



[Footnote 4 corrected paragraph 4 of this judgment pursuant to CPR 40.12](#)

Neutral Citation Number: [2024] EWHC 2891 (Comm)

Case No: CL-2022-000219

IN THE HIGH COURT OF JUSTICE
KING'S BENCH DIVISION
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMMERCIAL COURT

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

Date: 14/11/2024

Before :

MR JUSTICE CALVER

Between :

(1) MOTOROLA SOLUTIONS, INC **Claimants**
(2) MOTOROLA SOLUTIONS MALAYSIA SDN BHD

- and -

(1) HYTERA COMMUNICATIONS CORPORATION LTD **Defendants**
(2) HYTERA AMERICA, INC
(3) HYTERA COMMUNICATIONS AMERICA (WEST), INC

Tom Sprange KC and Kabir Bhalla (instructed by **King & Spalding International LLP**) for
the **Claimants**

Stephen Rubin KC, Alexander Milner KC and Leah Gardner (instructed by **Stephoe
International (UK) LLP**) for the **First Defendant**

Hearing dates: 4-5 November 2024

JUDGMENT

This judgment was handed down by the Judge remotely by circulation to the parties' representatives by email and release to The National Archives. The date and time for hand-down is deemed to be 10:00 on Thursday 14 November 2024.

Mr Justice Calver :

Subject matter of this trial

1. On 4 and 5 November 2024 this court heard the trial of the Claimant (“**Motorola**”)’s claim to enforce at common law parts of a judgment of the US District Court for the Northern District of Illinois, Eastern Division (the “**Illinois Court**”), dated 8 January 2021 (the “**US Judgment**”). The US Judgment was entered after a trial before a jury at which the First Defendant (“**HCC**”) and two of its subsidiaries (collectively “**Hytera**”) were found liable to Motorola for serious breaches of two US statutes – the Copyright Act, and the Defend Trade Secrets Act (“**DTSA**”).
2. HCC is a company incorporated and headquartered in China. It was founded in 1993 and is a developer and manufacturer of two-way radio equipment and related technology. Motorola is also a major player in the radio technology industry and is a competitor of HCC. Motorola is headquartered in Chicago, Illinois.
3. Following various further orders made by the Illinois Court post-trial, the US Judgment is made up of a number of different components, namely:
 - (1) Compensatory damages of \$136.3 million under the Copyright Act;
 - (2) Compensatory damages of \$135.8 million under the DTSA;
 - (3) Punitive damages under the DTSA of \$271.6 million (i.e. double the compensatory damages awarded under that statute);
 - (4) \$51,128,975 in pre-judgment interest;
 - (5) \$34,244,385.50 in attorney fees (i.e. costs);
 - (6) \$2,674,631.36 in “costs” (i.e. disbursements); and
 - (7) post-judgment interest, which Motorola quantifies in the sum of either \$618,042.29 or \$374,922.51.
4. Of the above seven elements, only the last four (totalling some \$73 million¹) are the subject of this trial.
5. So far as the other three elements are concerned, the Copyright Act damages (\$136.3 million) are already the subject of an English judgment in favour of Motorola which was entered by consent on 9 November 2023. The English judgment was stayed by order of Jacobs J pending an appeal by Hytera against the US Judgment to the US Court of Appeals for the Seventh Circuit (“**the Seventh Circuit Court**”). That appeal was successful in part and HCC has therefore made an application to set aside the English judgment: that application has been listed for January 2025.
6. The other two elements are the (i) compensatory damages (\$135.8 million) under the DTSA and (ii) punitive or exemplary damages (\$271.6 million) under the DTSA.
7. So far as the punitive damages element of the DTSA claim is concerned, the relevant US statute, 18 U.S.C. section 1836(b)(3), provides as follows:

¹ after deducting \$14.9 million that Motorola has recovered in separate bankruptcy proceedings

“(3) Remedies. In a civil action brought under this subsection with respect to the misappropriation of a trade secret, a court may –

...

(B) award –

(i)(I) damages for actual loss caused by the misappropriation of the trade secret; and

...

(C) if the trade secret is willfully and maliciously misappropriated, award exemplary damages in an amount not more than 2 times the amount of the damages awarded under subparagraph (B); and

(D) if ... the trade secret was willfully and maliciously misappropriated, award reasonable attorney’s fees to the prevailing party.” (emphasis added)

8. So far as these two elements under the DTSA are concerned, by paragraph 1 of its Further Information served as recently as 15 October 2024, Motorola stated as follows: “*Motorola does not seek to enforce the US Judgment in respect of sums awarded as compensatory or punitive damages under the DTSA in these proceedings*” (see also paragraph 6 of its skeleton argument to the same effect). Despite not seeking to enforce these sums, Motorola went on to state that its “*position as to the severability of the compensatory damages awarded under the DTSA ... from the punitive damages ... including but not limited to the right to bring proceedings against [Hytera] in future in respect of those sums – remains reserved.*”
9. Of course, applying *Henderson v Henderson* (1843) 3 Hare 100, whether or not it is open to Motorola to “reserve” its position in this way - if by that it means it might seek to argue this point in order to bring proceedings to enforce the DTSA compensatory damages at some point in the future - is open to serious doubt.
10. The issue for this Court to decide is accordingly whether Motorola is entitled to enforce the US Judgment in England insofar as it awarded Motorola the four sums set out in subparagraphs 3(4)-(7) above². Hytera opposes enforcement. There is no English authority which directly addresses this issue, and accordingly the answer to it must be found in section 5 of the Protection of Trading Interests Act 1980 (“**PTIA**”) itself, taking account however of such jurisprudence as exists concerning the proper construction of that statute.

The relevant US Court decisions

11. The factual background to Motorola’s claim to enforce the US judgment in this country is as follows.

The overall award

² There is also an issue as to the finality or otherwise of the US Judgment – see below.

12. On 14 March 2017 Motorola commenced proceedings against Hytera in the Illinois Court alleging, *inter alia*, theft of its intellectual property, trade secret misappropriation and copyright infringement.
13. On 14 February 2020 a jury returned a verdict in favour of Motorola and awarded it compensatory damages of \$345,761,156 (under both the Copyright Act and the DTSA) and \$418,800,000 in punitive damages (under the DTSA). The Illinois Court gave judgment in the same terms as the jury verdict on 5 March 2020.
14. On 8 January 2021 the US Judgment was reduced by the Illinois Court by around \$220 million on the basis that the \$135.8 million award for disgorgement of Hytera’s profits for misappropriation of Motorola’s trade secrets and the \$73.6 million award for savings on avoided research and development would constitute double recovery if both were allowed to stand. The Court reduced the amounts awarded by the jury to:
 - (1) \$135.8 million in compensatory damages under the DTSA for the period from 11 May 2016 (when the DTSA commenced) until 30 June 2019;
 - (2) \$136.3 million in compensatory damages under the Copyright Act for the period from March 2010 to 10 May 2016; and
 - (3) punitive damages of \$271.6 million under the DTSA, namely an award of double the DTSA compensatory damages.
15. The Illinois Court explained³ that (1) and (2) together resulted in a “proper award” of \$272.117m. Further, “[b]ecause the punitive damages in this case are a function of the compensatory damages under the DTSA, the punitive damages award must therefore also be reduced so as to adhere to the statutory provision of the DTSA [which states] that an award of exemplary damages may not exceed 2 times the amount of the compensatory award.” The court stated that “[t]he total award, then, shall be reduced to \$543.7 million.”

