

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (Ch)
PATENTS COURT

7 Rolls Buildings
Fetter Lane
London
EC4A 1NL

Date: Wednesday, 9th February 2022

Before:

MR. JUSTICE MARCUS SMITH

Between:

(1) NOKIA TECHNOLOGIES OY
(a company incorporated under the laws of Finland)
- and -

Applicant

**(1) ONEPLUS TECHNOLOGY (SHENZHEN) CO.,
LTD**

Respondents

**(a company incorporated under the laws of the
People's Republic of China)**

(2) UNUMPLUS LIMITED (t/a OnePlus)

**(3) GUANGDONG OPPO MOBILE
TELECOMMUNICATIONS CORP, LTD**

**(a company incorporated under the laws of the
People's Republic of China)**

(4) OPPO MOBILE UK LTD

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MR. NICHOLAS SAUNDERS QC and **MR. EDWARD CRONAN** (instructed by **Bird &
Bird LLP**) appeared for the **Claimant**.

THE DEFENDANTS were not present and were not represented.

JUDGMENT APPROVED

MR. JUSTICE MARCUS SMITH :

1. The claimant in these proceedings, Nokia, applies for permission for alternative service on the first and third defendants in these proceedings by its application

dated 24th January 2022. I shall refer to these defendants as D1 and D3. Both are corporations incorporated in the People's Republic of China.

2. The application before me is supported by the statement of Mr. Richard Vary, his fifth in these proceedings, and I shall refer to that as Vary 5. Mr. Vary is a partner in Bird & Bird, the solicitors retained by Nokia.
3. There are other related defendants in these proceedings, D2 and D4, corporations incorporated in the United Kingdom. I understand that all of the defendants may be described as part of the same group of companies, even if only loosely. The application is formally ex parte but on notice. Hogan Lovells act for D2 and D4.
4. Nokia commenced this action on 1st July 2021. It is a claim for infringement of a single patent, EP(UK) 3716560B1, which I shall refer to as "the patent". It relates to power amplifiers used in mobile phones. The patent is not a standard essential patent and this is not FRAND litigation. There are two groups of defendants, with each group responsible for a particular brand of mobile devices, and the two brands are OnePlus and Oppo. This is one of two actions between these parties in the English court at present, the other being a claim under HP-2021-000022, which does allege infringement of certain standard essential patents and which I shall refer to as "the SEP proceedings". The numbering of the defendants in both sets of proceedings is identical. Essentially, the position is that the parties, against whom this application is made, D1 and D3, are domiciled in China, and D2 and D4 are the UK-based companies. D1 and D3 manufacture the devices. D2 and D4 are UK-based companies that distribute the products manufactured in China. There is, broadly

speaking, an understanding that there is a common control between OnePlus China and Oppo China, but nothing turns, for the purposes of today at least, on whether that is right or not. However, it is correct to say that the same individual, Ms. Zhu, gives instructions regarding the conduct of the litigation for all of the defendants. That is borne out by the evidence in Vary 5, paragraphs 47-53.

5. The background to the action and the present status of the proceedings are set out in Vary 5. I am not, in this judgment, going to set out all of the detail in Vary 5, but will take it substantially as read. However, the following represent the material points to my mind. Permission to serve out of the jurisdiction on D1 and D3 was granted by the order of Master Arkush in July 2021.
6. D2 and D4 regularly served defences and counterclaims seeking to invalidate the patent on 31st August 2021. In October 2021, Mellor J ordered the trial to be heard following a contested hearing about listing in the second half of September 2022. The trial has subsequently been listed to be heard from 19th September 2022, with a complexity rating of 4-5.
7. The case came on for a CMC in December 2021 and directions to trial ordered by Meade J. At that hearing, D2 and D4 made an application to stay proceedings pending an opposition before the EPO, which was refused. Pausing there, I will come to this in greater detail, but it is important to note at the outset that the expected due date of service on D1 and D3 was fully factored into these directions under consideration for trial. Put shortly, it was expected that it would take some considerable time, eight or so months, to serve these defendants and that was budgeted for in the timetable. However, a longer period

was not budgeted for in the timetable and that is something to which I will be returning in a moment.

