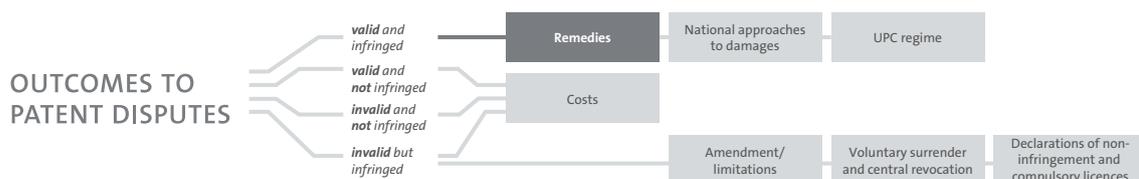


Remedies and alternative measures

Essentials



The availability of appropriate relief for patent infringement is fundamental to the existence of the patent system. Hence, remedies, which are what the owner of an infringed patent is entitled to claim if successful in court, are at the core of patent litigation.

As a patent is an exclusive right, the primary remedy available to proprietors is an injunction to stop the infringer from committing further infringing acts. Under Part III of Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) and national law, patent owners may also be entitled to other measures, including declaratory relief, product recall, destruction, publication of the judgment and pecuniary compensation.

Regarding remedies, the departure point in the EU is Directive 2004/48/EC on the enforcement of intellectual property rights, also known as the Enforcement Directive.

Under the Enforcement Directive, there are different types of remedy available in Europe for patent proprietors to enforce their exclusive rights:

- Measures resulting from a decision on the merits, including corrective measures, injunctions and alternative measures (pecuniary compensation in addition to or possibly instead of injunctions).
- Provisional measures, especially preliminary injunctions.
- Precautionary measures such as the blocking of bank accounts.
- Damages and legal costs (these measures are dealt with in other modules).
- Publicity measures.

The Directive also provides for a right of information.

Enforcement Directive 2004/48/EC, TRIPS, other multinational agreements and national law

In his opinion in *Huawei v ZTE*, 20-11-2014, C-170/13, paragraph 61, the Advocate-General of the CJEU stated that in the event of infringement the patent owner has the right to bring an action for a prohibitory injunction.

Articles 63, 64

Unified Patent Court Agreement (UPCA) state that the Unified Patent Court (UPC) will make available the types of remedy provided by the Enforcement Directive.

Standard measures: decisions on the merits

Permanent injunctions

The aim of a permanent injunction is to prohibit the continuation of the infringement in the future. By an injunction, the defendant is ordered to refrain from doing acts established by the court as infringing the patent.

Availability of injunctive relief after expiry of the patent

Injunctive relief is only available for as long as the patent is in force. However, the courts may exceptionally grant an injunction for a limited and specified period beyond the term of patent protection if the patent is at the end of its life or has expired by the time the case reaches trial. The basis for such an injunction would be that the infringer has gained an illegal start (“springboard”) ahead of other competitors by entering the market with its infringing product whilst the patent was in force. The duration of the injunction would be calculated so as to prevent the defendant from benefiting from his past infringing activities.

Form of injunction

The grant of an injunction may be broad or narrow in effect. In some countries, the usual form of injunction against a defendant found to have infringed a valid patent would be an order restraining the defendant from infringing claim X of patent number X. However, in other countries, the grant of an injunction needs to refer to the specific embodiment found to be infringing. Between these two extremes, the German courts, for example, identify the infringing embodiments by reciting the claim language in the provisions, with selected problematic features being tailored to the embodiment found to be infringing.

In the UK courts there is discretion as to the form of permanent injunction, which will, therefore, depend on the particular circumstances of the case. The ordinary form of injunction will be that “the defendants, by themselves, their servants or agents be restrained from infringing Patent No. []”

The injunction may be formulated to have a narrow or wide scope.

In the Netherlands, injunctions are in general worded broadly. According to the *Hoge Raad* (Dutch Supreme Court), this is permitted, but the scope of such an injunction is limited to acts that can reasonably be assumed to constitute infringements in the view of the court granting the injunction, in light of the grounds for that decision.

The same approach applies in France.

Article 11

Enforcement Directive Injunctions

“Member States shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement. Where provided for by national law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance. Member States shall also ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right, without prejudice to Article 8(3) of Directive 2001/29/EC.”

See for example UK case *Dyson Appliances Ltd v Hoover Ltd (No. 2)*, [2001] RPC (27) 544 and ECJ 9-7-1997, C-316/95, *Generics v Smith Kline & French*

BGH, X ZR 126/01 – “Blasfolienherstellung”

See also *Coflexip v Stolt* [2001] RPC 182

Daw v Eley (1867)
L.R. 3 Eq. 496

Hoge Raad 15.04.2005,
ECLI:NL:HR:2005:AS5238,
Euromedica v Merck

In Germany, under the “core theory”, injunctions apply to the embodiments actually in issue as well as to all other embodiments infringing the patent for the same reasons. The test is whether infringement by such other embodiments can be determined while solely relying on the considerations of the existing judgment (then covered) or whether considerations outside the judgment would be necessary (then not covered).

There is a universal requirement that the wording of the injunction should be clear.

