more severe than the English AASI, given that the U.S. court had already terminated the ASI application by the time the case reached the Paris Court of Appeals. The imminence of the U.S. ASI threat was therefore non-existent when the English court issued its AASI. This contrast between approaches is particularly interesting considering that the English court is also subject to the ECHR. Ultimately, this may again be explained by national interest, though not in FRAND suits, but in international litigation. As the original inventor of ASIs, English courts view ASIs as legitimate tools at the disposal of the court, although the use of caution is required. The French position, however, is against ASIs, not just in FRAND suits but also in general.<sup>400</sup>

### E. *Germany*

The German court is even more hostile to ASIs. To date, the German court has issued the greatest number of AASIs in the world, in at least three

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397. *Id.* at para. 58.

398. *Id.*

399. *Id.* at para. 59.

400. There is an exception on exclusive forum selection clause, to be discussed in Part V.



such cases.<sup>401</sup> It also has the misfortune of being the country with the most judgments enjoined by foreign ASIs, as seen in *Microsoft* (by a U.S. court) and *Huawei II* (by a Chinese court).<sup>402</sup>

In *Nokia v. Continental (Nokia I)*, Continental sought an ASI in the Northern District of California in the United States to enjoin Nokia from filing a patent infringement suit against Daimler, a German car manufacturer and a Continental customer in Germany.<sup>403</sup> Nokia countered by asking the Regional Court of Munich I to issue an AASI.<sup>404</sup> The court granted the AASI in July 2019 and held that the ASI granted in the United States constituted an interference with Nokia's property under German law.<sup>405</sup> This was the world's first AASI ever issued on FRAND disputes,<sup>406</sup> and was subsequently upheld by the Higher Regional Court of Munich (HRCM).<sup>407</sup>

Like France, Germany has no ASIs in its legal system, so it must analyze AASI on another legal basis. While the French courts based the AASI on its civil procedure rule,<sup>408</sup> no such rule exists under German civil procedure.<sup>409</sup> Thus, the German courts had to rely on substantive law to issue the AASI.<sup>410</sup> They considered the foreign ASI to be a tort.<sup>411</sup> "In this specific case, the encroachment upon Applicant's patent rights under tort law associated with the issuance of an [ASI] (which is presently imminent and therefore justifies a preventive claim for injunction with the scope of Sec. 1004(1) BGB) is unlawful."<sup>412</sup> Once again, despite this different basis, the major considerations can still be analyzed under the three issues.

401. See *supra* Table 1.

402. See *Microsoft Corp. v. Motorola, Inc.*, 871 F. Supp. 2d 1089 (W.D. Wash. 2012); *Huawei II*, *supra* note 247.

403. Landgericht München I [LG] [regional court Munich I] Oct. 2, 2019, 21 O 9333/19 (Ger.).

404. *Id.*

405. *Id.*

406. See Greta Niehaus, *First Anti-Anti-Suit Injunction in Germany: The Costs for International Arbitration*, KLUWER ARB. BLOG (Feb. 28, 2021), <http://arbitrationblog.kluwerarbitration.com/2021/02/28/first-anti-anti-suit-injunction-in-germany-the-costs-for-international-arbitration>.

407. Oberlandesgericht München [OLG München] [Higher Regional Court of Munich] Dec. 12, 2019, 6 U 5689/19 (Ger.).

408. Cour d'appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426, para. 60 (Fr.).

409. Oberlandesgericht München [OLG München] [Higher Regional Court of Munich] Dec. 12, 2019, 6 U 5042/19, ¶ B(2) (Ger.) ("A judicial power to deny a party the right to conduct proceedings comparable to the one under Anglo-Saxon law does not exist in German procedural law.").

410. In the *Nokia* case, the court applied § 823(1) of the German Civil Code (BGB) in conjunction with § 1004(1) BGB and held that the possibility of an ASI by a U.S. court constitutes a hindrance to the patentee's exercise of (quasi-)property patent rights. Landgericht München I [LG] [regional court Munich I] Oct. 2, 2019, 21 O 9333/19, ¶ 21 (Ger.).

411. Oberlandesgericht München [OLG München] [Higher Regional Court of Munich] Dec. 12, 2019, 6 U 5042/19, ¶ B(2) (Ger.).

412. *Id.* ¶ B(3)(b).

On the disposition issue, the HRCM regards the U.S. action on FRAND licensing and the German action on patent infringement as “not identical.”<sup>413</sup> The U.S. action was also conducted between different parties.<sup>414</sup> Thus, the German approach to this issue, like the French approach above, is stricter than that of the United States.<sup>415</sup> However, the HRCM went beyond that distinction. Addressing the respondents’ argument that the U.S. licensing suit was conducted based on the use of the Applicants’ patent, the HRCM stated that “it is not clear why a FRAND licensing defense would not be able to be asserted in the infringement proceedings in Germany, which were pending prior to the main proceedings in the United States and in which two Continental group companies are involved as interveners.”<sup>416</sup> This statement highlights the major difference between jurisdictions that allow ASIs and those that do not. For the latter, even if there are identical issues, it still does not justify the former issuing the ASI against the latter’s proceedings. The German court does not therefore need to make a technical distinction between the foreign and local proceedings, as the U.S. court did in *Samsung*.<sup>417</sup>

On the vexation issue, like the French court, the HRCM placed greater emphasis on the deprivation of patent rights calling it an “absolute right” of Nokia.<sup>418</sup> The encroachment of such patent rights was therefore unlawful.<sup>419</sup> However, the court did not stop there. It saw the AASI as a self-defense measure that is justified for the assertion of the Applicants’ constitutional rights, which in turn, arise from their property rights and right to access to justice.<sup>420</sup> While these rights were also relied on by the French court in *IPCom*, the French court cited the ECHR as the source of this right, while the German court deemed the rights to derive from the German constitution.

On the comity issue, the German court discussed this in the context of whether the AASI would be a violation of international law. To the HRCM, there was no violation of international law, and the AASI was seen as an implementation of the principle of territoriality.<sup>421</sup> From this angle, the U.S. ASI was an encroachment against German patent rights, clearly a right under the exclusive jurisdiction of Germany. The AASI, as a self-defense measure, was entirely legitimate. To the extent that there were any “reflex-like extraterritorial effects” in the United States caused by the AASI, they are “legitimized

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413. *Id.* ¶ B(3)(b)(bb)(1).

414. *Id.*

415. *See* Cour d’appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426, paras. 59–60 (Fr.).

416. *See* Oberlandesgericht München [OLG München] [Higher Regional Court of Munich] Dec. 12, 2019, 6 U 5042/19, ¶ B(3)(b)(bb)(1) (Ger.).

417. *See supra* text accompanying notes 284–89.

418. *See* Oberlandesgericht München [OLG München] [Higher Regional Court of Munich] Dec. 12, 2019, 6 U 5042/19, ¶ B(2)(a) (Ger.).

419. *Id.* ¶ B(3)(b).

420. *Id.* ¶ B(3)(b)(aa).

421. *Id.* ¶ B(4).

by [the need for self-defense] and do not constitute an interference with the sovereign rights of the United States.”<sup>422</sup> The court further added that international law is subordinated to federal law.

Alternatively, given that the court based the AASI on protecting constitutional rights, as discussed above, it believed the assessment of international law was not called for.<sup>423</sup> Further, as if responding to the temporary suspension argument of the U.S. court in *Microsoft*, the HRCM repeatedly stated that applicants should not be made to wait for the assertion of their patent rights:<sup>424</sup> “[a]pplicants could not be denied the option of continuing to pursue their patent infringement suits in Germany without disturbance and without having to wait for the result of the U.S. main proceedings.”<sup>425</sup>

Having considered the above, the court concluded that the AASI was the “only effective means of defense against an [ASI].”<sup>426</sup> Also, any non-compliance of the AASI comes with not only fines (up to EUR 250,000,000) for each case of violation but also, in the alternative, detention for up to six months (two years for repeated violation) for the Chairman of the respondent’s board of directors.<sup>427</sup> This is certainly a very effective means to ensure compliance. Compare this with the English law, where violating an injunction order would be contempt of court and could lead to criminal sanction as well but would always be subject to the court’s discretion.<sup>428</sup>

On appeal, the HRCM in *Nokia II* repeated its reasoning in *Nokia I* concerning the tortious interference with the patentee’s (quasi-)property rights.<sup>429</sup> Additionally, the court explained the defensive nature of the AASI, which is viewed as the legitimate exercise of patent right.<sup>430</sup>

The opposition of the German court to foreign ASIs was reinforced in the subsequent case of *InterDigital Technology Corp. v. Xiaomi Communications Co. (InterDigital)*,<sup>431</sup> a case that corresponds with the worldwide ASI issued by the Wuhan Court in *Xiaomi*.<sup>432</sup> Apart from applying and elaborating on the principles discussed in *Nokia II*, the Regional Court of Munich I developed new principles in response to the worldwide effect of the Chinese ASI.

