



Preliminary Injunction - United Kingdom

1. **How common is it for preliminary injunctions to be awarded in patent infringement actions?**

The award of a preliminary injunction will always be a matter for the Court's discretion, taken into account the criteria mentioned under (2).

2. **What are the considerations that a court would weigh up in determining whether or not to award a preliminary injunction?**

The criteria for deciding whether or not to grant a preliminary injunction are in summary:

- Is there a serious issue to be tried – i.e. an arguable case?

The Court will not hear detailed argument as to whether the patent is valid and infringed at this stage. Case law suggest that even where the patent may be weak, only a clear case of invalidity (such as lack of novelty on the basis that the inventors have prior published) will result in the application being refused on the basis that there is not a serious issue to be tried.

A consequence of the requirement that the patentee shows an "arguable case" is that the defence to an application for a preliminary injunction is likely to include a counterclaim for summary judgment (i.e. to revoke the patent). If the case on the merits is weak this is something that should be taken into account when weighing up the pros and cons of applying for a preliminary injunction.

- Are damages an adequate remedy?

In most patent cases this will be a difficult hurdle to overcome since the patentee will be able to recover its market share from the Defendant and payment of damages will compensate it for the lost sales which it has suffered. The assumption will be that damages will be an adequate remedy for the loss suffered by the patentee pending final resolution of the merits of the case.

- Where does the 'balance of convenience' lie?

The merits of the case will not be taken into account in deciding where the 'balance of convenience' lies. Other factors that may have a bearing on the decision to award a preliminary injunction include the following:

- A preliminary injunction will not be granted where the patentee has delayed. If the patentee is seriously concerned about the damage to its

business, the Court expects that it will act quickly when it first learns that the Defendant has launched its product or is about to do so. If, on the other hand, the patentee knows of the Defendant's activities but does nothing, the Court is very much less likely to believe that the patentee genuinely fears that it will suffer irreparable harm. As a general rule, if the patentee delays more than one or two months before seeking a preliminary injunction, its chances of obtaining this relief are very significantly reduced.

- If the patentee has a track record of licensing the patent in question, a Court will normally take the view that a royalty payment in respect of past sales would adequately compensate the patentee.
- If the Court decides that damages are an adequate remedy but doubt exists as to the ability of the Defendant to compensate the patentee for its loss pending trial, the Court may seek to protect the patentee by requiring the Defendant to pay a suitable amount into court or to a bank account in the names of the parties' solicitors. If the Defendant will not undertake to make such a payment an injunction may be awarded.

3. **What is the balance between the substantive issues of infringement and validity, on the one hand, and other considerations, such as urgency/delay, the 'risk of injustice' or 'balance of convenience' – the impact that granting (or not granting) the injunction would have, on the other hand?**

As indicated above establishing that there is a serious issue to be tried (i.e. that the patent is not plainly invalid and there is an arguable case on infringement) will be enough to deal with the substantive issues of infringement and validity. Once this hurdle has been taken, the focus will shift to the 'balance of convenience' arguments and it is here that the decision of whether or not to award the injunction will rest.

4. **The procedure for obtaining a preliminary injunction:**

(A) **What evidence would the patentee be required to submit?**

Formalities: Eviden must be submitted by the patentee to establish that it is the proprietor (or exclusive licensee) of the relevant patent, that the patent is in force and that it has never been successfully challenged. The patentee would also need to indicate that it is prepared (and able) to give a cross-undertaking in damages should the injunction ultimately prove to have been wrongly granted.

Evidence that there is a serious issue to be tried: The patentee would need to submit evidence to demonstrate that the product would fall within the claims of the patent. The patentee should also give evidence of the threatened infringing act. This may take the form of a witness statement exhibiting the pre-action correspondence or a witness statement from a representative of the patentee.

Balance of convenience evidence: This would include the evidence to establish that damages would not be adequate compensation and the patentee will suffer potentially irreparable harm if an injunction is not granted.

We would expect the Defendant to counter with its invalidity and non-infringement arguments, together with evidence to refute the patentee's "balance of convenience" arguments and to establish that it will suffer an unquantifiable loss of the injunction is granted.

(B) How long does it typically take to obtain a preliminary injunction in a patent matter?

Usually, the hearing which will decide whether an injunction should be granted will take place within about two months of the application being made.

(C) Would a 'temporary injunction' be granted in the meantime i.e. pending the outcome of the decision re grant of a preliminary injunction?

Expectedly the infringing party would undertake to stay off the market until after the hearing of the application for a preliminary injunction or a temporary injunction could be granted as a holding measure.

(D) What is the typical cost of preliminary injunction proceedings?

We would expect that proceedings for a preliminary injunction would cost in the range of about £75,000 to £200,000 depending largely on how strongly the Defendant resists the application.

(E) Is the procedure separate from proceedings on the merits? If so, is it necessary to commence proceedings on the merits?

An application for a preliminary injunction will be sought as part of the main case on the merits. Often the Claim Form will be issued at the same time as the application notice for a preliminary injunction. As noted above the patentee can apply for a temporary injunction until the full hearing of the preliminary injunction application, sometimes even without giving notice to the Defendant.

5. What bond or undertakings are required in order to secure a preliminary injunction? What is the consequence in damages and costs if a preliminary injunction is awarded but the patentee is ultimately unsuccessful?

If a preliminary injunction is granted, the patentee will be required to give a "cross-undertaking as to damages". The undertaking ensures that, in the event that the preliminary injunction is granted but the patentee does not succeed at trial, the patentee will pay such damages as, in the opinion of the Court, compensate the Defendant for the loss suffered as a result of the grant of the injunction.

Usually the Court will reserve a decision on the appropriate order as to costs until the conclusion of the trial.

6. If a preliminary injunction is not granted, how long would it take to achieve a decision on the merits of the case? Is there a procedure by which these proceedings could be expedited?

The time for a case to proceed to trial in the Patents Court is about 1 year, and in appropriate cases the Court can set a time for the trial date within 6 months or even less. Even in complex patent litigation such as telecom or electronic matters, the proceedings could be 'fast tracked' to reach trial within about 6 months if a preliminary injunction is sought but not granted. Similarly if an injunction is granted a date for trial could be set within about 6 months (to minimise the harm done to the Defendant).

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