8. Returning to the description of the proceedings, broadly conceived regarding the patent, at the same time as the English proceedings in this trial were going forward, the court in the Southern District of California granted Nokia leave to obtain discovery from Qualcomm in support of these proceedings, pursuant to 28 USC 1782. Qualcomm manufacture a component used to implement the infringing functionality in the Oppo and OnePlus branded phones.
9. Now, China is a signatory to the Hague Convention and therefore Nokia sought to serve D1 and D3 by that process. As I have said, permission was granted for service out of the jurisdiction by Master Arkush on 8th July 2021. The pleadings and associated documents, together with Chinese translations, were sent to the Foreign Process Section ("FPS") at the Royal Courts of Justice on 22nd July 2021. On 27th July 2021, notification was received from the FPS that the documents had been despatched to China.
10. On 2nd November 2021, Bird & Bird contacted the FPS to obtain an update on the service in China and were informed that the documents had been sent to the authorities in China in July and since then the FPS had not received any information. The FPS stated that it would be far too early to hear from the Chinese authorities. Meanwhile, Bird & Bird (China) contacted the ILCC (the Chinese receiving authority) and were informed that they had not received the documents. Given that service generally could take six to eight months, it was not surprising nothing had been heard at that point. On 22nd December 2021, the FPS contacted Bird & Bird by telephone and advised that the original boxes

containing the documents had been returned to them marked "unclaimed". There then followed further investigations conducted by Bird & Bird and described by Mr. Vary in Vary 5, paragraphs 25-41. In very brief summary, the FPS was unable to provide an explanation as to why the service documents had been returned. The documents were carried to China by Parcel Force, who have blamed problems with customs documentation. However, no customs declaration is supposed to be required for legal documents of this type. The information provided by Customs in Beijing has been incomplete, somewhat inconsistent with the nature of the package, and the whole process is rather contrary to Mr. Vary's previous experience of serving entities in China, which indeed includes experience of serving on the same legal entities as are before me in other proceedings.

11. Nokia is currently continuing its efforts to serve under the Hague Convention, but in light of these problems seeks permission for alternative service. The alternative service both of which is sought, or either of which is sought, should be effected is by e-mail to Julia Zhu at zhujian@oppo.com and by e-mail to Hogan Lovells LLP at Oppo-Nokia@hoganlovells.com. Hogan Lovells, I should say, if I have not already, are the solicitors acting for D2 and D4 in these proceedings. They do not act for D1 or D3, but it is a reasonable suggestion that this is a route by way of which documents in these proceedings could be brought properly and efficiently to the attention of D1 and D3.
12. Ms. Zhu, I should add, is the legal director of D3 and has already confirmed receipt for the pleadings for this action, at the e-mail address I have stated, in

the context of the other proceedings, the SEP proceedings between Nokia and Oppo. Hogan Lovells, as I say, act for the other defendants in these proceedings.

13. I turn, with that statement of the background, to the relevant law. I am going to begin with a provision that is not directly relevant to this question of alternative service in extraterritorial proceedings or proceedings outside jurisdiction. I am going to start with CPR 6.15 which, to my mind, provides helpful guidance in how to approach this particular case. Rule 6.15 of the CPR is headed "Service of the claim form by an alternative method or at an alternative place". 6.15(1) provides: "(1) Where it appears to the court that there is a good reason to authorise service by a method or at a place not otherwise permitted by this Part, the court may make an order permitting service by an alternative method or at an alternative place.

(2) On an application under this rule, the court may order that steps already taken to bring the claim form to the attention of the defendant by an alternative method or at an alternative place is good service."

14. Clearly, rule 6.15 requires there to be a good reason to permit alternative service and it was contended before me by Mr. Saunders QC, who appeared for Nokia, that this was the first element of the test that Nokia are required to satisfy. I accept that submission, but it is important, I think, to understand that this is not, in my judgment, a 6.15 CPR case. 6.15 is to be found in Part II of Part 6 of the CPR. Part II is headed "Service of the claim form in the jurisdiction" and that is where rule 6.15 is to be found. It is clear from the wording that 6.15 is intended only to apply in this case because it refers to service "by a method or at a place not otherwise permitted by this Part".