422. *Id.*

423. *Id.*

424. *Id.* ¶¶ B(2)(a), B(3)(b)(aa).

425. *Id.* ¶ B(3)(b)(aa).

426. *Id.* ¶ B(3)(b)(bb)(1).

427. *Nokia v. Continental* [LG München] Landgericht München I [LG] [regional court Munich I] Oct. 2, 2019, 21 O 9333/19 (Ger.).

428. See Fentiman, *supra* note 364, at 82.

429. Oberlandesgericht München [OLG München] [Higher Regional Court of Munich] Dec. 12, 2019, 6 U 5042/19, ¶ B(3)(b) (Ger.).

430. *Id.* ¶ B(3)(b)(aa).

431. Landgericht München I [LG] [regional court Munich I] Feb. 25, 2021, 7 O 14276/20, ¶ F(I)(1) (Ger.).

432. *Xiaomi Tongxun Jishu Gongsu Su Jiaohu Shuzi Gongsu (小米通讯技术公司诉交互数字公司)* [*Xiaomi Commc’n Tech. Co. v. InterDigital Holdings, Inc.*], E 01 Zhi Min Chu No. 431 (Wuhan Interm. People’s Ct. Sept. 23, 2020) (China).

In connection with the three issues, the court highlighted that the Chinese proceedings were only on the determination of global FRAND rates. Their outcome would not result in a license that prevented Xiaomi from violating InterDigital's German patent.<sup>433</sup> The court further commented that the pending Chinese judgment on global rates was not expected to be recognized in Germany, either. This is because the Chinese court lacked proper international jurisdiction under German law for assuming jurisdiction over InterDigital entities, which are all domiciled in the United States.<sup>434</sup> On the vexation issue, in line with the HRCM, the court viewed the Chinese ASI as impairing the property right of InterDigital, which then gave InterDigital a right of self-defense in the form of an AASI.<sup>435</sup> If InterDigital is prohibited by the ASI from applying for injunctive relief, which the court called "the sharpest weapon of the patent proprietor,"<sup>436</sup> it would render the patent right worthless.<sup>437</sup> Additionally, like the HRCM in *Nokia II*, the court also considered the ASI a violation of the right of access to the courts, though it also referred to the ECHR for the source of such rights, as the French court did in *IP-Com*.<sup>438</sup> On comity, apart from the now standard argument that the AASI would not affect the main proceedings in China, the court implicitly criticized that the Chinese ASI was unjust. After stating that the Chinese ASI was unlawful under German law and that an AASI was necessary to counter the Chinese ASI, the court remarked that "[i]t must be taken into account that justice does not have to and may not bow to injustice."<sup>439</sup>

The biggest development from the case came from the courts' inclusion of an AAAASI in the order. This is to preempt that a foreign court may issue an AAASI prohibiting the seeking of AASI by the SEP owner.<sup>440</sup> It should be noted that the Chinese ASI in question did not contain an AAASI. However, before the German court's decision in *Xiaomi*, the Chinese court had already issued an AAASI in *Samsung v. Ericsson*.<sup>441</sup> The AAAASI in this case could therefore be seen as the German court entering into an arm race with the Chinese court in FRAND litigations. Thus, the FRAND ping-pong ball has now been bounced to the court of China again.

In addition, the German court also made sure that both the AASI and the AAAASI could be triggered quickly. In *Nokia II*, the AASI was granted at

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433. See Landgericht München I [LG] [regional court Munich I] Feb. 25, 2021, 7 O 14276/20, ¶ C(I)(2) (Ger.).

434. *Id.*

435. *Id.* ¶ D(I).

436. *Id.* ¶ E(I).

437. *Id.*

438. *Id.* ¶ E(II)(d)(ee).

439. *Id.* ¶ E(III)(1).

440. *Id.* ¶ E(II)(d)(aa).

441. Sanxing Dianzi Zhushi Huishe (三星电子株式会社诉爱立信公司) [Samsung Elces. Co., v. Telefonaktiebolaget LM Ericsson], E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) (China).

the filing of the application of the U.S. ASI, which was perceived as the threat of first infringement.<sup>442</sup> This was formalized by the court in *Xiaomi*. The court declared that it would “always assume the existence of the required risk of a first infringement”<sup>443</sup> in some scenarios, including as early as the SEP user threatening to request an ASI, and even the threatening to file a main action (whether for the grant of a license or determination of global rates) in a jurisdiction that generally provides ASIs. In the latter case, such jurisdiction clearly includes China and the United States. Furthermore, even the threat of the standard implementer filing an ASI against other SEP owners could trigger the German AASI.<sup>444</sup> Thus, from now onwards, a standard implementer threatening an ASI anywhere in the world against any SEP owner may expect the possibility of receiving a German AASI and AAAASI. Finally, the German court also considered a standard implementer’s failure to affirmatively declare that it will not file an ASI application as a risk of first infringement under certain conditions. For example, when the SEP owner serves the standard implementer with the first infringer’s notice, if no such declaration is made within a short time limit, the standard implementer may be considered to have created a risk of first infringement. This hands a powerful weapon to SEP owners in their defense against potential ASIs in FRAND negotiations.<sup>445</sup>

By setting such a broad base of scenarios to trigger the filing of AASI, the German court has effectively granted a worldwide AASI in relation to any future ASI against a German patent infringement suit. Of course, the request for the AASI may not, in the end, be granted by the German court, but this should be a powerful deterrent against ASIs relating to German suits. This response by the German court is certainly very robust, to say the least, but it is also understandable if one takes a holistic view of the history of how German courts have been involved in SEP litigations. Germany has been denied the ability to enforce two judgments on German patents by ASIs from the United States and China. Its proceeding in *Opvo* was also clearly interrupted by a Chinese ASI, not to mention the two cases above. While the ASI litigation in *IPCom* did not occur in German court, IPCom is incorporated in Germany and one would expect it is in the interest of the German courts to protect its companies.<sup>446</sup> This combined with its traditional antagonism towards ASIs

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442. See Landgericht München I [LG] [regional court Munich I] Oct. 2, 2019, 21 O 9333/19 (Ger.).

443. Landgericht München I [LG] [regional court Munich I] Feb. 25, 2021, 7 O 14276/20, ¶ E(II)(d)(aa) (Ger.).

444. See *id.* ¶ E(I).

445. *Id.* ¶ E(II)(3)(d)(cc)(2).

446. This case detailed the difficulty of serving judicial documents to Xiaomi through the Chinese authority through the Hague Service Convention, even calling the uncooperative practice of the Chinese authority as “a complete denial of legal assistance.” See *id.* ¶ B(III)(2)(b).

(having previously refused service of English ASIs)<sup>447</sup> and its designation of constitutional rights being at stake in ASI cases, Germany is expected to have rather drastic developments in AASI.

In addition, although it is possible that the German court may set global FRAND rates like courts in England, the United States, and China,<sup>448</sup> it has less of an interest in doing so. Germany certainly does not have a technology market as large as the United States and China, or a litigation market comparable to England, and is thus less motivated to fight for a monopoly of its standard and depart from its long-held opposition to ASIs. As we have seen in the discussion of HCRM, its focus has been on its territoriality and the defense of German patent rights.

#### F. India

Despite inheriting its legal system from England, India's AASI position is surprisingly close to the more protective stance adopted by France and Germany, as demonstrated by the Indian case of *InterDigital*.<sup>449</sup> This case involved Ericsson seeking another AASI from the High Court of Delhi against the Chinese ASI.<sup>450</sup> The Indian court first granted an ad interim injunction,<sup>451</sup> which was subsequently made absolute by the same court.<sup>452</sup> In between the orders of the Indian court, the German court issued the AASI and AAAASI discussed above.<sup>453</sup> Being the latest case on ASIs to date, the Indian court had the benefit of considering the precedents decided by other courts in *InterDigital*. It reviewed many of these precedents (including *Microsoft* decided by the U.S. court<sup>454</sup> and the *IPCom* judgments decided by English and French

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447. See *Re the Enforcement of an English Anti-suit Injunction*, Oberlandesgericht Düsseldorf [OLG] [Higher Regional Court of Düsseldorf] [1997] I.L. Pr. 320 (Ger.).

