

**THE HIGH COURT**

**2016 No. 5102P**

**Between**

**VODAFONE GmbH**

**Plaintiff**

**- and -**

**IV INTERNATIONAL LICENSING AND INTELLECTUAL VENTURES II LLC**

**Defendants**

**JUDGMENT of Mr Justice Max Barrett delivered on 14th June, 2016.**

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### **Part 1: Introduction**

1. Last Thursday, Vodafone GmbH made an *ex parte* application for leave to serve notice on a party outside the jurisdiction of intended proceedings concerning the licensing of certain European patents. It is not every day that such an *ex parte* application would merit a written judgment. However, there are a number of features to the within application, not least certain patent and competition law dimensions presenting that make the application something of a first in the Irish courts and hence an *ex parte* application in respect of which it may be worthwhile for the court to commit to writing the background facts, the critical issues arising, and its reasons for deciding as it did.

### **Part 2: The Parties**

#### **I. The Plaintiff.**

2. Vodafone GmbH is a company domiciled in Germany. A member of the well-known Vodafone group of companies, it is engaged in the provision of communications services (including digital subscriber line or 'DSL' services) in Germany.

#### **II. The Defendants.**

3. The defendants are purchasers and/or owners and/or licensors of intellectual property rights. The Intellectual Venture group of companies (the 'IV Group') is what is known as a non-practising entity (NPE). It is apparently well-known for its significant patent portfolio acquisitions and its vigorous exploitation of such rights as those patents confer. IV International Licensing ('IV International') is a private limited company incorporated in Ireland, having a registered office and a place of business here in Dublin. Intellectual Ventures LLC ('IV LLC') is a limited liability company domiciled in the US state of Delaware.

4. To this time, the allegedly complex structure of the IV Group has apparently had the result that it has not been possible for Vodafone GmbH to ascertain the nature of the precise relationship between IV International and IV LLC. However, it appears to Vodafone GmbH, from certain representations that have been made to it in the course of the negotiations and proceedings described hereafter, that IV International and IV LLC are combining and acting together with regard to the licensing of the patents that are the subject of the within proceedings, in a tortious manner that is alleged to be (and alleged also to be intended to be) harmful to the economic interests of Vodafone GmbH and also an abuse of a dominant position.

### **Part 3: Patent Law and Competition Law Intertwined**

#### **I. Standard Essential Patents**

5. The intended proceedings concern the licensing of 16 European patents (the 'relevant patents') whose current registered proprietor, at least as regards the German national designations, is IV LLC. It appears that IV LLC has delegated its rights to licence the relevant patents to IV International. (As it happens, the original application for the relevant patents was by a company called Aware Inc. and, doubtless, one of the relevant issues that will fall to be resolved in the proceedings – indeed Vodafone GmbH has expressly reserved its rights in this regard – is whether and how the defendants have valid title to the relevant patents). The relevant patents relate to DSL technology, a type of broadband technology that connects a user to a high speed/bandwidth internet connection across a telephone network. DSL services operate in accordance with standards (so-called 'xDSL standards') set by the International Telecommunications Union (commonly known as the 'ITU').

6. There are, it seems, alternative ways of providing broadband services when, e.g., cable or fibre has been laid and connected to a customer's premises. However, when the only connection available is a conventional telephone line, the xDSL standards offer the primary, if not the sole, means of providing broadband services to customers. This exclusiveness or near-exclusiveness has the result that patent proprietors whose patents fall to be infringed by implementation of the xDSL standards enjoy obvious and – it would not be an exaggeration to say – great market power. Why so? Because a patent proprietor can restrict those to whom it grants licences and may impose unfavourable terms on parties wishing to implement the xDSL standards. Patents which fall necessarily to be breached by implementation of the xDSL standards are known as 'Standard Essential Patents' or 'SEPs'. It is, the court understands, asserted by both IV LLC and IV International that the patents that are the subject of the intended proceedings are SEPs.