Pre- and Post-Judgment Interest

16. On 8 January 2021, the Illinois Court also awarded Motorola pre-judgment interest “*on the full award, as reduced by the Court’s finding of facts and conclusions of law.*” It ruled that interest should be calculated beginning in March 2010, with the date of judgment being taken as 5 March 2020. The Illinois Court also held: “*With respect to post-judgment interest, the Court agrees with the parties that post-judgment interest is provided by statute. 28 U.S.C. § 1961. The Court agrees with Motorola that the post-judgment interest should be calculated on the entire award.*” However, the parties were directed to file submissions on their respective calculations of post-judgment interest. Motorola did not explain to this court what happened thereafter in this regard.
17. On 10 August 2021 the Illinois Court awarded Motorola a global sum of \$51,128,975 in pre-judgment interest.

Attorney’s fees

18. In deciding whether to award attorney’s fees under the Copyright Act, the Illinois Court considered the “*totality of the circumstances*”; if the misappropriation of the prevailing party’s trade secrets was wilful and malicious (which it was), then under the DTSA,

³ Judgment, paragraphs 84-86

paragraph 1836(b)(3)(D) the court could also award reasonable attorney's fees to the prevailing party. On 10 March 2021, the Illinois Court found that Motorola was entitled to reasonable attorney's fees and instructed the parties to attempt to agree the amount of those fees. Motorola sought a total of \$34,325,064 in attorney fees for 35,046 hours expended by 16 attorneys over the 35 months between the filing of the case and the jury's verdict.

19. On 15 October 2021, the Illinois Court held that "*Motorola is entitled to reasonable attorney fees for prevailing on its claims against Hytera for misappropriation of trade secrets and copyright infringement*" (emphasis added). The Illinois Court awarded Motorola \$34,244,385.50 in attorney fees (calculated by reference to each attorney's reasonable hourly rate multiplied by the number of hours the attorney reasonably expended). Again therefore, the Illinois Court did not apportion the fees to the successful Copyright Act claim on the one hand and the successful DTSA claim on the other.

Costs or disbursements

20. On 6 August 2021, the Illinois Court awarded Motorola costs/disbursements in the amount of \$2,674,631.36 (under 28 U.S.C. para 1920), which represented the entirety of the costs claimed by Motorola in its amended bill of costs. The Court awarded costs on the basis that Motorola was the "*prevailing party*" in that it had been awarded "*the full amount of damages Motorola requested*", both compensatory and punitive.

The Appeal Judgment

21. On 5 December 2023, the Seventh Circuit Court heard an appeal by Hytera and a cross-appeal by Motorola against the US Judgment. On 2 July 2024, the Court issued its Opinion and Final Judgment.
22. In particular the Seventh Circuit Court held that:
 - (1) The Illinois Court had erred in awarding Motorola damages under the Copyright Act in respect of Hytera's sales outside the United States.
 - (2) Further it was unclear whether the Illinois Court had applied the correct legal standard when deciding whether or not to make an allowance, when assessing damages under the Copyright Act, for the extent to which Hytera's sales and profits were attributable to its own skill and effort.
23. The Seventh Circuit Court therefore vacated the US Judgment in respect of certain aspects of Motorola's claims for damages under the Copyright Act, but affirmed the US Judgment insofar as it concerned the DTSA damages and punitive damages. The Seventh Circuit Court's Final Judgment states:

"The judgment of the district court is REVERSED IN PART with respect to the availability of copyright damages for Hytera's extraterritorial sales, Hytera's entitlement to prove apportionment of its copyright damages under a proximate-cause theory, and the denial of Motorola's Rule 60(b) motion for reconsideration of the denial of injunctive relief. The case is REMANDED for further proceedings on those issues consistent with this opinion. In all other respects, the judgment of the district court is AFFIRMED."

This is reflected in the Seventh Circuit Court’s mandate issued on 15 October 2024 (the “**Mandate**”). The Seventh Circuit Court “*remand[ed] for the district court to recalculate the copyright damages limited to Hytera’s domestic sales and to reconsider the issue of apportionment. This means the copyright award will ultimately be reduced substantially from the original award of \$136.3 million, perhaps roughly by an order of magnitude.*”

24. The Illinois Court is yet to reconsider those aspects of Motorola’s claims for damages under the Copyright Act which were vacated pursuant to the Mandate. Once it has done so, the Illinois Court will issue a new judgment accordingly.

The present proceedings

25. Motorola issued its claim form in these proceedings on 28 April 2022. It filed its Amended Particulars of Claim on 1 July 2023 and Hytera filed its Defence on 8 August 2023. In its Defence, Hytera admitted that the US Judgment was at that time enforceable insofar as it awarded the Copyright Act damages. Motorola filed its Reply on 12 September 2023.
26. On 2 October 2023, Motorola filed an application for summary judgment on the Copyright Act damages plus interest, which was listed to be heard at the CMC on 3 November 2023.
27. At the CMC, with the agreement of both parties, the Court entered judgment for Motorola on the admitted \$136.3 million debt (the “**English Judgment**”)⁴. The English Judgment included part of the post-judgment interest, being \$3,539,177 for the period 6 March 2020 (the date after the jury verdict) to 28 April 2022 (the date on which the English proceedings were commenced).
28. On 19 January 2024, Jacobs J ordered that the English Judgment be stayed, given the (then) pending appeal against the US Judgment before the Seventh Circuit Court, on condition that Hytera pay \$25 million into court. Hytera duly made the payment.
29. Following the judgment of the Seventh Circuit Court, Hytera applied on 15 July 2024 to have the English Judgment revoked or stayed permanently and for the return of \$25 million held on the court’s account. Execution of the English Judgment remains stayed pending the Court’s judgment on Hytera’s application, which is listed to be heard on 22 January 2025.

Section 5 of the Protection of Trading Interests Act 1980 (“the PTIA”)

30. Section 5 of the PTIA provides in material part as follows:

“5.— Restriction on enforcement of certain overseas judgments.

(1) A judgment to which this section applies shall not be registered ... and no court in the United Kingdom shall entertain proceedings at common law for the recovery of any sum payable under such a judgment.

(2) This section applies to any judgment given by a court of an overseas country, being—

(a) a judgment for multiple damages within the meaning of subsection (3) below;

⁴ As a result of adopting the approach taken by the Court of Appeal in *Lewis v Eliades* [2004] 1 WLR 692.

...

(3) In subsection (2)(a) above a judgment for multiple damages means a judgment for an amount arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained by the person in whose favour the judgment is given.”

31. Before I consider the sprinkling of authority in which section 5 has to date been considered, I address at the outset an important threshold point.

Is the punitive damages element of the DTSA judgment a judgment for multiple damages?

32. In paragraph 11.5 of Motorola’s skeleton argument, it apparently conceded that the punitive damages element of its DTSA judgment is indeed a judgment for *multiple damages* within the meaning of section 5 of PTIA, being a “*judgment for an amount arrived at [by the Illinois Court] by doubling a sum assessed as compensation for the loss or damage sustained by it.*” That is because Motorola stated in that paragraph of its skeleton argument: “*that neither Service Temps or SAS Institute deals squarely with the situation confronting the court on this occasion: the enforcement of interest, costs and fees orders pursuant to a judgment that contains an award of unexceptionable damages which (as things stand) is enforceable and has been enforced alongside an award of multiple damages*” (emphasis added). Indeed, in paragraph 6 of its skeleton argument, Motorola unequivocally stated that it “*accepted that it cannot enforce the Exemplary Damages Sum*” (being the \$271.6m punitive damages award under the DTSA).
33. However, in oral argument, Mr. Tom Sprange KC (counsel for Motorola, together with Kabir Bhalla) contended that in fact the punitive damages element of the DTSA claim was not a judgment for multiple damages within the meaning of section 5(3) of the PTIA, such that it would not fall foul of that provision at all. Mr. Stephen Rubin KC (who appeared for Hytera together with Alexander Milner KC and Leah Gardner) said that he was willing to deal with this argument nonetheless, although he dryly observed that the fact that it was not taken in Motorola’s skeleton argument suggested something about its strength, or lack thereof.
34. In developing this submission orally, Mr. Sprange KC relied upon the instructions given to the Illinois jury by the Illinois Court, as well as the terms of the DTSA itself, namely 18 U.S.C. section 1836(b)(3)⁵.