448. *Unwired Planet Int'l Ltd. v Huawei Techs. Co.* [2020] UKSC 37, [68–79] (appeal taken from Eng.); *Oppo*, *supra* note 111.

449. *InterDigital Tech. Corp. v. Xiaomi Corp.*, 2021 DEL 889 (India).

450. The court characterized the injunction against the Chinese ASI as an anti-enforcement injunction. This is because in the court's definition, AASI only refers to injunction against ASI that is still in process in foreign court. With the ASI in question having already been issued by the Chinese court, the court thought it would be appropriate to refer it to anti-enforcement injunction instead. However, to maintain consistency in this article, we still refer to the anti-enforcement injunction in this case as AASI. The distinction made by the Indian court is noted. *See id.* at paras. 76–80.

451. The ad interim order is not binding when the application will be taken up final hearing. *See id.* at para. 3.

452. *See id.* at para. 119(i).

453. *Landgericht München I [LG] [regional court Munich I]* Feb. 25, 2021, 7 O 14276/20 (Ger.).

454. *InterDigital Tech. Corp. v. Xiaomi Corp.*, 2021 DEL 889, paras. 69–75 (India).

courts<sup>455</sup>) in aid of its decision to issue an AASI in the FRAND suit, which was the first of its kind in India.<sup>456</sup>

As private international law of India has been heavily influenced by that of England,<sup>457</sup> it is unsurprising that Indian law on ASIs (in this case, AASIs) is substantially similar to English law. Like English law, the “pre-eminent test” on ASIs under Indian law is “whether the foreign proceedings are vexatious or oppressive.”<sup>458</sup> For our purposes, we will again break down the very detailed reasoning of the court into three issues.

On the disposition issue, like courts in England, France, and Germany did previously, the Indian court distinguished the Indian proceedings from the Chinese proceedings, with the former handling the infringement of six Indian patents and the latter handling the setting of global FRAND rates of the entire portfolio of SEPs held by Ericsson.<sup>459</sup> Although the court acknowledged that there was some overlap between the two proceedings (namely, the Indian court setting *Indian* FRAND rates), the court did not believe that such overlap would constitute an interference with the Chinese proceedings justifying the Wuhan court’s ASI, since it would not be foreseeable that the Indian court would set *global* rates in the Indian proceedings.<sup>460</sup> *A fortiori*, it follows that the potential for conflicting judgments could not be a justification for refraining from issuing an AASI either.<sup>461</sup>

On vexation, like the U.S. court in *Huawei I*, the Indian court was critical of the lack of due process in the *ex parte* application for the Chinese ASI.<sup>462</sup> On the patent right, the court said the Chinese court “completely overlooked” the territorial nature of patent rights.<sup>463</sup> It also deployed the “only court” argument, like all the AASI-issuing courts discussed previously, holding that the infringement claim on Indian patents can be prosecuted “only before this

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455. *Id.* at paras. 33–41 (discussing ICom GmbH & Co., KG v. Lenovo Tech. Ltd. [2019] EWHC (Pat) 3030 (Eng.) and Cour d’appel [CA] [regional court of appeal] Paris, Mar. 3, 2020, 19/21426 (Fr.)). The court cited both cases again for support in its final conclusion. *Id.* at para. 109. Interestingly, the court never discussed the AASI issued by the German court in Landgericht München I [LG] [regional court Munich I] Feb. 25, 2021, 7 O 14276/20 (Ger.) even though the approach of the German court is directly relevant to this case. In contrast, the German court did make reference to the ad interim order made by the Indian court. *Id.* ¶ C(I)(3).

456. InterDigital Tech. Corp. v. Xiaomi Corp., 2021 DEL 889, para. 82 (India).

457. Tushar Kumar Biswas, *India*, in ENCYCLOPEDIA OF PRIVATE INTERNATIONAL LAW 2156, 2157–58 (Jürgen Basedow et al. eds., 2017).

458. InterDigital Tech. Corp. v. Xiaomi Corp., 2021 DEL 889, para. 81 (India) (internal quotation omitted).

459. *See id.* at para. 99.

460. *See id.* at para. 100–01.

461. *See id.* at para. 104.

462. *See id.* at para. 94.1 (“No decision, permitting this, has been brought to my notice.”). The judge also criticized Xiaomi for its failure to pass him the information of the Chinese proceedings. He considered that a fraud on the court and thought that standing alone could justify the AASI. *See id.* at para 114.

463. *See id.* at para. 100.

Court, and before no other court, least of all before the Wuhan Court.”<sup>464</sup> Preventing the only court with proper jurisdiction from ruling on infringement is therefore “prima facie oppressive.”<sup>465</sup> Although the court did not cite the HRCM judgment, the court similarly linked foreign ASIs to the encroachment of litigation rights protected by the Indian constitution, which guarantees “justice, social economic and political.”<sup>466</sup> On comity, the court rejected the temporary suspension justification that has often been utilized by the U.S. and Chinese courts,<sup>467</sup> calling the argument “disingenuous”:

[I]t is totally unthinkable that a forum which has no jurisdiction in [patent infringement] could [enjoin] the plaintiffs from agitating the issue before the only forum which has [jurisdiction]. Such [an] injunction cannot be allowed even for a single day. That apart, it is common knowledge – which is why I characterize the contention as disingenuous – that, in intellectual property infringement claims, what matters is injunction of the exploitation of the infringing patents . . . . What the defendants suggest is, therefore, that the plaintiffs should sit back and helplessly watch continued infringement of their suit patents by the defendants (as the plaintiffs would allege) without being able to lift a finger to prevent it, even while legal remedies, for redressal, continue to remain available in this country under the Patents Act.<sup>468</sup>

In addition, following the court’s distinction between the Chinese and Indian proceedings, the AASI would not enjoin the main proceedings in China. Further, the Court argued the ASI infringed on rights guaranteed by the Indian Constitution, guarantees that “cannot be sacrificed at the altar of comity.”<sup>469</sup> This is similar to HRCM’s reasoning in *Nokia II*, though the German court discussed the right in terms of international law rather than comity.<sup>470</sup> Similar to the German court, the Indian court also directly referred to ASIs being an infringement of the sovereignty of India instead of the more mild terminology of territoriality.<sup>471</sup> Due to the above, the court concluded that the ASI was “ex facie destructive of the principle of comity of courts [and] . . . cannot be tolerated even for a day.”<sup>472</sup> Acknowledging that the Indian court had no power to stop the penalty imposed by the Wuhan court for

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464. *Id.* at para. 106; *see also id.* at paras. 100, 107, 110.

465. *See id.* at para. 106.

466. *See id.* at para. 112.

467. *See id.* at para. 109 for criticism of *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872 (9th Cir. 2012).

468. *InterDigital Tech. Corp. v. Xiaomi Corp.*, 2021 DEL 889, para. 107 (India).

469. *Id.* at para. 112.

470. *See supra* text accompanying note 423.

471. *See InterDigital Tech. Corp. v. Xiaomi Corp.*, 2021 DEL 889, para. 104 (India).

472. *Id.* at para. 110.



violating the ASI, the court therefore designed a similar mechanism to the indemnification clause of the *Huawei II* case.<sup>473</sup>

Since the Wuhan court already contained a more detailed reconsideration judgment at the time of Indian proceedings,<sup>474</sup> the Indian court could analyze the Chinese judgment in much more detail than the German court did. The court was clearly much more critical of the foreign ASI than the English court was in *IPCom*, which is understandable given that the U.S. court did not issue an ASI at the time of the English proceedings. Overall, while Indian law on ASIs belongs to the common law family, the Indian's court stance is much closer that of the French and German courts. This can be attributed to their similar national interests where FRAND-encumbered SEPs are concerned. There is a strong desire to protect their own turf with a much lower ambition to monopolize the FRAND standard than China and the United States.

### G. Macro Perspective on SEP-Related ASIs

Taking a bird's-eye view of the antisuit conflict between *Xiaomi* and *Ericsson*, we can attribute the multiple AASIs sought by Ericsson as a response to the worldwide ASI issued by the Wuhan court. Ericsson probably filed the patent infringement suit and the first AASI in India because it constituted one of Xiaomi's largest overseas markets.<sup>475</sup> Subsequent to the worldwide ASI from China, it then became possible to file for an AASI in Germany, even before a German proceeding on infringement had been filed.<sup>476</sup> Thus, we see one effort at gamesmanship followed by another.<sup>477</sup> Of course, one can also argue that the worldwide ASI was prompted by the patent owners' gamesmanship in the first place, when they filed patent infringements in multiple jurisdictions, as in the case of *Apple*. It is therefore clear that the question is not to ask which country is more blameworthy in playing this game but rather to see if there is a way to eliminate the game altogether.