Injunctions against means having infringing and non-infringing uses (contributory/indirect infringement)

Any means that use an “essential element of the invention”, which are suitable for putting the invention into effect, and that are offered or supplied by the defendant to a third party not entitled to use the patent, while the defendant knows or it is obvious that the means are suitable and intended to put the invention into effect, fall under the provisions of an indirectly infringing use (e.g. in the UK under Section 60(2) UK Patents Act; in Germany under Section 10 *Patentgesetz* (German Patent Act) (PatG); in the Netherlands, under Article 73 *Rijksoctrooiwet* (Dutch Patents Act) 1995; all based on Article 26 Community Patent Convention (CPC) 1989).

In the UK, the Court of Appeal has suggested that, rather than the standard form of injunction, a more specific wording may be appropriate where there is found to be contributory infringement (***Grimme Maschinenfabrik GmbH & Co KG v Scott***).

In Germany, a finding of indirect patent infringement does not always result in an unrestricted injunction. As a general rule, an injunction is granted when the means offered or supplied may only be used reasonably – from a technical and economic point of view – in an infringing manner.

On the other hand, if an off-patent use of the means is possible, restricted prohibitions are usually justified in order to allow economic activity with the means outside the scope of the patent, while preventing directly infringing use of the means by customers. In Germany, for example, the following appropriate measures are commonly applied:

- Warning notices to customers, including a notice that use of the patented invention without the patentee’s agreement is prohibited.
- Obligation of the infringer to conclude a contractual cease-and-desist agreement with its customers, by which the customers may use the means for off-patent uses only and, in case of non-compliance, must pay a contractual penalty to the patentee.

Section 60(2) UK Patents Act 1977

“...a person (other than the proprietor of the patent) also infringes a patent for an invention if, while the patent is in force and without the consent of the proprietor, he supplies or offers to supply in the United Kingdom a person other than a licensee or other person entitled to work the invention with any of the means, relating to an essential element of the invention, for putting the invention into effect when he knows, or it is obvious to a reasonable person in the circumstances, that those means are suitable for putting, and are intended to put, the invention into effect in the United Kingdom.”

BGH 09.01.2007, X ZR 173/02 –
“*Haubenstretchautomat*”.
Leading case regarding indirect patent infringement

In *Grimme Maschinenfabrik GmbH & Co KG v Scott* [2010] EWCA Civ 1110, the defendant was found to be indirectly infringing under **Section 60(2) UK Patents Act**. In holding so, the Court found that the article was an “essential element of the invention” and it did not matter that it also had a non-infringing use. However, the Court of Appeal suggested that in such a case, the court might modify the standard injunction so as to try to spell out what exactly the defendant could do. It would however be up to the defendant to work out how to ensure that there would be no future infringement.

The appropriate measures will depend on the circumstances, in particular on the likelihood and advantages of use according to the patent and on an assessment of the patentee's options of proof, i.e. whether the patent infringement can actually be proven. Thus, total prohibition may, for example, be justified in exceptional cases where warning notices and cease-and-desist declarations are useless, the patent infringement is effectively not verifiable, and the means may be readily and reasonably modified – from a technical and financial point of view – so that they are no longer suitable for a patented use.

In the Netherlands, supplying “essential means” constitutes an indirect patent infringement under Article 73 *Rijksoctrooiwet* (Netherlands Patent Act) if the supplier is aware or must have been aware under the circumstances that these means are suitable and intended for applying the invention.

Gerechtshof (Court of Appeal),
The Hague 27-1-2015, IEF 14599,
Novartis v Sun Pharmaceutical

The Court of Appeal in the Hague has ruled that the supplier of a medicinal product that was suitable for a rare, non-infringing use, but also for a common infringing use, must have understood that it was likely to be used in an infringing way because of the volumes sold. He therefore committed an indirect infringement.

Injunction as a matter of discretion?

An important question is whether an injunction automatically follows a finding of infringement or whether it is at the court's discretion to grant one.

According to Article 12 Enforcement Directive, member states may stipulate that, at the request of the defendant, pecuniary compensation be ordered instead of an injunction alone, if such defendant acted unintentionally and without negligence. This may also be ordered in the case of disproportionate harm and if pecuniary compensation appears sufficient. However, not all member states have implemented this provision.

In the UK, under Section 61(1)(a) UK Patents Act 1977, a patentee is normally entitled to an injunction against an infringer. However, this is always subject to the court's discretion.

The leading case is the non-IP case of *Shelfer v City of London*.

In *Shelfer* the court established the “good working rule” that damages may be awarded in substitution of an injunction if four conditions are met:

- The injury to the claimant's legal rights must be small;
- It must be capable of being estimated in money;

UK: *Shelfer v City of London Electric Lighting Co.* [1895] 1 Ch. 287 in fact concerned a nuisance dispute between Shelfer, the leaseholder of a public house, and a lighting company which had erected buildings and machinery on land adjacent to the public house to form a central station for supplying electric light. Shelfer sought an injunction against the lighting company carrying out their works as this caused vibrations and significantly interfered with the enjoyment of his premises.

On the facts, the injury to the claimant was certainly not small, estimable in money and he could not be adequately compensated by a small money payment due to the significant “*annoyance, inconvenience and personal discomfort*” borne. Injunction was accordingly granted.

- It must be adequately compensated by a small money payment; and
- The case is one in which it would be oppressive to the defendant to grant an injunction.

