

Trespassing prohibited

The availability of injunctive relief varies widely around the world. In our first analysis of the global injunction landscape we lift the lid on which jurisdictions provide the best opportunity for a sales ban

By Richard Lloyd, Jacob Schindler and Joff Wild

In a patent infringement lawsuit, it still remains arguably the most powerful weapon for an IP owner.

An injunction – the power to block a manufacturer’s products from a particular market or to seriously disrupt the supply chain – can be serious enough to affect a company’s bottom line, to spur it into action to design around an infringing element or, ultimately, to seek a settlement.

In its recent global litigation battle with Apple, Qualcomm received a crucial boost to its courtroom efforts when it was awarded an injunction against the iPhone maker in China, and then another in Germany in late 2018. Apple quickly reassured customers that it had manufactured a design-around for the infringing technology so that the company need not take any products off the shelves, but both decisions came as welcome victories for Qualcomm in the wide-ranging dispute (which eventually settled).

Then there was TiVo which, in its long-running infringement battle with Comcast, won a sales ban at the International Trade Commission (ITC) that prompted the cable giant to remove a remote recording function from its platform.

These two cases reflect one of the stark realities around the availability of injunctive relief – for many patent owners, ever since the US Supreme Court’s 2006 eBay decision, the prospect of a sales ban is out of the question in district court litigation in the United States. This has forced many litigants to turn to alternative forums such as the ITC or courts in Germany and, increasingly, China.

But how can patent owners and their advisers evaluate which jurisdictions provide the best opportunity to gain some valuable leverage over an alleged infringer?

For the first time *LAM* has asked leading private practice lawyers to give us their analysis of the climate for injunctive relief in 12 key jurisdictions across the world. We have picked these countries according to their importance as legal centres, their economic strength and, for some, their status as up-and-coming jurisdictions of note for IP owners. The dozen in focus are the United States, Brazil and Mexico from the Americas; England and Wales, France, Germany and the Netherlands from Europe; and China, India, Japan, Korea and Vietnam from Asia.

For each country we have asked contributors to give an overview of the general environment, any recent developments and recent cases that have shaped the jurisprudence around injunctive relief, and for their views on how easily injunctions can be obtained.

Based on this input, we have awarded each country a score out of 10 for how readily available injunctive relief is from a legal standpoint, and a second score out of 10 for the market power of winning an injunction – taking into account the efficiency of the local court system and the sizes of the local economy and population. We have scored the jurisdictions on a curve, so for the legal score we have taken Germany as the high watermark, while the United States is top for market power. All of the other jurisdictions are scored relative to that pair. We have then multiplied the two numbers to get an injunction tracker total, which you can see on the accompanying map.

We think this best reflects the injunction environment in all 12 jurisdictions, but please do let us know if you disagree. *iam*

Picture: a katz/Shutterstock.com



England and Wales

Legal score – 8
Market score – 8.5
Overall score – 68

IAM says – A G8 economy and a judiciary that has shown itself willing to think outside the box. However, there is some uncertainty in the air with a Supreme Court case set to review the *Unwired Planet* FRAND injunction decision and with Brexit casting a long shadow.

The Netherlands

Legal score – 9
Market score – 4
Overall score – 36

IAM says – As a major distribution hub, the Netherlands is an important patent litigation venue. Cheap proceedings, expert judges and strong injunctions are all attractions too. But despite the positives, its population size counts against it compared to others.

United States

Legal score – 6
Market score – 10
Overall score – 60

IAM says – Injunctions remain off the table for many patent owners although pharmaceutical companies can still hope to secure them and rights holders can still aspire to win a sales ban at the International Trade Commission. The sheer size of the US economy helps it lead the way in terms of market impact.

Mexico

Legal score – 8
Market score – 5
Overall score – 40

IAM says – Proximity to the United States as well as Mexico's growing importance in global supply chains mean that an injunction can provide a valuable point of leverage for rights holders.

