

Telefonktiebolaget LM Ericsson (Publ) Vs Lava International Ltd.

Court: DELHI HIGH COURT

Date of Decision: June 10, 2016

Acts Referred: Civil Procedure Code, 1908 (CPC) â€” Order 39 Rule 1, Order 39 Rule 2
 Patents Act, 1970 â€” Section 48

Citation: (2016) 158 DRJ 707 : (2016) 67 PTC 596 : (2017) 1 RAJ 103

Hon'ble Judges: Mr. Manmohan Singh, J.

Bench: Single Bench

Advocate: Mr. C.S. Vaidyanathan, Mr. Sandeep Sethi and Ms. Prathiba M. Singh, Senior Advocates with Mr. Chander M. Lal, Ms. Saya Choudhary Kapur, Mr. Ashutosh Kumar, Ms. Meetali Agarwal, Ms. Sutapa Jana, Mr. Rohin Koolwal, Mr. Adithya Jayaraj, Mr. Devanshu Khanna

Final Decision: Disposed Off

Judgement

,

Mr. Manmohan Singh, J.â€”I.A. No.5768/2015 (u/o XXXIX R.1 & 2 CPC, by plaintiff) and I.A. No.16011/2015 (u/o XXXIX R.1 & 2 CPC,"

by defendant),

By this order, I propose to decide the above mentioned pending applications. Although in the main suit, the remaining evidence of the defendant is",

yet to be recorded. The plaintiff would also be given last opportunity to produce the rebuttal evidence, if so desired by the plaintiff. The above",

mentioned applications were argued by both the parties from time to time. Many times proposal of settlement was discussed. As the trial in the,

main suit was in progress, in order to strike balance at one stage, the defendant offered to deposit a sum of Rs. 30 crores with the Registrar",

General of this Court without prejudice, if the injunction application is disposed of and direction for expediting the trial is issued, so that, ultimately",

in case the suit is decreed, the said amount be adjusted towards the royalty in terms of FRAND agreement. The said proposal was not acceptable",

to the plaintiff as the plaintiff was insisting at least for a sum of Rs. 50 crores out of which half of the amount should be paid to the plaintiff on,

account and the remaining half the defendant must deposit with the Court by way of fixed deposit. The said proposal of the plaintiff was not,

acceptable to the defendant. During the rejoinder arguments, the defendant completely changed its stand and refused to deposit any amount and",

asked the Court to decide the interim injunction application on merits. Therefore, this Court is left with no option but to decide both pending",

applications.,

2. The plaintiff has filed the present suit for permanent injunction against the defendant seeking inter alia to restrain violation and infringement of its,

rights in its patents being:

(i) IN 203034 titled as ""Linear Predictive Analysis by synthesis encoding method and encoder""",

(ii) IN 203036 titled as ""Apparatus of producing from an original speech signal a plurality of parameters""",

(iii) IN 234157 titled as ""A method of encoding/decoding multi-codebook fixed bitrate CELP signal block""",

(iv) IN 203686 titled as ""Method and system for alternating transmission of codec mode information""",

(v) IN 213723 titled as ""Method and apparatus for generating comfort noise in a speech decoder""",

(vi) IN 229632 titled as ""Multi service handling by a Single Mobile Station""",

(vii) IN 240471 titled as ""A mobile radio for use in a mobile radio communication system""",

(viii) IN 241747 titled as ""A transceiving unit for block automatic retransmission request"".",

3. The suit patents relate to three technologies in the field of telecommunications pertaining inter alia to 2G, EDGE and 3G devices (mobile",

handsets, tablets, dongles etc.), details of which are as under:-",

(a) Adaptive Multi-Rate (AMR) speech codec - a feature that conserves use of bandwidth and enhances speech quality; (AMR),

(b) Features in 3G phones - Multi service handling by a Single Mobile Station & A mobile radio for use in a mobile radio communication system,;

(3G),

(c) Enhanced Data Rates for GSM Evolution (EDGE)â€”A transceiving unit for block automatic retransmission request; (EDGE),

4. It is averred in the plaint that the suit patents have corresponding registered patents in several countries of the world. These technologies are,

essential for mobile devices (handsets, tablets, dongles etc.) to interoperate with network equipment, as per the standards prescribed by",

international standardisation bodies that have been adopted and implemented in India by the Department of Telecommunications (DOT) qua,

AMR, 3G and EDGE enabled devices. Copies of declarations made by the plaintiff to ETSI have been filed along with claim charts mapping the",

suit patents to concerned technical specifications of relevant standards in a sealed cover.,

5. The plaintiff claims that M/s Telefonktiebolaget LM Ericsson is the mother company of the plaintiff group, which was founded in Sweden in",

1876 and is now one of the largest telecommunications companies in the world. The plaintiff group designs and manufactures telecommunications,

equipment, sets up and manages telecommunications networks, and drives innovation in the field of telecommunications, data communications and",

mobile networks. The plaintiff is one of the major contributors towards every facet of the Indian Telecommunication Industry and has worked with,

the Indian Government for over 112 years since 1903. The plaintiff has not only invented and developed state of the art innovations/technologies,

that are used in the current telecommunication system but has also aided and assisted the Indian Government towards setting up of infrastructure,"

maintenance of network, supply of telecommunication equipment etc. The plaintiff has around 20,000 employees and offices across 25 locations in",

India. It has also set up well-established mature manufacturing units and state of the art Research & Development facilities in India.,

6. It is also claimed by the plaintiff that at present, the Plaintiff group is active in more than 180 countries having annual sales of USD 30 Billion",

(approximately) for the year 2015. Further, to drive innovation, the Plaintiff group has invested tens of billions of US dollars in the past decade on",

telecommunications research and development. In 2015 alone, the plaintiff group invested approximately USD 4 Billion on R&D. Accordingly, the",

plaintiff owns one of the most extensive and significant patent portfolios in the telecommunications field.,

7. The plaintiff further claims ownership of extensive portfolio of standard essential patents vis-a-vis GSM, GPRS, WCDMA etc. It is stated by",

the plaintiff that large number of patents owned by the plaintiff are Standard Essential Patents and read on 2G, EDGE and 3G standards. They",

cover a particular component/element/device/method etc. corresponding to a technical specification (TS teaches what is to be done and how it is,

to be performed) for a technology that forms a part of a standard. Thus, an essential patent can be said to be a patent that corresponds to an",

industry standard.,

8. In view of pleadings and material placed, it has come on record that when a patent is essential for a particular standard by implication for the",

technology concerned, all manufacturers of devices or equipment which are 2G, EDGE or 3G compliant is supposed to use the said technology",

belonging to plaintiff's suit patents as those are claimed to be standards as it is impossible to claim compatibility with a technology (as defined by,

the concerned standards) without that it would amount to infringe the patents, therefore, there is no other option but to obtain a license and in",

absence thereof, it would be deemed to be considered as infringement.",

9. It is contended by the plaintiff that the defendant is guilty of infringement, as the defendant's phones are compliant with specified ETSI",

Standards. The said eight suit patents correspond to various Standard Essential Patents (SEPs). The defendant has no right to infringe the patents.,

The plaintiff has filed defendant's devices and found that the same use AMR technology in 3G and 2G and possess EDGE capabilities and thus, it",

was alleged that all these devices are thus standard compliant infringing. The plaintiff has also stated that it is obligated to offer a license to the,

Patents on FRAND terms and has sought to negotiate with the defendant but the defendant has refused to take license on FRAND Terms.,

Therefore, the suit has been filed and the plaintiff is entitled for injunction in view of infringement. Ex parte interim injunction in the matter was not",

passed as the defendant appeared before Court when the suit and interim application were listed.,

10. The defendant has, inter alia, challenge the validity as well as essentiality of the suit patents by filing its written statement who has also filed a",

separate counter-claim wherein it has been stated that the suit patents are not essential standard patent.,

11. The following main reasons are given by the defendant:,

i) On examination of the documents filed on record by the Plaintiff and from the database maintained, by the ETSI, it is abundantly clear that the",

Plaintiff has not even made self-serving declarations to ETSI of essentiality of the 8 Suit Patents against the ETSI Standards specified on pages 24-,

28 of the plaint.,

ii) The suit itself it liable to be dismissed in the absence of any declaration of the suit patents corresponding to the ETSI Standards, as specified by",

the plaintiff itself at page 24-28 of the Plaint.,

iii) Even otherwise, the Claim Charts filed by the Plaintiff in support of its claim of essentiality of the 8 Suit Patents are incorrect, misleading and",

superfluous inasmuch as it is clear from the expert affidavit of Mr. G. Madhusudan that the following defects exist in the claim mapping:,

iv) Certain patent claims do not map to any section of the ETSI standard so the question of those claims being needed to implement the standard,

does not arise;,

v) Claims have been mapped against generic or introductory sections of the Standards which have no correlation to the scope or object of the,

Standard;,,

vi) The patent claims map to section of ETSI Standards that were actually present (in some case with verbatim language) in prior Standards of,

ETSI or ITU that existed even before the priority date of the patents;,,

vii) Patents claims merely state general ideas/objectives or ends and do not describe the means to achieve these ends. Thus, nothing can be",

implemented on the basis of the Patent Claims, let alone the Standards (See Section IV for detailed submissions and Annex B);",

12. On the issue of validity, the following main contentions were raised:-",

(i) Suit Patents are algorithms and are not patentable as they are not inventions within the meaning of Section 3(k) of the Indian Patents Act, 1970.",

There is no exception under India law to this rule;

(ii) The algorithms described in the Suit Patents cannot be implemented/coded into software by a person skilled in the art without use of his own,

effort and imagination;;

(iii) Even once coded into software, the algorithms described by the Suit Patents can be run/performed on any general purpose computer and",

hence there is no question of technical effect, or any specialised hardware being disclosed in the Suit Patents.",

(iv) Plaintiff has obtained the Suit Patents by misleading the Indian Patent Office and deliberately claiming the presence of "device" or "apparatus",

by way of artful and clever drafting of the patent claims.,

(v) On examination of the Suit Patent claims and specifications, experts - the Indian Institute of Technology, Madras, and Mr. G.S. Madhusudan,",

person skilled in the art have found that the Suit Patents do not relate to hardware elements/products and describe only well-known algorithms.,

(vi) Plaintiff has failed to file the alleged hardware elements/apparatus/device invented by it before this Court. In response to a notice to produce,

dated 4th February 2016 served by the defendant, the plaintiff has once again failed to give discovery of/produce the specific products/devices",

allegedly invented by it;

13. With regard to plaintiff's test reports, it is submitted by the defendant as under:-",

(i) The infringement analysis conducted by the plaintiff is premised on the Suit Patents being standard essential. The so-called infringement analysis,

conducted by the plaintiff only tests the Defendant's devices for compliance with the Standards and not the Suit Patents;;

(ii) The in-house lab tests conducted by the plaintiff also demonstrate that the testing was conducted only to check for Standard compliance, i.e. to",

check the device for output consistent with the Standard;;

