

First English judgment on patent laundering in *ASSIA v BT* [2022] EWHC 1707 (Ch)- Gideon Shirazi

In *ASSIA v BT* [2022] EWHC 1707 (Ch), Falk J gave the first English judgment interpreting a patent laundering clause. [Gideon Shirazi](#) (with Nicholas Saunders KC of Brick Court) acted for the successful party, BT.

Patent laundering clauses are clauses a type of clause commonly found in patent licences, especially those licensing use in the United States. They originate in a series of judgments against Intel by the US Federal Circuit dealing with microchip patent licences, and are designed to prevent a licensee from applying the doctrine of exhaustion of rights to carry out otherwise patent-protected activities on behalf of other entities.

In the present case, ASSIA (a telecoms patent-holding company founded by the father of DSL technology) sued BT alleging that its wholesale provision to other CPs of its fibre-to-the-cabinet telecoms network in the UK fell foul of the patent laundering clause. The underlying technology forms the basis for majority of the UK broadband market. Falk J considered the wording of the clause, and patent laundering generally. She explained that patent laundering clause was not intended to make a radical alteration to the scope of the licences but to spell out something that might otherwise leave room for argument; and the types of situations that amounted to patent laundering. The court ultimately rejected ASSIA's argument entirely, deciding that BT's normal business activities did not fall amount to patent laundering within the meaning of the clause.

This judgment is likely to be of interest to IP and licensing practitioners generally and provides some welcome guidance on the interpretation of patent laundering clauses under English law.

Members of 4 Pump Court regularly act in IP and licensing disputes, often with a telecoms or technology angle.