

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

In re APPLICATION OF NOKIA
CORPORATION FOR AN ORDER OF
DISCOVERY PURSUANT TO 28 U.S.C.
§ 1782

No. 4:04MC 27

**NOKIA CORPORATION'S NOTICE OF RULING
AND SUPPLEMENTAL REPLY BRIEF**

Nokia Corporation ("Nokia") hereby files this Notice of Ruling and Supplemental Reply Brief to support further its 28 U.S.C. § 1782 application for discovery.

INTRODUCTION

Nokia files this brief because, on December 8, 2004, a court in the United Kingdom ("U.K.") expressly affirmed Nokia's right to proceed with the 28 U.S.C. § 1782 Application ("Nokia's Application") that is pending before this Court. This ruling from the U.K., described in greater detail below, removes any obstacle to this Court's enforcement of Nokia's Application.

InterDigital Technology Corporation ("ITC") had urged this Court to delay any ruling on Nokia's Application because ITC was applying to the U.K. court for an injunction prohibiting Nokia's pursuit of § 1782 discovery (*See* Opposition and Objections of InterDigital Technology Corporation, p.1-2). ITC also represented that it was seeking from the U.K. court – the allegedly "appropriate forum" – a determination of the "relevance and admissibility" of the information Nokia requested (*Id.* at 7). ITC affirmed that it would "abide by [the U.K.] court's determination of the issue" (*Id.* at 9).

The U.K. court has now ruled.¹ It denied *every* single request for relief that ITC made – all of which were designed to impede Nokia's Application – and ordered ITC to pay Nokia's U.K. costs

¹ The U.K. court has not yet prepared its written judgment. ITC attached a transcript of the U.K. court's oral ruling in court on December 8, 2004. The U.K. court directed the parties to make it

(preliminarily set at \$200,000). The U.K. court also refused to grant ITC's request for leave to appeal, expressly finding that ITC could not show a likelihood of success in the appellate courts.

The U.K. court's order is devastating to nearly all of the arguments ITC previously advanced to this Court. First, the U.K. court expressly refused to enjoin Nokia's pursuit of § 1782 discovery (Draft Judgment, p.7-25). Second, the U.K. court held that Nokia's § 1782 Application was not abusive (*Id.* at 19-25). Third, the U.K. court unequivocally refused to declare that any of "the classes of documents specified in the § 1782 request are irrelevant to the action as presently constituted" (*Id.* at 26). Fourth, the U.K. court refused ITC's request for a stay of the U.K. proceedings (*Id.* at 5-7). (The U.K. court offered to expedite the proceedings). Fifth, the U.K. court rejected ITC's contention that a § 1782 Application interferes with, or otherwise encroaches on, the jurisdiction of English courts (*Id.* at 17-19). In fact, the U.K. court refused to rule on ITC's argument that Nokia's real purpose behind the § 1782 Application was to obtain evidence for the ICC Arbitration (*Id.* at 25).

In its recently filed Third Supplement, ITC cites, without full context, a few isolated quotations from the U.K. transcript in an effort to distract this Court from the unequivocal substance of the U.K. court's final ruling. As to the question that Nokia's Application presents to this Court – whether the information sought therein could lead to the discovery of relevant evidence – the U.K. court clearly held that:

abundantly clear that the transcript is an unapproved draft judgment that remains subject to the U.K. court's revisions. Herein, Nokia cites to that transcript (the "Unapproved Draft Judgment" or "Draft Judgment"), which was attached as Exhibit A to ITC's Third Supplement to Opposition and Objections of InterDigital Technology Corporation ("ITC's Third Supplement"). Once Nokia receives the written judgment, Nokia will submit a copy to this Court, subject to relevant confidentiality stipulations, if any.

³ In a further departure from its prior representations, now that the U.K. court has ruled adversely to ITC, ITC claims that it may seek permission from the appellate court to appeal at least one portion of the court's order, the U.K. court's "refusal to grant the requested injunction" (ITC's Third Supplement, at 2n.1).

. . . it cannot be said *a priori* or that the material which would be obtained on discovery in this case, as sought in the section 1782 proceedings, would not be capable of being deployed in these proceedings.

Id. at 21. The U.K. court explained that this conclusion was based on its understanding that the § 1782 application did not need to meet English disclosure rules and that, in contrast to English law, U.S. law permitted § 1782 applications to be “investigatory in nature” (*Id.* at 21-22). Moreover, consistent with the notion that the § 1782 application was governed by U.S. law and discovery standards, the U.K. court also affirmed that the U.S. district court – not the U.K. court – was to decide whether to order the discovery sought under Nokia’s § 1782 Application. *Id.* at 23 (“But it is for the district court to form its own view in the United States. . . . as to the material the production of which should be compelled.”).