35. Instruction no. 33 to the jury was in the following terms:

“if you find for Motorola on its trade secret claims, you may, but are not required to, assess exemplary damages against Hytera. The purposes of exemplary damages are to punish Hytera for its conduct and to deter Hytera and others from engaging in similar conduct in the future.

In order for Motorola to recover exemplary damages you must find that Motorola has proved by preponderance of the evidence that Hytera’s acts were willful and malicious...

⁵ Set out above

if you find that exemplary damages are appropriate, then you must use sound reason in setting the amount of those damages. Exemplary damages, if any, should be in an amount sufficient to fulfil the purposes that I have described to you, but should not reflect bias, prejudice, or sympathy toward either party. In determining the amount of any exemplary damages, you should consider the following factors:

- 1. The reprehensibility of the conduct;*
- 2. The impact of the conduct on Motorola;*
- 3. The relationship between Motorola and Hytera;*
- 4. Hytera's financial condition;*
- 5. The likelihood that such conduct would be repeated by Hytera or others if an award of his exemplary damages is not made;*
- 6. The relationship of any award of exemplary damages to the amount of actual harm Motorola suffered.*

If you find that Hytera acted willfully and maliciously, you may award Motorola an amount of exemplary damages up to two times the amount of the compensatory damages you award Motorola for trade secret misappropriation for the time during which it acted willfully and maliciously.”

36. The jury awarded Motorola \$209,400,000 in compensatory damages for Hytera’s trade secret misappropriation under the DTSA. It also awarded \$418,800,000 in punitive or exemplary damages under the DTSA, namely it doubled the compensatory award under the DTSA. The Illinois Court reduced the compensatory award under the DTSA to \$135.8 million and reduced the punitive damages award to \$271.6 million, so that it also doubled the (reduced) compensatory award under the DTSA.
37. Mr. Sprange KC submitted that under the DTSA paragraph 1836(b)(3)(C), the Court has power to award exemplary damages, in a case (such as here) where the trade secret is wilfully and maliciously misappropriated, in an amount not more than 2 times the amount of the compensatory damages award. He submitted that this was a cap, and that “*there is a clear bright line between punitive damages and multiple damages*”. He submitted that this is not a case where the compensatory damages have simply been doubled. The jury rather have arrived at their punitive damages sum by taking into account the factors referred to in paragraph 35 above, which sum has then been reduced down by the court to comply with the cap.
38. When I put to Mr. Sprange KC that, nonetheless, what the jury and the court have done as a matter of fact is that they have doubled the compensatory award, he replied “*I would put it, “as a matter of mathematics”.*”
39. I consider that Mr. Sprange KC is seeking, unsuccessfully, to dance on a pinhead. Section 5 of PTIA prevents recovery of any sum payable under a judgment for an amount arrived at by multiplying a sum assessed as compensation for the loss or damage sustained. As a matter of fact, that is what the court did in this case – it simply doubled the compensatory element under the DTSA. The reason that its judgment contains no analysis as to how it arrived at its exemplary damages award of \$271.6 million is precisely because it simply multiplied the compensatory amount of \$135.8 million by two. The amount of \$271.6 million was “arrived at” by the court doubling the compensatory amount.

40. Mr. Sprange KC further submitted⁶ that this is not a case where the court was obliged, by statute, to mechanistically or automatically double the compensatory award akin to the way in which it might automatically multiply a compensatory award under statutes like the US Sherman Act or the US Racketeer Influenced and Corrupt Organizations Act (“**RICO**”). Whilst that is correct, I do not think it matters.
41. Whilst, as the editors of *Dicey, Morris & Collins on the Conflict of Laws* (16th Ed) note (at 14-222) the judgments most likely to be affected by section 5 of PTIA are judgments in United States anti-trust actions, by section 7(2) the PTIA applies to judgments of all overseas countries, being any country outside the UK other than one for whose international relations the UK Government is responsible. In principle, therefore, it can apply to *any* judgment rendered outside the UK pursuant to any legal rule or statute in which the amount of damages is arrived at by multiplying the compensatory element. In *Hangzhou Jiudang Asset Management Co Ltd v Kei Kin Hung* [2022] 2 CLC 919 at 936, Christopher Hancock KC (sitting as a Deputy Judge of the Commercial Court) rightly stated, in my view, that “*it is apparent from, in particular, the SAS case, that the PTIA is not limited to antitrust cases and extends to all cases in which compensatory amounts are multiplied by the foreign court. Thus, RICO claims (i.e. claims under the Racketeer Influenced and Corrupt Organisations Act) are not antitrust claims but are caught by the statute.*”
42. Interestingly, the editors of *Briggs, Civil Jurisdiction and Judgments* (7th Ed, 2021) at paragraph 34.38 state:

“as a response to American laws which purport to regulate, to an undue degree, trading activity outside the United States, Section 5 of [PTIA] forbids the enforcement in the United Kingdom of any judgment for multiple damages...

It is not clear exactly what is covered by a judgment for multiple damages. Section 5(2) defines it as one “for an amount arrived at by doubling, trebling or otherwise multiplying” the sum assessed as compensation. This would appear to mean that judgement for any sum which is multiplied, but not for one to which a sum is simply added, is caught by the prohibition on enforcement contained in the act. It is not easy to see the policy which draws the line in this place; and it may yet be that a judgment for exemplary damages on top of the compensatory sum could be denied recognition if there is evidence (but what would it be?) of a subliminal multiplication of the compensatory sum.”

What is meant by “otherwise multiplying a sum” in section 5(3)?

43. This raises the issue of what is covered by the wording “otherwise multiplying” in section 5 of the PTIA. If a compensatory award is made of, say, \$100 million and a punitive element of \$150 million is added to the judgment sum, it might be said that the compensatory element has been multiplied by 1.5, depending upon how the sum of \$150 million was reached. But what if the punitive element is, say, \$1 million? Or, at the other end of the spectrum, \$323 million? Normally this issue will not arise because the relevant

⁶ Day 2/p. 7/lines 5-19

foreign statute will typically specify a sanction of “double” or “treble” damages and the like, such that the foreign judgment will clearly fall foul of section 5 of the PTIA. But where (as in this case) the statute does not mandate an award in such terms, but the foreign court *as a matter of fact* chooses to double the damages by way of a punitive award, then on the clear wording of PTIA there is no reason in my judgment why the judgment should not also fall foul of section 5 of the PTIA.

