

Neutral Citation Number: [2024] EWHC 1066 (Pat)
Claim No: HP-2024-000007

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

The Rolls Building
7 Rolls Buildings
Fetter Lane
London EC4A 1NL

Date: Monday, 29th April 2024

Before:

MR. JUSTICE MEADE

Between:

TEXAS INSTRUMENTS INCORPORATED
(incorporated in Delaware, USA)

Claimant

- and -

NETWORK SYSTEM TECHNOLOGIES LLC
(incorporated in Delaware, USA)

Defendant

MR. TOM ALKIN (instructed by **Bristows LLP**) appeared on behalf of the **Claimant**

THE DEFENDANT did not appear and was not represented

APPROVED JUDGMENT

MR. JUSTICE MEADE :

1. Today I have to deal with an application for an expedited trial brought by Texas Instruments (“TI”) in a claim which is currently for revocation of three patents held by the Defendant (“NST”). Mr. Alkin appears for TI today instructed by Bristows. NST has not sent counsel today or even someone from its solicitors, Simmons & Simmons, to watch the proceedings, but there has been a vigorous exchange of correspondence between the solicitors. Of the three patents in suit, one remains in force until April 2026, that is the '683 patent, and the two other patents expired last year.
2. This application for expedition takes place, as many do, against the background of parallel proceedings elsewhere. In the current instance in the Munich Local Division of the UPC, where NST has asserted German and French designations of the same EPs against silicon chips which TI makes and which are then incorporated into cars. In the UPC, not only TI and other TI companies are defendants, but TI's customers, Volkswagen and Audi, are also defendants.
3. TI has brought this application to try and get a UK trial on, which, for reasons I will come to, would have to be in September of this year, to rule on the validity of the ‘683 patent prior to the UPC final determination, which is likely to be in the first quarter of 2025. There are a variety of reasons why it is said that validity urgently needs determining in the UK prior to the UPC proceedings, which I will come to in a moment.
4. I have referred already to the correspondence between the parties' solicitors. In the course of that, NST has offered an undertaking. Its offer to withdraw from the UPC

proceedings a long-arm claim, by which I mean a claim for damages under the UK designations of the patents in suit, has been confirmed to me in correspondence.

5. More controversially, the parties have also been in correspondence about the terms of an undertaking that NST might provide in relation to assertion of the UK patents. I will return to that because agreement has not been reached and the discussion rumbled on through last week and indeed into Saturday, two days ago, about the terms of the undertaking.
6. I will deal first with the practicalities of any expedition and return to the matter of undertakings in due course. Formally speaking, TI seeks expedition into a window covering September and October. However, in connection with the heading of “administration of justice”, TI has said that its understanding is that a September trial would be possible, but that an October trial would be more difficult. It is correct in that understanding. A September trial is feasible, although not entirely straightforward, but an October trial would be much more likely to impact others who already have trial dates and, for practical purposes, that means that if there is going to be expedition, it will need to be into September.
7. I have been given some draft directions by Texas (TI) which sets out how matters might be progressed if the '683 patent is split out and tried separately in September on an expedited basis, and the other two patents tried on an unexpedited basis. In the absence of objection from NST in evidence or by representations today, I am prepared to proceed on the basis that the timetable to a trial of EP '683 in September put forward by TI is practical both in terms of the likely length of such a trial and the steps necessary to get it ready. However, I do consider that there would be some non-trivial burden on the court to arrange matters that way. It would require finding a

judge to be available then, which I suspect could be done but would have an impact on that judge's other judicial duties, such as writing judgments for the many trials coming up in the summer, but nevertheless it is still possible.

