Neutral Citation Number: [2024] EWHC 2339 (Pat)

Case No: HP-2023-000038

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

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 13 September 2024

Before:

MR JUSTICE ZACAROLI

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Between:

ALCATEL LUCENT SAS **(a company incorporated in France)**	**Claimant**
- and –	
(1) AMAZON DIGITAL UK LIMITED **(2) AMAZON EUROPE CORE SARL** **(a company incorporated in Luxembourg)** **(3) AMAZON EU SARL** **(a company incorporated in Luxembourg)** **(4) AMAZON.COM, INC** **(a company incorporated in the State of Delaware, USA)** **(5) AMAZON MEDIA EU SARL** **(a company incorporated in Luxembourg)**	**Defendants/ Part 20 Claimants**
-and-	
(1) NOKIA CORPORATION **(a company incorporated under the law of Finland)** **(2) NOKIA TECHNOLOGIES OY** **(a company incorporated under the law of Finland)**	**Part 20 Defendants**

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Thomas Jones and Charles Brabin (instructed by **EIP Europe LLP**) for the **Claimants and Part 20 Defendants**
James Segan KC and Ravi Mehta (instructed by **Hogan Lovells International LLP**) for the **Defendants and Part 20 Claimants**

Hearing date: 10 September 2024

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JUDGMENT

Mr Justice Zacaroli:

Introduction

1. Following the hand-down of my judgment in this matter on 24 July 2024 ([2024] EWHC 1921 (Pat)), the parties have sought to agree the terms of a confidentiality order to cover documents that are due to be disclosed by Nokia to Amazon, comprising licences entered into by companies in the Nokia group with third parties, and certain related documents.

2. The terms of the order are agreed save for certain aspects of the undertaking which persons in receipt of a particular class of confidential information are required to give to Nokia.

3. By paragraph 1 of that undertaking the relevant person agrees to comply with the confidentiality order as if they were a party to it.

4. The dispute relates to paragraph 3 of the undertaking. This concerns that class of confidential information called "Negotiation Bar" confidential materials. This is to be contrasted with "External Eyes Only Confidential" materials, "Highly Confidential" materials and "General Confidential" materials.

5. The Negotiation Bar tier consists of materials that are extremely confidential and have the potential to affect future licensing negotiations. It would allow access to a limited number of in-house counsel of Amazon who agree to a negotiation and licensing bar as a condition of being able to access the information.

6. The current draft of Paragraph 3 of the undertaking required to be given by those having access to the Negotiation Bar confidential materials is in the following terms:

> "3. I confirm that I am not presently involved in SEP licensing negotiations with **the Disclosing Party o**r [LIST COUNTERPARTIES] or their subsidiaries or affiliates (excluding as may be required for the purpose of participating in settlement discussions relating to FRAND litigation) and undertake to **the Disclosing Party and** [LIST COUNTERPARTIES] not to become so involved, without the consent of the **Disclosing Party and** relevant counterparty, whilst I have access to any Negotiation Bar Confidential Materials (or any part of them) relating to the **Disclosing Party and** [LIST COUNTERPARTIES] in accordance with the Order or for two years after the date that I cease to have access, *unless I shall within that period cease to be employed directly or otherwise by my current employer, or any of the Defendants, any parent company, subsidiary, affiliate or member of the same corporate group thereof.*"

7. Nokia contends that the wording in underlined and bold should be included. Amazon contends that the wording in italics should be included.

8. The principles to be applied in considering what restrictions are appropriate to impose on the use of confidential information disclosed in proceedings are those summarised by Birss LJ in *InterDigital v OnePlus* [2023] EWCA Civ 166, at §20:

> "i) In managing the disclosure of highly confidential information in intellectual property litigation, the court must balance the interests of the receiving party in having the fullest possible access to relevant documents against the interests of the disclosing party, or third parties, in the preservation of their confidential commercial and technical information: *Warner Lambert* at page 356; *Roussel* at page 49.
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> ii) An arrangement under which an officer or employee of the receiving party gains no access at all to documents of importance at trial will be exceptionally rare, if indeed it can happen at all: *Warner Lambert* at page 360: *Al Rawi* at [64].
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> iii) There is no universal form of order suitable for use in every case, or even at every stage of the same case: *Warner Lambert* at page 358; *Al-Rawi* at [64]; *IPCom 1* at [31(ii)].
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> iv) The court must be alert to the fact that restricting disclosure to external eyes only at any stage is exceptional: *Roussel* at [49]; *Infederation* at [42].
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> v) If an external eyes only tier is created for initial disclosure, the court should remember that the onus remains on the disclosing party throughout to justify that designation for the documents so designated: *TQ Delta* at [21] and [23];
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> vi) Different types of information may require different degrees of protection, according to their value and potential for misuse. The protection to be afforded to a secret process may be greater than the protection to be afforded to commercial licences where the potential for misuse is less obvious: compare *Warner Lambert* and *IPCom 1*; see *IPCom 2* at [47].
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> vii) Difficulties of policing misuse are also relevant: *Warner Lambert* at 360; *Roussel* at pages 51-2.
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> viii) The extent to which a party may be expected to contribute to the case based on a document is relevant: *Warner Lambert* at page 360.
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> ix) The role which the documents will play in the action is also a material consideration: *Roussel* at page 49*; IPCom 1* at [31(ii)];
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> x) The structure and organisation of the receiving party is a factor which feeds into the way the confidential information has to be handled: *IPCom 1* at [33].

9. The following further points emerge from the *Interdigital v OnePlus* decision, relevant to these issues:

(1) The purpose of preventing a recipient of – for example – a confidential licence between Nokia and X from participating in licensing negotiations with X is to prevent the recipient from obtaining an unfair advantage in that negotiation: *Interdigital v OnePlus* at §23;

(2) In some cases, a wider form of restriction – where the recipient is precluded from participating in any future licensing negotiations – can be justified, where there is a material risk that knowledge of the terms of the licence with Nokia's counterparty would give the recipient an unfair advantage in negotiations with others. This is recognised as being a weaker risk: *Interdigital v OnePlus* at §24-25; see also *Nokia Technologies OY v OnePlus Technology (Shenzen) Co Ltd* [2023] EWHC 818 (Pat), per Meade J at §27. It is not a risk which Nokia seeks to protect against in this case;

(3) An important factor in considering the degree of restriction to impose is the stage at which the proceedings have reached. Imposing a wider form of restriction in the early stages is sensible as a more cautious approach, given that it is easier to relax confidentiality restrictions over the course of proceedings, than to try to impose tighter restrictions after starting with a more liberal regime: *InterDigital v OnePlus* at §28.

(4) A further important factor is the structure and organisation of the receiving party and the extent to which the court has evidence about it: *InterDigital v OnePlus* at §29. Without such evidence, it is difficult for the court to assess the real-world impact of the restrictions sought to be imposed on the receiving party.

10. It is common ground that the balance in this case is to be held by permitting disclosure of the Negotiation Bar materials but imposing restrictions on the use to which the recipients can make of those materials. Thus, by paragraph 12 of the confidentiality order, the receiving party shall, among other things: (a) treat the materials as confidential and not disclose the materials to any third party except as permitted in accordance with the order; and (b) "not at any time use the Materials or any part of them other than for the Purpose". The "Purpose" is defined as the purpose of these proceedings or any settlement of any aspect of them. Paragraph 18 imposes further restrictions on the use to which Negotiation Bar materials can be provided.

11. Any use by a recipient of any of the confidential information covered by the confidentiality order for the purpose of negotiating a future licence, with anybody, would be a breach of paragraph 12. The purpose of the additional Negotiation Bar is to prevent inadvertent use of confidential information in future licence negotiations. I bear in mind that, while it has been recognised in the cases that this can be a legitimate restriction, it is a blunt instrument capable of restricting legitimate business activity which gives rise to no risk of misuse of confidential information, for example where the relevant recipient, although having received confidential information, had either not read that part of it

which might be relevant to the licence negotiation or had read it but forgotten all the salient details.

12. Amazon is prepared to accept that additional restriction on the actions of its employees, but objects to it being extended so as to preclude the recipient from participating in licence negotiations:

    (1) with Nokia, as opposed to with third party counterparties;

    (2) with a third party counterparty, where that counterparty consents; and

    (3) on behalf of a future employer to whom they have moved in the meantime.

The disputed references to "the Disclosing Party" in the draft undertaking

13. The inclusion of the words "the Disclosing Party" in the draft undertaking appears to be intended to address two separate risks.