It is widely accepted that the guidelines identified in the *Shelfer* case should be applied to decide whether the court should make an exception to the general rule of granting an injunction against a defendant who has been proven at trial to have infringed a valid patent. Indeed, the *Shelfer* guidelines have been subsequently applied in a number of intellectual property cases, including the copyright case of ***Navitaire Inc. v EasyJet Airline Co.*** In this case, the *Shelfer* guidelines were considered and it was added that “if the effect of an injunction is not oppressive, the defendant cannot buy his way out of it, even if the price, objectively ascertained, would be modest”. It was held that the word “oppressive” in this context means that the effect of the grant of the injunction would be grossly disproportionate to the right protected. If this is the case, damages, for example assessed on a reasonable royalty basis, may be ordered.

Navitaire Inc. v EasyJet Airline Co.
[2006] RPC 111

The *Shelfer* criteria are, however, merely guidelines and are not definitive.

According to German law, an injunction will automatically be granted if the court finds that there is infringement. The cease-and-desist order is not subject to the court’s discretion. Even though the injunction is not a discretionary remedy under German law, the defendant may still be granted protection against an injunction (which was issued in first instance and is not yet final) under very exceptional circumstances. The defendant is entitled to request the stay of enforcement of a preliminary enforceable injunction if he can show that the first instance decision was obviously a gross mistake or that enforcement will bring about a disadvantage that cannot be remedied in accordance with **Section 712 Zivilprozessordnung** (German Code of Civil Procedure) (ZPO). However, this kind of request is only available in exceptional circumstances, e.g. in cases of imminent insolvency.

Section 712 ZPO

Petition for protection filed by the debtor

(1) Insofar as the enforcement would entail a disadvantage for the debtor that is impossible to compensate or remedy, the court is to allow him, upon a corresponding petition being filed, to avert enforcement by providing security or by deposit, without taking account of any security that the creditor may have provided; (...).

(2) The petition filed by the debtor shall not be complied with if an overriding interest of the creditor contravenes this. (...)

Conventional economic disadvantages, such as job losses or financial damages, are not considered to be disadvantages that cannot be remedied.

The *Oberlandesgericht* (Higher Regional Court) (OLG) of Karlsruhe also stayed the enforcement of an injunction in a case where the patentee was a patent exploitation company which had only a financial interest in damages and no actual market position to be protected with an injunction, while the defendant risked imminent and significant damages were the injunction to be enforced.

OLG Karlsruhe, 11.05.2009, 6 U 38/09 –
“Patentverwertungsgesellschaft”

In the Netherlands, claimants are normally entitled to an injunction if the patent is found valid and infringed (Article 3:296 *Burgerlijk Wetboek* (Netherlands Civil Code) (BW). An injunction will normally only be refused in cases of an abuse of right, for instance because of a violation of competition law. Another example is the duty of care towards another member of a technical standards organisation.

Hoge Raad,
24-11-1989, NJ 1992/404,
Lincoln v Interlas

Rechtsbank's Gravenhage,
10.03. 2011, IEF 9463,
Sony v LG

The Netherlands has not implemented Article 12 Enforcement Directive to award damages instead of granting an injunction. However, if a patent is valid and infringed, but an injunction is nevertheless refused, the claimant can still claim damages (provided, of course, that the conditions for awarding damages are met).

In France, injunctions to cease infringement are generally granted by the courts when the patent is found valid and infringed, although this remains at the discretion of the court. The court might refuse the injunction in exceptional circumstances, such as where the injunction would result in disproportionate consequences compared with the actual damage caused to the patentee.

Infringer does not intend to infringe in the future

In some member states, injunctions have been refused where the defendant has satisfied the court that further infringements were not likely.

Under German law, the finding of a risk of repetition of an infringing act as a requirement for an injunction can be overlooked if the defendant gives an irrevocable declaration to cease and desist, which must be secured by an obligation to pay a contractual penalty in case of non-compliance. However, in exceptional cases, such a declaration does not represent sufficient grounds to refuse an injunction, especially if the defendant is obviously insolvent and could not realistically pay the contractual penalty.

BGH, 09.11.1995, I ZR 212/93 – “Wegfall der Wiederholungsgefahr”, GRUR 1996, 290

An English court considered the position in *HTC Corp v Nokia Corp*. It held that if the infringer can satisfy the court that no further infringements are likely to occur, the final injunction may be refused.

HTC Corp v Nokia Corp
[2013] EWHC 3778 (Pat)

Coflexip SA v Stolt Comex Seaway MS Ltd
[2001] 1 All E.R. 952

Dutch case law is in line with German case law.

Enforcement of injunctions

Non-compliance with an injunction incurs a fine to be paid to the plaintiff (e.g. the Netherlands) or the court (e.g. Germany, UK). In some cases criminal sanctions are imposed, depending on the national law concerned.

If the infringer fails to obey an injunction, the patentee may institute committal proceedings for contempt of court. Under German law, the fine to be paid by the infringer can be up to EUR 250 000 for each act of infringement. The amount of the fine depends on the severity of the non-compliance. Typically, the first fine will be rather low, but it may come close to the maximum in the case of repeated violations of the order.