7. As a result of the considerable market power that SEP-holders enjoy, the ITU, as a standard-setting organisation (or 'SSO' to the initiated) has, in common with other SSOs, developed policies with regard to intellectual property rights that require SEP proprietors to license them on fair, reasonable and non-discriminatory (FRAND) terms to anybody who wishes to implement the relevant standard(s). Though this may seem, to some extent, a contravention of the very exclusivity of the rights that patents are intended to confer on patent proprietors, in fact FRANDs are meant to achieve a balance between conferring a fair reward on a patent proprietor and encouraging adoption of the relevant standard. It is the licensing of the relevant patents on FRAND terms that is at the heart of the claims made in the within proceedings.

#### **II. The Decision in Huawei.**

8. In recent years, the European Commission and the national courts of the European Union have been concerned to ensure that the natural dominance that an SEP proprietor enjoys is not abused. Thus, for example, in its settlement with Samsung and its decision in relation to Motorola, the European Commission has made clear that the usual right of a patentee to exclude infringers from a market (by means of injunction) would not necessarily apply in respect of SEPs. This approach was confirmed by the Court of Justice of the European Union in *Huawei Technologies Co Ltd v. ZTE Corp* and another [2015] Bus LR 1261. It is worth turning briefly to consider the facts and decision in that case.

9. So far as appears relevant to the within proceedings, the facts in Huawei were as follows. Huawei is a multinational company active in the telecommunications sector, and also an SEP proprietor. Huawei, as SEP proprietor, had been discussing the possibility of concluding a licence on FRAND terms with ZTE; however, in the absence of agreement between the two, Huawei came to court claiming that ZTE was in breach of its patent and sought an injunction, the rendering of accounts, the recall of products, and damages. ZTE for its part maintained that the action brought by Huawei was an abuse of a dominant position contrary to article 102

of the Treaty on the Functioning of the European Union (TFEU). It will be recalled that article 102 provides, inter alia, as follows:

*"An abuse by one or more undertakings of a dominant position within the internal market or in a substantial part of it shall be prohibited as incompatible with the internal market in so far as it may affect trade between member states.*

*Such abuse may, in particular, consist in:*

*(a) directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions;*

*(b) limiting production, markets or technical development to the prejudice of consumers..."*

10. The *Landgericht Düsseldorf*, which was hearing the Huawei proceedings in Germany, referred five questions to the CJEU. The thrust of its various questions was broadly twofold, being whether:

(1) an SEP proprietor's action seeking injunctive relief and the recall of products against an alleged infringer which had requested the conclusion of a licensing agreement was an abuse of the SEP proprietor's dominant position within the meaning of article 102 of the TFEU;

(2) article 102 prohibited a SEP proprietor which, as in Huawei, had given an undertaking to grant its SEP on FRAND terms, from bringing an action for infringement against an alleged infringer seeking the rendering of accounts or an award of damages in relation to past use of the SEP.

11. At the risk of over-simplifying a comprehensive judgment, the most critical conclusions of the CJEU, so far as appear relevant to the within proceedings, are stated as follows, at para.71 of the Court's judgment:

*"It follows from all the foregoing considerations that the answer to questions (1) to (4) and to question (5) in so far as that question concerns legal proceedings brought with a view to obtaining the recall of products, is that article 102FEU must be interpreted as meaning that the proprietor of an SEP, which has given an irrevocable undertaking to a standardisation body to grant a licence to third parties on FRAND terms, does not abuse its dominant position, within the meaning of article 102FEU, by bringing an action for infringement seeking an injunction prohibiting the infringement of its patent or seeking the recall of products for the manufacture of which that patent has been used, as long as*

*- prior to bringing that action, the proprietor has, first, alerted the alleged infringer of the infringement complained about by designating that patent and specifying the way in which it has been infringed and, secondly, after the alleged infringer has expressed its willingness to conclude a licensing agreement on FRAND terms, presented to that infringer a specific, written offer for a licence on such terms, specifying, in particular, the royalty and the way in which it is to be calculated, and*

*- where the alleged infringer continues to use the patent in question, the alleged infringer has not diligently responded to that offer, in accordance with recognised commercial practices in the field and in good faith, this being a matter which must be established on the basis of objective factors and which implies, in particular, that there are no delaying tactics."*

12. The foregoing has the effect, *inter alia*, that prior to bringing an action for infringement seeking an injunction, an SEP proprietor must (1) alert the alleged infringer of the infringement complained about by (i) designating the patent, and (ii) specifying the way in which it has been infringed, and (2) after the alleged infringer has expressed a willingness to conclude a licensing agreement on FRAND terms, present to that alleged infringer a specific, written offer for a licence on terms, specifying, in particular, the royalty and the way in which it is to be calculated.