(iii) There is no evidence of infringement of the plaintiff's Suit Patents by the handsets of the Defendant and the plaintiff has failed to discharge its,

onus to show that the Defendant's devices are, in fact, infringing the Suit Patents and the IIT Report has also stated that infringement has not been",

shown from the test reports.,

14. Pertaining to FRAND Negotiations, it is submitted that even during the FRAND Negotiations the defendant has made several enquires with",

the plaintiff about the technical aspects of the patents, their validity and essentiality. However, plaintiff was not forthcoming and never satisfied the",

defendant on the validity and essentiality of the suit patents, who also refused to disclose its FRAND agreements with third parties, therefore, the",

plaintiff is to be blamed for non disclosure of all materials.,

15. It is stated by the defendant that in the written statement-cum-replication filed on behalf of the plaintiff, a new case is sought to be introduced",

on various aspects, the same is false on essentiality, the plaintiff has pleaded a new case which is contrary to the allegation in the plaint that UMTS",

GSM, EDGE are ETSI Standards instead of the ETSI Standards as mentioned in the plaint at page 24. The plaintiff has, therefore, misled the",

Court by suggesting that it has made declarations to ETSI against either of ""ETSI Standard, or Technical Specification"", factually it was incorrect",

and false as there is admittedly no declaration against ETSI Standards.,

16. With regard to validity, it is submitted that suit patents are drawn to algorithms, the plaintiff claims for the first time in the Written Statement to",

Counter Claim that all 8 Suit Patents are product patents and are, therefore, not hit by Section 3(k) of the Indian Patents Act, 1979. The plaintiff",

claims that the suit patents are novel and inventive and comprise hardware components specially designed and developed by the plaintiff.,

However, the plaintiff has not been able to produce these alleged hardware components in spite of a specific discovery request. There is no",

technical effect caused by the patents as no software, or hardware implementation of any algorithm is described in the patent, the claim of the",

plaintiff is not correct when it is stated that as the suit patents are product patents, there was no need to provide implementation guidelines in the",

Patent claims and specifications either, in software, or hardware.",

17. Counsel for the defendant has referred the ETSI in its IPR Policy and submits that it requires a patent holder to disclose/declare a patent/IPR,

as essential to specified ETSI Standards/Technical Specifications in the prescribed IPR Information Statement and Licensing Declaration form.,

Clause 4.1 of the IPR Policy mandates that ""each MEMBER shall use its reasonable endeavours, in particular during the development of a",

Standard or Technical Specification where it participates, to inform ETSI of ESSENTIAL IPRs in a timely fashion."" The said declaration/",

disclosure needs to be made against specific Standard(s) or Technical Specification(s) of ETSI and not merely in respect of a Project or a,

technology. Counsel submits as under:,

a) ETSI in its IPR Policy defines ""Essential"", ""Standard"" and ""Technical Specification"" as follows:",

""ESSENTIAL"" as applied to IPR means that it is not possible on technical (but not commercial) grounds, taking into account normal technical",

practise and the state of the art generally available at the time of standardization, to make, sell, lease, otherwise dispose of repair, use or operate",

EQUIPMENT or METHODS which comply with a STANDARD without infringing that IPR. For the avoidance of doubt in exceptional cases,

where a STANDARD can only be implemented by technical solutions, all of which are infringements of IPRs, all such IPRs shall be considered",

ESSENTIAL.,

b) ""STANDARD"" shall mean any standard adopted by ETSI including options therein or amended versions and shall include European Standards",

(ENs), ETSI Standards (ESS), Common Technical Regulations (CTRs) which are taken from ENs and including drafts of any of the foregoing, and",

documents made under the previous nomenclature, including ETSS, I-ETSS, parts of NETs and TBRs, the technical specifications of which are",

available to all MEMBERS, but not including any standards, or parts thereof, not made by ETSI. ""Technical Specification"" shall mean any",

Technical Specification (TS) adopted by ETSI including options therein or amended version including drafts, the Technical Specifications of which",

are available to all MEMBERS, but not including any technical specifications, or parts thereof not made by ETSI and it has to comply with a",

STANDARD"" and, therefore, a declaration of essentiality, to be valid, has to identify the Standard or Technical Specification against which an",

IPR is being declared as essential. The declaration of essentiality is required to be made to ETSI in a prescribed ISLD form.,

18. It is submitted by the defendant that the plaintiff in para 24 of the plaint has claimed that declarations of essentiality of the Suit Patents to the,

aforesaid Standards have been made by the plaintiff to ETSI. However, on the contrary, a bare perusal of the ISLDs relied upon by the plaintiff",

makes it clear that Suit Patents have never been declared against the Standards as sought to be claimed by the plaintiff as when a search is carried,

out in ETSI's database, it provides the details of the patents declared in the ISLD, but from ETSI's database for declarations made by the plaintiff",

against the aforesaid Standards reveals that ETSI does not have record of any such declarations made by the plaintiff. Patent-wise details have,

been referred by the learned Senior counsel appearing on behalf of the defendant.,

19. Therefore, it is submitted by the defendant that the plaintiff has neither declared the suit patents to the relevant "Standard" in the ISLD forms",

relied upon by it nor has offered any explanation for the screen shots of ETSI Database research reports which show ""no records to display"".",

Instead, the plaintiff has misled the Court and has wrongly suggested, for the first time in the written statement-cum-replication that the declaration",

of essentiality can be made to ETSI against an ETSI Project. In view of the objections raised by the defendant, the plaintiff has now admitted that",

the declarations made to ETSI were only made for ETSI Projects namely, GSM/ UMTS/GPRS and not in respect of any ETSI Work Item, ETSI",

Standard(s) and/or Technical Specification(s), as mandatorily required by ETSI under Clause 4.1 read with the definitions in Clause 15 of its IPR",

Policy, the plaintiff is now confusing nomenclature and claiming that ""ETSI Projects"" are also ""ETSI Standards"". ",

20. On the issue of validity of such patents, the counsel for defendant has referred Section 3(k) of the Act which provides that the following are not",

inventions within the meaning of the Act and are, hence, not patentable: (i) mathematical or business method; (ii) computer program per se; and (iii)",

algorithms.,

3. The following are not inventions within the meaning of this Act:-",

(k) a mathematical or business method or a computer programme per se or algorithms.""",

It is submitted that as per Section 3(k) above, the computer programme and algorithms are not patentable in India. It is stated that the plaintiff has",

wrongly claimed that its patents are not algorithms at all and are in fact product patents, and, therefore, not within the bar of Section 3(k) of the",

Act. In the replication-cum-written statement to Counter-Claim, the plaintiff has incorrectly mentioned that all Suit Patents relate to patentable",

subject matter and the claims as granted do not fall under the auspices of Section 3 of the Act in as much as the same either relate to,

telecommunication devices/apparatus such as handsets, dongles, tablets etc. or various components that constitute an actual physical part/element",

of such devices such as encoders/transceiver etc. thus, product patents cannot be labelled as algorithm.",

21. It is stated by the defendant that these apparatuses and components that the plaintiff claims to have developed exist only in the plaintiff's",

pleadings, but nowhere in reality and have not been produced by the plaintiff despite a discovery request. On the face of un rebutted report from",

the Department of Computer Science at IIT Madras which clearly states that the patents are drawn only to algorithms, the plaintiff continues to",

assert and expects this Court to believe that apparatus and components that it is unwilling to produce, actually exist and have been invented by the",

plaintiff. The defence of the plaintiff to the challenge of Section 3(k) is the existence of certain apparatuses/devices that exist only in the plaintiff's",

imagination and hence, the plaintiff has no credible case before this Court.",

22. The defendant has credible evidence to show that all the Suit Patents are algorithms and are not inventions as per Section 3(k) of the Act and,

no specialised apparatus is disclosed. As such, the plaintiff ought not to be granted any equitable relief at this stage. The defendant has also given",

the explanation in written submission of each patent in support of its submissions.,

23. It is submitted by the defendant that Suit Patents on being implemented in a mobile communication system do not have any technical effect,

since they only serve to improve the efficiency of the computer program itself and do not cause any change in the behaviour of the underlying,

hardware or network. Thus, the Suit Patents, which describe mere algorithms, cannot have any technical effect. Improvements in algorithmic",

efficiency that are transparent to the underlying hardware, or to the network, cannot ever be said to cause a technical effect. The Plaintiff has",

wrongly stated in its Written Statement to Counter Claim that the Suit Patents cannot be implements on a general purpose computer.,

Therefore, the plaintiff cannot claim a technical effect of the Suit Patents based on a claim that the technology allegedly disclosed can only be",

implements in a specialised mobile system. IIT Madras and the plaintiff itself have stated that the alleged claims relate to technology that can be,

implemented in a general purpose computer. Thus, the suit patents are vulnerable to challenge and there is a strong prima facie case for the",

revocation of the Suit Patents.,

24. With regard to Claim Charts, it is submitted on behalf of the defendant that the same have been filed by way of affidavit of Mr. Lars Peter",

Kunkel who is a Senior Manager of the plaintiff Company. It is submitted that in the affidavit it does not disclose that he is an expert. In the,

affidavit, it is merely mentioned that ""illustrative claim charts, mapping certain claims with some of the corresponding standards. It is not sufficient",

mapping to establish essentiality, as the ETSI's IPR Policy itself provides that the declaration made by any patent holder claiming it to be essential",

to any Standard is not validated by the ETSI and any such claim is not certified as correct by ETSI. Therefore, in order to claim essentiality, the",

plaintiff has to demonstrate that: (a) the claims of the Suit Patents correspond to ETSI Standard(s) and that it is possible to implement the whole,

standard with the help of the claims provided in the Suit Patents; and (ii) that no other implementations of the ETSI Standards are possible. It is,

stated that the plaintiff has provided absolutely no evidence on the aspect whether other implementations of the Standard are not possible.,

25. It is also stated that the plaintiff has failed to place any material to show that the defendant's devices are infringing to the Suit Patents. Mr.,

Kunkel cannot himself provide any analysis of the Test Reports without carrying out any testing on the defendant's devices. The tests were carried,

out in-house by two of the plaintiff's employees and no affidavit has been filed by the said employees who have conducted the tests. The claim,

made by Mr. Kunkel that the test reports is not correct to the effect that the defendant's product would infringe the plaintiff's patents. The Test,

Reports cannot be relied upon by the plaintiff. The said test reports do not themselves conclude that the Suit Patents are infringed by the tested,

devices. The conclusion of the test reports are limited to stating that the devices use a particular technology and the test reports do not state,

anywhere that the Suit Patents are infringed by the tested devices.,

26. In reply to affidavit of Vijay Ghate dated 16th March, 2015 filed by the plaintiff, it is submitted by the defendant that Mr. Ghate has relied on",

materials provided by the plaintiff, i.e. specifications of the Suit Patents, links relating to the 11 ETSI standards identified in the plaint and the test",

reports generated by the plaintiff Company. His affidavit cannot be relied upon as credible, expert testimony either that the Suit Patents are",

essential or that the Suit Patents are infringed by the defendant's devices.,

27. Learned Senior counsel for the plaintiff has submitted that the plaintiff has made proper declarations to etsi qua essentiality to,

telecommunication standards of suit patents. Learned Senior counsel has denied all arguments of the defendant who has submitted that the plaintiff,

has made general as well as individual declarations to the ETSI pertaining to the suit patents. This is in accordance with ETSI's IPR policy which,

encourages SEP owners to make general/blanket declarations to avoid a case of patent hold-up.,