In summary, despite the difference in legal traditions among the six jurisdictions, they all consider the three issues: disposition, vexations and comity. Whenever a court considers an order that will disrupt a court proceeding in another country, naturally, it will consider the extent to which the dispute in front of it is the same as the one in the alternative forum (disposition issue), the impacts to private parties' interests (vexation issue) and the alternative

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473. See *id.* at para. 116.

474. Sanxing Dianzi Zhushi Huishe (三星电子株式会社诉爱立信公司) [Samsung Elecs. Co., v. Telefonaktiebolaget LM Ericsson], E 01 Zhi Min Chu No. 743 (Wuhan Interm. People's Ct. Dec. 25, 2020) (China).

475. See XIAOMI CORP., 2020 ANNUAL REPORT 280 (2020), [https://i01.appmifile.com/webfile/globalweb/company/ir/announcement\\_us/annual\\_report\\_2020\\_e.pdf](https://i01.appmifile.com/webfile/globalweb/company/ir/announcement_us/annual_report_2020_e.pdf) (stating that Xiaomi's overseas revenue was mainly from India and Europe).

476. See *supra* text accompanying notes 443–45.

477. Ericsson Inc. v. Samsung Elecs. Co., No. 2:20-CV-00380-JRG, 2021 WL 89980, at \*7 (E.D. Tex. Jan. 11, 2021).

forum's interests. Thus, the argument that the conflicting ASIs were caused by the differences in legal traditions is exaggerated.

There is no question that the different laws and legal traditions still played a part in the court decisions of jurisdictions in the second group, who chose not to follow in the footsteps of the United States and China by issuing ASIs of their own. This is particularly true for France and Germany, civil law jurisdictions that are wary of ASIs. However, this does not explain why countries such as India, which have common law systems, responded similarly. Therefore, varying national interests must also play a key role.

The countries in the second group do not have as big a technology market as the United States or China and therefore may not be as ambitious in expanding their influence on FRAND litigation through the use of ASIs. Given the inherent conflict between the international nature of FRAND licenses and the territorial nature of patents, every country, even those without the international ambition of the United States or China, will at least have some interest in protecting their own patents. However, beyond protecting national patent law, they do not consider it wrong for SEP owners to gain leverage through infringement suits. They also jealously defend their own sovereignty against encroachment by other jurisdictions through foreign ASIs. However, their justifications for granting AASI differ. Jurisdictions such as Germany and India see limitations to access to courts as a violation of constitutional rights. Germany and France both regard this as a violation of human rights, and their national interests are more focused on preserving these basic rights and the countries' sovereignties. England does not adopt such strong justifications, perhaps because of its long tradition of issuing ASIs. In fact, there is a good chance that England will move into the first group in the future.

In any event, the overall resentment against ASIs is loud and clear. This serves as a backlash to the comity analyses of both U.S. and Chinese courts, where they regard the impact on comity as tolerable in successful ASI applications. If anything, this corroborates that the comity assessed in ASI proceedings is a different concept from Huber's comity.<sup>478</sup> The former is part of a unilateral balancing exercise. If the local interests of issuing the ASI are stronger than the costs on comity (i.e., the damages to good relationships with foreign jurisdictions), then the courts will grant the ASI. Hence, if ASIs serve as a kind of barometer of a country's national interests on FRAND disputes, then the large number of ASIs issued by the U.S. and Chinese courts confirm the vast economic interests at stake for the two countries.

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478. See *supra* text accompanying notes 82–84.

## V. SUGGESTED SOLUTION

A. *Problem Identification*

The international proliferation of ASIs and AASIs and the contradictions between them have seriously undermined FRAND terms' goal of fostering economic efficiency based on technical standards. There are three major interrelated problems. First, while the purpose of standard setting is to promote efficiency and reduce transaction costs<sup>479</sup> and the goal of FRAND licenses is to encourage the wide adoption of standards,<sup>480</sup> continuous ASIs and subsequent legal proceedings create significant transaction costs, which hinders the pervasiveness of standard adoption.<sup>481</sup>

Without an effective measure to stop abusive use of ASIs, forum shopping is likely to become a common practice in FRAND disputes. SEP holders and implementers will rush to favorable national courts that provide them with advantageous FRAND terms.<sup>482</sup> Likewise, countries with more SEP holders will naturally develop judicial policies favoring these holders, and those with more standard implementers will understandably do the opposite.<sup>483</sup> In the end, the ASIs and subsequent AASIs, AAASIs, and even AAAASIs associated with FRAND-encumbered patents result in a costly and

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479. See, e.g., Jonathan M. Barnett, *Antitrust Overreach: Undoing Cooperative Standardization in the Digital Economy*, 25 MICH. TECH. L. REV. 163, 205 (2019); Bartlett & Contreras, *supra* note 34, at 286; Sean P. Gates, *Standards, Innovation, and Antitrust: Integrating Innovation Concerns into the Analysis of Collaborative Standard Setting*, 47 EMORY L.J. 583, 598–99 (1998); J. Gregory Sidak, *Apportionment, FRAND Royalties, and Comparable Licenses After Ericsson v. D-Link*, 2016 U. ILL. L. REV. 1809, 1863 (2016); Spulber, *supra* note 34, at 87; see also Mark R. Patterson, *Inventions, Industry Standards, and Intellectual Property*, 17 BERKELEY TECH. L.J. 1043, 1080 (“[G]iving the standard-setting organization the right to bargain on behalf of its members would reduce the transaction costs of the negotiation process.”).

480. See *supra* text accompanying note 45; see also Sidak, *supra* note 37, at 3–4 (“[P]rospective [FRAND] licensors (and frequently prospective licensees) participate in an SSO, which develops ‘agreements containing technical specifications or other criteria,’ promotes ‘efficient resource allocation and production by facilitating interoperability among complementary products,’ and, in general, participates in the advancement of the standard and associated technology within an industry.”).

481. Cf. Liu, *supra* note 36, at 675 (“[I]ncreasing [FRAND] litigation worldwide indicates massive market failure . . .”).

482. Contreras, *Global Rate Setting*, *supra* note 42, at 724–25; see Contreras, *New Extraterritoriality*, *supra* note 1, at 283–86.

483. Cf. Pamela Samuelson, *Intellectual Property Arbitrage: How Foreign Rules Can Affect Domestic Protections*, 71 U. CHI. L. REV. 223, 224 (discussing IP arbitration where “[n]ations have incentives to adopt higher-protection rules when an already innovative domestic sector demonstrates a need for stronger rules to enable firms to recoup R&D investments, or when nations believe that doing so will spur investments and economic development in that field of innovation. Nations have incentives to adopt lower-protection rules if they are predominantly users or net importers of products of that kind, if they aspire to incentivize investments in follow-on innovation, or if they believe that a lower-protection rule will induce more investments than a higher-protection rule.”).

inefficient ping-pong game without a winner, except the lawyers profiting from the incessant injunctions against foreign proceedings.<sup>484</sup>

Second, from the perspective of private international law, injunction conflicts set very bad precedents for ASIs. When used properly, ASIs are the ultimate weapon against vexatious foreign proceedings, especially when there is no mechanism for a foreign court to decline jurisdiction or there is clear evidence that the litigants will not receive a fair proceeding in the foreign court.<sup>485</sup> In these situations, ASIs will have a positive effect in reducing parallel proceedings and cabinating a dispute to its natural forum, though at the cost of comity. However, what has been witnessed over the increasing instances of conflicting ASIs will outweigh these positive functions. This is simply a bad development for private international law.

Third, there is a spillover effect on international relations due to the ASI conflicts. Although courts do not specify in their judgments, it seems that responses from Germany (AASIs) and China (ASIs) were motivated by being on the receiving ends of previous ASIs from the U.S. courts. Thus, one should never assume that an ASI litigation is only an individual incident between private parties in question. Retaliatory measures could extend to other aspects of private international law or other fields of law for the encroachment of other countries' jurisdiction.

Our solution to these three problems is to end this game of ping-pong. We argue that to preserve the value of technical standards and FRAND licenses, it is desirable for all stakeholders to wind up this FRAND ping-pong game. While standards are designed to ensure interoperability between technologies produced by different manufacturers, the current challenge is how to preserve the value of standards by enabling interoperability between different sovereigns and their legal systems.