14. First, it is intended to include future licensing negotiations between Amazon and Nokia within the ambit of the Negotiation Bar. Excluded from the undertaking, however, is participation in settlement discussions relating to FRAND litigation. It is common ground that this includes negotiating the terms of such licence as might be entered into pursuant to any settlement of this litigation. Mr Jones, who appeared with Mr Brabin for Nokia, explained that this was principally intended to cater for the risk that an employee of Amazon, in receipt of Negotiation Bar confidential information, might inadvertently make use of that information in the course of negotiating a licence with Nokia in the future, i.e. relating to a period after the end of the licence entered into as a consequence of these proceedings.

15. I do not think it appropriate to extend the scope of the undertaking to cater for that risk, in any event at this early stage. There are too many variables in play to assess how real a risk this may be, and it is one that could be addressed if and when it becomes apparent that there is a need for it.

16. For example, the duration of any licence resulting from the present litigation is unknown. It may be that it will last for some years. Second, it is not known what licences will be disclosed within the Negotiation Bar tier. If it is only licences currently in existence, and if the licence resulting from this litigation extends for, say, a further three years from now, then the likely relevance of the disclosed licences to any future licence negotiation is likely to be small. If, on the other hand, a licence entered into in – for example – August 2025, is disclosed within the tier, and the licence resulting from this litigation is of shorter duration, then the risk that Amazon may obtain an unfair advantage in the context of the negotiation of a future licence may be more real. In that event, however, it would be possible to impose an additional restriction on the receiving parties at that stage.

17. I understood Mr Jones to maintain (albeit the point was not pressed) that this might also be intended to guard against the risk of an employee making inadvertent use of Negotiation Bar confidential information in some *parallel*

negotiations with Nokia in relation to some other SEP licence, unrelated to this action. Without any evidence from Nokia to the contrary, I find it difficult to see how someone to whom Negotiation Bar confidential information was disclosed could inadvertently make use of that information in the course of negotiations with Nokia over unrelated licences.

18. For these reasons, the restriction on the receiving party becoming involved in future licence negotiations with "the Disclosing Party" in the draft form of undertaking will be removed.

19. Second, it is intended to prevent a receiving party from being involved in licence negotiations with a counterparty to a disclosed licence without Nokia's consent. Amazon accepts such a restriction where the *counterparty* does not consent, but objects to the additional requirement of *Nokia*'s consent. I do not think that this restriction is appropriate. As I have noted, Nokia does not seek the wide form of undertaking (precluding negotiating with those beyond the counterparty to the licence that is disclosed). If a particular counterparty is content for an Amazon employee who has seen the licence between that counterparty and Nokia, to be involved on behalf of Amazon (or anyone else) in negotiating a licence with that counterparty, then I do not see the need for Nokia's consent as well.

20. Mr Jones pointed out that the information in a licence entered into by Nokia is also confidential to Nokia itself. I do not see, however, that there is any material risk of harm *to Nokia*, if an Amazon employee makes inadvertent use of information confidential to Nokia when negotiating a licence with a third party. Any deliberate use of the confidential information is, as already noted, precluded by paragraph 12 of the confidentiality order.

21. Accordingly, the requirement for Nokia's consent (in addition to the counterparty's consent) shall be removed from the draft form of undertaking.

<u>The position of employees that leave Amazon</u>

22. Amazon point to the fact that Meade J, in the *Nokia v OnePlus* case declined to extend the restriction to employees of OnePlus after they had left their employment with it. I note, however, that Meade J was provided with information about the individuals to whom this would apply. So far as the principal individual was concerned, a Mr Peng, Meade J considered it unlikely that he would join another employer where he would be in a decision to influence decisions. In contrast, in this case Amazon has not provided any evidence as to its organisation or structures, or as to the circumstances of the employees who would give the undertaking in relation to the Negotiation Bar. Taking account of the early stage in the proceedings, and in the absence of such evidence, the risk of a receiving party making inadvertent use of Negotiation Bar confidential information is one against which Nokia should be protected, for the two year period envisaged by the draft undertaking, whether or not that person remains in Amazon's employ. If Amazon considers at a later stage that it has sufficient evidence to demonstrate the unlikelihood of any harm to Nokia, or to demonstrate particular hardship to it or the relevant employee(s) giving this undertaking, then it has liberty under the confidentiality order to vary the

terms. Accordingly, paragraph 3 will not contain the additional words (in italics above) proposed by Amazon.