44. If, however, the foreign statute does not mandate, say, double or treble damages (or there is no relevant foreign statute) and the foreign court does not as a matter of fact double or treble the damages but simply imposes an additional (punitive) sum on top of the compensatory amount⁷, it is less likely that the judgment will fall foul of section 5 of PTIA, although in such a case it will be necessary for the English Court to consider (i) how and (ii) in what sum the foreign court calculated the additional element of damages in order to determine whether or not the court has, in the wording of section 5, otherwise multiplied the compensatory amount. The burden of persuading the court that the judgment should not be enforced would rest, of course, upon the objecting party and they would, presumably, have to do so by reference to the foreign Court’s Judgment/Opinion and associated order(s).
45. Fortunately, it is not necessary to grapple with this question in the present case because it is plain that the Illinois Court merely doubled the compensatory sum without more and the Seventh Circuit Court approved of that approach (see paragraph 46 below). Accordingly, so far as the DTSA claim is concerned, it falls foul of section 5 of the PTIA.
46. My interpretation of section 5 of the PTIA above on the facts of the present case is supported by the Opinion of the Seventh Circuit Court itself at pp. 59-62 thereof, whereby it explained, in considering an unsuccessful due process challenge to the DTSA punitive damages award, that the DTSA functions like a host of other federal statutes authorising double or treble damages:

“...the DTSA sets a cap on the punitive damages available at “not more than 2 times the amount of the damages awarded” under the DTSA’s compensatory damages provisions. 18 U.S.C. § 1836(b)(3)(C). In capping punitive damages at a ratio of two-to-one, the DTSA functions like a host of other federal statutes authorizing double or treble damages—especially for wrongdoing in commerce—whose constitutionality is virtually beyond question. State Farm, 538 U.S. at 425 (“[S]anctions of double, treble, or quadruple damages to deter and punish” have “a long legislative history, dating back over 700 years and going forward to today.”); Gore, 517 U.S. at 580 & n.33 (noting centuries-long history of such legislation); see, e.g., 15 U.S.C. § 15(a) (mandating treble damages for antitrust violations); 18 U.S.C. § 1964(c) (mandating treble damages for racketeering violations); 35 U.S.C. § 284 (authorizing treble damages for

⁷ Of course, whilst such awards are rare, it is possible under English law to obtain an award of exemplary damages in order to punish the wrongdoer for his unacceptable conduct in inflicting actionable harm, in particular where the wrongdoer’s conduct has been calculated by him to make a profit for himself which may exceed the compensation payable to the claimant: *Rookes v Barnard* [1964] AC 1129 at 1226.

patent infringement); and 15 U.S.C. § 1117(a) (authorizing treble damages for trademark infringement)...

Here, as in § 1981a and other federal statutes like the Sherman Act, RICO, and patent and trademark laws authorizing double or treble damages, Congress has made a specific and reasonable legislative judgment about punitive damages in cases like this one...

As explained above, we affirm the district court's \$135.8 million compensatory damages award because a procedural error in determining apportionment was harmless. The evidence amply supports a compensatory award of that amount. The \$271.6 million in DTSA punitive damages is exactly double, and thus, "not more than 2 times the amount" of compensatory damages awarded by the district court."

47. Finally on this issue, Mr. Sprange KC sought to argue that this case is no different in substance to the enforcement of default interest in *Hangzhou* (*supra*). In *Hangzhou* a sum of default interest imposed by the Chinese Court was held to be enforceable as it was not "arrived at by...otherwise multiplying a sum assessed as compensation" within the meaning of section 5(3) of the PTIA. In that case there was a judgment for an amount of contractual principal and interest, calculated at a contractually agreed rate of 24%. Under the Chinese statute, if payment was not made in 10 days, then in addition default interest was payable calculated as a percentage multiplier of the principal amount. It was agreed that the default interest was not compensatory. However, the Deputy Judge held that the default interest was not a multiplier of the compensation awarded; rather it was a sum awarded by virtue of an *entirely separate breach* intended to incentivise compliance with court orders. The fact that the amount of the default interest was calculated as a percentage of the principal award did not make it a multiplier of the compensation within the meaning of section 5.
48. That case is very different to the case here. As the Illinois Court itself made clear at paragraph 85 of its Findings of Fact and Conclusions of Law, "*the punitive damages in this case are a function of the compensatory damages under the DTSA*", such that the jury's punitive damages award had also to be reduced by the court so as to adhere to the statutory cap. They do not consist of damages for an entirely separate wrong; rather they do multiply the sum assessed as compensation within the meaning of section 5 of the PTIA. Put another way, this case is an *SAS* case (one cause of action under the DTSA with a compensatory and a non-compensatory element); whereas as the Deputy Judge stated in *Hangzhou*, that case was a *Lewis v Eliades* case (two separate causes of action). I explain this crucial distinction further, which Motorola's submissions fail to appreciate, below.

Consequence of unenforceability of DTSA punitive damages judgment

Is SAS rightly decided?

49. The consequence of the foregoing is that whilst the award on the Copyright Act cause of action in the judgment of the Illinois court is severable and enforceable (see paragraph 5 above), no part of the award on the DTSA cause of action is enforceable, if *SAS Institute Inc v World Programming Ltd* [2018] EWHC 3452 (Comm) is correctly decided.

50. Despite Motorola expressly stating in its pleaded case and its skeleton argument for this trial (see paragraph 8 above) that it does not seek to enforce the US Judgment in respect of sums awarded as compensatory or punitive damages under the DTSA in these proceedings and merely “reserving its position” as to the severability of the compensatory damages awarded under the DTSA from the punitive damages, this approach was abandoned at trial by Mr. Sprange KC. Instead, despite having cited *SAS* in his skeleton argument without criticism⁸ he argued orally that *SAS* was wrongly decided and advanced a positive case (un-reserving his position) that section 5 of PTIA does not in fact prevent the enforcement of the compensatory element of the DTSA damages, and that the punitive damages element⁹ can be severed from the compensatory element.
51. Once again, Mr. Rubin KC very fairly indicated that he was willing to deal with this argument nonetheless, although he again remarked that Motorola’s *volte face* suggested something about its strength, or lack thereof.
52. Mr. Sprange KC argued that Cockerill J was wrong to hold in paragraph 244 of *SAS* that if there is a judgment based on multiplication (as here), then no part of it may be enforced, because that was contrary to the Court of Appeal’s decision in *Lewis v Eliades* (supra), in particular at paragraphs 52 (per Potter LJ) and 57 (per Jacob LJ). He submitted that, consistently with *Lewis*, the court should take a purposive approach to the statute favouring the enforcement of judgments and “the clear intent not to preclude compensatory damages”.
53. I reject Mr. Sprange KC’s submission. I consider, as did the Deputy Judge in *Hangzhou* at para 47, that *SAS* was rightly decided.
54. The starting point is *Lewis*. In that case, the judgment consisted of a single sum of some \$8 million odd in respect of a breach of fiduciary duty and fraud as well as (*i.e.*, included within it) a clearly identifiable *separate* award of treble RICO damages of \$1.1 million odd. It was agreed between the parties that the RICO element of the judgment fell within section 5(3) of PTIA. The question was whether that fact rendered the entire judgment of \$8 million a judgment for multiple damages within section 5 of the PTIA or whether only the RICO element was to be so regarded.
55. In paragraph 41 of his judgment, Potter LJ stated:

“I accept, and indeed it is not in issue between the parties, that the 1980 Act makes clear its hostility to awards of multiple damages by barring enforcement in the United Kingdom of any part of such award including the basic compensatory award to which a multiple element has been applied and superadded. The wording of the definition in s.5(3) makes that clear. However, I do not consider that the wording provides the answer to the question whether, when the judgment is in part only a judgment for multiple damages as defined in s.5(3)¹⁰, but also comprises a judgment for simple compensatory damages in respect of separate causes of action to which no multiple element has been

⁸ See paragraphs 11.2 and 11.5

⁹ If it falls within section 5 of the PTIA – which I have held that it does

¹⁰ The RICO claim

applied¹¹, it is to be regarded as indivisible for the purposes of enforcement under s.5(1). It seems clear to me that the provisions of s.5, taken as a whole, beg that question rather than answering it, and that they raise an ambiguity properly to be resolved by an exercise of purposive construction in which (if necessary) application of the rule in Pepper v Hart is legitimate: see generally Section 217 of Bennion: Statutory Interpretation (4th ed) at 526-528.”