Alternatively, the court may in theory order a custodial sentence of up to six months. This is a severe sanction that is only justified in very exceptional circumstances; it is hardly ever, if at all, applied. The maximum penalty for repeated non-compliance is a two-year custodial sentence.

Under Dutch law the penalty is set at a level that is a sufficient deterrent to violating the injunction, which means that it is usually higher than the value of the infringing goods or activities. Penalties are generally set at an amount per infringement and per day of continuing infringement, giving the claimant the choice to use either option, depending, for instance, on which one is more effective for the specific violation concerned.

In the UK, non-compliance with an injunction may be treated as contempt of court. In such circumstances the judge may impose a fine or, if the non-compliance continues after appropriate notice has been given, imprisonment of, for example, a director of the company.

Stay of injunction pending appeal

In the UK, it is usual for a stay of a final injunction to be ordered pending appeal of the first instance decision. The injunction is generally expressed as being stayed until the later of the determination of the question or of any appeal, as it would be unfair for the alleged infringer to be subject to that final injunction until both of those issues have been resolved.

*Adaptive Spectrum and Signal Alignment
Inc v British Telecommunications plc* [2014]
EWCA Civ 1462

In the Netherlands, the *Gerechtshof* (Court of Appeal) of the Hague and the President of the Dutch District Court which handled the case in first instance may suspend an injunction pending appeal, but only in exceptional circumstances.

In Germany, the defendant is entitled to request the stay of enforcement of a preliminary injunction in very exceptional circumstances (as explained in more detail above).

Injunctions in the Unified Patent Court system

Article 25 of the Unified Patent Court Agreement (UPCA) states that a patent confers on its proprietor the right to prevent any third party not having the proprietor's consent from practising the patent. Article 63 UPCA states that the UPC may grant an injunction against the infringer aimed at prohibiting the continuation of the infringement. The word

“may” indicates that the Court has discretion in this respect. Of course, such discretion must be exercised within the spirit of the Enforcement Directive.

Corrective measures

See below

Alternative measures

As described above, the conventional response in cases of infringement will be an injunction. In exceptional cases, such as infringement of a standard-essential patent by a member of the standards organisation, damages can be awarded instead (see the paragraph on injunctions above).

Damages

For more details with respect to the assessment of damages, see the module about damages.

Right of information

According to **Article 8 Enforcement Directive**, the patentee is entitled to request disclosure of the names of suppliers and customers of the infringing goods. This allows him to identify further infringers and to follow through the enforcement of his patent rights.

Article 8 Enforcement Directive
Right of information
→ see below

Upon the justified and proportionate request of the patentee, the court may order that the infringer must provide information as to the origin and distribution networks of the goods or services which have infringed the patent. Such information may include:

The names and addresses of the

- producers
- manufacturers
- distributors
- suppliers
- other previous holders of the goods or services
- intended wholesalers and/or retailers

Information on

- the quantities produced, manufactured, delivered, received or ordered, and
- the price obtained for these goods or services

The patentee’s rights of information are limited by statutory provisions which govern the confidentiality of information or the processing of personal data (Article 8(3) Enforcement Directive).

Article 8 Enforcement Directive Right of information

1. Member States shall ensure that, in the context of proceedings concerning an infringement of an intellectual property right and in response to a justified and proportionate request of the claimant, the competent judicial authorities may order that information on the origin and distribution networks of the goods or services which infringe an intellectual property right be provided by the infringer and/or any other person who:
 - (a) was found in possession of the infringing goods on a commercial scale;
 - (b) was found to be using the infringing services on a commercial scale;
 - (c) was found to be providing on a commercial scale services used in infringing activities; or
 - (d) was indicated by the person referred to in point (a), (b) or (c) as being involved in the production, manufacture or distribution of the goods or the provision of the services.
2. The information referred to in paragraph 1 shall, as appropriate, comprise:
 - (a) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers;
 - (b) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.
3. Paragraphs 1 and 2 shall apply without prejudice to other statutory provisions which:
 - (a) grant the rightholder rights to receive fuller information;
 - (b) govern the use in civil or criminal proceedings of the information communicated pursuant to this Article;
 - (c) govern responsibility for misuse of the right of information; or
 - (d) afford an opportunity for refusing to provide information which would force the person referred to in paragraph 1 to admit to his/her own participation or that of his/her close relatives in an infringement of an intellectual property right; or
 - (e) govern the protection of confidentiality of information sources or the processing of personal data

In Germany, for example, if the identity of private customers of the defendant is involved, the patentee must appoint, upon request of the defendant, an independent and certified accountant, who will review the information and accounts under an obligation of confidence.

Where there is reason to assume as a result of separate court proceedings that the information has not been provided correctly, the infringer must, upon request of the patentee, declare on record (in lieu of an oath) that he has given the earnings as fully and completely as he is able (**Section 259(2) *Bürgerliches Gesetzbuch*** (German Civil Code) (BGB)).

Non-compliance with the obligation to provide complete information will (e.g. in Germany) entitle the patentee to proceed to enforcement of his rights of information by requesting an order for payment of an administrative fine.

Under UK law, the patentee must satisfy the court that there is a strong case for the defendant to answer, that the defendant's actions may cause serious actual or potential damage to the rights-holder, and that there is clear evidence that the defendant is in possession of incriminating evidence which it may destroy before an application can be made on notice.

