

TELEFONAKTIEBOLAGET LM ERICSSON v. LENOVO (UNITED STATES), INC., Appeal No. 2024-1515 (Fed. Cir. October 24, 2024). Before Lourie, Prost, and Reyna. Appealed from E.D.N.C. (Judge Boyle).

Background:

The European Telecommunications Standards Institute ("ETSI") has a policy under which standard-essential patent ("SEP") holders commit that they are willing to grant irrevocable licenses to their SEPs on fair, reasonable, and non-discriminatory ("FRAND") terms and conditions. Lenovo and Ericsson are both ETSI members, have made a FRAND commitment, and agree the FRAND commitment is a contract governed by French law enforceable against the other. Lenovo and Ericsson were unable to agree on a global cross-license.

Ericsson sued Lenovo on October 11, 2023 in the Eastern District of North Carolina for infringement of Ericsson's U.S. SEPs and breach of its FRAND commitment. Ericsson sued Lenovo in Columbia on November 20, 2023 and in Brazil on November 21, 2023 alleging infringement of SEPs in those countries. Injunctions were granted in Brazil on November 27, 2023, and in Colombia on December 13, 2023.

On December 14, 2023 Lenovo asserted counterclaims in the district court. On December 29, 2023 Lenovo moved for an antisuit injunction prohibiting Ericsson from enforcing the Columbian and Brazilian injunctions.

The district court analyzed the three-part framework from *Microsoft Corp. v. Motorola, Inc.*, 696 F.3d 872 (9th Cir. 2012), for applying an antisuit injunction. The first part is a threshold requirement that the parties and issues must be the same in both the domestic and foreign suits, and the domestic suit must be dispositive of the foreign action to be enjoined. The district court stopped the analysis at the threshold "dispositive" requirement, reasoning that the domestic suit must result in a global cross-license to be dispositive and that this would not occur.

Issue/Holding:

Did the District Court err in denying Lenovo's request to issue an antisuit injunction?
Yes, vacated and remanded.

Discussion:

The Federal Circuit held the district court legally erred when it reasoned that the "dispositive" requirement must necessarily result in a global cross-license. The "dispositive" requirement can be met even though a foreign antisuit injunction would resolve only a foreign injunction (not the entire foreign proceeding), and even though the relevant resolution depends on the potential that one party's view of the facts or law prevails in the domestic suit.

Lenovo met the "dispositive" requirement because (1) the ETSI FRAND commitment precludes Ericsson from pursuing SEP-based injunctive relief unless it has first complied with the commitment's obligation to negotiate in good faith over a license to those SEPs; and (2) whether Ericsson has complied with that obligation is an issue before the district court.