28. It is stated by the learned Senior counsel that in challenging the propriety of the plaintiff's declarations to ETSI, the defendant has failed to",

understand the very intent and purpose behind the requirement imposed by Standard Setting Organisations on patent holders to declare their,

patents which they deem to be essential or believe, may become essential in the future. The entire intent and purpose in seeking such declarations is",

to ensure that such patent owners agree to be bound by FRAND commitment i.e. to offer a license for its Standard Essential Patents to a third,

party who seeks such license. The main object is that a party should not block or hold or prevent dissemination of essential technology necessarily,

required for maintenance of inter-operability.,

29. It is also submitted that the plaintiff has always complied with its commitment to license its essential patents and in fact, it was the plaintiff that",

approached defendant in 2011 and offered to license its portfolio of standard essential patents on FRAND terms. Thus, the contention of",

defendant is only with the intention to delay the adjudication of the present matter. It is submitted that plaintiff has executed more than 100 license,

agreements with various industry players for its portfolio of standard essential patents including the suit patents, which in itself is indicative that the",

suit patents are essential in nature. Thus, in view of the aforesaid facts and submissions the plea by defendant to the declarations made by the",

plaintiff to ETSI is without any force.,

30. It is submitted that the defendant is confusing the Court by merging the concept of "standards" and "technical specifications" which are,

separate and distinct as ETSI IPR Policy reveals that the intent behind requiring a member to declare its essential IPR to ETSI is to ensure that,

such member agrees to provide an irrevocable undertaking in writing vis-a-vis its agreement to grant licenses on FRAND terms and conditions for,

such IPR for use in equipment etc. by third parties who seek such a license and agree to reciprocate. Clause 4.3 of the policy specifically provides,

that declaration of only one member of a patent family is sufficient as the same by virtue of clause 6.2 shall be read to imply a global declaration,

pertaining to all members of the concerned patent family. Even no objections were raised by ETSI about the adequacy of declarations as filed by,

plaintiff, thus, plaintiff's declarations made to ETSI pertaining to the essential nature of the suit patents have to be treated as an adequate.",

Appendix A is referred wherein IPR licensing declaration form as annexed with the IPR Policy evidences the falsity of the arguments raised by,

defendant and supports plaintiff's contention inasmuch as it is open to the IPR holders to inform ETSI with reference to ETSI standard(s) or,

technical specification(s) or project(s). Therefore, defendant has incorrectly used "technical specification number" as the criteria to search for",

plaintiff's declaration and subsequently emphasised in its tables in paragraphs 14 and 15 of their written submissions about the result being ""no",

records to display"". On the contrary, if ""ETSI projects"" is used as the search criteria instead of ""technical specification number"", all the relevant",

declarations made pertaining to the suit patents would have been displayed in the result column. The tables referred are incorrect. The defendant,

seeks to suggest that no appropriate declarations were made by plaintiff. It is submitted that there is no mismatch between plaintiff's claim,

pertaining to essentiality of the suit patents and the declaration forms relating to the same as filed by it.,

31. It is also argued by the learned Senior counsel that all these pleas raised by the defendant in the written statement and counter-claim in the,

present case have been raised in other matter and after discussion extensively, the interim directions were passed against those defendants. Even, in",

some of the cases, the defendants agreed to pay the royalty as per the terms of FRAND agreement and in other cases directions have been passed",

to deposit the amount and in few cases parties have entered into global agreements with the plaintiff after issuance of interim directions. Learned,

Senior counsel says that the defendant who is raising the same objections in different fashion is actually backed by same very parties who have not,

complied the Court's orders and lost the matter in Court on the same objections. All objections are frivolous which are taken in order to confuse,

the Court and to delay the trial of the suit.,

32. After rival submissions of both the parties, the following points emerge from the pleadings, documents and submissions:-",

(i) Whether the plaintiff is the owner of the suit patents?,

(ii) Whether the suits of patents are standard essential patent?,

(iii) Whether the defendant is willing and ready become licensee if they are unwilling its consequences in case of infringement of patents committed,

by the defendant?,

(iv) Whether the plaintiff suit patents are prima facie valid patent or prima facie the defendant has been able to make out a case of invalidity of the,

suit or has shown credible defence in order to avoid injunction?,

(v) Any prima facie case is made out by the plaintiff for grant of injunction?,

33. As far as point (i) is concerned, it is undisputed fact that the plaintiff is the owner of the suit patents and the same are duly registered. The case",

of the plaintiff is that the same technology and portfolio under the standard patents are being used by all big mobile companies of the world under,

FRAND agreement who are marketing their mobile phones in India including Samsung.,

34. With regard to the objection of point No.2 raised by the defendant that the Suit Patent are not standard essential patents, the ETSI Guide to",

IPRs are given as under:,

2.1 Members Duties",

2.1.1 Responding to Calls for IPRs performed in Technical Body meetings,

.....,

.....,

Members are encouraged to make general IPR undertakings/licensing declarations that they will make licenses available for all their IPRs under,

FRAND terms and conditions related to a specific standardisation area and then, as soon as feasible, provide (or refine) detailed disclosures. This",

process reduces the risk of the standards making process being blocked due to IPR constraints.,

.....,

.....,

2.1.3 Use the ETSI IPR Licensing Declaration forms,

The ETSI IPR Licensing Declaration forms consist of the (i) the IPR information statement and licensing declaration form, including its annexes,"

and (ii) the General IPR licensing declaration form.;

The IPR information statement and licensing declaration shall be submitted with the IPR information statement annex and, where applicable,"

together with the IPR licensing declaration annex to identify the specific IPRs which are applicable.,

The General IPR licensing declaration shall be used to give an undertaking to grant licenses under any IPR that are or become essential in respect,

of the identified STANDARD(S), TECHNICAL SPECIFICATION(S), or ETSI Project(s). It is submitted without the IPR information statement",

annex but, in accordance with Clause 4.1 of the ETSI IPR Policy, members should provide updates in a timely fashion via the IPR information",

statement and licensing declaration and the IPR information statement annex.,

.....,

..... """,

35. In view of duty cast upon the patent holder who may have standard essential patents and it is he who has to choose to make a FRAND,

undertaking to a SSO such as ETSI. Such FRAND undertaking entails a commitment that the patent holder is willing to license out its patents,

under Fair, Reasonable and Non-Discriminatory terms. The defendant in the present matter does not dispute that the plaintiff has approached the",

defendant in this regard in 2011. The defendant at that time never mentioned to the plaintiff that the plaintiff has no standard essential patents or,

those are invalid.,

36. There are various ways of making this FRAND commitment. One can declare at the standard level (such as GSM), a working group level or",

at a technical specification level. Also since ETSI recommends making general declarations, companies such as plaintiff have made blanket",

declarations stating that they will make its GSM, GPRS, EDGE and/or WCDMA/UMTS standard essential patents available on FRAND terms. It",

is correctly mentioned by the plaintiff that the purpose of a FRAND declaration is to ensure access to the standardised technology by implementers,

under FRAND terms. As there are many standards which have many projects and many working groups, ETSI again encourages general",

declarations for standards such as UTMS, GPRS, AMR, etc., to assure implementers of plaintiff's intention to make its standard essential patents",

available on FRAND terms. Upon conducting a simple search in the ETSI website database it would become clear that plaintiff has made a,

general declaration in December 1996, December 1997 and May 1998 with respect to AMR (GSM & UMTS), GPRS and WCDMA",

respectively. Even though there is no strict timing requirement, in order to assure the implementers of standardised technology, as per the plaintiff, it",

has undertaken a general FRAND commitment with respect to any and all 2G and 3G standard essential patents (SEPs) which obviously includes,

the 8 patents asserted in the present suit. Copies of the general declarations made by plaintiff with respect to AMR (GSM & UMTS), GPRS and",

WCDMA have been filed.,

37. It is confirmed by the plaintiff that in addition to general declarations, the plaintiff has also made individual declarations identifying its exact",

patents and the standards which they are essential for. Copies of the relevant individual IPR licensing declarations made by the plaintiff to ETSI,

have been filed.,

38. It is submitted by the learned Senior counsel appearing on behalf of plaintiff, the suit is filed claiming infringement of 8 of its patents, all of which",

are essential for implementation of 2G, EDGE, 3G etc. technologies inasmuch as the same correspond to standards developed by ETSI pertaining",

to the aforesaid technology and such standards have been adopted by Department of Telecommunications, India. The information statement and",

licensing declarations which have been placed on record by the plaintiff have been downloaded from the online database maintained by ETSI as it,

is evident that appropriate declarations pertaining to the suit patents have in fact been made by plaintiff. Even otherwise, at this interim stage, all the",

technical objections raised by the defendant cannot be finally decided as only the prima-facie view of the matter is taken.,

39. From the record, it appears to the Court that prima facie, the plaintiff has been able to establish that it has taken many steps for the said",

purpose which is backed by evidence. The details of the same are given as under:-,

a. Plaintiff actively participated in the development of various standards pertaining to 2G, EDGE, 3G etc. technology;",

b. Plaintiff's proprietary and patented technology has been incorporated as part of various technical specifications that constitute standards relating,

to 2G, EDGE, 3G etc. technology;",

c. Department of Telecommunication, India has duly recognised standards developed by various Standard Setting Organisations including ETSI as",

a result of which they are necessarily incorporated in any device claiming to be 2G, EDGE, 3G etc. compliant;",

d. Detailed claim mapping charts indicating as to how the granted claims read on the technical specification of a concerned standard have been,

placed on record by plaintiff,;

e. An Expert Affidavit of Mr. Vijay Ghatge confirming that plaintiff's patents are Standard Essential Patents (SEPs) has been placed on record;

f. Further, it is a well settled principle of law that in order to confirm whether a device is infringing in nature in respect of essential patents,"

demonstrating/establishing compliance with the concerned standard by a device is sufficient;

g. Appropriate test reports have been filed by plaintiff establishing compliance with relevant technology/standard and also establishing direct,

infringement in case of its EDGE patent;

Patent Number,Standard

203034,"GSM, UMTS

203036,"GSM, UMTS

234157,"GSM, UMTS

203686,"GSM, UMTS

213723,"GSM, UMTS

229632,UMTS

240471,UMTS

241747,EDGE (GPRS)

that the world best companies who are dealing with mobile phones have entered into agreement with the plaintiff. The said companies are paying,

royalties in Millions of dollars. If the contention of the defendant has any force, why these companies have admitted that these are standard",

essentials patent. Counsel says that there are only companies who are unwilling to take the license in terms of FRAND agreement and infringing the,

suit patents thus, are raising frivolous pleas in order to confuse the Court and to earn easy amount by infringing patents. Counsel has explained the",

following circumstances in support of his submission:-,

a) There does not appear to be a dispute that plaintiff used the forms in the Appendix to declare the suit patents as essential. Further, it is an",

admitted position that plaintiff has declared its patents as being essential to UMTS, GSM or EDGE (GPRS) standards.",

b) The ETSI IPR Guidelines, in Clause 2.1.4, recommend, ""A minimum of information should be provided, which allows verifying the essentiality",

or the potential essentiality of an IPR."" This is contrary to defendant's view that ""maximum"" information must be provided.",

c) In fact, SSOs such as ETSI actively encourage their members to make ""generalized declarations"" so as to cover the maximum breadth of its",

member's IPR which ensures that such members are committed to license their essential patents on FRAND terms. The same is also evident upon,

a bare perusal of Annex 6: Appendix A that has been extracted herein above;,

d) Further, development of a standard is an ongoing process and if defendant's contention is accepted the same shall frustrate the very intent and",

purpose of seeking such declarations;,

e) There is simply no basis for defendant to argue that plaintiff was required to identify the ETSI Work Item, STANDARD and TECHNICAL",