Section 259 BGB

Extent of duty to render account

(1) A person who is obliged to render account for management related to earnings or expenses must provide the person entitled with an account containing an orderly compilation of earnings or expenses and, where receipts are customarily given, must submit receipts.

(2) Where there is reason to assume that the information on earnings contained in the account has not been provided with the requisite care the defendant must, upon demand, declare for the record in lieu of an oath that he has indicated the earnings as completely as he is able to.

In the UK, this remedy has been dealt with by reference to *Norwich Pharmacal v Customs and Excise Commissioners*. The *Norwich Pharmacal* order is a court order for the disclosure of documents or information that can identify infringers. A third party who, even innocently, becomes involved in an infringement may, on application by the patentee, be ordered to give relevant information which he is in possession of. In this case, the defendant – the UK customs authorities – held information on unlicensed chemicals being imported into the UK from the Netherlands.

Norwich Pharmacal v Customs and Excise Commissioners [1974] A.C. 133

In *Rugby Football Union v Viagogo Ltd*, the Court of Appeal of England and Wales considered whether such orders were in breach of Article 7 of the Charter of Fundamental Rights of the European Union, which mirrors Article 8 of the European Convention on Human Rights regarding the right to respect for privacy and family life.

Rugby Football Union v Viagogo Ltd [2011] EWCA Civ 1585

In the Netherlands, the court may order that information that is needed to establish the amount of damages must be provided to an independent registered accountant, who then produces a report for the court on the assessment of damages. Information that is necessary to check whether a recall has been performed correctly must be provided to the claimant's lawyers, so they can check this without disclosing the identity of the infringer's customers to the claimant. If suppliers or customers themselves infringe, their identity must of course be disclosed without such limitations.

Provisional measures

Preliminary injunctions

These remedies may be granted on an interim basis pending full trial at a later date. The remedy will remain in force until the court discharges it, either on application or on expiry of a fixed term.

Article 9(3) Enforcement Directive states that the court has the authority to require the applicant to provide evidence in order to satisfy the court with a sufficient degree of certainty that the applicant is the right holder and that the applicant's right is being infringed, or that such infringement is likely.

Article 9(4) allows for such remedies to be granted without the potential infringer having notice that such an order will be made (*ex parte*), in particular where any delay would cause irreparable harm to the right holder. When such an order is made, the applicant must without delay inform the potential infringer of the existence and effect of such an order.

Once such an order has been granted, Article 9(5) states that it must be revoked or otherwise cease to have effect, upon request of the potential

Article 9 Enforcement Directive

Article 9(1)(a) Enforcement Directive states that the judicial authorities may, at the request of the applicant:

“issue against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by national law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder; an interlocutory injunction may also be issued, under the same conditions, against an intermediary whose services are being used by a third party to infringe an intellectual property right; injunctions against intermediaries whose services are used by a third party to infringe a copyright or a related right are covered by Directive 2001/29/EC.”

infringer, if the patentee does not institute, within a period determined by the court which ordered the injunction, or in the absence of such a determination, within a period not exceeding 20 working days or 31 calendar days, whichever is the longer, proceedings whose purpose is a decision on the merits of the case before a competent court.

Article 9(6) and (7) are designed to protect an alleged infringer if it is later found at trial that the interim measure was wrongly imposed in view of the fact that there had been no infringement or threat of infringement. The patentee can be ordered to lodge adequate security or an equivalent assurance intended to ensure compensation for any prejudice suffered thereby.

Consequently, Article 9 Enforcement Directive permits the court to issue against the party found potentially to be infringing an interlocutory injunction aimed at prohibiting the persistence of the alleged infringement as well as against intermediaries whose services are used by a third party to infringe a patent, without prejudice to Article 8(3) of Directive 2001/29/EC.

In UK law, Section 61(1)(a) UK Patents Act 1977 reflects Article 9 Enforcement Directive. In the UK, the threshold for the grant of an interlocutory or interim injunction is relatively high. The factors that the court should take into account are largely set out in the leading House of Lords case of *American Cyanamid v Ethicon*:

- (i) Is there a serious question to be tried?
- (ii) Are damages an adequate remedy for the patentee?
- (iii) Taking all the circumstances into account, does the balance of convenience lie in favour of granting an interim injunction?

Since the purpose of an interlocutory injunction is to preserve the *status quo* pending full trial, an English or Scottish court will not consider the merits of the substantive case at the interlocutory stage. The same applies in Ireland. Nevertheless, an injunction will only be granted where there is shown to be a threat, actual or implied, on the part of the alleged infringer that he is about to do an act which would be in violation of the patentee's right. Therefore, it has to be established that the patentee has an enforceable right and also that the potential infringer has given the patentee cause to suspect that there may be an infringement.

Thereafter, the court will assess whether there is any prejudice to the potential infringer in granting the injunction. It will assess the "balance of convenience". For example, it will determine whether damages would be an adequate remedy and whether the defendant has the means to pay them. The UK courts will almost always require the patentee to give a cross-undertaking in damages if an interim injunction is to be granted.