15. Now, there is good authority to deploy CPR 6.15 in this way, not least in the decision *Abela v Baadarani*. Lord Clarke did exactly that. He referred to rule 6.15 and used it in a case involving service out of the jurisdiction. It seems to me that it would be extremely strange to have a case of alternative service in proceedings involving a defendant out of the jurisdiction which was in some way laxer than the requirements for alternative service in the jurisdiction. It seems to me that Mr. Saunders was quite right to draw my attention to rule 6.15 as the starting point for the process that I am engaged in.

16. However, I am clear that this is not the provision under which the order that I am invited to make can or should be made. It seems to me that the relevant provision is to be found in Part III, dealing with service out of the jurisdiction in Part 6 of the CPR, and that the relevant provision is 6.37(5), which concerns applications for permission to serve claim forms out of the jurisdiction. 6.37(5) provides: "Where the court gives permission to serve a claim form out of the jurisdiction - (a) it will specify the periods within which the defendant may (i) file acknowledge and service", et cetera -- that is not the provision directly in point here -- and "(b) it may - (i) give directions about the method of service; and (ii) give permission for other documents in the proceedings to be served out of the jurisdiction."

17. This provision in 6.37(5)(b)(i) is, on its face, much wider than the rules for service in 6.15 of the CPR. That is because it has got to deal with a whole range of cases where rules as to service may or may not be articulated in international conventions or other kinds of arrangements between states. It needs to deal with

those cases where there is in fact no internationally-agreed method of service and those cases where, as here, there is.

18. In *Abela v Baadarani* [2013] UKSC 44, Lord Clarke made quite clear that service was intended to ensure the proper communication of relevant documents to a defendant. Emphatically, service is not a forum for the playing of technical games. The reason alternative service and service generally is more fraught in cases involving proceedings and defendants out of the jurisdiction is simply because it involves the coercive processes of the English courts being foisted upon the defendant who is out of the jurisdiction. That is why one must tread more carefully in the cases of service out of the jurisdiction than in cases of service in the jurisdiction where it is simply a question of ensuring that proceedings and people completely under the control of the English courts are properly dealt with in a fair and just way in accordance with the overriding objective.
19. In that context, Lord Clarke clearly recognised the importance of bilateral treaties and conventions in relation to service out, noting at 34 that alternative service on parties and territories affected by such treaties or conventions ran the risk of subverting the provision of those treaties. That, if I may say so, is entirely clear. If one has entered into a convention with another state for the service of civil proceedings on persons in that state, then to disregard those provisions would be disrespectful and contrary to the rules of comity between nations.
20. In that regard, Lord Clarke referred to the judgment of the Court of Appeal in *Cecil v Bayat* [2011] 1 WLR 3086, where Stanley Burton LJ said exactly that. What one gets, in cases where there is a convention in place, is that a form of

service that is not that stipulated by the agreement between the States -- here the Hague Convention -- that process can only be disregarded or set aside or circumvented where there are special or exceptional circumstances.

21. It seems to me that there is a two-fold test in this kind of case. Applying and reading across rule 6.15 to the extraterritorial case, one must find a good reason to permit alternative service as opposed to the usual form of service, which in this case is service pursuant to the Hague Convention. Over and above that, though, because the Hague Convention is not a rule of domestic law but a rule operating on the plain of international law, there must be special or exceptional circumstances to justify a departure from the standard rules.

22. The English case law, to my mind, is essentially consistent with this. I have been referred to a number of cases in this regard beginning with *Godo Kaisha IP Bridge v Huawei* [2021] EWHC 1261 Pat, and the case of *M v N* [2021] EWHC 360 (Comm) where

Foxton J set out a further form of guidance in the Hague Convention case. I have taken these decisions fully into account. I am not going to read into the record the relevant paragraphs because that would already extend an overlong ruling. Rather, I am going to attempt to synthesise the position as I see it.

23. The law, or rather the discretion, has been helpfully synthesised in the case law that I have described. In a case without the extraterritorial dimension, one needs a good reason for alternative service. Where alternative service has an extraterritorial dimension, special or exceptional circumstances are required. We have, therefore, a two-stage test and I am going to begin with alternative service in the intraterritory case.