### B. *Exclusive Forum Selection Clause*

Given the private-ordering nature of standard setting and FRAND commitment, the best way to address this issue is through private ordering,<sup>486</sup> i.e., an exclusive forum selection clause. By including this clause in their IP policies or FRAND documents, SSO can designate the jurisdiction that is home to the law specified in the choice of law clause, which is the natural forum for that law. For example, since the IP policy of ETSI has already contained a

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484. In fact, in one recent case, the English court was surprised to learn about the £472,000 legal costs associated with just a one-day application for an ASI with limited evidence and called the amount an “exorbitant sum.” *Unwired Planet Int’l Ltd. v. Huawei Tech. Co.* [2017] EWHC (Pat) 2831 [22] (Eng.).

485. See HARTLEY, *supra* note 3, at 302 (commenting on that ASI can constitute “a powerful weapon against bad-faith proceedings”); Hartley, *supra* note 67, at 510.

486. Cf. Contreras, *New Extraterritoriality*, *supra* note 1, at 286–87 (citing various proposals concerning “private ordering solutions to resolve or forestall disputes involving standard-essential patents and FRAND licensing”).

choice law designating French law, the French court shall be designated as the court with exclusive jurisdiction to settle all FRAND related disputes.<sup>487</sup> Our proposal will not only provide stakeholders with certainty but also help the designated courts develop professional experiences in adjudicating FRAND cases according to the laws of their countries.<sup>488</sup> We believe that this is the most realistic and cost-effective proposal.

To begin, we would like to note that the idea of inserting an exclusive forum selection clause was also proposed by the UKSC in *Unwired*:

Those [SSO] policies, which either expressly or by implication provide for the possibility of FRAND worldwide licences when a SEP owner has a sufficiently large and geographically diverse portfolio and the implementer is active globally, do not provide for any international tribunal or forum to determine the terms of such licences. Absent such a tribunal it falls to national courts, before which the infringement of a national patent is asserted, to determine the terms of a FRAND licence. The participants in the relevant industry . . . can devise methods by which the terms of a FRAND licence may be settled, either by amending the terms of the policies of the relevant SSOs to provide for an international tribunal or by identifying respected national IP courts or tribunals to which they agree to refer such a determination.<sup>489</sup>

The origin of the problems begins with parallel proceedings in which more than one court assumes jurisdiction over the FRAND disputes. The solution therefore lies in reducing the occasions of these parallel proceedings. ASIs were originally designed to achieve this through barring a litigant from pursuing the same suit in another forum, but as we have shown above, ASIs have become a problem themselves. The better way to eliminate parallel proceedings is to include an exclusive forum selection clause *ex ante*. Courts around the world, including all six jurisdictions discussed in this Article, generally respect the forum choice of the parties when they express it in the form of the forum selection clause.

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487. However, if an SSO does not contain a choice of law clause in its IP policies, it shall be free to choose any forum its members think will be the best forum. This shall include but not be limited to the courts at the country where the SSO is based given the diverse membership of most SSOs.

488. See also David Wilson & Joanna Silver, *Exclusive Jurisdiction Clauses and Anti-Suit Injunctions*, 5 J. INTELL. PROP. L. & PRAC. 220, 222 (2010) (“It is beneficial to both IP owners and licensees to have certainty as to where a dispute will be resolved or litigated, and to know that all disputes will be brought in the same jurisdiction; indeed, this is the purpose of an exclusive jurisdiction clause.”).

489. *Unwired Planet Int’l Ltd. v Huawei Techs. Co.* [2020] UKSC 37, [90] (appeal taken from Eng.).

In the United States, the respect given to forum selection clauses was stated in *M/S Bremen v. Zapata Off-Shore Company*.<sup>490</sup> The U.S. Supreme Court ruled that a forum selection clause that is “freely negotiated . . . , unaffected by fraud, undue influence, or overweening bargaining power . . . should be given full effect.”<sup>491</sup> The rationale is also based on the facilitation of international business, a national interest rather than an interest in comity: “[t]he expansion of American business and industry will hardly be encouraged if, notwithstanding solemn contracts, we insist on a parochial concept that all disputes must be resolved under our laws and in our courts.”<sup>492</sup> Consequently, the Supreme Court stayed the U.S. proceedings in favor of the English court as designated by the forum selection clause in the case.<sup>493</sup>

In reaching this decision, the U.S. Supreme Court was clearly influenced by the similar approach adopted by other common law jurisdictions, including England.<sup>494</sup> Under English common law, it has long been held that the English court will generally exercise the discretion to stay the English proceeding when it is initiated in breach of the forum selection clause. This discretion will be exercised “unless strong cause for not doing so is shown.”<sup>495</sup> India, another common law jurisdiction greatly influenced by English private international law, shares a similar rule.<sup>496</sup> As we discussed in *Microsoft* above, a significant justification of the Ninth Circuit’s grant of the ASI was the analogy of the forum selection clause.<sup>497</sup>

Such respect for forum selection by private parties, however, is not restricted to common law jurisdictions. Under Article 25 of the Brussels Regulation, parties, regardless of domicile, may select the court of a member state of the European Union to have jurisdiction. Further, unlike common law rules, Article 25 provides a presumption of the exclusiveness of the selection.<sup>498</sup> The Chinese Civil Procedure Law also provides for prorogation jurisdiction under Article 34.<sup>499</sup> The article allows parties to choose a court with a practical connection with the dispute. This could be easily satisfied in FRAND disputes if the SSO designates the court of a country, which also has

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490. *M/S Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1 (1972).

491. *Id.* at 12–13.

492. *Id.* at 9.

493. *Id.* at 2.

494. *Id.* at 11.

495. *See Owners of Cargo Lately Laden on Board the Ship or Vessel Eleftheria v. Eleftheria* [1969] 2 WLR 1073.

496. *See Modi Ent. Network v. W.S.G. Cricket Pte. Ltd.*, AIR 2003 SC 1177 (2003) (India).

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

498. *See Regulation 1215/2012*, art. 25, 2012 O.J. (L 351) (EU), *amended* by 2014 O.J. (L 163).

499. *See Zhonghua Renmin Gongheguo Minshi Susong Fa* (中华人民共和国民事诉讼法) [Civil Procedure Law of the People’s Republic of China] (promulgated by the Standing Comm. Nat’l People’s Cong., June 27, 2017, effective July 1, 2017), art. 34.

its law designated as the governing law,<sup>500</sup> and the selection would be further cemented if it is also the court of the country where the SSO is located. Although the law did not expressly provide that the Chinese courts must decline jurisdiction in the face of foreign forum selection clauses, it is the practice of many Chinese courts to decline jurisdiction in such cases.<sup>501</sup>

Commentators have advocated that courts with the power to issue ASIs shall be slow in triggering such intrusive measures and should allow the foreign courts to decline jurisdiction in the first place through *forum non conveniens*, should it be available, under the law of the foreign courts.<sup>502</sup> An exclusive forum selection clause can achieve that. Not only would common law jurisdictions with *forum non conveniens* decline jurisdiction, civil law jurisdictions would do the same. More importantly, due to the global respect for forum selection clauses, countries equipped with ASI-issuing power might trust foreign courts to decline jurisdiction on their own volition, something we have not seen the courts do in the SEP-related ASI context without such clauses. This will promote comity or, as mentioned above, respect for a foreign country's sovereignty.

Some commentators may, however, argue that the national interests brought by FRAND-encumbered SEPs may be so strong that courts may be willing to overlook the forum selection clause.<sup>503</sup> While this is a possibility, it is unlikely for two reasons. First, while ASI practices and acceptance vary among countries, respect for the forum selection clause has received much broader acceptance around the world. It is the basis of international commerce: contracting parties will only manage their risks if they know where the dispute will be resolved.<sup>504</sup> An example of this consensus can be seen in the Hague Choice of Court Convention. Although it handles enforcement of judgment and has no direct application here, the jurisdictional basis of the judgment-rendering court is the forum selection clause.<sup>505</sup> Some countries, including the United States, China and the European Union, have signed the convention, though only the European Union has ratified it.<sup>506</sup> Accordingly, when it comes to an issue so fundamental in international commerce and thus

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500. See *Shandong Jufeng Gongsu Su Hanguo MGAME Gongsu* (山东聚丰网络有限公司诉韩国MGAME公司) [*Shandong Jufeng Network Co. v. MGame Co.*], 2010 Sup. People's Ct. Gaz. 161 (Sup. People's Ct. 2009) (China) (implying that one of the practical connections can be choice of law clause).

501. See TANG ET AL., *supra* note 242, at 101.

502. See *supra* text accompanying note 352.

503. For example, it is reported that some Chinese courts do not always respect foreign forum selection clause. See TANG ET AL., *supra* note 242, at 101.