American Cyanamid v Ethicon
[1975] RPC 513

Interlocutory injunctions in pharmaceutical cases

Following the decision in *SmithKlineBeecham v Apotex* [2002] EWHC 2556 (Pat), there has been very clear judicial guidance from the UK courts that an alleged infringer in the pharmaceutical sector should "clear the way" of any potentially blocking patents prior to entering the market by revoking them and/or obtaining declarations of non-infringement. Since an unauthorised entrant onto the market can cause significant and irreparable damage to the innovator's price an interlocutory injunction will generally be granted if launch of a generic product takes place prior to clearing the way.

This provides the potential infringer with a safeguard in case the patent is later found to be invalid and/or their product is not infringing.

Les Laboratoires Servier v KRKA Polska Sp ZoO
[2006] EWHC 2453 (Pat)

Applications for interlocutory injunctions are generally made on notice to the potential infringer, although it is also possible to obtain an interim injunction on an *ex parte* basis where time is of the essence.

In the Netherlands, interim injunctions are available as a separate order in full proceedings on the merits or by a separate action. Normally, the separate action is used, based on Article 254 *Wetboek van Burgerlijke Rechtsvordering* (Netherlands Code of Civil Procedure). Preliminary injunctions normally require a degree of urgency, but the *Hoge Raad* (Dutch Supreme Court) has ruled that such urgency generally exists in the case of ongoing infringements or ongoing threats of infringement, regardless of when the claimant became aware of the first infringement.

Hoge Raad, 29.06.2001,
ECLI:NL:HR:2001:AB2391,
Impag v Milton Bradley

Cases are handled by a single judge and decided on the basis of a *prima facie* evaluation of the merits. If the judge is of the opinion that there is a serious chance that the patent will be revoked in full proceedings on the merits, the injunction will be refused. In order to grant the injunction, the judge has to find that the patent is infringed. The balance of convenience normally does not play a role in the decision. However, a preliminary injunction may be refused if the claimant has insufficient interest to obtain such relief.

If a preliminary injunction is granted, the term for bringing full proceedings on the merits is normally set at six months.

In Germany, preliminary injunctions are granted if a number of criteria are met (none of which, however, are cast in stone). There should be a clear infringement, i.e. no expert opinion should be needed to establish infringement, and no infringement under the doctrine of equivalence. The patent must be clearly valid. This has to be shown by proceedings in which the patent is tested by a party other than a patent examiner, i.e. in opposition proceedings or a nullity action. If no such proceedings have taken place, evidence is needed that the patent is, for example, respected by competitors, e.g. if they are licensed.

Finally, as in other jurisdictions, an element of urgency has to be shown. Urgency is deemed to be absent if there is more than one month between knowledge of the infringement (including by the infringer) and receipt of the motion for a preliminary injunction by the court (*Landgericht München* – District Court of Munich (LG)).

The motion for a preliminary injunction can also result in a summons to a hearing (usually, the court gives the claimant the possibility to withdraw the motion without the defendant being informed). In this case, a

preliminary injunction will be granted after the exchange of writs and the hearing. The procedure may take several weeks or months, depending on complexity, urgency and the workload of the court. It can be appealed.

In France, preliminary injunction proceedings are handled by a single judge, who is either (i) the judge specifically in charge of summary proceedings, or (ii) the case management judge, where an infringement action on the merits has already been brought in the court.

There is no urgency requirement.

Preliminary relief proceedings are normally initiated *inter partes*, though they are also available *ex parte*, “when the circumstances require that measures be taken without hearing the other party, notably when a delay would cause irreparable harm to the plaintiff”. Such *ex parte* proceedings are rare in France.

As provided for by French law, the judge may issue a preliminary injunction when evidence reasonably available to the patentee makes it “likely” that its rights are being infringed or that such infringement is imminent. Within the meaning of the *Code de la propriété intellectuelle* (French Code of Intellectual Property) (CPI), the infringement cannot be regarded as likely if the patent appears to be *prima facie* invalid. Therefore, validity and infringement are in issue within the same proceedings. The proceedings usually involve a full review of the case and a final oral hearing, so that a ruling may be rendered within three months, or in particularly urgent cases, within a few weeks.

Criteria of proportionality are frequently relied upon by the courts. For example, a preliminary injunction order was dismissed when requested by a patentee who was conducting negotiations with a potential licensee. The judge considered that, given the advanced stage of the discussions, it would distort the conditions for negotiation (*Ericsson v TCT Mobile*, case management judge, *Tribunal de Grande Instance* (TGI), Regional Court of Paris, 29 November 2013).

Interim injunctions are commonly subject to the imposition of a security requirement, to be paid to the patentee. Provisional damages may also be awarded to the patentee.

Similarly, the defendant may also ask permission to continue with the impugned acts, on condition that it provides a bank bond to indemnify the patentee should said acts be held as being infringing acts at full trial.

Once a preliminary order is granted, the patentee must file its action on the merits within 31 days after the date of said preliminary ruling. Otherwise, the measures may be revoked at the request of the defendant,

without prejudice to the compensation for any injury caused by the preliminary measures during the period when they were effective.

The judge may also make it a condition that the patentee must provide a guarantee intended to indemnify the defendant should the infringement action be considered as unfounded.

The basis for preliminary injunctions in the Unified Patent Court Agreement (UPCA) can be found in Articles 25 and 62. Article 62(2) states that the Court has the discretion to weigh up the interests of the parties and in particular to take into account the potential harm for either of the parties resulting from the grant or refusal of the injunction.