SPECIFICATION, or to identify all of the technical specifications and provisions in its declaration.",

44. Learned Senior counsel appearing on behalf of the plaintiff therefore submits that under these circumstances, the plaintiff is not required by",

ETSI policy to disclose necessarily the technical specification numbers, but only the standard to which essentiality is being claimed. The table on",

page 24 of the plaint as referred to and relied upon by the defendant to indicate variation in the plaintiff's stand qua declarations of essentiality of its,

suit patents is in fact based on and must be read in consonance with the detailed claim mapping charts prepared by the plaintiff and placed on,

record in the present suit wherein specific portions of the technical specifications where the granted claims of the suit patents have been,

incorporated are illustrated. The fact that such details have been provided by plaintiff in the present suit to support its case cannot be relied upon,

by defendant to argue that the declarations made to ETSI were not adequate. As a result, the tables contained in paragraphs 14 and 15 of the",

written submissions filed by the defendant are misleading in nature. Further, it is possible and is common for an invention to map on technical",

specifications relating to different technologies for example 2G, 3G, LTE etc. and be essential for all of them and the present suit has been filed by",

plaintiff merely in relation to 2G/EDGE/3G technology and plaintiff reserves its rights to assert its patents pertaining to LTE technology in the future.,

45. With regard to claim charts, it is submitted that claim charts pertaining to corresponding US/ EU patents were provided by plaintiff to",

defendant, which cannot be interpreted the way as the defendant is interpreting that the plaintiff does not have essential patents or that the plaintiff",

has over-declared its essential patents. The plaintiff has given the correct information to the defendant who is raising the unnecessary flimsy,

objection in order to escape the execution of FRAND license and kept on changing its stands to the effect that when commercial details (GPLA,

term sheets) were provided to defendant by the plaintiff. The defendant has even refused to discuss the same and asked for more technical details,

despite of details already having provided by plaintiff to defendant pertaining to some of its essential patents. But defendant instead of analysing the,

same who trying to revert with more inputs or comments and similar queries and information. While multiple claim charts were shared by plaintiff,

with defendant to establish essentiality of some of its patents, which were never controverted or challenge by the defendant who instead merely",

with the intention to avoid execution of a license agreement kept on asking for more claim charts and further information, the plaintiff explained to",

defendant that it offers term based license agreement as its patent portfolio is dynamic in nature. It is stated that the plaintiff has demonstrated the,

essentiality and validity of the suit patents along with their infringement by defendant. The fact that the plaintiff has executed 100+ license,

agreements (including Indian Companies), is indicative of the strength and validity of its patent portfolio.",

46. In view of the above, prima facie it appears to the Court that the plaintiff has filed all relevant evidence on record to prove essentiality of the",

suit patents. The detailed claim mapping charts wherein granted claims have been mapped onto specific portions of relevant standards to establish,

essentiality have been placed on record by plaintiff and along with an expert affidavit of Mr. Vijay Ghate affirming the same. The defendant itself in,

its Noida suit had submitted that it cannot sell telecommunication devices without seeking appropriate license from plaintiff in view of the fact that,

plaintiff owns Standard Essential Patents. The plaintiff submits that the claim of the defendant and reliance upon the standard disclaimer given by,

ETSI is without any basis as the plaintiff does not merely rely on ETSI's website but has in fact taken the following steps:,

a) Set out the relevant standards,;

b) Mapped the standards with the claims,;

c) Wherever the implementation is optional, testing has been done,;"

d) Wherever the implementation is compulsory an expert affidavit has been furnished.,

47. Prima facie, it appears that plaintiff appears to have taken all steps to establish Essentiality before this Court. In any event, the disclaimer is only",

general in nature that the Standard Setting body does not guarantee the essentiality or validity of the patents. The inference of any kind at this stage,

cannot be drawn that plaintiff's patents are not essential or that they are invalid in the presence of in order to prove that suit patents are standard,

essential as expert affidavits, claim mapping, charts, product specifications and test reports have been duly filed before this Court by plaintiff to",

support its case. The contentions of the defendant is that suit patents are not standard essential patents cannot be accepted at this stage, in view of",

the extensive details in the plaintiff's replication-cum-written statement to the counter claim. The opinion of expert witnesses relied upon the,

defendant at this stage cannot be taken as gospel truth in the presence of material placed on record by the plaintiff. The plaintiff has cross-

examined those witnesses. The credence of their statement would only know at the time of final judgment when their testimony would be analysed,

by the Court but in view of similar order passed and evidence available, the said prima facie evidence cannot be brushed aside otherwise in view of",

conduct of defendant.,

48. As far as point (iii) as to whether the defendant is willing to become licensee as alleged by the plaintiff is concerned, admittedly the plaintiff",

approached the defendant on 1st November, 2011 and informed them about the factum of its ownership of portfolio of standard essential patents",

relating to inter alia 2G and 3G technology and disclosed its willingness to discuss a licensing arrangement on FRAND terms, which will be",

beneficial to both the parties.,

Thereafter, several meetings took place between the representatives of both the parties and various letters/emails were exchanged as well. The",

negotiation took place between the parties and correspondence was exchanged between plaintiff and defendant in relation to the issue of execution,

of an NDA.,

49. It has also come on record that one of the main issues which were raised by defendant in relation to the NDA was the jurisdiction clause of the,

NDA. In order to address defendant's concerns, plaintiff agreed to amend certain provisions of the NDA. Instead of having a jurisdiction clause of",

Sweden, plaintiff agreed to have laws of Singapore, a neutral venue as governing law for the adjudication of dispute arising out of the NDA",

executed by both the parties. Thereafter, on 2nd April, 2013 i.e. after more than two years of discussions/negotiations, the NDA was finally",

executed between the parties. The NDA was executed between the parties only after plaintiff enforced its patent rights against Micromax by filing,

a suit for infringement before this Court.,

50. As mentioned that prior to filing of the suit, admittedly, the plaintiff approached the defendant on 1st November, 2011 and informed them",

about the factum of its ownership of portfolio of standard essential patents relating to inter alia 2G and 3G technology and disclosed its willingness,

to discuss a licensing arrangement on FRAND terms, which will be beneficial to both the parties.",

51. It is the case of plaintiff that along with its aforesaid letter, plaintiff also provided the defendant a sample list of its essential",

GSM/GPRS/EDGE/WCDMA patents and a list of defendant's infringing devices/mobile handsets. The plaintiff thereafter requested for a meeting,

with the defendant to further discuss and negotiate the license agreement on FRAND terms for all of plaintiff's Standard Essential Patents globally,

in consonance with its commitment to ETSI. Thus, the defendant did not take any step towards approaching the plaintiff for seeking a FRAND",

license in contravention of ETSI's rules, as interpreted by the United States International Trade Commission in the matter of Inv. No.337-TA-868.",

In fact, in its subsequent letter dated 8th November, 2011, the defendant specifically stated that it is merely a vendor and imports all its",

telecommunication devices from China and as such is not aware about any such infringement. Thereafter, plaintiff vide its email dated 11th",

November, 2011 clarified to defendant that being the brand owner of the mobile phones wherein the patented technology is incorporated and",

used, it is defendant's responsibility to take a license from plaintiff.",

52. It is submitted by the plaintiff that even during the course of communication, the plaintiff constantly requested the defendant to conclude the",

execution of the NDA, shared by the plaintiff on 11th January, 2012. It is submitted that plaintiff proposed for execution of NDA with a view to",

facilitate the exchange of confidential information (claim chart mapping, infringement analysis etc.) which will aid and assist both the parties in",

negotiating and executing a FRAND license. Execution of such an NDA is a norm in the industry for the purpose of negotiating and executing a,

FRAND license as it helps parties to exchange their proprietary information. In-fact, a lot of the prospective licensees are hesitant about disclosing",

their business models, financial details etc. without an assurance that such disclosures would remain confidential and therefore prefer to have an",

NDA in place during the negotiation of a FRAND license.,

53. It is alleged on behalf of the plaintiff that during the licensing negotiation an anti-competitive proposal was made by the representative of,

defendant. In particular, on 2nd April, 2013 i.e. during the course of a meeting held between both the parties, defendant's representative put forth",

a proposal to plaintiff as per which defendant and few other India players, mostly Indian Cellular Association (ICA) members would take a license",

in respect of plaintiff's portfolio of SEPs, and in order to make payments towards the same will collect lower royalties qua plaintiff's SEPs from",

the entire industry including the grey market on plaintiff's behalf.,

The aforesaid shows as alleged by the plaintiff that defendant in collusion with few other industry players (mostly ICA members) has formed a,

cartel and they wanted plaintiff to further facilitate such cartelization. Plaintiff vide its email dated 5th April, 2013, rejected defendant's aforesaid",

proposal on the ground that the same is against the principle of FRAND and plaintiff's code of ethics. Plaintiff thereafter tried to resume bilateral,

negotiations with defendant and other parties.,

The plaintiff submits that thereafter, on 5th April, 2013 plaintiff shared with defendant a non-binding term sheet which contained plaintiff's royalty",

rates/FRAND rates. The offer was based upon FRAND rates offered by plaintiff to similarly placed third parties who were duly accepted by,

them. The said rates were also same to the rates being deposited with this Court by Micromax which is a similarly placed player in India but,

defendant did not agree to consider the non-binding term sheet and stated that ""plaintiff was putting the cart before the horse"". But the defendant",

further stated that it needed clarifications on various technical aspects which establish the essentiality of plaintiff's SEPs and also the necessity of a,

patent license agreement. In particular, defendant asked plaintiff to identify the standards to which plaintiff's SEPs correspond and to provide",

copies of complete specifications of granted Indian patents. Defendant also demanded to see license agreements entered into by plaintiff with third,

parties.,

Thereafter, on several occasions, plaintiff provided defendant with various information/details such as non-exhaustive list of plaintiff's SEPs",

including details of pending patent applications, proof of infringement, details of relevant standards, claim mapping charts, certified copies of the",

patent certificates and complete specifications of plaintiff's SEPs granted in India. However, even after receiving the aforesaid, the defendant did",

not execute of a FRAND license agreement with plaintiff on one pretext or the other. Further, in order to delay the licensing negotiations,",

defendant was raising repetitive issues and queries. However, when in order to understand defendant's concern, plaintiff asked defendant to",

provide certain information/details (such as details of sales made by defendant in India and abroad, etc.), the defendant avoided the same on the",

ground that it is irrelevant or the details are too extensive.,

Even after repeated requests by plaintiff, defendant failed to provide its response in relation to the technical information/details such as claim",

mapping charts, patent specifications etc. shared by plaintiff. The plaintiff had shared complete specifications of all the eight suit patents along with",

the claim mapping charts evidencing their essentiality prior to the institution of the present suit. Further, till the filing of the present suit, defendant",

did not dispute either the validity of the suit patents or the correctness of the claim mapping charts provided by plaintiff in respect of the same.,