13. Vodafone alleges in the within proceedings that IV International and IV LLC have failed to comply with the obligations with which SEP proprietors must comply when seeking to license SEPs. More particularly, it is alleged, inter alia, that IV International and IV LLC have failed (i) to provide a licence offer on FRAND terms, (ii) to specify adequately or at all how each of the relevant patents are said to be infringed.

#### **Part 4: Summary History of Certain Dealings and Proceedings**

14. The court seeks to identify, in the summary chronology that follows, thenot un-complex history of dealings and proceedings that arise in the within proceedings:

2001-2012: Aware Inc. makes various declarations to the ITU stating that it is prepared to license, on a worldwide, non-discriminatory basis and on reasonable terms and conditions, persons seeking to use its patents, as embodied in the xDSL standards, if such willingness is reciprocal. No specific individual patents are named in any of Aware Inc.'s declarations and it is not therefore possible to determine which of the relevant patents is the subject of any particular declaration. However, the defendants have proceeded on the basis that relevant declarations remain operative.

2012: A company in the IV Group (Intellectual Ventures Management LLC) approaches Vodafone Group Services Limited about Vodafone's taking a licence in respect of various patent portfolios. No agreement is ultimately reached.

30.ix.15: IV LLC commences seven sets of patent proceedings in Germany against Vodafone GmbH.

January 2016: IV LLC commences four further sets of proceedings in Germany against Vodafone GmbH.

[The court is advised that none of these eleven sets of proceedings involves or is related to issues of FRAND licensing; thus they do not involve or relate to the same subject-matter or cause of action as the within proceedings.]

25.3.16: IV International writes to Vodafone and Vodafone Group Services Limited setting out an offer to licence the relevant patents on the terms of a draft patent licence agreement that was enclosed with the letter. IV International's offer included an option to take only a licence of the German designations of the patents. The court understands that Vodafone GmbH is willing to take a licence of the relevant patents on FRAND terms in Germany; and the wider Vodafone group is willing to discuss the terms of a broader licence to cover other relevant jurisdictions.

9.6.16: Vodafone makes a counter-offer on FRAND terms and remains willing to enter into a licence on such terms. Concerned, however, by how matters have proceeded to this time, Vodafone has also come to commence these proceedings seeking, inter alia, a declaration that the offer made by the defendants is not on FRAND terms

[The court notes that IV International (domiciled in Ireland) is the party that has made the licence offer, and thus is a correct defendant to the within proceedings. IV LLC, being the registered proprietor for the German designations and the party seeking damages of Vodafone GmbH in the German proceedings appears to have a financial interest in the relevant patents and is therefore a necessary and relevant party to the claim. Moreover it is claimed that the two defendants are (a) acting together in relation to the control and licensing of the patents, and (b) are under common control and/or are combining and acting together with regard to the licensing of the relevant patents.]

## **Part 5: Alleged Abusive Conduct**

### **I. The Detail of the Alleged Abusive Conduct**

15. It is claimed that:

- the defendants have asserted outside these proceedings that the relevant patents are essential to the xDSL standards.

(If so and if, as the defendants appear to have asserted, they hold and/or control the relevant patents, then it follows, Vodafone claims, that the defendants enjoy a dominant position on the EU (and EEA) markets for the licensing of the relevant patents (the 'Input Market')).

- the defendants have, outside these proceedings, asserted the relevant patents to be essential to the relevant xDSL standards.

(If so, then it is Vodafone GmbH's case that the relevant patents are essential (1) for products required to implement the relevant xDSL standards in the EU (and the EEA), including Germany, and (2) to provide services (including services that are provided by Vodafone GmbH) which are related to the products that must conform with the relevant xDSL Standards, including in Germany (the 'Output Market')).