The U.K. court has now rejected all requests from ITC to delay or impede the § 1782 Application pending before this Court.³ Moreover, ITC previously represented that it would abide by the U.K. court’s relevance determination, and it is appropriate to hold ITC to this representation.

ARGUMENT

Nokia’s § 1782 Application seeks discovery to aid a patent revocation proceeding that Nokia brought in the United Kingdom as to ITC’s patents. Nokia’s Application complied with all the requirements of § 1782 and furthered Congress’ goals.

In an attempt to frustrate Nokia’s lawful attempt to gather evidence for use in the revocation proceeding, ITC filed in the U.K. court an unusual procedural motion requesting injunctive relief, declaratory relief, an order striking certain portions of Nokia’s pleadings, and a stay of the U.K. proceedings. ITC sought that:

- (1) “[Nokia] be restrained from pursuing its applications under 28 U.S.C. § 1782;
- (2) Further or alternatively, it be declared that the discovery sought in those applications is irrelevant to any issue in the U.K. Action;

- (3) Those parts of [Nokia's] pleadings relating to the irrelevant issue be struck; and
- (4) All further proceeding in the UK (including discovery) be stayed pending the conclusion of the arbitration between Nokia and ITC or further order of the UK Court.”

(See InterDigital's Supplemental Opp'n and Objection to Nokia's 28 U.S.C. § 1782 Application). ITC then informed this Court of its U.K. motion and argued that this Court should delay consideration of Nokia's Application until the U.K. court had heard ITC's motion (*Id.*).

The U.K. court heard ITC's motion over the course of two days of oral argument. And, in a hearing held on December 8, 2004, the court denied *all* of ITC's requested relief. Specifically, the U.K. court:

- (1) Refused to restrain Nokia from pursuing this § 1782 Application. Following the principles explained in *South Carolina Ins. Co. v. Assurantie Maatschappij De Zevem Provincie en NV*, [1987] A.C. 24 (appeal taken from Eng. C.A.), the U.K. court held that Nokia's Application was not an abuse of process or otherwise subject to restraint (Draft Judgment, p.7-25).
- (2) Refused to issue a declaratory judgment stating that the evidence sought in the § 1782 Applications was “irrelevant.” The court recognized that the evidence regarding prior art could lead to the discovery of prior art for the three patents at issue and that the pleadings could be amended to put this prior art at issue in the action (*Id.* at 21). Further, the court noted that the evidence sought in categories 2 through 4 of Nokia's Application could relate to the court's consideration of ITC's request to amend the patents at issue in the suit (*Id.* at 21). The court expressly refused to declare that all of the evidence sought in categories 2 through 4 of Nokia's Application was irrelevant (*Id.* at 26).
- (3) Declined to strike Nokia's pleadings to the extent they related to the issue of whether use of ITC's patents is essential to the GSM standard (*Id.* at 26-31).

(4) Refused to stay the U.K. patent revocation proceedings until the ICC Arbitration was concluded (*Id.* at 5-7). In fact, the U.K. court asked Nokia to request that the ICC Arbitration panel stay the arbitration hearing until after trial of the U.K. proceeding.

Indeed, at several points, the U.K. court noted that it is *this* Court – not the U.K. court – that will determine whether Nokia’s Application is appropriate under § 1782 (*Id.* at 22 & 23).

Although the U.K. court expressed uncertainty as to whether all the documents responsive to Nokia’s Application would ultimately be relevant, the U.K. court refused to rule that entire categories or classes of information that Nokia requested were irrelevant. Nor did the U.K. court – or ITC – identify any subsets of these categories that would be irrelevant. The import of the U.K. court’s rulings on this issue is clear – even the judge presiding over the patent revocation proceedings is unwilling to declare that the information Nokia requested could not lead to the discovery of relevant evidence.

ITC also argues that Nokia’s discovery requests are “over broad.” But, after a two-day hearing and extensive briefing in the U.K., the U.K. judge expressly refused to limit, or rule as irrelevant, any of Nokia’s document requests. Moreover, Ericsson – the party to whom these requests are directed – has not come forward with any sworn statement or evidence suggesting that it could not easily gather and produce the limited class of documents requested in Nokia’s Application.⁴ The simple requests in Nokia’s Application seek evidence that will assist Nokia in its preparation for, and pursuit of, the patent revocation proceedings in the U.K.

⁴ ITC mistakenly refers to “Sony-E,” instead of “Ericsson,” within its Third Supplemental Reply. Nokia can only assume that this error resulted from ITC’s haste to “spin” the events in the U.K. through the rushed filing of supplemental briefs in this Court and in North Carolina, where § 1782 discovery is sought from Sony-Ericsson.

CERTIFICATE OF SERVICE

I certify that the foregoing Nokia Corporation's Notice of Ruling and Supplemental Reply Brief was served, on the 15th day of December, 2004, by First Class Mail to the following:

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