56. The ambiguity in the wording of section 5(3) of the PTIA identified by the court, was whether section 5(3) of the PTIA should be read as (including the words in bold):

*“(3) In subsection (2)(a) above a judgment for multiple damages means a judgment **only to the extent that it is** for an amount arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained by the person in whose favour the judgment is given”;*

Or as:

*“(3) In subsection (2)(a) above a judgment for multiple damages means a judgment for **or including** an amount arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained by the person in whose favour the judgment is given.”*

57. At [51]-[53] Potter LJ explained:

“51. So far as the non-RICO elements of the judgment are concerned, the US court documents in this case make clear that the judgment sought to be enforced consists of sums in respect of ordinary compensatory damages for private causes of action similar to those available under English law. In my view it is both desirable and appropriate that enforcement of those elements should be open to the claimant unless plainly precluded by the terms of the 1980 Act, and the approach to the construction of the Act should be based upon that premise.

52. I have already indicated my view that the terms of the 1980 Act do not in terms preclude such an approach; nor do policy considerations require that the ambiguity of the wording should be resolved so as to preclude enforcement in toto.

53. In my view the robust and sensible approach to s.5 of the 1980 Act in relation to a composite judgment of the kind now before us, is not to treat the multiple damages element of the judgment as definitive of, or 'infecting', its character as a whole, but to read s.5(1) as precluding proceedings for recovery at common law only to the extent that the judgment sought to be enforced is for an amount arrived at by multiplying a sum

¹¹ The breach of fiduciary duty / fraud claims

assessed as compensation for the loss or damage sustained by the person in whose favour the judgment was given.”

58. Jacob LJ agreed with Potter LJ, although he reached his decision without recourse to *Pepper v Hart* and what was said in Parliament. Jacob LJ stated at [57] that there were three ways of reading the words “judgment for an amount arrived at by multiplying” in section 5(3) of the PTIA which in theory could apply, namely:

“i) the amount of the overall judgment sum is one arrived at solely by multiplication;

ii) the amount of the overall judgment sum is one including an amount arrived at by multiplication;

iii) that the words refer only to the extent to which the overall sum includes a multiplied amount.”

(ii) and (iii) were the two discussed by Potter LJ at [29].

59. As to (i), Jacob LJ noted that that interpretation would be absurd because provided an overall sum included a non-multiplied element the whole judgment sum including the multiplied element could be enforced. As to (ii) Jacob LJ referred to the “*absurdity that an award for compensatory damages unconnected with a multiplied sum could not be enforced if it was added to such a sum.*” The third way, (iii), has no absurdity: “*purely compensatory awards can be enforced, multiplied awards not. Moreover the purpose of the Act is implemented, making multiplied awards unregistrable*”.
60. It is critical to appreciate that *Lewis* was concerned with judgments on separate causes of action, one of which was purely compensatory (breach of fiduciary duty/fraud) and the other of which was not (the civil RICO award). But as Jacob LJ made clear in [62], “*this case does not deal with the enforceability of the compensatory part of a [single] multiplied award*”.
61. Rather, that is what *SAS* concerns, and indeed, what the present case concerns.
62. In *SAS* the claimant sought to enforce a judgment of the US District Court for the Eastern District of North Carolina (Western Division) under the Unfair Deceptive Trade Practices Act of North Carolina (“**UDTPA**”) for approximately \$26.4 million in compensatory damages. The District Court had also awarded punitive damages under the UDTPA, which were calculated by multiplying the amount of compensatory damages by three. The District Court had, with the aim of aiding execution of its judgment in England, explicitly identified in its judgment the amounts it was awarding as compensatory damages and as non-compensatory damages.
63. *SAS* accepted that enforcement of the multiple damages award under the UDTPA in England was barred by section 5 of the PTIA. The question for the Court was whether section 5 of the PTIA also precluded enforcement of the *compensatory* damages awarded under the UDTPA. At [248] Cockerill J held that it did.
64. The Judge held that, where a foreign judgment on a particular cause of action contains both a compensatory award and an award of multiple damages, section 5 of the PTIA renders the *entire judgment* relating to that cause of action unenforceable, and not only

the multiple damages element¹². The fact that the foreign judgment separately identified the punitive damages and compensatory damages did not affect whether the latter were enforceable, because that would be to elevate form over substance. The Judge disagreed with the obiter observations of Mann J in *Lucasfilm Ltd v Ainsworth* [2009] FSR 2 at [224]-[231]¹³ which she considered paid insufficient regard to the actual wording of the PTIA. She concluded at [243]-[244] that:

“When one goes back to the [PTIA] one finds that the prohibition (“no court in the United Kingdom shall entertain proceedings at common law for the recovery of any sum payable under such a judgment”) relates to “a judgment for multiple damages.” ...

The judgment relates therefore to the cause of action. The statute does not distinguish between different elements of an order entered under a judgment. If there is a judgment based on multiplication, then no part of it may be enforced.”

65. I consider that SAS is correctly decided. The reasoning in *Lewis* makes logical sense when one is dealing with two separate causes of action. In such a case, as the Court of Appeal pointed out in that case, an ambiguity in the wording of section 5(3) of PTIA arises¹⁴ and the sensible construction of the statute, which also gives effect to its purpose of preventing the enforcement of multiple damages awards, is to prohibit the enforcement only of the multiplied award but not the compensatory award.
66. But where one is dealing, as in SAS (and as we are here), with the compensatory part of *one judgment* based on multiplication (here on the DTSA cause of action), there is only one judgment and section 5(3) is not ambiguous, indeed the wording is clear: the judgment cannot be enforced. It is a judgment arrived at by multiplying the compensatory element¹⁵.
67. There is strong judicial and academic support for the correctness of this conclusion.
68. Aside from SAS itself, the *ratio* of which was approved obiter in *Hangzhou*, in the Scottish case of *Service Temps Inc v MacLeod* 2014 SLT 375, the Lord Ordinary (now Lord Hodge JSC) held that s.5 of the PTIA precluded enforcement of two judgments of a court in Texas which included an award under anti-trust legislation of compensatory damages plus an amount calculated by trebling those damages. The Judge held at [38]: “*I am not*

¹² Which, it is to be noted, is consistent with [41] of the judgment of Potter LJ in *Lewis* (albeit that there was no dispute about this between the parties in that case and it was not the issue before the court which required resolution).

¹³ At [230]: “*I think the same purposive reasoning [as adopted by the Court of Appeal in Lewis] leads to the conclusion that the genuinely compensatory elements of an award subject to multiplication should be equally recoverable.”*

¹⁴ Which I have set out in bold in paragraph 56 above

¹⁵ In such a case, whether or not to adopt a purposive construction of the statute is not an issue. In any event, as Parker J stated in *British Airways v Laker Airways* [1984] QB 142 at 161 the purpose of section 5 of PTIA is that: “*by Section 5 no foreign judgement is enforceable in this country inter alia if it is a judgement for multiple damages. This is aimed directly at judgments in antitrust actions and goes to the whole of the judgement not merely the multiple or penal part of it.”*

persuaded that there is any basis for severing the compensatory element of a judgment from its excess. Section 5(1) is clear in its terms. It prohibits the statutory registration of a judgment which falls within s. 5(2) or common law proceedings for the recovery of sums payable under such a judgment.”