- the defendants being between them, it is alleged, the holder of the relevant patents and so an undertaking for the purposes of article 102 of the TFEU,

- (i) the consequent duty not to abuse a dominant position yields an obligation to license the relevant patents (including for use in Germany) on terms and conditions that are FRAND,

- (ii) the alleged undertaking's offer to licence the relevant patents (a) was not on FRAND terms and conditions and (b) amounted to an abuse of the defendants' dominant position in a manner that was capable of appreciably restricting competition on the Output Market in the EEA, contrary to article 102 of the TFEU, and

- (iii) the process followed by the defendants in relation to and arising out of the offer aforesaid (including but not limited to an alleged refusal (a) to respond and/or (b) to respond adequately to requests for information by Vodafone GmbH) was inadequate to comply with the Huawei requirements.

### **II. The Essence of the Case Made.**

16. There is a lot of detail in the previous paragraph. More simply put the (obviously unproven) case, as advanced by Vodafone, insofar as an abuse of dominant position is alleged, is as follows:

- (1) IV LLC acquired patents that are declared SEPs in one of the main areas of activity of Vodafone GmbH (being DSL services);

- (2) IV International has offered to grant licences in respect of those patents to Vodafone GmbH, as it is obliged to do, but the offer is not on FRAND terms,

- (3) the defendants have failed to provide to Vodafone GmbH essential information about the alleged infringements and about the royalty rates proposed by the defendants,

- (4) these actions amount to an abuse of process with regard to the relevant patents, and

- (5) these actions are being led from Ireland by IV International, an entity incorporated and having a business premises in Ireland.

## **Part 6: Reliefs to be Sought**

17. Arising from the foregoing, Vodafone GmbH shall seek the following reliefs:

- (1) a declaration that an offer made by the defendants (in a letter of 25th March, 2016, from IV International to Vodafone GmbH) for a licence for the use in Germany of the relevant patents (the 'Defendants' Offer') was not an offer on FRAND terms;

- (2) a declaration that the process followed in relation to and arising out of the Defendants' Offer (whether or not including the seeking of an injunction) amounts to an abuse of a dominant position contrary to article 102 of the TFEU;

- (3) a declaration that the terms and conditions of the Defendants' Offer were not FRAND and that they amount to an abuse of a dominant position contrary to article 102 of the TFEU;

(4) a declaration that the terms and conditions of a counter-offer made by Vodafone GmbH to the defendants by way of letter of 9th June, 2016, to IV International (the 'Vodafone GmbH Counter-Offer') were FRAND;

(5) further, or in the alternative, in so far as neither of Defendants' Offer nor the Vodafone GmbH Counter-Offer were FRAND, a declaration as to the terms and conditions between the parameters of those offers upon which the licensing of the relevant patents for use in Germany would be FRAND;

(6) further, or in the alternative, a declaration that the licensing of the relevant patents to Vodafone GmbH on a revenue-based royalty basis could never be FRAND; and

(7) certain ancillary reliefs.

### **Part 7: Ex Parte Orders Now Sought**

18. On 9th June, Vodafone GmbH sought the following orders of this Court:

(1) an order pursuant to O.11, r.1(f) and/or r.1(h) of the Rules of Superior Courts 1986, as amended, giving leave to Vodafone GmbH to serve notice of a plenary summons in the within intended proceedings on IV LLC, at an address identified in accordance with the law of the U.S. State of Delaware as being the proper address for service in that state;

(2) an order pursuant to O.11, r.1(7) specifying a time limit after service of the said notice within which IV LLC is to enter an appearance;

(3) such further order(s) as the court may seem just; and

(4) costs.

### **Part 8: Order 11, Rule 1.**

#### **I. General.**

19. So far as relevant to the within proceedings, O.11, r.1 of the Rules provides as follows:

*"Provided that an originating summons is not a summons to which Order 11A applies, service out of the jurisdiction of an originating summons or notice of an originating summons may be allowed by the court whenever –*

*... (f) the action is founded on a tort committed within the jurisdiction; or*

*(h) any person out of the jurisdiction is a necessary or proper party to an action properly brought against some other person served within the jurisdiction..."*

20. The court notes in passing that there is no reason to believe that the word "tort" when used in O.11, r.1(f) bears anything other than the customary meaning of what our legal system understands a tort generally to be, viz. a civil wrong (other than a breach of contract or a breach of trust) for which the normal remedy is an action for unliquidated damages. (See in this regard McMahon and Binchy, *Law of Torts*, 4th ed., 5). Among the (unproven) wrongful behaviour alleged by Vodafone GmbH is identifiable economically tortious behaviour within the meaning of the foregoing general definition, and hence within the meaning of O.11, r.1(f).