Despite raising various queries qua plaintiff's agreement with Qualcomm Inc., defendant failed to provide complete information/details to plaintiff",

about its relationship with Qualcomm Inc. This also shows that objections/queries in relation to plaintiff's agreement with Qualcomm, which were",

raised by defendant, were nothing but mere delaying tactics. In order to give defendant a clear picture of plaintiff's agreement with Qualcomm Inc.",

and its effect on the potential agreement, plaintiff shared with defendant, during the course of their meeting on 22nd May, 2012, a document titled",

as ""Exhibit C"" (an Exhibit of the agreement entered between plaintiff and Qualcomm Inc.). The aforesaid document clearly shows that plaintiff's",

agreement with Qualcomm Inc. is limited in scope and cannot be interpreted to mean that any company which is using Qualcomm's chipsets is,

exempted from taking a licence in respect of plaintiff's entire portfolio of Standard Essential Patents. Despite the aforesaid, the defendant kept",

raising repetitive queries in relation to plaintiff's agreement with Qualcomm Inc. However, when plaintiff asked for certain details/information which",

could have helped plaintiff in getting a clearer picture about defendant's concern in relation to the issue of the Qualcomm agreement, defendant",

failed to provide such details about its relationship with Qualcomm Inc. Plaintiff's agreement with Qualcomm Inc. is restricted only to the field of,

CDMA applications however, any multimode mobile handsets which also comply with 2G and EDGE technology would still be infringing in nature",

and would need a license to those applications and as is evident from an analysis of defendant's current and earlier offerings, it does not offer any",

3G-enabled single mode mobile handsets.,

It is further submitted that yet another delaying tactic employed by the defendant during the course of negotiation was its demand for the details,

relating to plaintiff's third party license agreements which were confidential in nature. In view of its contractual obligation to maintain the,

confidentiality of the said third party agreements, plaintiff specifically stated in its email dated 14th July, 2014 that it is willing to discuss such",

agreements at a high level. Further, in order to comfort defendant about the FRAND nature of its term sheet, plaintiff also shared copies of interim",

orders passed by this Court in various matters so as to establish that similar rates were being offered by Plaintiff to other companies as well.,

Despite the aforesaid, defendant kept avoiding the execution of a FRAND license with plaintiff and also kept blaming plaintiff for delaying the",

licensing negotiations on the ground of insufficiency of information.,

When in response to plaintiff's email dated 29th December, 2014, defendant agreed to have a meeting on the 5th and 6th February, 2015 the",

aforesaid step of defendant was welcomed by plaintiff. In order to ensure that the meeting is successful and a FRAND license agreement is jointly,

agreed and executed by the parties, plaintiff requested the defendant to provide its queries in relation to the technical information/detail already",

provided by the plaintiff, well in advance in order to enable the plaintiff to appropriately and adequately reply to the same. In response to plaintiff"s",

request, defendant vide its email dated 19th January, 2015 stated that it has made an assessment of the technical details/information provided by",

the plaintiff and the same is sufficient to hold technical discussions. The defendant also mentioned that it has asked its technical team to prepare,

some technical queries. However, even after repeated reminders by the plaintiff, but the defendant failed to share any technical queries in advance.",

Despite the aforesaid, the plaintiff agreed to meet defendant on 6th February, 2015 with a view to progress towards commercial discussions",

thereafter and to finally execute a FRAND license for its SEPs. Further, as per defendant"s request, plaintiff"s representatives were also carrying a",

copy of Exhibit C of the Qualcomm agreement for their 6th February meeting in order to discuss the same with defendant. In fact, vide its email",

dated 29th January, 2015, the plaintiff also shared details of its various representatives who were traveling to India from different parts of the world",

for attending the meeting with defendant. The plaintiff also requested for a list of participants who would be attending the proposed meeting on,

behalf of defendant. However, no such details were shared by defendant. On 30th January, 2015, defendant"s representative sent an email to",

plaintiff stating that he will look into plaintiff"s email and will revert.,

Thereafter, on 3rd February, 2015 when plaintiff"s representatives from various foreign countries arrived in India for attending the meeting, plaintiff",

again requested the defendant to share the details of its participants. At this juncture, plaintiff received an email dated 3rd February, 2015 by",

defendant wherein defendant stated that it had filed a suit against plaintiff in view of plaintiff"s conduct of not providing sufficient information/details,

to defendant, which were necessary for negotiating and executing a FRAND license.",

It is stated by the plaintiff that rather without informing the plaintiff, the suit for declaration was filed by defendant before the District Judge of",

Gautam Budhnagar, Noida. Despite using and exploiting plaintiff"s patented technologies, the defendant did not show any intention of seeking a",

license in respect of the same. Further, in the said suit no specific or detailed grounds for revocation of patents were raised by defendant.",

54. It has come on record that plaintiff"s team that travelled to India from USA and Sweden for the said meeting included Mr. Robert Earle (Vice,

President, Patent Assertion), Ms. Evelyn Chen (Counsel III - Patent Assertion), Mr. Mathias Hellman (IPR Commercialisation manager) and Mr.",

Max Olofsson (Director - Patent licensing). Despite agreeing to the said meeting and despite being aware about the fact that various representatives,

of plaintiff would be travelling to India from different parts of the world to attend the meeting, the defendant informed the plaintiff about the factum",

of filing of the said suit only a couple of days prior to the meeting when plaintiff's representatives who were travelling from various countries had,

already reached Delhi.,

55. As a matter of fact, the defendant had filed its Noida suit on 28th January, 2015 and when on 29th January, 2015, plaintiff had contacted",

defendant seeking its confirmation for the 6th February, 2015 meeting and disclosing the list of plaintiff's representatives who would be present at",

the meeting - Defendant even at that stage did not disclose about the suit in Noida District Court. On 3rd February, 2015 email was issued by",

defendant only after plaintiff's representatives from various foreign jurisdictions had arrived in India for the 6th February, 2015 meeting.",

56. The defendant in Noida suit for declaration has made the statement that they are compelled to ensure that their devices conform with,

international standards governing the manufacture and deployment of mobile phones devices, which compliance is possible only by using",

technology(ies) patents in respect of which are claimed to be held by parties such as the defendant and it is the only option for them to be engaged,

in the business of mobile phone and tablet devices without conforming to one or the other of the relevant international standards and the defendant,

sought the declaration that the plaintiff is bound to grant the licence.,

The said suit was transfer to this Court and is tagged with this present suit filed by the plaintiff for infringement. At one stage, counsel for the",

defendant was insisting for withdrawal of the suit but the said request was opposed by plaintiff's counsel because of certain admissions made by,

the defendant.,

57. It is submitted by the plaintiff that if the defendant or any other company is allowed to use the technology and portfolio of standard essential,

patent for less royalty or without, the entire arrangement with these companies would be collapsed. The said license after examining the validity of",

standard essential patents has entered into an agreement with the plaintiff otherwise no one would have agreed for the same. In case the arguments,

of the defendant are accepted, no company will pay the amount as per the agreement.",

58. Even otherwise the use of NDAs as a standard practise is also supported by the ETSI guide on IPRs:,

4.4 Notice on the use of NDAs in IPR negotiations",

It is recognised that Non Disclosure Agreements (NDAs) may be used to protect the commercial interests of both potential licensor and potential,

licensee during an Essential IPR licensing negotiation, and this general practise is not challenge.....",

..... """,

59. The defendant in Noida has filed the suit for declaration wherein it was mentioned that:-,

.....",

.....,

3. In many cases, compliance with such standards is only possible by using technology patented by multinational companies such as",

the defendant. Therefore importers/users such as the Plaintiff are in a peculiar situation where they are compelled to ensure that their devices,

conform with international standards governing the manufacture and deployment of mobile phones devices, which compliance is possible only by",

using technology(ies) patents in respect of which are claimed to be held by parties such as the defendant,

.....,

16.,

..... Indeed, it is not an option for the Plaintiff to be engaged in the business of mobile phone and tablet devices without",

conforming to one or the other of the relevant international standards.,

.....,

PRAYER,

.....,

IN THE ALTERNATIVE TO PRAYER (A) AND (B) ABOVE:;

(i) Declare that the Defendant is bound to grant an irrevocable license under its standard essential patents, including patents which are essential",

and/or claimed to be essential by the Defendant to 2G and/or 3G standards, on fair, reasonable and non-discriminatory (FRAND) terms, to the",

plaintiff herein;,

(ii) Declare the fair, reasonable and non-discriminatory (FRAND) terms, including royalty rates, on which the Defendant should grant a license",

under its Indian patents and patent applications which are enforceable and essential to 2G and/or 3G standards, to the Plaintiff herein; and",

(iii) Grant an injunction in mandatory terms directing the Defendant to license its Indian patents and patent applications which are enforceable and,

essential to 2G and/or 3G standards at the FRAND terms determined by this Hon"ble Court.....""",

(emphasis added),

60. Therefore, as per admission made by the defendant itself, an inference can be drawn that the plaintiff is the owner of the suit patents and in the",

absence of any arrangement, the defendant would be infringing the same.",

61. It is apparent from the averment made in the Noida suit that the defendant is intended to enter into an agreement under its essential patents on,

fair and reasonable terms of FRAND. Even correspondence exchanges between the parties speak for itself. Once such declaration is sought by,

the defendant where the inference can be drawn that the defendant knew that the plaintiff has patents on the technology which is subject of the suit.,

If the patents were wholly invalid, where was the occasion on the part of the defendant to deal with the plaintiff for couple of years having the",

meeting and exchange of documents prior to the filing of the suit and to file the suit for declaration. The defendant could have refused the offer on,

the first day itself by alleging that these patents are not valid in routine manner of the trade.,

62. It shows that the sole intention of defendant was to avoid execution of a FRAND licence agreement when the final stage arrived. The,

subsequent emails dated 5th and 8th February, 2015 have been issued by the defendant with the sole intention to cover up its conduct for derailing",

the licence negotiation, all of which is clearly indicative of a lack of good faith on defendant's part.",

63. It appears very clearly that the defendant, in fact, employed all means and methods for delaying the execution of license with plaintiff and filing",

of the aforesaid suit, just a few days prior to the scheduled meeting between the parties was another attempt by defendant to avoid its liability of",

taking a license from plaintiff.,

The aforesaid conduct of the defendant manifests that they were/are unwillingness to seek a FRAND license in respect of plaintiff's portfolio of,

SEPs and thus, it is correctly argued by the plaintiff that the defendant is liable to be restrained from continuing its infringing activities. Copies of all",

the correspondence as exchanged between the parties prior to the filing of present suit, have been placed on record. The correspondence between",

the parties which has been exchanged post filing of the present suit has also been placed on record by the plaintiff in a sealed cover.,

64. It appears to the Court that even the Noida suit was filed by defendant in order to avoid execution of FRAND license. It was in fact filed by,

the defendant when both the parties were in active talks with each other for executing a FRAND license as a week prior to a meeting which was,

scheduled between the parties for which senior officials of plaintiff travelled to India. The meeting was for discussing various outstanding issues,

especially related to the technical aspect of plaintiff's essential patents along with the commercials. It was the understanding between both the,

parties that after discussing the technical aspect, commercial discussions will commence between plaintiff and defendant towards execution of a",

FRAND License during the 6th February, 2015 meeting. It appears that on the date of filing of the suit, the defendant was aware that the plaintiff",

would not change any term in executing a FRAND licence in view of commitment with other licensee. It was merely an excuse to further delay the,

process and side by side to infringe the patents.,

65. The defendant has even concealed from the plaintiff about the suit in Noida District Court. Furthermore, the 3rd February, 2015 email was",

issued by defendant only after plaintiff's representatives from various foreign jurisdictions had arrived in India for the 6th February, 2015 meeting.",

It appears to the Court that subsequent emails dated 5th and 8th February, 2015 have been issued by defendant with the sole intention to cover up",

its conduct for derailing the licence negotiation, all of which is clearly indicative of a lack of good faith on defendant's part.",