69. Indeed, relevantly for present purposes, this meant that the attorney’s fees incurred under that judgment were also irrecoverable. As the court stated at [36]: *“It is consistent with the purpose of the [PTIA] to give a wide meaning to the words at the end of s. 5(1): “... proceedings at common law for the recovery of any sum payable under such a judgment.””*
70. This approach is also consistent with *British Airways Board v Laker Airways Ltd* [1984] QB 142 at 161E per Parker J, who stated that *“[S.5] is aimed directly at judgments in antitrust actions and goes to the whole of the judgment not merely the multiple or penal part of it.”*
71. Academic commentary also supports the analysis of Cockerill J in SAS, as the judge herself pointed out in [232(i)-(iii)] of her judgment.
72. I consider that the editors of *Dicey, Morris & Collins on the Conflict of Laws* 16th Ed at fn 120 correctly summarise the law as follows:

“The effect of the Protection of Trading Interests Act 1980 is that such judgments are not enforceable in the United Kingdom at common law or otherwise, including in respect of an award of compensatory damages which has been multiplied, though where there are judgments on separate causes of action, a judgment under one for compensatory damages may still be enforced notwithstanding that judgment under another is for multiple damages and so unenforceable: Lewis v Eliades... SAS Institute Inc v World Programming Ltd...”

73. If there is a judgment based on multiplication, no part of it, including the compensatory element, may be enforced. That is the position here.
Does section 5 of PTIA preclude the awards of interest, costs and fees, ancillary to the award of damages?
74. That then brings me to the final argument of Motorola which is that enforcement of awards of interest, costs and disbursements which are ancillary to the (unenforceable) judgment do not fall foul of section 5 of PTIA.
75. This issue has not been specifically decided in any previous case.
76. HCC points out that it was considered, without being decided in *Swiss Life AG v Kraus* [2015] EWHC 2133 (QB) at [40], where Swiss Life brought proceedings to enforce the attorney fees, costs and disbursements awarded under a New York judgment under the RICO Act. The judgment included an award of treble damages. The Deputy Master struck out the claim and gave summary judgment in favour of Mr Kraus. On appeal, Green J (as he then was) held that the Deputy Master should not have granted summary judgment.
77. Having referred to *Lewis*, at [106] the judge rightly observed that:

“The facts of the present case are more complex than in Lewis both because here the claim is for enforcement of the costs element of a single judgment that explicitly provided for trebling

with only quantification deferred, and because the costs order was made under the very statute (RICO) which permits the trebling.”

78. The Judge concluded that it was arguable that section 5 of the PTIA barred enforcement of the fees and costs. He observed that the fact that the foreign judgment did not contain any allocation of fees and costs as between issues “*might be an obstacle to severance*”, so as to permit enforcement of fees and costs on the basis that they could be attributed to part of the foreign judgment which was enforceable.
79. In the present case, I have found that the punitive damages awarded by the Illinois Court are multiple damages, being an amount of damages arrived at by doubling the compensatory award under the DTSA. It follows that the Judgment of the Illinois Court is “*a judgment for multiple damages*” so far as it relates to the cause of action under the DTSA, and consequently by section 5(1) of the PTIA the recovery of “*any sum payable under [the DTSA] judgment*” is prohibited. As I have held, that includes the compensatory award under the DTSA judgment, but it must also, in my judgment, include the interest award, attorney’s fees award and costs award in favour of Motorola, described in paragraphs 16-20 above.
80. That is because an award of interest, fees or costs which is ancillary to an award of damages is properly to be characterised as a “*sum payable under*” the judgment containing the award of damages. As I have already noted, that is consistent with the approach of the court in *Service Temps* as regards attorney’s fees. Indeed, were that not so, the absurd consequence would be that Motorola would be unable to enforce its compensatory damages award under the DTSA judgment but would be able to enforce the awards of interest, costs and fees consequent (at least in part) upon that judgment.
81. Moreover, although the Illinois Court gave its judgment on interest, costs and attorney’s fees by way of separate orders, these are all sums payable (at least in part) under the DTSA judgment on liability. They cannot, as Mr. Sprange KC sought to argue, be considered freestanding judgments in their own right, untainted by the DTSA multiple damages judgment.
82. Nor is right to say, as Motorola do in paragraph 14.2 of their skeleton argument, that these sums were awarded “*by way of a separate causes of action*”. As to that:
- (i) Interest is part of the very compensation awarded under the DTSA judgment;
 - (ii) Costs, in the sense of disbursements, are awarded in the discretion of the court, at the conclusion of a case, pursuant to a procedural rule (28 USC 1920), not by way of a separate cause of action. Costs were awarded globally as part of the judgment in favour of Motorola on its substantive claim under both the DTSA and the Copyright Act;
 - (iii) Attorney’s fees, which were payable under the DTSA by reason of Hytera’s conduct being wilful and malicious, consist of a remedy available to Motorola in the discretion of the court. Indeed, it can be seen that such fees (as well as damages) are contained in the “*Remedies*” section of *18 U.S.C. section 1836(b)(3)*.
83. Nor, as Mr. Sprange KC sought to argue, can this court simply deem these sums to be payable under the non-objectionable Copyright Act judgment, and thereby allow them to be recovered. The Illinois Court carried out no apportionment exercise and it is no answer to state, as do Motorola in paragraph 14.1 of their skeleton argument, that these sums “*relate to and are referable to the finding of the Illinois Court that Hytera was liable to*

pay damages.” Hytera was ordered to pay damages by reason of its breach of the DTSA as well as its breach of the Copyright Act. Accordingly, interest, fees and costs were awarded (at least in part) under the DTSA judgment.

84. There are further, more specific answers to Motorola’s claim to be entitled to enforce (i) interest; (ii) costs and (iii) attorney’s fees, which I address next.

Interest

85. As stated above, on 10 August 2021 the Illinois Court awarded Motorola a global sum of \$51,128,975 in pre-judgment interest. The Illinois Court stated that pre-judgment interest is “*intended to account for the time value of money so as to better place the successful party in the position it would have been in if it had been paid immediately*”. In other words, it is part of the actual compensation awarded to Motorola under the judgment on the DTSA cause of action (as well as the copyright cause of action). Indeed, Motorola’s skeleton argument at paragraph 14.2.3 rightly acknowledges that “*The pre-judgment interest...reflects and is tied to the damages*”. It is accordingly irrecoverable.
86. The sum of \$51,128,975 was (according to the Illinois court) based upon the methodology provided in Hytera’s expert’s affidavit, which is not before this court, and so the precise basis of the calculation is unclear, although it appears to have been based on when the sales of the offending products by Hytera took place over the entire period of offending when Hytera “obtained the ill-gotten profit”¹⁶, which was between 2010 - 2020. It follows that pre-judgment interest was calculated globally (and was not apportioned) in respect of the compensatory elements of both the Copyright Act claim and the DTSA claim¹⁷.
87. If it were possible to sever the award of interest so as to attribute part of it to the Copyright Act judgment (*i.e.*, on a different cause of action) which does not fall foul of section 5, then (as Mr. Rubin KC accepted¹⁸) it might be possible to enforce that part of the award, applying *Lewis*. However, the Illinois Court did not apportion the interest between the two causes of action and this court naturally cannot do so itself.¹⁹ As Hytera rightly submit, it is not open to the English Court to reinvestigate the merits of the claim for interest, including to speculate as to what the Illinois Court might have done had it been asked to apportion the interest between the respective claims.²⁰
88. It is clear that pre- and post-judgment interest clearly includes interest on the DTSA judgment sum but which was not apportioned by the Illinois Court, because the court expressly stated that it was awarding Hytera and calculating interest “*on the full award*”, that is under both the DTSA and the Copyright Act claims. This court is not in a position to apportion it and accordingly the entire sum is irrecoverable.
89. Post-judgment interest was likewise ordered on the “*entire award*” including the punitive damages. It is therefore “a sum payable under” the US Judgment relating to the DTSA cause of action, which is a judgment for multiple damages and therefore unenforceable.