21. As to O.11A, this, per O.11A, r.1, applies to proceedings and, so far as practicable, to any order motion or notice in proceedings governed by Art.1 of the Regulation No. 44/2001 (presumably now as re-cast) – the so-called 'Brussels Regulation' – a measure that is testament to the practical benefits of European Union membership and which harmonises the rules whereby various of the EU member states determine if they have jurisdiction in particular cases with a certain trans-European dimension. As IV LLC is a limited liability company domiciled in the US state of Delaware, O.11A is not of application when it comes to issuing and serving a notice of proceedings upon it; O.11 is the relevant provision of the rules of the superior courts.

#### **II. Some Principles of Relevance.**

22. When it comes to the application of O.11, counsel has proffered a trio of judgments of relevance to the application now made, including the legal *tour de force* undertaken by the late, great Walsh J. in his judgment for the Supreme Court in *Grehan v. Medical Incorporated* [1986] I.R. 528, the later decision of the Supreme Court in *Analog Devices B.V. v. Zurich Insurance Co.* [2002] 1 I.R. 272, and the recent decision of the Court of Appeal in *O'Flynn and ors v. Carbon Finance Ltd. and ors* [2015] IECA 93. So far as relevant to the within application, it appears to the court that the below-mentioned principles of relevance can be derived from the judgments in those cases.

#### **A.**

##### **Overview.**

23. [1] Service out of the jurisdiction of an originating summons or notice of an originating summons arises where the defendant is not present within the jurisdiction but in which a case is so closely connected with Ireland or Irish law that there is a justification for its being tried in Ireland. (*Grehan*, 532).

24. [2] The procedure in O.11 has evolved from the Common Law Procedure Act, 1852, which itself modified the rigid common law position, which did not always work justice, whereby courts exercised jurisdiction only where the defendant was served with the process within the jurisdiction or submitted to the jurisdiction. (*Grehan*, 532).

25. [3] An order under O.11 is entirely at the court's discretion. (*Grehan*, 532; *Analog Devices*, 287).

#### **B.**

### **Some Common Principles.**

26. [4] There is a heavy burden on the court to examine the circumstances of each case before exercising its discretion to grant leave for service out of the jurisdiction. It would be as inappropriate (i) to refuse such an order on the application of a technical rule which insists on one element occurring in the jurisdiction as (ii) to grant leave where the case had only a tenuous connection with Ireland on its facts and in terms of the law likely to govern questions of liability and related matters. (*Grehan*, 542).

27. [5] The international comity of the courts has long required that our courts examine O.11 applications with care and circumspection. This is because when the court grants the leave sought, it requires a person not otherwise within the jurisdiction of our courts to appear here and to answer the claim of a person made in what for the 'visitor' is a foreign court, rather than leaving the plaintiff to pursue his claim against that visitor abroad. (*Analog Devices*, 281).

28. [6] The terms in which O.11, r.5 is worded is important.[a] The burden on a party seeking to serve outside the jurisdiction is that it is "made sufficiently to appear to the court that the case is a proper one for service out of the jurisdiction". As per O.11, r.2, the court must also have regard, inter alia, to "the comparative cost and convenience of proceedings in Ireland, or in the place of the defendant's residence".[b] These factors will assist the court in determining the forum in which the case can suitably be tried for the interests of all the parties and for the ends of justice. (*O'Flynn*, 52).

[a] Order 11, r.5 provides as follows:

*"Every application for leave to serve a summons or notice of a summons on a defendant out of the jurisdiction shall be supported by affidavit, or other evidence, stating that in the belief of the deponent the plaintiff has a good cause of action, and showing in what place or country such defendant is or probably may be found, and whether such defendant is a citizen of Ireland or not, and where leave is asked to serve a summons or notice thereof under rule 1 stating the particulars necessary for enabling the court to exercise a due discretion in the manner in rule 2 specified; and no leave shall be granted unless it shall be made sufficiently to appear to the court that the case is a proper one for service out of the jurisdiction under this Order."*

[b] Order 11, r.2, so far as relevant to the within proceedings, provides as follows:

*"Where leave is asked from the court to serve a summons or notice thereof under rule 1, the court to whom such application shall be made shall have regard to the amount or value of the claim or property affected and to the comparative cost and convenience of proceedings in Ireland, or in the place of the defendant's residence..."*

29. [7] There will be cases where it may/may not be necessary to establish on affidavit as accurately as reasonably possible the comparative cost of bringing the proceedings in one jurisdiction or another; that exercise may involve an examination by the court of (i) what witnesses will be required, (ii) their place of habitual residence, (iii) the cost of their attendance in one jurisdiction compared to another, and (iv) perhaps also the speed with which the proceedings may be determined in each competing jurisdiction, and so on. (*O'Flynn*, 53).

### **C.**

#### **Appropriateness of Ireland as a Forum.**

30. [8] The court should grant leave under O.11 only after careful consideration, not only of the existence of grounds upon which the court is empowered to grant leave, but of the appropriateness of the courts of Ireland to try the case. (*Analog Devices*, 287).

31. [9] The combined effect of O.11, rr.2 and 5 is that an applicant under O.11 must prove at the ex parte stage that Ireland is the forum conveniens, i.e. the location in which the case can suitably be tried for the interests of all the parties and for the ends of justice. (In this regard the Latinism 'conveniens' may mislead: the proper translation is not 'convenient' but suitable or appropriate). (*Analog Devices*, 287-8).

32. [10] The plea of *forum non conveniens* can never be sustained unless the court is satisfied that there is some other tribunal, having competent jurisdiction, in which the case may be tried more suitably for the interests of all parties and for the ends of justice. (*Analog Devices*, 288).

### **D.**

#### **Some Factors of Relevance to Court's Considerations.**

33. [11] An applicant seeking leave under O.11 has the burden of showing good reasons why service of a writ, calling for appearance before an Irish court should, in the circumstances, be permitted upon a foreign defendant. In considering this question, the court must take into account (i) the nature of the dispute, (ii) the legal and practical issues involved, (iii) such questions as (a) local knowledge, (b) availability of witnesses and (c) their evidence and expense. (*Analog Devices*, 288).

### **E.**

#### **Some Procedural Matters.**

34. [12] It is necessary when seeking an order for service out of the jurisdiction that the applicant bring himself with one or other of the enumerated cases set out in the relevant rule. (*Grehan*, 532).

35. [13] An applicant for an O.11 order must furnish an affidavit verifying the facts on which he bases his cause of action. (*Analog Devices*, 281).

36. [14] It is important that on an ex parte application under O.11, r.1, (a) the appropriate paragraph(s) of O.11, r.1 is/are stated correctly in the ex parte docket filed (some flexibility in this requirement is allowed), (b) that the correct said paragraph(s) are referred to in the affidavit grounding the application, and (c) that the order as perfected and taken up contains a recital of the paragraph(s) of O.11, r.1 under which the order has been made. This is important because once served with the proceedings and a copy of the order, the defendant outside the jurisdiction must know under what paragraph of O.11, r.1 the order has been made. And why is this

important? Because under O.12, r.26, that defendant is entitled to bring an application to discharge the ex parte order for service... and to do this, the defendant must know the basis on which the order was made so that he can be properly advised in relation to any such application. (*O'Flynn*, 37-38, 43; see also *Grehan*, 532; *Analog Devices*, 277).

## **F.**

### **Action Founded on Tort Committed in Ireland.**

#### **(O.11, r.1(f)).**

37. [15] Where service is sought on the basis that the action is founded on a tort committed within the jurisdiction, the court should be sufficiently flexible as to be capable of responding to the individual issues presented in each case and to the social and economic dimensions of applying any particular choice of law rule in the proceedings in question. (*Grehan*, 541).

38. [16] Where service is sought on the basis that the action is founded on a tort committed within the jurisdiction: (1) the issue is not merely a mechanical one as that would lead to arbitrary results; (2) the court must have regard to the implications for the plaintiff or defendants if the trial is to take place within Ireland; (3) the task of the court is to interpret and apply the rule in a way designed to ensure that justice and practical common-sense prevail; (4) the court should interpret the rule in the light of (i) a broad policy and (ii) its choice of law implications; and (5) if more than one possible interpretation of the rule is available, the one which serves to encourage the operation of sensible choice of law rules should be allowed, rather than one that would tend to frustrate them. (*Grehan*, 541).