66. It is rightly submitted by the plaintiff's counsel that the defendant is unwilling to become licensee and side by side the defendant is infringing the,

patents of the plaintiff.,

67. Prima facie, its challenge at present is sham as the defendant from the very beginning 2011 was aware about the standard essential patent of",

the plaintiff, they could have flatly refuse to deal with the plaintiff from the day one on the grounds now taken by defendant as its defence and",

counter-claim simply informing the plaintiff that all the patents are invalid and these are not standard essential patents why the defendant company,

showed negotiation with the plaintiff. But the defendant after various meeting and as declaration sought by the defendant in Noida suit has now,

taken a U-turn.,

68. The aforesaid conduct of the defendant would show its unwillingness to seek a FRAND license in respect of the plaintiff's portfolio of SEPs,

and thus, it is submitted that Defendant is liable to be restrained from continuing its infringing activities. Copies of all the correspondence as",

exchanged between the parties prior to the filing of present suit, are already placed on record.",

69. The conduct of the defendant would show that they were not ready to seek FRAND license on FRAND terms for plaintiff's standard essential,

patents. This was aptly demonstrated when defendant led plaintiff to falsely believe that a meeting was to take place between representatives of,

both the parties, and allowed plaintiff's representatives to travel to India from foreign locations, and then just days before the meeting filed a suit",

against plaintiff in the Noida District Court. Hence the classic example where defendant's is not ready to take the FRAND licence. The defendant,

is bent upon to infringe the suit. He intends to delay the trial who is even not ready to deposit any amount without prejudice toward royalty in,

respect of use of patented technology, if the suit is decreed the same is adjusted to the patents owner.",

70. Even when after signing of NDA, the plaintiff communicated its commercial FRAND terms/royalty rates to defendant, the defendant refused to",

even consider the same on the ground that it first wants to be satisfied on the various technical issues. Despite the plaintiff's requests for providing,

technical queries, defendant never provided its technical queries to the plaintiff and delayed the licensing negotiation with plaintiff on one pretext or",

the other. The defendant, in fact, had opposed plaintiff's prayer for FRAND determination in the present case by this Court.",

71. All other similarly placed parties viz., Micromax, Gionee, Xiaomi, iBall, etc., are all paying royalties to Plaintiff or depositing amounts in Court",

and Defendant is getting an unfair advantage in the market, firstly, by conducting its business without royalty payment and secondly by delaying the",

FRAND determination before this Court.,

72. As there were no positive signs on behalf of the defendant, it appears prima facie that the defendant is an unwilling licensee, in view of the lack",

of bona fide displayed in its conduct during the negotiation between the parties. As the defendant in the present suit has not shown its willingness as,

per its contract to obtain licence with respect to the plaintiff's standard essential patents relating to inter alia 2G and 3G technology. The prayer for,

injunction is now to be considered against the defendant in consonance with what is settled law internationally.,

73. The following authorities are being relied upon by the plaintiff in support of his submission to the effect that in case, the other party is unwilling",

to take the license on FRAND terms, the Court can pass the order of injunction in case of infringement is prima facie established against the",

defendant:-,

a) Initial determination by the United States International Trade Commission in the matter of Inv. No.337-TA-868, wherein it has been held that:",

.....The ETSI IPR Policy requires companies that wish to use the IPR covered by the agreements to contact the owner of the IP, and take a",

license. (CX-3860C.) By skipping this step, the companies that use the IPR in violation of the policy are able to exert a pressure on the",

negotiations with the IPR holder to try to make the agreement in the lower range of FRAND, or perhaps even lower than a reasonable FRAND",

rate.,

.....,

.....,

.....,

Using the ""patented"" technology prior to negotiating with Inter Digital for a license is a violation of the ETSI Rules of Procedure as well. (CX-",

2555C; CX-3860C.) While this section of the ETSI rules requires the IPR holder to be prepared to offer a license, it also requires companies that",

would use the technology to seek a license as well.....""",

b) The United States Department of Justice and United States Patent & Trademark Office - ""Policy Statement on Remedies for Standards-",

Essential Patents subject to Voluntary Frand Commitments""", January 8, 2013 which states that:",

.....An exclusion order may still be an appropriate remedy in some circumstances, such as where the putative licensee is unable or refuses to",

take a F/RAND license and is acting outside the scope of the patent holder's commitment to license on F/RAND terms. For example, if a putative",

licensee refuses to pay what has been determined to be a F/RAND royalty, or refuses to engage in a negotiation to determine F/RAND terms, an",

exclusion order could be appropriate. Such a refusal could take the form of a constructive refusal to negotiate, such as by insisting on terms clearly",

outside the bounds of what could reasonably be considered to be F/RAND terms in an attempt to evade the putative licensee's obligation to fairly,

compensate the patent holder.,

.....""",

74. Hence, admittedly, no due diligence was performed or conducted by the defendant before commencing its telecommunication business. The",

said conduct of the defendant is in complete violation of the principle laid down by this Court in the matter of Strix Limited v. Maharaja,

Appliances Limited 2010(2) RAJ 145(Del) at paragraph 27/pg 151, the relevant para of which reads as under:-",

.....",

27. The contention that the defendant is not a fly-by-night operator and its business turnover is in several crores or rupees is a contention that,

should work against the defendant for the simple reason that the defendant is not expected to import a product without first checking if the Chinese,

supplier holds a valid patent..... Therefore, there was an obligation on the defendant, even while it imported the same product from",

China, to ensure that it was not violating the plaintiff's patent.""",

(emphasis added),

75. It is argued on behalf of the plaintiff by the learned Senior counsel that in order to avoid a situation whereby standards cannot be effectively,

implemented due to existence of such patents-patentees of such essential patents have broadly committed to FRAND (Fair, Reasonable and Non-",

discriminatory) licensing. FRAND is a balance between ensuring the availability of an open, global standard to a new entrant and incentivizing",

development of that standard by rewarding those who contributed to the standard with their R&D. The plaintiff supports FRAND licensing. In,

fact, the plaintiff has executed over 100 global license agreements with vendors in the IT/telecom industry. Copies of various orders passed by this",

Court.,

The suit patents relate to three technologies in the field of telecommunications pertaining inter alia to 2G, EDGE and 3G devices (mobile handsets, ",

tablets, dongles etc.), details of which are explained hereinafter. The same are referred to as follows for ease of usage:",

a. Adaptive Multi-Rate (AMR) speech codec - a feature that conserves use of bandwidth and enhances speech quality; (AMR),

b. Features in 3G phones - Multi service handling by a Single Mobile Station & A mobile radio for use in a mobile radio communication system;;

(3G),

c. Enhanced Data Rates for GSM Evolution (EDGE)â€"A transceiving unit for block automatic retransmission request; (EDGE),

76. In view of my discussion in earlier paras of my order, prima facie, it appears to the Court that the suit patents have corresponding registered",

patents in several countries of the world. These technologies are essential for mobile devices (handsets, tablets, dongles etc.) to interoperate with",

network equipment, as per the standards prescribed by international standardisation bodies that have been adopted and implemented in India by",

the Department of Telecommunications (DoT) qua AMR, 3G and EDGE enabled devices.",

77. The plaintiff by way of various documents has prima facie produce the following document and affidavits:-,

a. Claim mapping charts to establish essentiality of the suit patents;;

b. Test reports to indicate compliance with the concerned standards and also to establish infringement by defendant"s devices;;

c. Product specification of Defendant"s devices wherein such devices claim to be 2G, EDGE, 3G etc. compliant; and",

d. An independent expert affidavit in support of Plaintiff"s contention that the suit patents are essential in nature and are necessarily infringed by,

devices that claim to be compliant with 2G, EDGE, 3G etc. technology. It is pertinent to note that Mr. Vijay Gbate also perused the test reports",

that have been placed on record before providing his expert opinion;;

Copies of claim charts mapping the suit patents to concerned technical specifications of relevant standards have been filed in a sealed cover.,

78. The plaintiff has also filed an expert affidavit of Mr. Vijay Gbate along with reports with test logs filed in a CD of internal tests which were,

performed on four devices namely:;

Defendant iris X1 Grand;;

XOLO HIVE 8X-1000;;

XOLO Play 8X-1100;;

XOLO Q700 Club;;

79. It is submitted by the plaintiff's counsel that the said testing has confirmed that;

a) The aforesaid devices of the defendant use AMR speech codecs as defined in the relevant standard of ETSI for 3G technology and are thus,

infringing the plaintiff's AMR patents in 3G mode;;

b) The aforesaid devices of the defendant use AMR functionality in 2G mode as well and are thus infringing the plaintiff's AMR patents even when,

the said device operates on a 2G network;;

c) The aforesaid devices of the defendant use 8-PSK for uplink and use different modulation coding schemes for retransmission of EDGE coded,

blocks and are thus infringing the plaintiff's EDGE patent;;

80. The plaintiff has also placed on record technical specifications of inter alia the aforesaid four tested devices indicating that the same are,

complaint with 2G, EDGE and 3G technology.",

81. The plaintiff has also disclosed an illustrative list of infringing devices that have been or are continued to be sold in India by the defendant.,

82. In order to show that the defendant has continued to market and sell infringing devices in India, the plaintiff has also conducted testing on the",

defendant's currently available devices in its in-house laboratory as well as at an external facility. The following devices were tested by the plaintiff,

in March, 2016:",

Defendant Iris Fuel F1, ",

Defendant Pixel V1,

Defendant Xolo Omega,

83. In addition to confirming the infringement of the plaintiff's AMR patents in the 2G and 3G modes, as well as of its EDGE patent, the testing",

performed externally by the plaintiff also confirmed the infringement of the plaintiff's 3G patents by the tested devices. The original test reports,

generated by the plaintiff with respect to the aforesaid devices have been exhibited (as PW2/11 (colly) & PW3/9 (colly)) along with the evidence,

by way of affidavit of plaintiff's technical witnesses PW2 and PW3 during trial in the present suit.,

84. The plaintiff has filed claim mapping charts, affidavit of an independent expert, Mr. Vijay Ghate and test reports to establish compliance with",

the concerned standards along with establishing direct infringement in respect of IN 241747.,

85. The testing of the defendant's current devices by the plaintiff in its in-house laboratory as well as at an external facility provides further proof,

the defendant is still marketing and selling devices. Thus, prima facie the plaintiff has been able to demonstrate the infringement of the suit patents",

and suit patents are Standard Essential Patents (SEPs) inasmuch as they correspond to various standards as developed by ETSI and,

adopted/recognised by Department of Telecommunication, India in respect of 2G, EDGE, 3G etc. technology. Various telecommunication devices",

such as handsets, dongles, tablets etc. which are being sold by defendant claim to be and are in fact 2G, EDGE, 3G etc.",

86. The defendant is importing the product who is merely exploiting the patented technology of plaintiff without seeking any approval or consent,

from plaintiff, as it has never been claimed by the defendant that the said technology either is belonging to it or to the Company from where the",

defendant is importing the products. Thus, the defendant is guilty of infringement of the suit patents as the plaintiff has been able to demonstrate the",

infringement of suit patents by placing on record detailed claim chart mappings, product specifications of defendant's infringing devices, test reports",

and expert affidavit. The defendant in even in its Noida suit has admitted that plaintiff's standard essential patents are necessarily required to be,

used by it.,

87. The defendant's contention that the suit patents which are being asserted by the plaintiff are mere algorithm and thus, not patentable under the",