8. I accept a point which has been made in correspondence by Simmons & Simmons on behalf of NST that there would be some increase in costs overall in conducting the proceedings separately by way of one trial on EP'683 and another trial on the other two patents because there is always some fixed overhead of having a trial. So I proceed on the basis that expedition to September is possible if justified, but would come with some impact on the court and some degree of extra costs.
9. I digress to identify the applicable legal standard. That has been dealt with in a number of cases before the Patents Court and in other contexts before the Court of Appeal. The main authority frequently cited being *WL Gore & Associates GMBH v Geox SpA* [2008] EWCA Civ 622 and also as interpreted in *Petter v EMC Europe Ltd* [2015] EWCA Civ 480 where the Court of Appeal stated that expedition will only be ordered on the basis of real objectively viewed urgency.
10. I have also been referred to well known cases about the availability of an English judgment in advance of related proceedings in the courts of the Continent, whether the national courts or the UPC, in cases such as *Takeda UK Ltd v F Hoffman-La Roche AG* [2018] EWHC 2155 and *Nicoventures Trading Ltd v Philip Morris Products SA* [2020] EWHC 1594 (Pat).
11. I applied those principles recently in a case called *DISH v Aylo*, which is not yet reported, because I have not had the transcript to approve, but which, as I recall it, did not break any new ground in the case law anyway. Therefore, to the extent its circumstances can be discussed and have been by counsel this morning, it is just an

exercise in comparing facts. Although I do not criticise the attempt, I do not find it helpful either.

12. The three bases put forward by TI for expedition were as follows: First of all, to obtain early commercial certainty in the UK to enable alternative arrangements to be considered for that market in the event of an adverse decision in the UPC, and I will need to come back to explain that in a moment; secondly, to seek to use the UK judgment to influence the outcome in the UPC which would adversely affect the UK market if an injunction were granted; thirdly, to seek to use the UK judgment to influence the long-arm claim for damages on the UK patents.
13. Of those three, I can dismiss the third one quickly because it is no longer relied on by Mr. Alkin today in the light of the undertaking offered by NST and I am grateful for that sensible and pragmatic concession.
14. The second ground, to seek to use the UK judgment to influence the outcome in the UPC which could adversely affect the UK market, to the extent it raises different issues from the first one, I think is a very weak factor because although it is possible that the UPC proceedings will be bifurcated, in my view, it is really quite unlikely. Therefore, since the UPC will consider infringement and validity together on evidence before it, which is quite likely to be different from the UK evidence, I do not think there is a material risk of an injunction gap. Even if there were, I think it is a very modest factor and could not justify expedition on its own.
15. So I come to the first factor, which, in my view, is the crux of the argument today. The commercial context is as follows. The chips in question are used in car entertainment and map-type systems. Whilst Volkswagen and Audi have their main manufacturing facilities in Germany, some of those cars are imported into the UK.

Audi and VW have other manufacturing sites and at least the possibility of rejigging their arrangements around any injunction that might be granted in Germany, although it would be a significant effort. TI would like taken out of the picture the impact of any proceedings in the UK on cars containing their chips brought to the UK. This is where the dispute over undertakings has rumbled on in correspondence but not yet been concluded.

16. It would be too wearisome to go through all of the correspondence, but the current state of play is that in a letter of 26th April 2024, the second letter from Simmons & Simmons of that day, Simmons & Simmons said this in the third paragraph:

"Regarding the words 'in the UK' in the first part of the first undertaking, our client does not agree to their deletion as proposed in your first letter. It is uncontroversial that the UK designations of the 3 relevant European patents may only be asserted in respect of activities done in the UK. On that basis, it is appropriate that the first undertaking refers to any integrated circuits '*manufactured, offered or distributed in the UK*' by your client ... The use of the word 'or' means that the first part of the undertaking is not limited to integrated circuits manufactured in the UK. Our client considers it appropriate for the second part of the first undertaking to be limited accordingly."

17. Then they go on to say that they will give the undertakings set out in their correspondence and that was affirmed in due course in a letter to my clerk to which I will turn in a moment. The undertakings then offered are as follows.

"The Defendant hereby undertakes to the Claimant and the Court: (1) that it will not assert the UK designations of EP 1 875 683" – [and then it carries on to name the other patents] -- "against (i), any integrated circuits manufactured, offered or distributed by the Claimant or its corporate affiliates in the UK " – [I stress the words "in the UK" because those are the bone of contention] -- ('TI's ICs'); or (ii) any products in the UK containing TI's ICs."

18. Then an undertaking is offered not to pursue the long-arm relief, which I have touched on already and there was other discussion in that letter about the definition of corporate affiliates which has also faded away.