39. [17] Where service is sought on the basis that the action is founded on a tort committed within the jurisdiction, if it appears that any significant element in the commission of the tort occurs within this jurisdiction, then the plaintiff will have at least fulfilled the threshold requirement. It is not necessary that the most significant element have occurred within Ireland. (*Grehan*, 542).

40. [18] Where service is sought on the basis that the action is founded on a tort committed within the jurisdiction, the tort claims must come within O.11, r.1(f); O.11, r.1(h) is not a free-standing, 'catch-all' provision. (*O'Flynn*, 44, 45).

41. [19] Where service is sought on the basis that the action is founded on a tort committed within the jurisdiction: (a) the tort claim(s) must (i) be sufficiently particularised for the defendant to know in broad terms the basis for those claims, (ii) not be couched in terms that amount to no more than mere assertion; (b) the court may properly have regard to the fact that at an early stage of bringing a valid claim, a person will be unlikely to be able to plead such a claim with a great degree of particularity in advance of having had the opportunity to exercise procedural measures such as discovery. (*O'Flynn*, 47).

## **G.**

### **Necessary or Proper Party.**

#### **(O.11, r.1(h)).**

42. [20] Where service is sought on the basis that a person out of the jurisdiction is a necessary or proper party to an action, the courts adopt a flexible, pragmatic approach to the issue of propriety. The critical test is whether, supposing both parties had been within the jurisdiction, they would both have been proper parties to the action. (*Analog Devices*, 283-4).

43. [21] Where service is sought on the basis that a person out of the jurisdiction is a necessary or proper party to an action, the desirability of (a) centralising the hearing of the several causes of action, and (b) avoiding inconsistent actions are each relevant factors. (*Analog Devices*, 285).

44. [22] Where service is sought on the basis that a person out of the jurisdiction is a necessary or proper party to an action, the court should have regard to the interests of both parties to the litigation, i.e. it should weigh the competing interests of the parties to determine whether the interests of the proposed defendant in having a dispute litigated other than in Ireland outweigh the interests of the party seeking a determination in this jurisdiction. (*O'Flynn*, 48-9).

45. [23] There must be a sound basis for the contention that a party to be served out of the jurisdiction is a proper party; there must be reality in law and in fact in the case against the party within the jurisdiction; his inclusion must not be a mere device to get a foreign party before the Irish courts; there must be a substantial element in the claims against the two parties. All that said, the cause of action against the claimed 'proper' party (1) need not be the same as against the other party, e.g., one may be in contract and the other in tort, and (2) may have little or no connection with this jurisdiction. (*Analog Devices*, 285).

46. [24] Whether an action is properly brought against a particular defendant within the meaning of O.11, must depend on the substance of the matter in the light of all the circumstances, and not on the mere form of the pleading and whether there is technically a cause of action. (*Analog Devices*, 286).

### **Part 9: Application of Above-Identified Principles**

47. Re.[1]. As mentioned above, IV International, a party domiciled in Ireland, is the party that has made the licence offer, and thus is a correct defendant to the within proceedings. IV LLC, being the registered proprietor for the German designations and the party seeking damages of Vodafone GmbH in the German proceedings appears to have a financial interest in the relevant patents and is therefore a necessary and relevant party to the claim. Moreover, the court notes that it is claimed that the two defendants are (a) acting together in relation to the control and licensing of the patents, and (b) are under common control and/or are combining and acting together with regard to the licensing of the relevant patents.

48. Re.[2]. Noted.

49. Re.[3]. Noted, though the effect of *Grehan et al* is that nowadays the manner in which at least the High Court falls to exercise this discretion is rather constrained by binding precedent.

50. Re.[4]. It is in fulfilment of this 'burden' that the court has sought to identify the applicable facts and law with such detail above,

not that such a detailed analysis, nor even a written analysis is generally undertaken in practice or required by precedent: all that is required in terms of a heavy burden is that it not lightly be discharged. For the reasons identified re.[1], the court does not consider that this is a case that has only a tenuous connection with Ireland either on the facts or in terms of the law likely to govern questions of any (if any) liability on the part of the defendants.