24. In these cases, we have rules of service which apply by default but which can be varied by consent, and we have these rules for a reason. Litigants and their lawyers know where they stand and applications to the court are kept to a minimum. The parties can vary the process of service of documents if they wish, but if they do not wish then everyone knows exactly where they stand. It is only in special cases where there is neither consent nor these rules are appropriate that one needs to vary.
25. Of course, in these cases, questions of exorbitant jurisdiction and comity between states do not arise. By definition, they do not. In a domestic case, the good reason test involves really only a consideration of why the rules of ordinary service have failed to apply and whether it is appropriate, for the sake of good orderly litigation, to depart from the usual rules. One key consideration will of course be whether the means of alternative service will enable a claimant to give the defendant notice of the proceedings. That is the point Lord Clarke was making in *Abela*.
26. These considerations arise in extraterritorial cases also, but with added complexity due to the extraterritorial dimension. Unpacking these complexities a little I have the following points. First, the courts of this jurisdiction will appreciate the distinction between service in (a matter of right for a claimant) and service out (a matter controlled by the court) in these non-Brussels Regulation days. Although I appreciate the term "exorbitant" sits less well in this international world and has not found particular favour in recent decisions of the Supreme Court, it is perhaps all the more important for that reason. Service out involves the drawing in of a party into proceedings that may be of

profound importance to that party and may have impact on it. When such a party is entitled prima facie to consider itself un-circumscribed by the jurisdiction of the courts of England Wales. Equally, other states are entitled to a degree of respect with regard to persons, natural or legal within their territorial jurisdiction. So there is some merit in the term "exorbitant" and it is reflected in our rules which are very sensitive to other jurisdictions for service out and forum conveniens.

27. It is necessary to bear in mind secondly, and I do, that even before one gets to alternative service in an international case the hurdle of service out must be successfully jumped as it has been here. Of course, in an international case, as I have already indicated, there will not be default rules for service created by the CPR or other rules emanating from this jurisdiction. Sometimes there will be a convention stating the prescribed route for service; sometimes there will not be, in which case the party seeking to effect service will need to consider whether an order for alternative service adopting the state procedures for service that apply to the party to be served is appropriate and/or viable. That of course is not this case. This is a Hague Convention case and that is a hugely relevant consideration which informs where I go from here.

28. As was recognised in *Godo Kaisha IP Bridge*, mere delay cannot of itself provide exceptional circumstances. In fact, I do not consider it can even provide good reason. The fact is that any delay occasioned by the ordinary time span of Hague Convention service is one that is inherent in the process. It would require particularly a special set of circumstances to permit the Hague Convention in effect to be circumvented where it was to all intents and purposes working well.

I do not say never, that is always unwise for there may be cases of peculiar urgency where precisely this course is appropriate; but this is not such a case.

29. The fact is in this case, Nokia's efforts to serve under the Hague Convention have proven unsuccessful. The detail appears in Vary 5 and I am not going to set it out here. There are only two points that seem to me to be relevant. First, it cannot on the material before me be said that this situation is Nokia's fault. Nokia has quite obviously tried very hard to effect regular service pursuant to the Convention. I do not say that I have examined the processes followed by Bird & Bird and found them perfect in all respects; nor do I say that a determined defendant could not find fault with these processes. I have not looked but that is not the point, perfection is not the requirement. Service out should not be a technical minefield and I have no hesitation in concluding, based on the evidence I have seen, that first of all the ordinary process has not worked in this case; and secondly, this is in no way a matter that can be laid at Nokia's door.
30. The second point I make is this: despite permission for service being given on 8th July 2021, it has still not proven possible to effect service under the Hague Convention. It now seems likely that the Hague Convention service process may take 12 months or more, even assuming the current unforeseen difficulties can be overcome. There is no guarantee, I stress, that the same problem will not repeat itself. So it seems to me that the regular process for service has not worked, and that there is good reason both because of the unusual delay that will be occasioned and because of the sheer lack of certainty that the process will work at all in this case for alternative service to be ordered. If this was a

domestic case that would be the end of the matter, but of course it is not. That is the first stage of the inquiry.