¹⁶ See the order of the Illinois Court of 10 August 2021 at the foot of p. 1 and p.2.

¹⁷ The claims under the Copyright Act and the DTSA pertained to different time periods, as explained above.

¹⁸ Day 2/pp. 70-71

¹⁹ The same is true of costs and attorney fees.

²⁰ See *Dicey, Morris and Collins* Rule 51, [14-116].

90. Motorola puts forward an alternative claim in paragraph 23 of its Amended Particulars of Claim to enforce only part of the post-judgment interest in the event that the DTSA compensatory damages are found to be unenforceable (as they are). But it is not open to this court, speculatively, to apportion any award of post-judgment interest in this way. In any event, Mr Sprange KC was unable to point to any particular order in which Motorola was awarded a specific sum in post-judgment interest which the court can enforce.

Costs

91. The position is no different with the costs (disbursements) of the action. The court awarded Motorola a global sum (of \$2,674,631.36) in respect of the entire action and therefore in respect of its judgment on both causes of action, including the offending DTSA judgment. It is therefore a sum payable under the US Judgment relating to the DTSA and this Court is unable to conclude otherwise than that the entirety of the costs is a sum payable under the US Judgment relating to the DTSA cause of action.

Attorney's fees

92. Attorney's fees were expressly awarded by the Illinois Court under both the Copyright Act and the DTSA: "*The court finds that Motorola is entitled to reasonable attorney fees for prevailing on its claims against Hytera for misappropriation of trade secrets and copyright infringement.*"
93. It did not distinguish between fees incurred in respect of the two causes of action. It looked at "*the totality of the circumstances of the case*". It applied a broad test in respect of the whole trial, taking account of the fact that Motorola prevailed in respect of both the DTSA and the Copyright Act causes of action. In calculating the reasonable fees incurred, the court explained that it assessed "*each attorney's reasonable hourly rate multiplied by the number of hours the attorney reasonably expended*". That calculation is then adjusted, if appropriate, "*based on factors like the complexity of the legal issues involved, the degree of success obtained, and the public interest advanced by the litigation.*"
94. In the circumstances, the totality of the attorney's fees is unenforceable: the fees incurred in respect of the copyright cause of action are not severable from those incurred in respect of the DTSA cause of action. This conclusion is supported by the court's judgment in *Service Temps* (supra).

Conclusion

95. It follows that the disputed interest, fees and costs each represent part of the DTSA judgment and are "*sum[s] payable under such a judgment*" within the meaning of s.5, so as to be unenforceable. In view of the way the Illinois Court calculated them, they cannot be, in whole or in part, apportioned to the Copyright Act claim.
96. Motorola's claim to enforce only the interest, costs and fees elements of the Illinois Court's judgment, but not the compensatory and non-compensatory elements of the DTSA judgment, must accordingly fail.

Postscript: Finality

97. The burden rests firmly on Motorola, in seeking enforcement of the interest, costs and fees to establish that the Illinois Court has finally determined that these sums are payable by Hytera as definite sums of money under its judgment. That is a matter of US law. As the editors of *Dicey* state at 14-027:

"No foreign judgment will be recognised or enforced in England at common law unless it is 'final and conclusive.' The test of

finality is the treatment of the judgment by the foreign tribunal as a res judicata. “In order to establish that [a final and conclusive] judgment has been pronounced, it must be shown that in the court by which it was pronounced, it conclusively, finally, and forever established the existence of the debt of which it is sought to be made conclusive evidence in this country, so as to make it res judicata between the parties.’... A foreign order which is liable to be abrogated or varied by the court which pronounced it is not a final judgment.”

98. In the present case, by its Judgment, the Seventh Circuit Court reversed the judgment of the Illinois Court in part as follows:

“The judgment of the district court is REVERSED IN PART with respect to the availability of copyright damages for Hytera’s extraterritorial sales, Hytera’s entitlement to prove apportionment of its copyright damages under a proximate cause theory, and the denial of Motorola’s Rule 60(b) motion for reconsideration of the denial of injunctive relief. The case is REMANDED for further proceedings on those issues consistent with this opinion. In all other respects, the judgment of the district court is AFFIRMED.”

99. The part reversal of the damages award would suggest, were it a matter of English law, that the Illinois Court’s awards of interest, costs and fees were all *liable* to be varied such that they are not yet “final and conclusive”.
100. However, this is obviously a question of US law.

The pleaded cases

101. It is first necessary, therefore, to ascertain the parties’ respective pleaded cases on the issue of finality and US law.
102. On 10 September 2024, in the light of the Seventh Circuit Court’s Opinion of 2 July 2024, Hytera served an Amended Defence in which it pleaded at paragraph 16.3 as follows:

“16.3. Further or alternatively, if (contrary to the First Defendant’s case) any sums awarded in the US Judgment in respect of costs, interest or fees are not unenforceable by reason of the PTIA because they are attributable solely to the Claimants’ Copyright Act claim, the Claimants are in any event not entitled to recover such sums in light of the partial reversal and remanding of the US Judgment by the Seventh Circuit Court. Following reconsideration of the US Judgment by the Illinois Court, the sums awarded to the Claimants in respect of costs and/or interest and/or fees are liable to be varied by that Court, such that the US Judgment is not final or conclusive in these respects.”

103. Motorola responded to this plea in paragraph 14.1 of an Amended Reply, served on 4 October 2024, being one month before the start of this trial, as follows:

“14.1 The first sentence is denied. The fact that the quantum of damages due to the claimants under the US judgement under the Copyright Act has now been remanded to the Illinois court for recalculation does not mean that the claimants are not entitled to receive sums awarded pursuant to (separate) orders for costs, interest and counsel’s fees made by the Illinois court. The Seventh Circuit Court did not state in its opinion or final judgement that such orders were reversed, set aside or stayed in whole or in part. Those orders therefore remained valid and enforceable.

14.2 With respect to the second sentence, the Seventh Circuit Court has not given any judgment, order or other direction that the orders made by the Illinois court for costs, interest and counsel’s fees should be reconsidered by the Illinois court. Such orders therefore remain valid, final and enforceable at this time. The Claimants deny that the orders for costs and counsel’s fees are liable to be varied by the Illinois court; they are not based on the quantum of damages awarded but rather result from the First Defendant’s liability to pay any damages (i.e. were made on a costs follow the event basis). As the prevailing party the Claimants were entitled to their costs in the Illinois proceedings regardless of the amount of damages ultimately awarded. As noted above the Seventh Circuit Court highlighted in its opinion that the First Defendant’s liability was not at issue on appeal.”

104. It accordingly appeared that Motorola’s case on finality was limited to the simple case that the orders for costs, interest and fees were not reversed by the Seventh Circuit Court and accordingly they were final. No particular US law propositions or authorities were relied upon by Motorola.