504. See Hartley, *supra* note 67, at 503–05.

505. See Hague Convention on Choice of Court Agreements, art. 5(1), June 30, 2005, 44 ILM 1294.

506. See *Status Table: Convention of 30 June 2005 on Choice of Court Agreements*, HCCH, <https://www.hcch.net/en/instruments/conventions/status-table/?cid=98> (last updated Mar. 3, 2021).

national interest, it is less likely that a court is willing to take a risk here by bending the rule.

Second, if a court ignores a forum selection clause, the ASI can actually have a positive effect by barring the party from breaching the forum selection. In fact, the *Microsoft* decision is practically based on the FRAND commitment functioning as a type of exclusive forum selection clause.<sup>507</sup> The German infringement suit, therefore, was a breach that merited the U.S. court to issue an ASI.<sup>508</sup> The English court will also usually grant an ASI against the breach of the forum selection clause, although it is, in the end, subject to the discretion of the court.<sup>509</sup> Such an ASI would not offend comity because “it merely requires a party to honour his contract.”<sup>510</sup> This is also the position of India. In *Modi Entertainment Network v. W.S.G. Cricket Pte. Ltd.*,<sup>511</sup> the Supreme Court of India stated that “[w]here jurisdiction of a court is invoked on the basis of jurisdiction clause in a contract, the recitals therein in regard to exclusive or non-exclusive jurisdiction of the court of choice of the parties are not determinative but are relevant factors.”<sup>512</sup>

For other jurisdictions, apart from knowing that the Chinese court can issue an ASI very broadly, it is also well known that both Germany and France can issue ASIs (*not* AASIs) in the context of a breach of the forum selection clause. For example, in the aforementioned case, *Nokia II*, the HRCM stated that despite German law having no right to deny a party the right to conduct proceedings generally, one exception is that “a claim to cease and desist from the conduction of proceedings may result from a preceding contractual agreement.”<sup>513</sup> Similar ASIs have also been issued by the French court in the context of a breach of an exclusive forum selection clause, provided that the case falls outside of the scope of the Brussel regime.<sup>514</sup> In summary, ASIs in this context are not only problem-free but also have positive effects in preventing parallel proceedings. Of course, courts should only issue ASIs when foreign courts have had the opportunity to decline jurisdiction of their own volition first.

Compared with other proposals, the inclusion of the exclusive forum selection clause is also the most practical and cost-effective. First, it is hornbook law that a choice of law clause is best accompanied by a forum selection

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507. See *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872, 882–83 (9th Cir. 2012).

508. *Id.* at 889.

509. See *Team Y&R Holdings Hong Kong Ltd. v. Ghossoub* [2017] EWHC (Comm) 2401 [42] (Eng.).

510. *IPCom GmbH v. Lenovo Tech. Ltd.* [2019] EWHC (Pat) 3030 [21] (Eng.).

511. *Modi Ent. Network v. W.S.G. Cricket Pte. Ltd.*, AIR 2003 SC 1177 (2003) (India).

512. *Id.*

513. *Oberlandesgericht München [OLG München]* [Higher Regional Court of Munich] Dec. 12, 2019, 6 U 5042/19, ¶ B(2)(Ger.).

514. See Louis Perreau-Saussine, *Forum Conveniens and Anti-Suit Injunctions Before French Courts: Recent Developments*, 59 INT'L & COMPAR. L.Q. 519, 523–25 (2010) (discussing how the French court has loosened up the strict prohibition against ASI).



clause. Some SSOs, such as ETSI, already have a choice of law clause in place.<sup>515</sup> It would make sense for the French courts to be designated by the forum selection clause to have jurisdiction over the same FRAND matters originating from ETSI. This is illustrated by the conflicting interpretation of French law in several litigations around the world involving the interpretation of French law on the enforceability issue, i.e. the extent to which a SEP implementer can enforce the FRAND commitment against a SEP holder under French law.<sup>516</sup> Despite applying the same French law, the U.S. and English courts found enforceability, while the Japanese and Korean courts rejected enforceability.<sup>517</sup> This inconsistency can be avoided if the ETSI policy has designated French court as the exclusive forum in the first place. No one should doubt that the French court is best suited to decide matters of French law. This is particularly the case for FRAND matters, an evolving and controversial area of law that requires development and refinement by courts. Thus, a benefit of including an exclusive jurisdiction clause is the streamlining of application of national law that is designated by the choice of law clause in the IP policy, if any. For SSOs without a choice of law clause in place, the designation of a forum under the clause can result in a heated debate among its members since each member would most likely want its home court to be the designated court. This suggests that choice may not be an easy process. However, this heated debate at SSO *ex ante* is always less costly than litigation in courts *ex post*. Thus, the inclusion of the exclusive forum selection clause, while not perfect, is still the best solution.

Finally, drafting of the exact exclusive forum selection clause will require consideration of its enforceability in multiple jurisdictions (more than the six jurisdictions covered here). While this is a task beyond the scope of the article, a few points must be noted. The SSOs should hire sophisticated lawyers to carefully draft such clauses to avoid most invalidity problems, such as the lack of formality.<sup>518</sup> It is also clear that the tendency of certain jurisdictions to resist surrendering of jurisdiction, such as those in the second group above, will not pose a barrier to binding the SEP owners under the forum selection clause. The Ninth Circuit succinctly stated this point in *Microsoft*: “[a]lthough patents themselves are not extraterritorial, there is no reason a party may not freely agree to reservations or limitations on rights that it would have under foreign patent law (or any other rights that it may have under foreign law) in a contract enforceable in U.S. courts.”<sup>519</sup>

However, the enforceability of such a clause against standard implementers could be an issue, as this appears to vary across different jurisdictions. In

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515. See EUR. TELECOMMS. STANDARDS INST., *supra* note 281, at 47.

516. See Tsang & Lee, *supra* note 30, at 292.

517. *Id.* at 292.

518. See, e.g., SUPREME PEOPLE’S CT., *supra* note 322, art. 29 (requiring forum selection clause to be in writing).

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

*Apple*, the court was of the opinion that, unlike the SEP owners who entered into contracts with SSOs to offer FRAND compliant licenses to the implementers, the implementers themselves were not parties to those contracts and are therefore not bound to accept the license.<sup>520</sup> The same logic appears to apply to forum selection clauses as well, thus leaving implementers able to initiate FRAND litigations in courts other than the one designated in the exclusive forum selection clause. Similarly, under Chinese law, a forum selection clause may not bind a third party even if he or she knows the existence of the clause.<sup>521</sup> It is thus possible that an exclusive forum selection clause would only bind SEP owners and give the standard implementers more leverage in the FRAND negotiations. While this is a valid concern, there are four reasons why this will not be a significant problem.

First, as Part IV has shown, most of the conflicting ASIs involve SEP owners filing patent infringement suits after the standard implementers' actions requesting courts to set FRAND terms.<sup>522</sup> Even if this forum selection clause only binds SEP owners, it will still substantially reduce parallel litigations.

Second, applying the same logic as *Apple*, courts that consider standard implementers not bound by SSO policies would also be less likely issue ASIs against foreign proceedings in the first place. There would thus be no conflicting injunctions, even if there were still parallel proceedings. In addition, if the foreign proceedings initiated by the implementer simply relate to challenging the validity or essentiality of foreign patents, these parallel proceedings are unlikely to be vexatious to the main proceedings regarding the setting of FRAND terms locally. This is the view of the UK Supreme Court in *Unwired*. As highlighted above, the contingency of the invalidity of foreign patents could be considered in the formula set by the court in its determination of FRAND rates.<sup>523</sup>

Third, even if the proposal may have the potential to be in favor of the implementers and thus create a holdout problem, whether the holdout problem actually exists is still unclear. Scholars, practitioners, and courts have debated whether a holdout problem exists in the FRAND context.<sup>524</sup> On the one hand, under holdout theory, an implementer can use FRAND terms to avoid good-faith negotiation, delay royalty payment, or even force an SEP

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520. See *Apple Inc. v. Qualcomm Inc.*, No. 3:17-cv-00108-GPC-MDD, 2017 U.S. Dist. LEXIS 145835, at \*32 (S.D. Cal. Sept. 7, 2017).