31. I turn now to the second stage, special or exceptional circumstances justifying a sidestepping of the Hague Convention. It seems to me that this second stage involves a balancing and consideration of the importance of properly conducting what are regular proceedings in this jurisdiction, against departing from the regular form of service stipulated by a foreign state for the service of persons within its borders. Put shortly, it is due administration of justice versus comity and it is where the interests of the former outweigh those of the latter that special circumstances or exceptional circumstances exist.
32. I bear in mind that it was considered in *Godo Kaisha IP Bridge* that delay might suffice to constitute exceptional circumstances when coupled with another factor or factors, such as for example some form of litigation prejudice or whether delay was of such exceptional length as to be incompatible with the due administration of justice.
33. Looking at this balance the prejudice or effect on comity is here slight or non-existent. The fact is that D1 and D3 are not formally but informally totally enmeshed in this litigation. This is not a case of a true stranger being dragged kicking and screaming across the threshold of these courts. The facts are very fully set out in Vary 5 and I note the following by way example of D1 and D3's enmeshment in this or related litigation, which is for them extraterritorial being domiciled in China.
34. First, there is every indication that D1 and D3 are both well aware of these proceedings. In fact the legal representative of these parties, Ms. Zhu, has

confirmed in a witness statement before this court in the SEP proceedings that she has received copies of the pleadings in this action. There is therefore an unusually high degree of confidence that the proposed methods for alternative service will in fact bring the documents to the attention of D1 and D3. Indeed, D1 and D3 are likely to be informally aware already.

35. Secondly, the third defendant is already participating in litigation in other Hague Convention states; in particular, Germany, regarding litigation in relation to the German designation of the same patent. In the SEP proceedings in this jurisdiction the same Chinese defendants have accepted service via the same solicitors. Even in these very proceedings various members of the legal teams employed by the Chinese defendants, Ms. Zhu and Mr. Peng have attended the hearing to list the trial via video-link.
36. Thirdly the third defendant is also running an opposition against the patent in the EPO, which, if successful, would lead to revocation of the patent, including in the UK. The second and fourth defendants relied on D3's opposition in support of their unsuccessful stay at the CMC of this action. D2 and D4 at the CMC also relied on materials filed in Germany, despite only the first and third (D1 and D3) defendants having any involvement in the German action. D1 and D3 are therefore indirectly affecting these proceedings, both through their control of the second and fourth defendants and through their efforts centrally to revoke the patent in suit at the EPO. So much for the comity balance.
37. I turn then to the question of prejudice to the due administration of justice in these proceedings, that is very considerable. This is a claim regarding commission of a tort in this jurisdiction, it is based on a UK-specific intellectual

property right and so the claim cannot be litigated elsewhere. The patent is not essential to any standard. There is no global FRAND licence raised in the defence of these proceedings. The question is solely litigated by reference to the usual rules of infringement and so on.

38. In the present case, the trial has been listed for September 2022, around 15 months after the issue of the claim form. At the CMC, directions were set out on the assumption that Hague Convention service would be successful by the first quarter of 2022. Put another way, and going back to the point I made earlier in this ruling, what is clear is that the proceedings have been so structured so as to take account of the usual length of process in effecting proper service under the Hague Convention, and that to my mind is a very significant factor in illustrating the prejudice to the due administration of justice here. The fact is that a trial set down taking into account that service needs to be effected on D1 and D3 via the Hague Convention is going to be disrupted unless this order is made. There are, because of the way the trial timetable has been structured and the directions to trial set, a number of directions applicable to D1 and D3 in respect of which the day for compliance is now and certainly is going to be before the date at which Hague Convention service could be effected. In particular, D1 and D3 will only be able to meet the existing disclosure deadline if permission for alternative service is granted.

39. It seems to me that the risks to the due administration of justice and prejudice to that are in this case considerable indeed. I am therefore going to make an order in the terms sought. In conclusion, and having made that decision, I should make two final points: first, this is an application ex parte, and there is

an onus on Nokia to give full and frank disclosure. I note the disclosure given in the evidence, in the written submissions before me and orally adumbrated by Mr. Saunders before me today. I stress that Mr. Saunders would have gone on as long as I wished to disclose matters and I regarded the disclosure in the evidence and in the written submissions as entirely sufficient for the purposes of disclosure, and I do not propose to read any of that into the record.

40. Secondly, Nokia has indicated it will continue to try and effect service through the FPS. I am not going to tell Nokia not to do so, I can see some sense in there being a fallback in case there is a challenge to the order I have made. It seems to me that the realities of the situation are that the service I am ordering today is the effective service by way of which D1 and D3 will become properly participating defendants and I would want Nokia to have in mind, as I am sure it will, the potentially confusing effect of having Hague Convention service going on in light of an unchallenged order for effective service by e-mail in the manner that I have described. That concludes my ruling.