105. That simple case was confirmed in Response 3 of Motorola’s Further Information served on 15 October 2024 in which it stated that:

“Motorola’s case is not that the Illinois Court cannot recalculate the sum awarded in respect of pre-judgment interest when it reconsiders the damages awarded under the Copyright Act, in the sense that it is barred by reason of US law or procedure. Rather, Motorola’s case, as clearly stated at paragraphs 14.1 and 14.2 of the Amended Reply, is that the order of the Illinois Court dated 10 August 2021 requiring HCC to pay to Motorola USD 51,128,975 in pre-judgment interest (the “Interest Order”) is now valid and enforceable as: (i) it has not been reversed, set aside or stayed in whole or in part by the Opinion or Final Judgment of the Seventh Circuit Court; and (ii) the Seventh Circuit Court has not given any judgment, order or other direction that the Interest Order should be reconsidered by the Illinois Court. Further, the Illinois Court has given no indication that it will reconsider the Interest Order.”

106. Motorola, upon whom the burden lies, did not seek permission to adduce expert Illinois/US law evidence on the issue of finality, nor did it seek the court’s permission to

prove any contested issues of Illinois/US law by submission. Nor did Hytera, although in the light of Motorola's simple pleaded case above, it may have seemed to Hytera likely that the parties would be able to agree on any basic propositions of US law which the court would need to take into account in determining the finality issue.

107. Accordingly, on 17 October 2024, Steptoe, solicitors for Hytera, wrote to King & Spalding International LLP (“K&S”), solicitors for Motorola, and invited them to agree 10 propositions of US law, which it enclosed in an appendix, noting that there was insufficient time for the parties to obtain permission to rely on expert evidence, and that it might be necessary to invite the Court to resolve any disputes on those propositions by reference to submission and underlying sources, as contemplated by paragraph H.3.3(d) of the Commercial Court Guide. This was just over 2 weeks before the trial commenced. Steptoe accordingly asked for a response by 4pm on 24 October. K&S did not respond until 24 October 2024 in which response they merely stated (amongst other things) that:

“While we do not object to adopting an approach whereby the parties’ advocates make submissions at trial as to relevant matters of US law by reference to source materials (including US case law) which are provided to the Court as contemplated by H3.3 of the Commercial Court Guide, we do not agree with the so-called “propositions of US law” set out at Annex 1 of Your Letter.”

108. This overlooks the fact that the burden of proving finality rested upon Motorola and a party does not have the *right* to rely upon issues of foreign law in support of its case by making submissions at trial (particularly where they have not been pleaded)²¹; it must seek the court's permission to do so. Moreover, K&S did not explain which of the 10 propositions they disagreed with, other than proposition 7 concerning attorney's fees. Steptoe explained in a short letter in reply dated 29 October why it maintained that K&S's objection in that one respect was wrong.
109. On 29 October 2024 Motorola filed its skeleton argument for this trial. In its skeleton argument, Motorola merely stated as follows on the issue of finality:

“13.2 The Cost/Interest/Fees Sum is final and conclusive for the purposes of enforcement in England and Wales, the Illinois Court had jurisdiction to award that sum, and the sum is a sum of money (rather than a tax, fine or other penalty). This is because nothing in the US Court of Appeals seeks to stay or otherwise alter the Costs/Interest/Fees Sum: the Fees Orders and the Costs Order flow from the finding that Hytera is liable under the Copyright Act and the DTSA (a finding that was not appealed and has been left undisturbed by the US Court of Appeals) and no contrary order has been made as regards the Interest Orders.

13.3 Against that background, the only question for this Court on this occasion is whether the Costs/Interest/Fees Sum is capable of being severed from the objectionable part of the US

²¹ See *Brownlie v FS Cairo (Nile Plaza) LLC* [2021] UKSC 45 (per Lord Leggatt JSC) and *Supipat v Narongdej* [2022] EWHC 1806 (Calver J)

Judgment; namely the Exemplary Damages Sum under the DTSA.”

110. It accordingly failed to address Hytera’s 10 propositions of law at all. It adduced no evidence of Illinois law. Its case on finality, as it had pleaded, remained limited to the simple case that the orders for costs, interest and fees were not reversed by the Seventh Circuit Court and accordingly they were final.
111. In footnote 21 of its skeleton argument, Motorola further confirmed this simple case as follows:

“As further detailed in what follows, Motorola relies on the propositions of US law that (i) all parts of the US Judgment affirmed by the US Court of Appeals (including the Costs/Interests/Fees Sum) are enforceable absent any variation by the Illinois Court; (ii) the costs and fees portion (at least) of the Costs/Interests/Fees Sum is tied to the finding of Hytera’s liability (which was not appealed and not overturned or remitted by the US Court of Appeals); and (iii) the Costs/Interests/Fees Sum was ordered at the discretion of the Illinois Court and/or pursuant to its statutory powers. At the date of filing this skeleton argument, the parties are in the process of agreeing a Schedule of agreed/disputed ‘Propositions of US Law’ (see Steptoe’s proposal at [IP/22-26] and King & Spalding’s response at [IP/38-40]) and it is anticipated that this will be completed in good time before the hearing. ”
112. However, it can be seen that Motorola cited no US authorities for these propositions of US law. Moreover, the suggestion that a Schedule of agreed/disputed propositions of law would be completed “in good time before the hearing” was plainly without foundation. And again, there was no recognition of the fact that the Court’s permission had to be sought to adduce this expert evidence by way of submission; and the hearing was only 3 working days away.
113. On 31 October 2024 Hytera served its skeleton argument and it understandably proceeded on the basis that the only issues of US law were those referred to in footnote 21 to Motorola’s skeleton argument; that Motorola did not seek to rely upon any US authorities in support thereof; and that the issues of US law were accordingly likely to be largely uncontested.
114. Then, on Friday 1 November, with the trial starting on the following Monday, K&S sent an email with an attached document headed “Propositions of US Law” which took issue with Hytera’s 10 propositions of US law in numerous respects and which cited a wealth of US case law.
115. It was obviously not possible (a) for HCC to be in a position to address all of these US law issues and caselaw by the following Monday; (b) for the court to get on top of all this material for a case beginning on the Monday and (c) to accommodate argument on all of these contested US law propositions within the trial estimate, when the trial was set down with a time estimate of only 1.5 days.
116. Steptoe made clear in their letter of 1 November 2024 that they did not consent to Motorola relying upon this new (US law) material.

117. In the light of the foregoing and as I put to Mr. Sprange KC in argument²², I did not consider it to be fair to Hytera to allow Motorola to develop such a detailed unpleaded case on finality by reference to numerous US law authorities at this trial. Motorola failed to apply for permission to adduce expert evidence of Illinois law or to make submissions as to the same. It failed to set out its propositions of Illinois law, and the authorities upon which it relied in its skeleton argument and only did so in a memorandum the day before the trial began. It would not have been possible to accommodate those arguments on the 10 disputed propositions of US law in a 1.5 day hearing. I accordingly do not consider that it should be allowed to do this.
118. I addressed at the outset with the advocates what the court should do about this in view of the limited time available at trial and it was agreed that either I could treat this trial as the trial of a preliminary issue or I could decide how best to deal with this point at or before any consequential hearing, after I had determined the section 5(3) PTIA issue.
119. In the light of my clear finding that none of the interest, costs or fees are enforceable by reason of section 5 of the PTIA, I consider that the sensible course is to treat that decision as the determination of a preliminary issue, which I accordingly decide in Hytera's favour. That leads to judgment in favour of Hytera on Motorola's claims, with the dismissal of the action.
120. It follows that I do not need to decide the finality issue, although had that issue required determination at the trial (and had there been time to do so), I would only have allowed Motorola to advance the limited case which it had pleaded in paragraph 14.1 of its Amended Reply and Response 3 of its Further Information²³ (and not the much more extensive case based on US law referred to in paragraph 113 above).

²² Day 1/p. 19/lines 13-14

²³ Set out in paragraphs 103-104 above