Seizure or delivery up of goods suspected of infringing IP rights

Article 9 Enforcement Directive

Article 9(1)(b) Enforcement Directive states that the judicial authorities may, at the request of the applicant:

“order the seizure or delivery up of the goods suspected of infringing an intellectual property right so as to prevent their entry into or movement within the channels of commerce.”

The corresponding implementation in UK law can be found in Section 61(1)(b) UK Patents Act 1977, which states that civil proceedings may be brought in the court by the proprietor of a patent in respect of any act alleged to infringe the patent and (without prejudice to any other jurisdiction of the court) in those proceedings a claim may be made

“for an order for him to deliver up or destroy any patented product in relation to which the patent is infringed or any article in which that product is inextricably comprised”.

Under UK law, a successful patentee can obtain an order for the destruction or delivery up of infringing goods in the possession of the infringer, so as to ensure that such goods are not retained in order to be placed upon the market after e.g. the expiry of the patent.

The UK courts have previously refused to backdate such orders. However, in one instance, the court required the infringer to re-import and deliver up to the patentee infringing goods which had been in the infringer's possession on a prior date but which had subsequently been exported before the final order had been granted.

Mayne Pharma Pty Limited, Mayne Pharma Plc v Pharmacia Italia SPA [2005] EWCA Civ 294

Article 70 *Rijksoctrooiwet* (Netherlands Patent Act) provides for the implementation of Article 9(1)(b) Enforcement Directive through the seizure, delivery up or destruction of infringing goods.

In Germany, the implementation of Article 9(1)(b) of the Directive is provided for in Section 140a PatG.

French law provides for the possibility of requesting the seizure or delivery up of goods suspected of infringing IP rights in the context of preliminary injunction proceedings. Such measures have been ordered by the Paris Court in order to prevent the entry into the marketplace of articles suspected of infringement.

SISVEL v Carrefour,
TGI Paris, 1 February 2011

Article 62(3) UPCA provides for the seizure or delivery up of goods that are *suspected of* infringing a patent.

Freezing orders

A freezing order is a variety of interim injunction that restrains a party from disposing of or dealing with his assets in a way that would make enforcement of an existing or future judgment less effective. As a precaution, the order allows the seizure of movable and immovable property of the potential infringer, including the blocking of their bank accounts and other assets and the communication of bank, financial or commercial documents, or appropriate access to the relevant information.

To obtain such an order, the patentee must satisfy the court that there is a real risk that any judgment will be affected by reason of the alleged infringer's control of the asset. Applications for orders of this type are made without notice.

In the UK and Irish courts, such orders are unusual, since the vast majority of parties are corporate and therefore typically have the means to satisfy any future judgment.

In the Netherlands such seizures are quite usual. Orders are granted based on an *ex parte* application. The party affected by the seizure can request it to be lifted in preliminary injunction proceedings. The seizure has to be lifted if sufficient financial security is provided. This is normally done by way of a bank guarantee/bond.

Such seizures are intended to provide financial security and therefore cannot be used to freeze infringing goods, since it is assumed that the patent holder will not want to see such goods enter the market anyway, and will therefore have no intention of selling them. An action on the merits has to be brought within two weeks of execution of the seizure. The main claims in such an action will normally be for an injunction and

damages. Selling the goods would be contrary to the injunction (even though it is up to the claimant whether or not to enforce the injunction).

In Germany, the situation is similar to that in the UK and Ireland. While German law provides for the possibility, the remedy is rarely applied. It has to be shown that there is a real likelihood of assets leaving the country.

French law provides for freezing orders as a result of the transposition of the Enforcement Directive into national law. In practice, they are rarely – if ever – granted.

Article 61 UPCA provides for freezing orders, which may be requested *ex parte*.

Corrective measures

Article 10(1) Enforcement Directive states:

“Without prejudice to any damages due to the rightholder by reason of the infringement, and without compensation of any sort, Member States shall ensure that the competent judicial authorities may order, at the request of the applicant, that appropriate measures be taken with regard to goods that they have found to be infringing an intellectual property right and, in appropriate cases, with regard to materials and implements principally used in the creation or manufacture of those goods. Such measures shall include:

- (a) recall from the channels of commerce,*
- (b) definitive removal from the channels of commerce; or*
- (c) destruction.”*

Corrective measures are aimed at minimising any ongoing infringement and making sure the injunction is enforced.

Under UK and Irish law, the availability of an order for delivery up/ destruction is provided for by Section 61(1)(b) UK Patents Act 1977 in addition to Article 10(1) Enforcement Directive and its Irish equivalent. The court may order delivery up or destruction of any article in which the patented product is inextricably mixed, as well as the patented product itself (see above).

The purpose of orders for delivery up or destruction is to aid the enforcement of an injunction, i.e. to make sure it is obeyed. Orders for delivery up are not given by way of punishment of the infringer or compensation for the patentee; they are simply to guarantee the patentee's rights.

Mayne Pharma Pty Ltd v Pharmacia Italia SpA [2005] EWCA (Civ) 294

Under German law, only a direct infringer is liable for the destruction of any infringing goods which he controls or holds. An indirect infringer or third person owning or holding the goods (without being an infringer, i.e. an end-consumer) cannot be liable for destruction. The infringer may destroy the goods himself or hand them over to the patentee, who may undertake the destruction at the expense of the infringer. In exceptional circumstances, destruction may be disproportionate.