19. In the letter to my clerk of 26th April 2024, NST said under the subheading “NST will provide undertakings”:

“We confirm that NST has agreed to provide undertakings to the claimant and to the court that (i) it will not assert the UK designations of the three relevant patents; and (ii) will withdraw its claims in the UPC for damages of those patents.”

That is a paraphrase of the full language included in its letter to Bristows. They go on to say that they have not yet received a response to their letter from Bristows but it would give undertakings in the form set out in the letter if the court considers it appropriate for NST to do so. Although in fact, at least in the version I have, those undertakings are not set out in their full language but only in the paraphrase sense that I have just read out.

20. Bristows responded on 27th April 2024, which is Saturday, in the following terms, first of all, referring to Simmons & Simmons’ second letter of 26th April 2024 and then confirming, as is obviously right that they would draw the second letter to the court's attention, and saying that they would be submitting that the undertaking is inadequate for reasons explained in Bristows’ first letter of 26th April 2024, which I have not referred to yet. Then Bristows go on to say the following:

"It is a very simple point and we are concerned by your client's motives for not accepting it. As drafted by your client, the undertaking gives our client comfort only in relation to ICs that are either manufactured, offered or distributed by our client in the UK. That is not adequate for the reasons we have already explained. To take a pertinent example, it gives our client no comfort in relation to ICs manufactured in the US, exported to a country other than the UK for incorporation into infotainment/ADAS systems and subsequent incorporation (in a country other than the UK) into cars, which cars are then exported to the UK. In such a case ICs are neither manufactured, offered nor distributed by our client in the UK and your client would therefore not be precluded from asserting the UK designation of EP '683 against them when they arrive in the UK."

21. In my view, Bristows has a point and it arises from the language used by Simmons & Simmons in its letter of 26th April 2024 in the full formulation of the undertakings. The addition of the underlined words "in the UK" followed as it is by the quoted words "TI's ICs", therefore creating a definition of those terms, and then the use of the defined term "TI's ICs" in (ii), has the consequence that the scenario set out by Bristows in its letter of 27th April 2024 is not precluded by the undertakings.
22. I understand Bristows' suspicions about this. Such suspicions are always fomented by applications of this kind. It is unfortunate, to say the least, that Simmons & Simmons have not sent anybody to this hearing to clarify the matter.
23. I think I must proceed on the basis that there is a gap here which needs plugging. I suspect, stepping back from matters, that the parties have not quite reached a meeting of minds about exactly what the point between them is and I think additional clarity is achieved by Bristows' letter dated 27th April 2024. I suspect it is very likely that TI's intentions as conveyed by Simmons & Simmons is to give an undertaking that will have a practical effect that the UK designations of the three relevant patents will not be asserted against products in which TI has a commercial interest. In other words, I suspect very strongly that with a clear understanding of the significant but really rather narrow point raised by Bristows, Simmons & Simmons would be prepared to fix the undertaking.
24. In my view, applying the principles that I have identified and the treatment of the three points raised by TI to justify an expedited trial, the third of which has dropped away, if Simmons & Simmons plugs this gap and improves the undertakings to make it clear that products containing TI's ICs will not be the subject of litigation under the UK designation whatever their journey or origin, then I would not order expedition

because in that situation the factor of obtaining early commercial certainty in the UK, factor 1, will not arise or will be reduced enormously. Also, I do not think the use of the UK judgment to influence the outcome in the UPC on its own would be nearly enough to justify expedition.

25. In the event that NST is not willing to improve its undertakings, then I consider that a case for expedition has been made out because in that circumstance, not only would the gap identified by TI in its letter of 27th April 2024 from Bristows be real, but one's suspicions that NST were attaching some importance to the gap would be considerably increased and I would have a lot more sympathy with the need for early commercial certainty.
26. My order on this application will be that unless Simmons & Simmons and NST adequately address the defect that I have identified in the undertakings, the trial will be expedited to be heard in September. I will direct that I will not seal the order on this application for two days to give the parties the chance to address this. If there is still an argument about the language of the undertakings but Simmons & Simmons accepts the principle of the point that I have identified, then the parties can write to me and I will attempt to deal with that on paper.