521. See TANG ET AL., *supra* note 242, at 70.

522. See, e.g., *Microsoft Corp. v. Motorola, Inc.*, 871 F. Supp. 2d 1089 (W.D. Wash. 2012); *Xiaomi Tongxun Jishu Gongsi Su Jiaohu Shuzi Gongsi* (小米通讯技术公司诉交互数字公司) [*Xiaomi Comm'n Tech. Co. v. InterDigital Holdings, Inc.*], E 01 Zhi Min Chu No. 431 (Wuhan Interm. People's Ct. Sept. 23, 2020) (China).

523. See *supra* text accompanying notes 361–62.

524. See, e.g., Garry A. Gabison, *A Two-Dimensional Approach to Non-Discriminatory Terms in FRAND Licensing Agreements*, 24 B.U. J. SCI. & TECH. L. 100, 130–31 (2018).

holder to agree to a sub-market royalty.<sup>525</sup> On the other hand, some have argued that holdout is just a hypothetical tale that has never happened in the information and communications industry.<sup>526</sup> Nevertheless, as ASIs have become an effective weapon for standard implementers to stop SEP holders' infringement lawsuits, the concerns of holdout appear more than hypothetical. As courts in France, Germany, and India indicated, ASIs may be used to unfairly restrict patentees' property rights.<sup>527</sup> Therefore, from a policy perspective, one of the justifications for stopping the ASI game in the FRAND arena is to alleviate the holdout problem.

Fourth, in cases where, despite all the above considerations, the foreign proceeding initiated by the implementer is indeed vexatious, then it is the perfect occasion to issue an ASI against the implementer. Although the issuance of an ASI is much more straightforward in the case of violation of the exclusive forum selection clause, the presence of such a clause is not a must, and the common law jurisdictions, at least, should have no problem issuing ASIs based on vexation.<sup>528</sup> As Bermann put it, “[g]iven their independent bases in prior commitments by the parties, such claims simply do not connote the intrusiveness and insult to foreign nations to which courts entertaining issuance of international anti-suit injunctions need to be alert.”<sup>529</sup>

An even more progressive proposal is to include future implementers in the IP policy in the first place so as to make them parties to the FRAND commitment. This can be achieved by making the SEP holders providing the FRAND undertaking not only to the SSO, but also to all the other SSO members. Since most of the SSO members will be the relevant SEP's future implementers, this will effectively subject most SEP future implementers to the FRAND commitments. This proposal will not only make the exclusive jurisdiction clause binding on all parties, but also binding on the FRAND commitment as well. If this is to be adopted, much of the enforceability issue that has plagued numerous courts will also be resolved as future implementers will be original parties to the contract. It is clear that this proposal is much broader than the ASI related issues covered by this article and will involve changing the existing FRAND undertaking structure in general. It will, however, be a direction to be explored by scholars in the future.

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525. See, e.g., Contreras, *Global Rate Setting*, *supra* note 42, at 704; Richard A. Epstein & Kayvan B. Noroozi, *Why Incentives for “Patent Holdout” Threaten to Dismantle FRAND, and Why It Matters*, 32 BERKELEY TECH. L.J. 1381, 1384 (2017); Spulber, *supra* note 34, at 122.

526. See, e.g., A. Douglas Melamed & Carl Shapiro, *How Antitrust Law Can Make FRAND Commitments More Effective*, 127 YALE L.J. 2110, 2120 (2018).

527. See *supra* Part IV.D–F.

528. See Bermann, *supra* note 2, at 622–23.

529. *Id.* at 623.

### C. Evaluation of Other Proposals

Although there are multiple proposals regarding the resolution of the FRAND dispute, most of them have not considered the inefficiency brought about by ASIs and subsequent legal proceedings. Instead, they explore desirable approaches to determine the FRAND rate. In this section, we examine proposals that might plausibly stop the transnational ASI ping-pong games in FRAND litigations.

Being aware of the multinational nature of FRAND disputes, Eli Greenbaum has suggested that SSOs should include a forum selection clause in their IP policies,<sup>530</sup> a proposal similar to ours. As Greenbaum convincingly argued, with a forum selection clause effectively implemented, national courts will be less likely to impose FRAND rates and issue ASIs for other jurisdictions.<sup>531</sup> Consequently, the insertion of a forum selection clause will not only protect comity among jurisdictions but also provide more legal certainty for parties in the resolution of FRAND disputes.<sup>532</sup> Greenbaum, therefore, proposes that this clause should provide that, absent from other agreements, “the national courts of each country will have jurisdiction for FRAND licensing determinations only for patents issued by that territory.”<sup>533</sup> While we agree with the viewpoint that the inclusion of a forum selection clause in the IP policies of SSOs is ideal, we argue that the clause should designate the jurisdiction that is home to the law specified in the choice of law clause (e.g., French courts for ETSI) instead of the national court where the patent is granted, because the jurisdiction-by-jurisdiction resolution of FRAND disputes will decrease efficiency by fragmenting FRAND-related decisions. This fragmentation is undesirable because it is neither in line with the global nature of the FRAND license nor beneficial to the goal of international standard adoption.<sup>534</sup> The designation of forum to the jurisdiction where the patent was granted will lead to numerous FRAND litigations in different countries and *de-facto* jurisdiction-specific FRAND licenses. The resulting inefficiency is well put by English Justice Birss in *Unwired* that “[licensor and licensee acting reasonably and on a willing basis] would regard country by country licensing as madness. A worldwide licence would be far more efficient.”<sup>535</sup> Thus, in addition to the clear advantages of Greenbaum’s proposal, our proposal will better promote the international social welfare of standards adoption.

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530. Greenbaum, *supra* note 37, at 1119.

531. *Id.* at 1119–20.

532. *Id.* at 1123.

533. *Id.* at 1117.

534. *Cf.* Gabison, *supra* note 42, at 143–44 (arguing that jurisdiction-specific FRAND licenses are inefficient).

535. *Unwired Planet Int’l Ltd. v. Huawei Techs. Co.* [2017] EWHC (Pat) 711 [543] (Eng.).

Some commentators suggest that arbitration is the best way to resolve FRAND disputes, especially FRAND rates;<sup>536</sup> therefore, an arbitration clause should be included in the IP policy documents of SSOs.<sup>537</sup> While there have been different viewpoints regarding how a FRAND rate can be decided by the arbitration tribunal,<sup>538</sup> arbitration provides a confidential, efficient, and professional venue to resolve international commercial disputes.<sup>539</sup> Furthermore, it is not too costly for SSOs to include an arbitration clause in relevant FRAND documents. This is why several SSOs have already required their members to resolve their disputes via binding arbitration clause.<sup>540</sup> More importantly, by centralizing the dispute resolution in one single venue, arbitration procedures can avoid the costs and conflicts of ASIs and subsequent legal proceedings in multiple jurisdictions.<sup>541</sup> Nevertheless, we argue that given the proliferation of ASIs around the world, the court is still a more ideal venue than arbitration to resolve FRAND disputes. Compared to privately conducted arbitration proceedings, court decisions provide important information to stakeholders by publishing reasoning therein. First, the disclosure of court decisions provides more certainty for potential SEP holders and standard implementers, and this certainty will eventually encourage the widespread adoption of standards. Second, since court decisions are made based on the law and are subject to public scrutiny, they need to maintain a much higher degree of consistency than arbitration awards. Third, as SEP-related issues are complicated and fast developing, court decisions, as opposed to undisclosed arbitration awards, are better suited to advance the theoretical and practical development of relevant legal doctrines.<sup>542</sup> While some supporters of arbitration suggest that arbitration tribunals have the discretion to disclose its approach to FRAND rate calculation to antitrust authorities, courts,

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536. See, e.g., Julien Chaisse & A. Marisport, *Arbitration of FRAND Disputes in SEP Licensing: Towards Global Substantive and Procedural Rules*, 2021 INTELL. PROP. Q. 264, 276–77.

537. See, e.g., Lemley & Shapiro, *supra* note 41, at 1144.

538. *Id.*

539. See, e.g., Andrew Barraclough & Jeff Waincymer, *Mandatory Rules of Law in International Commercial Arbitration*, 6 MELB. J. INT'L L. 205, 206 (2005); Tsai-Yu Lin, *Compulsory Licenses for Access to Medicines, Expropriation and Investor-State Arbitration under Bilateral Investment Agreements—Are There Issues Beyond the TRIPS Agreement?*, 40 INT'L REV. INTELL. PROP. & COMPETITION L. 152, 164 (2009); Catherine A. Rogers, *Regulating International Arbitrators: A Functional Approach to Developing Standards of Conduct*, 41 STAN. J. INT'L L. 53, 65 (2005).