BGH 22.11.2005, X ZR 79/04 – “*Extra-coronales Geschiebe*”, GRUR 2006, 570
The patent owner is not entitled to claim destruction with respect to means of an indirect infringement.

Recall and definitive removal can be applied to infringing goods which have left the business of the infringer and are in the subsequent distribution chain, but have not yet arrived at the end-user. With respect to means of indirect infringement, measures of recall and definitive removal are not justified, because the goods may still be sold abroad, in a patent-free territory.

“Recall from the channels of commerce” can be requested by the infringer. This means that commercial holders of the infringing goods (not end-consumers) must keep the goods available and halt any distribution, or hand the goods back voluntarily. The request should explain the reason for the recall and the legal consequences of any further distribution of the recalled goods. The infringer has to offer reimbursement of the purchase price (possibly reduced, if the device was used) or a non-infringing alternative device together with transport costs (e.g. in Germany).

LG Düsseldorf, 26.11.2009, 4b O 110/09 – “*Bajonett-Anschlussvorrichtung*”, InstGE 11, 257
The patent owner is not entitled to claim recall and definitive removal with respect to means of an indirect infringement.

Definitive removal from the channels of commerce may be the appropriate remedy in cases where the infringer is still the proprietor of the infringing goods, but the goods are actually in the possession of a third party. The infringer must perform a definitive removal by taking the goods back from the possessor (and subsequently destroying them) or arranging for them to be destroyed at the premises of the possessor.

Recall and definitive removal from commercial channels may in due course lead to destruction of the infringing goods.

In general, when considering a request for corrective measures, the following factors must be taken into account:

- Proportionality between the seriousness of the infringement and the remedies ordered (whether or not the infringement may also be stopped by other measures is not relevant here).
- The interests of third parties.

Unless particular facts are put forward, the measures are carried out at the expense of the infringer. Recall is an especially tough remedy, because the infringer is forced to recall all goods which he has put into distribution channels, which may result in significant costs.

In France, multiple rulings have ordered the recall of infringing products from the channels of distribution, their delivery up to the patentee, or their destruction at the expense of the infringer. These measures may be subject to a penalty to be paid to the patentee (in the event of breach of the order).

In the Netherlands, when a recall is ordered, the infringer has to offer to reimburse his customers' costs if they return the goods. Since these customers are not a party to the proceedings, they cannot be forced to comply with the recall. However, if they refuse, an action for infringement, in particular for a preliminary injunction, may be started against them.

Article 64 UPCA provides for recalling infringing products, depriving products of their infringing properties, definitively removing the products from the channels of commerce and destroying the products and/or materials and implements concerned.

Publication of judgments

Publicity orders

The purpose of **Article 15 Enforcement Directive** is to act as a “supplementary deterrent to future infringers and to contribute to the awareness of the public at large”.

Successful patentees are entitled to request that the judgment be published, in full or in part, at the defendant's expense. The article also provides for additional publicity measures which may be appropriate to the particular circumstances, including prominent advertising.

Under German law, the patentee must show that he has a legitimate interest in the publication of decisions. The courts will make an assessment and a balance of interests, i.e. it will consider the need to remove a continued disturbance, the type and extent of the impact of the decision on the claimant, the extent of the infringer's fault, the general public's interest in clarification, and so on.

The UK courts have also discussed the concept of publicity orders in specific circumstances as a possible outcome available to the parties. In *Samsung Electronics (UK) Ltd v Apple Inc*, the Court of Appeal suggested that such an order would be open to a successful non-infringer where there is a real need to dispel commercial uncertainty in the marketplace.

Article 15 Enforcement Directive Publication of judicial decisions

Member States shall ensure that, in legal proceedings instituted for infringement of an intellectual property right, the judicial authorities may order, at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part. Member States may provide for other additional publicity measures which are appropriate to the particular circumstances, including prominent advertising.

Samsung Electronics (UK) Ltd v Apple Inc
[2012] EWCA Civ 1339

Publicity orders have not yet been granted in the Netherlands, mainly because all judgments in patent cases are published anyway. However, if private individuals are involved, publication is anonymous. One could foresee an order being made in which the names of the parties are published.

Judgments in patent cases can be found on the judiciary's general website www.rechtspraak.nl and on private weblogs www.ie-forum.nl and www.boek9.nl.

In France, publication of the judgment has always been widely ordered in patent infringement matters. The patentee does not need to justify any specific interest, and publication is within the discretion of the court. The ruling may specify whether the judgment should be published in full or in part, in a specified number of newspapers or periodicals, up to a maximum cost set by the court, and/or at the expense of the infringer. The French courts may also order that the judgment should be published on the infringer's website for a given period of time.

Article 80 UPCA provides for an order for publication of UPC decisions, for instance in the public media.

Other sanctions

In addition to the remedies mentioned above, additional forms of relief may be available in patent proceedings under national law, including declaratory relief, rectification of the register, alteration of infringing goods, modification of technology, corrective advertising, and forced apology.

Criminal sanctions and border measures may also be available.