51. Re.[5]. Noted; the court would refer to its introductory observation re.[4].

52. Re. [6] Ireland is the appropriate jurisdiction in which to sue IV International. For

and [7]. The reasons stated re. [1], the nature of the allegations also has the result that Ireland is the appropriate jurisdiction in which to bring these proceedings against IV LLC. Were separate proceedings on largely the same issues to be required, this would unavoidably and unnecessarily increase otherwise avoidable cost.

53. Re.[8]. See the court's comments re.[1].

54. Re.[9]. The court considers that this has been proved for the reasons identified re.[1].

55. Re.[10]. The court is not so satisfied. Again, the court would refer to its comments re.[1] in this regard. It is possible that these proceedings might also have been commenced in the United States but given that two of the parties are European parties and that one of the parties is an Irish party, Ireland (for the reasons stated re.[1]) nonetheless appears to the court to be the appropriate jurisdiction for these proceedings. The court notes in this regard the desirability of (a) centralising the hearing of the action, and (b) avoiding inconsistent decisions.

56. Re.[11]. The court considers this burden to have been satisfied. The court would refer to its comments re.[1], [6] and [7], and [10] in this regard.

57. Re.[12]. O.11, r.1(f) and/or (the court finds 'and') (h) have been expressly (and correctly) identified by Vodafone GmbH as the grounds on which the requested leave has been sought.

58. Re.[13]. This has been done. An unsworn copy of the grounding affidavit of Ms Paschen was exhibited to a sworn affidavit of Ms O'Beirne, a solicitor acting for Vodafone GmbH in Ireland, subject to an undertaking by Ms O'Beirne's firm of solicitors to file the sworn affidavit of Ms Paschen once received by courier from Germany.

59. Re.[14]. These requirements have been satisfied.

60. Re.[15]. Noted.

61. Re.[16]. The court has sought to reconcile these objectives in the reasoning identified above and hereafter. As a matter of justice and common-sense and for the reasons identified in particular re. [1], [6] and [7], and [10], it appears to the court that Ireland is the appropriate jurisdiction in which these proceedings should be tried.

62. Re.[17]. It appears from the alleged facts as recounted at the outset of the judgment that, at the least, IV International in its actions at and/or from its place of business in Ireland may have committed solely and/or with IV LLC as fellow tortfeasor, recognised economically tortious behaviour in and/or from Ireland.

63. Re.[18]. Noted. It does so come.

64. Re.[19]. The alleged tortious behaviour has been formulated in sufficient detail, especially when one considers that there has been no discovery to this time.

65. Re.[20]. When it comes to the critical test identified, the answer is 'they would'.

66. Re.[21]. The court has had regard to such factors in its comments re.[10].

67. Re.[22]. For the reasons identified above, especially re. [10], and by reference therein to the court's comments re. [1], the court is satisfied that the interests of Vodafone GmbH in having a determination in this jurisdiction are not so outweighed.

68. Re.[23]. For the various reasons identified above, and on the facts as identified to it at this time, the court is satisfied that: this sound basis, and the requisite reality in law and fact present; these proceedings are not some form of contrived device to get IV LLC before the Irish courts; there is a substantial element in the claims being made against both IV International and IV LLC.

69. Re.[24]. Noted. For the reasons identified above, especially re.[1], [6] and [7], and [10], the court considers that looking to the substance of the matters raised and all the circumstances presenting, this is a case in which it is appropriate that the proceedings be brought in Ireland and thus that the leave sought should issue.

#### **Part 10: Conclusion**

70. For the reasons outlined above, the court was and is satisfied to grant the order sought, pursuant to each and both of O.11, r.1(f) and (h), in item 1 of the ex parte docket. Insofar as the order under O.11, r.7, as intended to be referred to at item 2 of the ex parte docket, is concerned, the court will prescribe a 35-day time limit.[c]

*[c] O.11, r.7 provides as follows:*

*"Any order giving leave to effect service or give notice out of the jurisdiction shall limit a time after such service or notice, within which the person to be served is to enter an appearance, such time to depend on the place or country where or within which the summons is to be served, or the notice given, and such leave may be given by the same order by which leave is given to issue the summons for service out of the jurisdiction or of which notice is to be given out of the jurisdiction."*