540. See, e.g., Contreras, *Global Rate Setting*, *supra* note 42, at 730.

541. Guillaume Areou & Christophe Arfan, *The Use of Arbitration in FRAND Disputes*, 2021 INT'L BUS. L.J. 327, 339; see also Chaisse & Marisport, *supra* note 536, at 279 (arguing that arbitration is a centralized dispute resolution mechanism which can avoid “colossal waste of time, money and resources of parties”).

542. Cf. Liu, *supra* note 36, at 675 (“[A] drawback of ADR is that it lacks the positive externality of a litigation. Its results will not be published, and no teaching and research on and oversight over the licensing of SEPs will be possible. Relevant knowledge will not be accumulated for and disseminated to the public.”).

and SEP holders and standard implementers,<sup>543</sup> this proposal still fails to include the public scrutiny, which is essential to the development of legal approaches to FRAND disputes. Given these concerns, an exclusive forum selection clause is more suitable for resolving FRAND disputes than an arbitration clause in SSOs' IP policies.

Several other proposals seem plausible in theory but are unrealistic in practice. For example, some have suggested that SSOs should establish their own dispute resolution mechanisms to resolve FRAND disputes.<sup>544</sup> This proposal is unrealistic because it neglects the political realities within SSOs. The participants of standard setting normally have conflicting commercial interests with regard to their own technologies and products; therefore, standard setting is typically a process of compromise by these participants.<sup>545</sup> To maintain a neutral status in standard setting and subsequent adoption, none of the SSOs have defined FRAND terms; several SSOs even have explicitly refused to define it.<sup>546</sup> Given the SSOs' clear intention of being neutral from members' FRAND disputes, it is impractical to expect them to set up *sui generis* mechanisms for FRAND dispute resolution.

A more progressive approach proposed by Professor Jorge L. Contreras is to set up an international FRAND tribunal under SSO policy.<sup>547</sup> While this proposal shares our proposal's goal of resolving FRAND disputes through private ordering and avoiding inconsistent decisions across jurisdictions, its degree of difficulty is much higher. The main challenge of this proposal is not inserting the tribunal provision into the SSO policy, but rather the difficulties in reaching a consensus regarding how to establish this tribunal and its procedures among a critical mass of SSOs and other stakeholders. The launch of this tribunal requires support from not only SSOs but also their members. Parties with diverse economic and political interests will certainly

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543. Chaisse & Marisport, *supra* note 536, at 277. *But see* Yoonhee Kim, *Lifting Confidentiality of FRAND Royalties in SEP Arbitration*, 16 COLUM. SCI. & TECH. L. REV. 1, 23–32 (2014) (proposing to completely lift confidentiality of FRAND royalties in SEP arbitration).

544. *See, e.g.*, ALBERT A. FOER & SANDEEP VAHEESAN, AM. ANTITRUST INST., REQUEST FOR JOINT ENFORCEMENT GUIDELINES ON THE PATENT POLICIES OF STANDARD SETTING ORGANIZATIONS: PETITION TO THE DEPARTMENT OF JUSTICE AND FEDERAL TRADE COMMISSION 17 (2013), <https://www.antitrustinstitute.org/wp-content/uploads/2013/05/Request-for-Joint-Enforcement-Guidelines-on-the-Patent-Policies-of-Standard-Setting-Organizations.pdf>; Liu, *supra* note 36, at 675.

545. *See, e.g.*, Jorge L. Contreras, *Implementing Procedural Safeguards for the Development of Bioinformatics Interoperability Standards*, 39 N. KY. L. REV. 87, 113 (2012); Jorge L. Contreras, *supra* note 50, at 577–78; Henry H. Perritt, Jr., *The Internet is Changing the Public International Legal System*, 88 KY. L.J. 885, 950 (2000).

546. *See, e.g.*, Contreras, *Global Rate Setting*, *supra* note 42, at 705; *see also* Knut Blind & Brian Kahin, *Standards and the Global Economy*, in THE CAMBRIDGE HANDBOOK OF TECHNICAL STANDARDIZATION LAW: COMPETITION, ANTITRUST, AND PATENTS 7, 15 (Jorge L. Contreras ed., 2017) (indicating that SSOs “have been reluctant to enter the broader debate about licensing standards”).

547. *See, e.g.*, Contreras, *Global Rate Setting*, *supra* note 42, at 739.

have different viewpoints on the substantive and procedural rules of this tribunal. While on the surface of this proposal, nation states are not involved in the establishing the proposed tribunal, those considering their substantial national interest in FRAND-encumbered SEPs will likely influence the design of the tribunal and its procedures through the SSO members. This is the case for initiatives on the harmonization of private international law. Speaking to the difficulties in reaching consensus on intellectual property related matters, the Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters has excluded intellectual properties from the scope of the Convention.<sup>548</sup> Although it is ideal to have a new tribunal specifically devoted to resolving FRAND disputes, the political and economic reality will likely prevent the proposal's realization.

While tailor-made international dispute resolution mechanisms for IP and similar rights have existed in other arenas, this model cannot be easily applied to FRAND disputes. For example, the Uniform Dispute Resolution Proceeding has become an international norm for resolving domain name disputes.<sup>549</sup> However, it should be noted that this unique procedure was developed with the support of the U.S. government and World Intellectual Property Organization in the 1990s, when domain name disputes were not quite common.<sup>550</sup> Given the intertwined international economic interest underlying FRAND issues, using an existing court system is a much more practical and less costly solution than setting up a new international tribunal, not to mention the fact that parties involved in increasing ASIs and other FRAND disputes cannot afford the enormous time required for stakeholders to reach a consensus regarding the details of establishing such a tribunal.

Even if the proposal of international FRAND tribunal is eventually implemented after long negotiation among various stakeholders, the increasing FRAND disputes need to be resolved in an efficient way before that really happens. As illustrated above, our proposal is still the most cost-effective way to eliminate the fragmentation of FRAND decisions by numerous national courts and the collateral ping-pong game of ASIs before a more costly transnational dispute resolution mechanism is developed. It does not require a critical mass of SSOs to reach a unanimous consent on numerous key issues, such as the proposal to establish an international tribunal on FRAND and the composition of the tribunal. According to our proposal, each SSO can decide

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548. Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters, art. 2(1)(m), July 2, 2019, <https://www.hcch.net/en/instruments/conventions/full-text/?cid=137>.

549. See, e.g., Jyh-An Lee, *Domain Name Dispute Resolution in Mainland China and Hong Kong*, in *THE CAMBRIDGE HANDBOOK ON INTERNATIONAL AND COMPARATIVE TRADEMARK LAW* 398, 399 (Irene Calboli & Jane Ginsburg eds., 2020).

550. See, e.g., A. Michael Froomkin, *ICANN's "Uniform Dispute Resolution Policy"—Causes and (Partial) Cures*, 67 *BROOK. L. REV.* 605, 613–33 (2002).

on its own whether to include an exclusive jurisdiction clause. As more SSOs adopt this approach, they will influence others to do the same.

## VI. CONCLUSION

ASIs and AASIs concerning FRAND-encumbered SEPs have become increasingly common across different jurisdictions in recent years. This is partly because of the tensions between the national courts' jurisdictions and the transnational nature of standards and corresponding FRAND licenses. When a national court is adjudicating a FRAND case, the determination of a global FRAND rate inevitably has an impact on FRAND activities in other jurisdictions. Consequently, the court may use an ASI as a tool to ensure that the determined FRAND rate is not thwarted in other jurisdictions. However, we have seen an increase in conflicting ASIs that are conducive to neither global standardization nor international comity.

Against this backdrop, this Article makes three novel contributions. First, it explains the reasons behind the sudden surge in ASIs and AASIs since 2019. This is not a coincidence, but the result of significant national interests in standardized technologies and the very nature of FRAND licenses, which are devoid of international regulatory governance and must be assessed by national courts with different choice of law rules. Second, armed with this general observation, this Article delves further into the differing national interests and legal traditions that drive the approaches toward FRAND disputes adopted by different jurisdictions. It is clear that countries in the first group (the United States and China) are much more aggressive in issuing ASIs due to their greater interest in regulating FRAND disputes globally. This is in contrast against the second group (England, France, Germany, and India), which lacks the same economic dominance as the first group, but instead focuses on national interests grounded on territoriality and the protection of property rights, leading to defensive measures represented by AASIs. Finally, this Article proposes that the most practical solution is to include an exclusive forum selection clause in the SSO policies. This builds on the existing practice of inclusion of choice-of-law clauses in some SSO policies and the existing private international law rules of most jurisdictions which recognize such clauses. These clauses will effectively eliminate parallel proceedings in the first place and thus reduce undesirable social costs stemming from ASIs.