Act is denied by the plaintiff. It is denied that plaintiff has obtained the suit patents by misleading the Indian Patent Office and by making false,

assertions regarding the subject matter of its inventions. The term "algorithm" is being misunderstood and misinterpreted by the defendant inasmuch,

as the bar of Section 3(k) applies to algorithms which are theoretical in nature and/or abstract formulae. This bar of Section 3(k) does not apply,

when in a patent involving modern day technology, algorithms are employed in order to perform certain calculations or selections which are",

thereafter utilised by various hardware components or elements to produce/improve a technology and create a practical effect or result in a,

physical realization.,

88. All the suit patents relate to patentable subject matter and the claims as granted do not fall under the auspices of Section 3 of the Act inasmuch,

as the same either relate to telecommunication devices/ apparatus such as handsets, dongles, tablets etc. or various components that constitute an",

actual physical part/element of such devices such as encoders/transceiver etc.,

89. The same issue has been decided by this Court earlier in the case filed by the plaintiff against Intex Technologies Ltd. Each of the inventions,

claimed in the suit patent are not mere theoretical or abstract algorithms or mere mathematical or mental methods or even computer programmes,

per se as is being alleged by defendant.,

90. Prima facie, it appears that these inventions which have resulted in an improvement (technical advancement) in telecommunication technologies",

and have had a huge effect upon the manner in which these technologies function thereby resulting in practical implementation and actual physical,

representation.,

91. The plaintiff has given the example qua the suit patents which relate to speech encoding, defendant"s assertions that an encoder is a mere",

mathematical method or an algorithm is misleading. A speech encoder is a physical apparatus encoding input speech into a compressed,

representation that is more suitable and used for transmission (as a radio wave) to a decoder that re-synthesizes the speech. Encoder and decoder,

are hence practical realizations of a speech coding and decoding method with a physical effect and as such much more than just an algorithm.,

Speech is by definition not an abstract but a physical item (a sound pressure wave propagating through air) produced by a human.,

92. The ultimate object of the invention is an efficient encoder meaning that the synthesised speech quality in relation to the radio resource needed,

for transmission is as high as possible. Speech quality is an effect perceptible by humans and is not just an abstract entity. In order to perform such,

function of speech quality, the claimed encoder necessarily requires several hardware components.",

93. Mere mention of an algorithm or a mathematical formula in a patent document should not be inferred to mean that the invention is nothing but,

an algorithm. The similar issue has already been dealt by this court in a suit filed against INTEX in great details wherein the arguments of,

doubtfulness were rejected. Thus, no different view is possible in the present case.",

Corresponding patents have been granted in favour of Plaintiff in other jurisdictions such as US, EP etc. wherein embargo against grant of patents",

pertaining to algorithm exist as well and thus, defendant"s contention at this prima facie stand cannot be accepted particularly in view of",

unreasonable conduct of the defendant.,

94. A bare perusal of the complete specification of all the 8 suit patents would prima facie reveal that the same actually relate to,

devices/apparatuses/components/mobile stations etc. and are thus, product patents which cannot be labelled as algorithm which is nothing but a set",

of instructions and is thus, theoretical in nature. At this stage it cannot be concluded that the suit patents are liable to be revoked as they lack",

novelty and inventive step.,

95. The suit patents have been granted in favour of Plaintiff by the Patent Office only after all the essential requirements for grant of a patent being,

novelty, inventive step and industrial applicability have been fulfilled along with ensuring that the subject matter of a patent does not prima facie fall",

under the head of excludable subject matter as detailed in Section 3 of the Act.,

96. The defendant has filed counter-claim challenging the validity of the suit patents in order to avoid injunction and infringe the suit patents. The,

pleadings impugning validity of the plaintiff's standard essential patents in said counter claim are largely a reproduction of alleged expert affidavits,

filed by the defendant along with its counter claim. The alleged expert affidavits that have been placed on record by defendant at this stage cannot,

be taken as gospel truth as those in order to witnesses have been cross examined by the plaintiff.,

97. Learned counsel submits that both the experts have ignored and failed to analyse the essential elements of the claims, in particular the hardware",

aspect. Further, without dealing with the claim charts filed on record by plaintiff and without considering the substance of the granted claims as a",

whole, both the experts have alleged that the mapping is insufficient and that the patents are nothing but algorithm by speaking about some prior art",

documents and third party literature.,

98. Learned Senior counsel appearing on behalf of the plaintiff submits that none of these affidavits can be relied upon by defendant inasmuch as,

on the following reasons:-,

a) Specific analysis or counter to the claim chart mapping has not been provided;,,

b) Mere bald averments have been raised to the effect that the subject matter of the suit patents is nothing but algorithm that can be implemented in,

multiple ways without giving even a single example of alternative implementation;,,

c) The concept of excludable subject matter contained in the Patents Act has been completely misunderstood and misconstrued by them inasmuch,

as the same subject matter has been simultaneously labeled as being an algorithm, a scheme, a software, a mathematical method etc. by the said",

experts without detailing and providing cogent reasons behind such observations;,,

d) General prior arts have been cited and relied upon without explaining or establishing as to how the same render the inventive step of the suit,

patents anticipated or obvious in nature;,,

e) Mere bald averments have been raised to the extent that there exist multiple ways of developing an algorithm which will be compliant with the,

standard and can be regarded as non-infringing without providing any concrete examples;;

f) Both the affidavits speak only in the language of conjectures, hypothesis and surmises as no legal basis or systematic analysis has been",

performed by either of the expert in order to reach the conclusion that the suit patents are nothing but algorithms;;

g) Further, incorrect legal principles are being interpreted and applied in direct contravention to well settled legal position.",

99. In light of the above, the defendant has failed to raise a credible challenge to the validity of the suit patents. Thus, once the infringement has",

been established by the plaintiff, it is entitled to grant of injunction by application of section 48 of the Patents Act, 1970 especially in view of the",

fact that the defendant has admitted the validity and essentiality of the suit patents.,

100. The Division Bench of this Court in the case of Telemecanique & Controls (I) Limited & Schneider Electric Industries SA, 2002 (24) PT",

(Del) (DB) has held as under:.,

.....",

30. It has to be appreciated that undoubtedly patent creates a statutory monopoly protecting the patentee against any unlicensed user of the,

patented device. Thus, once a violation is established in case of a registered patent, subject of course, to the patent being used, it will not be",

permissible to contend that the said patentee is not entitled to an injunction. A monopoly of the patent is the reward of the inventor. It is also to be,

appreciated that law of the patent is slightly different from the law of copyright and trademark as the patent is granted only for a limited period of,

14 years.....""",

(emphasis added),

101. Similar prayer was granted by an order passed by this Court in CS (OS) No. 2501 of 2015. Further, when an appeal being FAO (OS) No.",

513 of 2015 was preferred by M/s Best IT World India Limited (iBall), the Ld. Division Bench directed, vide order dated 29th October, 2015",

held as under:.,

We are informed by the counsel for the parties that the appellant and the respondent have entered into a Global Patent Licence Agreement which",

is effective as on 20.10.2015. In view of the said Agreement, nothing survives in the present appeal and the same stands withdrawn by the",

appellant. We make it clear that the interim orders that were passed by the learned Single Judge also stand superseded by the Global Patent,

Licence Agreement and the order passed by us today. Insofar as the suit is concerned, counsel for the parties state that they shall move an",

appropriate application for disposal of the same in terms of the Global Patent Licence Agreement. It is stated by the counsel on both sides that the,

respective parties shall be bound by the terms of the Global Patent Licence Agreement.,

In view of the foregoing, the appeal stands disposed of."",

Pursuant to this order, iBall entered into a license agreement with Plaintiff on FRAND terms as is recorded in order dated 29th October, 2015",

passed in the suit.,

102. It is also pertinent to mention that in earlier matter filed by the same plaintiff against the Intex Technologies (India) Ltd. being CS (OS) No.,

1045/2014 and order passed on 13th March, 2015 in I.A. No. 6735/2014 most of the pleas raised by the present defendant has been discussed",

and decided in detailed and prima facie view was taken that the patents were valid. The defendant was unwillingly to take the licence from the,

plaintiff. The patents are not hit by Section 3(k) and no creditable defence is raised in the present case also after having considered the rival,

submissions, pleadings and documents placed on record as well as written submissions filed by both the parties.",

103. In paras 160 and 161 in the order passed against Intex (supra) other parties in similar situation have agreed to pay to the approximate amount,

to the plaintiff and to deposit the part amount in this Court. The said paras are reproduced here as under:-,

160. It is also pertinent to mention that in similar subject matter of patents having the same issues, coordinate bench of this Court on 12th",

November, 2014 has passed the following order in CS(OS) No.442/2013. The relevant extract of the said order is reproduced here under:"

I.A. 3825/2013 (STAY) & I.A. 4694/2013 (O 39 R 4 = By D-2)",

1. Subsequent to the last order dated, 14.10.2014, the parties have appeared and made submissions. Plaintiff, as per the directions of the court",

and upon being asked by the court has produced 26 license agreements. Micromax has asked for agreements/offers by Plaintiff with other Indian,

parties. After hearing submissions and perusing the rates which were contained therein, the court directs as follows:"

2. The Defendants shall pending trial of the suit, pay the following rates of royalty directly to the Plaintiff for sales made in India from the date of",

filing of suit till 12.11.2015:,

i. For phones/ devices capable of GSM - 0.8% of net selling price,;

ii. For phones/ devices capable of GPRS + GSM - 0.8% of net selling price,;

iii. For phones/devices capable of EDGE + GPRS + GSM - 1% of net selling price,;

iv. WCDMA/ HSPA phones/devices, calling tablets - 1% of the net selling price.",

3. The Defendants shall pending trial in the suit, pay the following rates of royalty directly to the Plaintiff for sales made in India from 13.11.2015 to",

12.11.2016:,

- i. For phones/ devices capable of GSM - 0.8% of net selling price;,,
- ii. For phones/ devices capable of GPRS + GSM - 0.8% of net selling price;,,
- iii. For phones/devices capable of EDGE + GPRS + GSM - 1.1% of net selling price;,,
- iv. WCDMA/ HSPA phones/devices, calling tablets - 1.1% of the net selling price.",

4. The Defendants shall pending final trial in the suit, pay the following rates of royalty directly to the Plaintiff for sales made in India for the period",

from 13.11.2016 to 12.11.2020:,

- i. For phones/ devices capable of GSM - 0.8% of net selling price;,,
- ii. For phones/ devices capable of GPRS + GSM - 1% of net selling price;,,
- iii. For phones/devices capable of EDGE + GPRS + GSM - 1.3% of net selling price;,,
- iv. WCDMA/ HSPA phones/devices, calling tablets - 1.3% of the net selling price.",

(The Net Selling Price means with respect to each company product sold by the company or any of its affiliates the Selling Price charged by the,

company or its affiliate for such company product unless such sale has not been made on arms length basis in which case the net selling price will,

be the selling price which the seller would realise from an unrelated buyer in an arms length sale of an equivalent product in an equivalent quantity,

and at the equivalent time and place as such sale.,

Selling Price shall mean the selling price charged by the company for the company product in the form in which it is sold whether or not assembled,

and without excluding therefrom any components or sub-assemblies thereof (gross price) less 3% representing a deduction which shall cover usual,

trade discounts actually allowed to unrelated buyers on a regular basis, actual packing costs actual costs of insurance and transportation etc.),",

5. Micromax has submitted that it has negligible operations outside India and agrees to negotiate the FRAND global rates if and when it expands,

internationally.,

6. Both the parties agree that for the period prior to the filing of the suit, the payments, if any, by the defendant shall be as per the judgment of the",

court post-trial of the suit.,

7. Insofar as the deposits already made by Micromax in the court, the rates specified above shall be applied from the date of filing of the suit till the",

present date, for all sales made by Micromax in India. Upon applying the said rates, the computation of the amounts shall be submitted jointly by",

the parties. Upon receipt thereof, payments shall be made to Plaintiff directly by way of demand draft drawn by the Registrar, Delhi high Court,"

subject to Plaintiff furnishing a surety bond for the exact amount in favour of Micromax, to the satisfaction of the Registrar. The banking details shall",

be submitted to the Registrar by counsel for Plaintiff. The remaining amount shall be released to Micromax.,

8. The Defendants shall continue to make payments to Plaintiff as per the rates specified above on a quarterly basis for sales made after the date of,

this order. The defendant shall continue to give intimation to the plaintiff of the arrival of the consignments at customs and seek NOC of the,

Plaintiff. Post inspection, the Plaintiff will forthwith inform the Customs that it has no objection to the release of the consignment so that the",

consignment could immediately be handed over to the Defendants. In respect of royalty payments made by Micromax after the passing of this,

order, Plaintiff undertakes to furnish surety bonds in favor of Micromax for the amounts received on quarterly basis with advance copies to",

Micromax.,

9. It is made clear that the above order is purely an interim arrangement and is not a determination of the FRAND rates for the Plaintiff portfolio.,

The defendant shall not rely upon the above rates before the competition authorities or any other forums as it is not final in nature.,

10. The trial of the suit is expedited. It is directed that the trial in any event will be completed not later than 31st December, 2015. Final arguments",

will commence immediately thereafter. The parties have no objection to the aforesaid arrangement and shall remain bound the same."",

161. The facts in the present case are similar so as the defence, rather the case of the plaintiff is on better footing in view of admissions made by",

the defendant before various authorities. Thus, I am also not inclined to take the different view but to take the same view which is already taken in",

Suit No.442/2013 and the stay order passed in the two applications i.e. I.A. No.3825/2013 (for stay) and I.A. No.4694/2013 (for vacation of,

stay order). The aforesaid same royalty amount is fixed in the present matter also, but the same be paid in the following manner by disposing of the",

present interim application:.,

i) That 50% amount of royalty in the same manner as per details mentioned in Suit No.442/2013 from the date of filing of suit till 1st March, 2015",

shall be paid to the plaintiff directly by way of bank draft within four weeks from today. For the remaining 50% amount, the defendant shall furnish",

the bank guarantee within the same period with the Registrar General of this Court who would invest the said amount in FDR initially for a period,

of twelve months.,

ii) For future period, every six months the same terms would apply till the disposal of the suit in the same manner. The proceedings of the suit are",

expedited,

iii) As regard the previous period i.e. prior to suit is concerned, the defendant shall furnish true accounts from the date of user till the date of suit",

within four weeks by filing of an undertaking that in case of decretal of suit, the defendant shall pay the amount for the said period as fixed by the",

Court while issuing direction at the final stage of the suit when the objection of defendant on limitation also would be considered as per law.,

iv) Liberty is also granted to both the parties to seek further direction or modification order in case of change of circumstances and subsequent,

events.""",

104. The defendant in the present suit is aware about the existence of the alleged plaintiff's essential patents since 2011 who was also aware about,

the fact that the plaintiff owns an extensive portfolio of standard essential patents related to GSM, GPRS, WCDMA etc. technology for which",

there is no substitute and which are necessarily used by telecommunication devices claiming to be GSM, GPRS, WCDMA etc. compliant. The",

defendant was also aware about third party proceedings instituted by the plaintiff in India on the basis of the suit patents and the orders passed,

therein. The defendant had the full knowledge about the fact that the plaintiff has executed various global patent license agreements related to its,

standard essential patents with a large number of parties.,

105. Despite the aforesaid, the defendant has been consistently delaying execution of a license agreement with the plaintiff and in such a case,",

advance notice of existence of a patent and its infringement ought to go in favour of a plaintiff as opposed to in matters related to trademarks and,

copyright wherein laches and delay can be argued by a defendant as patent rights are granted for a limited time period of 20 years.,

106. In February, 2016 even on behalf of the defendant the statement was made that let the trial be concluded by the month of April, 2016 and in",

order to strike the balance, without prejudice was ready to deposit certain amount. The figure given by the defendant of Rs. 30 crores was not",

acceptable to the plaintiff who had stated that at least, half of the amount of Rs. 50 crore be paid to the plaintiff directly and the remaining half is to",

be deposited with this Court subject to the condition that the trial would be completed in time. But the defendant at that time did not agree with the,

same. However, in the fourth week of May, 2016, the defendant refused to deposit any amount and requested the Court to decide the interim",

application on merit.,

107. In cases related to standard essential patents, a patentee in view of its FRAND commitment always endeavors to negotiate with a defendant",

before initiating an infringement action for injunction. Thus, the correspondence for the last four years is a factor that militates against any grant of",

further time to the defendant in as much as the general jurisprudence of delay and laches in trade mark matters ought not to apply in patent cases.,

108. Trade mark rights are perpetual and patent rights are limited. It takes several years, almost 8-10 years, before a patent is even granted.",

Patents can be asserted only once they are granted. So by the time they are granted, only 50-60% of the life of the patent is left. Thereafter if 4-5",

years are spent in negotiations, then just about 5 years of patent protection remains.",

109. In these circumstances, immediate enforcement of patent rights are to be protected in the case of standard patents that are registered globally",

and have been licensed by global players in over 100 agreements, ought to be the practise. The defendant who had notice of the patents should not",

get the benefit of the loss of time. Moreover, the fact that the defendant is aware of the plaintiff's patents but has not challenge their validity and",

hence admits the same, should be a factor in favour of grant of injunction. I am clear in my mind that once patent prima facie held to be infringed",

and no credible defence is established, injunction must follow even in cases of standard essential, if any party is reluctant or unwilling and",

deliberately and intentionally avoiding to enter into license agreement on flimsy grounds, the injunction order is to be passed. It appears from the",

conduct of the defendant that their approach is very negative and prima facie the defendant is adopting hide and seek policy. In case the defendant,

intends to raise all type of objections about the registered patents till the validity of the same is decided by the Court, the defendant has no right to",

infringe the same.,

110. In the present case, I am of the view that the suit patents are valid which cannot be declared invalid in view of averment made in the counter-",

claim at this stage. Both parties have led their evidence in affirmative. They have to lead additional/rebuttal evidence.,

111. Thus, the plaintiff has been able to make out a strong prima facie case in its favour and against the defendant. Balance of convenience also lies",

in favour of the plaintiff and against the defendant. In case the interim order is not passed or the defendant is not ready to enter into FRAND,

agreement with the plaintiff, the other licensee would also take the same stand which is being taken by the defendant. The competitive of defend",

Samsung has also obtain the licence from the plaintiff who may also object the same and entire market of mobile would be disturbed. Under these,

circumstances, plaintiff would suffer irrecoverable loss and also injury.",

112. Learned Senior counsel appearing on behalf of the plaintiff submits that from a very small business in the year 2011, when the negotiation",

started, the defendant's business has increased extensively. At present, the business of the defendant in mobile industry is about Rs. 7000 crores.",

The defendant is the leader amongst the other traders and it is intentionally and deliberately not entering into the agreement with the plaintiff. The,

defendant has also failed to disclose this Court as to under which technology its phones are being used.,

113. There is a force in the submission of the learned Senior counsel appearing on behalf of the plaintiff. One is failed to understand that if the,

plaintiff has no case on merits at all as alleged by the defendant, where was the occasion for the defendant to have negotiations, exchange of",

documents and willingness at one point of time. It is also pertinent to mention here that the defendant has filed the suit in Noida Court before the,

negotiations are terminated. As mentioned earlier, the said suit filed by the defendant would disclose that the defendant was inclined to execute the",

FRAND agreement on reasonable terms. The said admission of the defendant itself would show that the defendant was aware that the plaintiff has,

prima-facie rights in the patents. Those are standard essential patents and the defendant is using the technology which belongs to the plaintiff,"

otherwise, the question of negotiations, exchange of documents and try to obtain the licence from the plaintiff on reasonable terms does not arise.",

Even, during the course of hearing in the injunction application as well as the main suit, it has been noticed by the Court that at every time, the",

defendant is blowing hot and cold with the same breath. Under these circumstances, there is no other option but to direct either the defendant to",

stop using the technology which is the subject matter of the suit patent of the plaintiff, or to deposit some amount without prejudice, in order to",

balance the position in the interim application. However, the submission of the defendant was very strange when it was pointed out to the",

defendant after completion of the hearing of the injunction application who informed the Court that the defendant is not agreeable to deposit any,

amount and the injunction application should be decided by the Court as per its own merits. Since the plaintiff has been able to make out a strong,

case for infringement of patent who has got the exclusive right under Section 48, thus, the plaintiff is entitled for injunction as prayed for.",

114. For the reasons aforesaid given, the application filed by the plaintiff is allowed. The application filed by the defendant being I.A.",

No.16011/2015, which is false and frivolous, is dismissed as in that application, the defendant sought injunction against the plaintiff for stay of",

operation of suit patent and to restrain the plaintiff from claiming any right to the suit patent. Once this court, prima facie, holds that the defendant is",

guilty of infringement, the patents are valid and no credible defence is shown by the defendant, the question of passing the said relief does not arise.",

The said frivolous application filed by the defendant is dismissed with cost of Rs. 50,000/- which shall be deposited by the defendant with the",

Prime Minister's National Relief Fund, within two weeks from today.",

The present case is a fit case wherein the defendant is liable to be enjoined from manufacturing, importing, selling, offering for sale its devices",

including phones, tablets, dongles, etc. which infringe the plaintiff's patented technology. The order of injunction is passed accordingly.",

115. It is clarified that the said interim order would become operative w.e.f. 21st June, 2016. From that date onwards, the defendant shall not",

import mobiles under the patents and technology, which are subject of the suit patents, and not to sell the same in the market, directly or indirectly",

through agent, shopkeepers, dealers, distributors or any other person on its behalf. The defendant shall also not export the impugned goods.",

All Custom Authorities in India are directed not to release the impugned mobile phones if received from overseas countries under technology of,

suit patents of the plaintiff to the defendant or any person on its behalf w.e.f. 21st June, 2016. The interim order, which is passed on merit, would",

be subject to the condition that if the defendant, without prejudice, will deposit a sum of Rs. 50 crores with the Registrar General of this Court by",

way of FDR as security amount on or before 20th June, 2016, the operation of interim order shall remain stayed till the final disposal of the main",

suit. In addition to that, under those circumstances, the defendant shall also file the statement of accounts for the period of 2011 to 31st May, 2016",

before Court by 10th July, 2016 and continue to file the same every quarterly till the final judgment is delivered in the main suit. The plaintiff would",

be also at liberty to move an application for further deposit, in case final hearing of the suit is delayed on account of the defendant's side.",

116. Both the applications are accordingly disposed of.,

117. The findings arrived in the matter are tentative in nature and the same shall have no bearing when the matter is finally decided after trial.,