Brazil

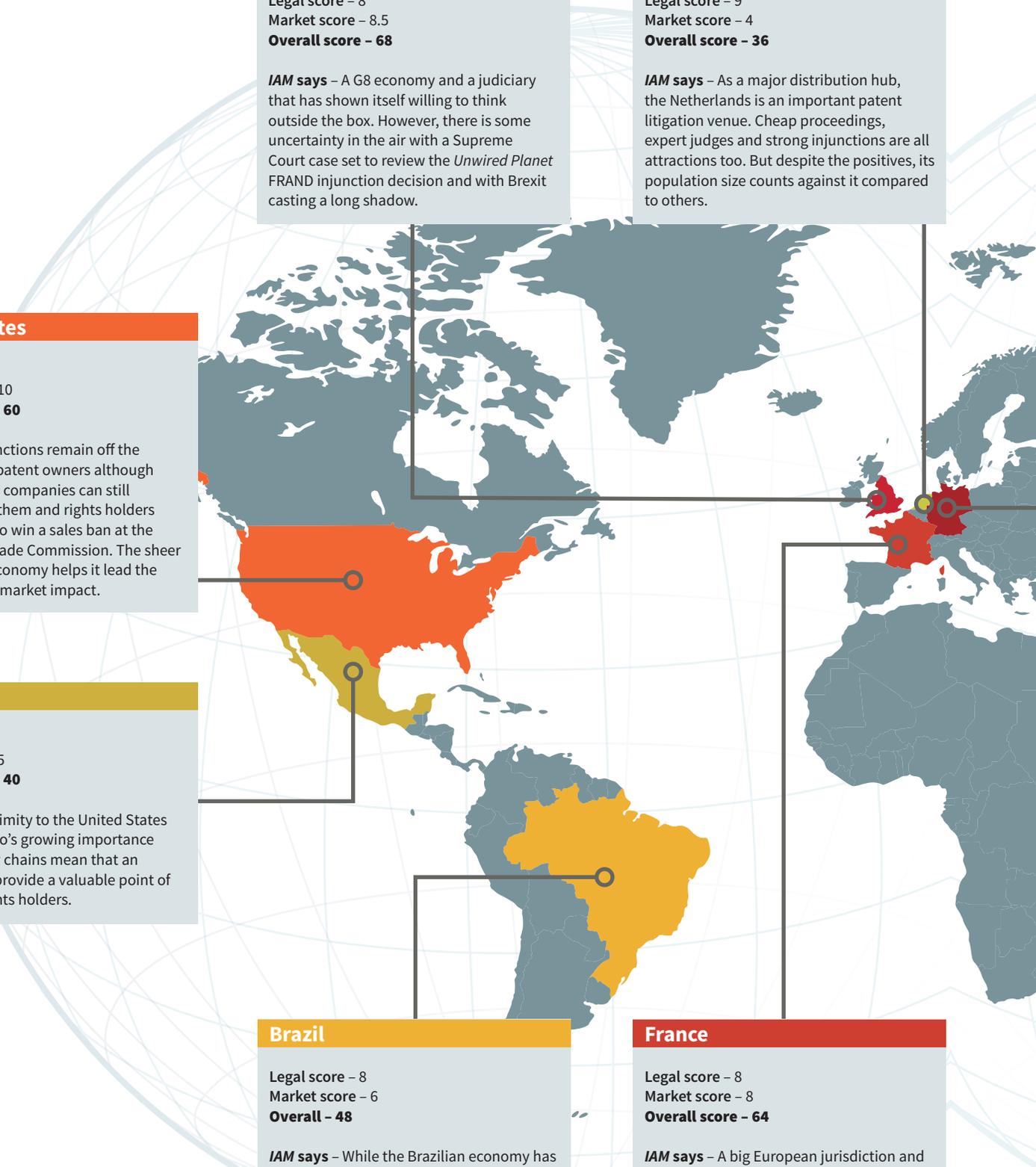
Legal score – 8
Market score – 6
Overall – 48

IAM says – While the Brazilian economy has stuttered of late, it is still one of the leaders among emerging economies. Further, with injunctions available to NPEs and in cases involving SEPs it is a jurisdiction of growing interest to IP owners.

France

Legal score – 8
Market score – 8
Overall score – 64

IAM says – A big European jurisdiction and a G8 economy that is beginning to attract some serious interest from patent plaintiffs. However, the injunction regime has yet to divert many from prioritising the English and German courts.



Germany

Legal score – 10
Market score – 9
Overall score – 90

IAM says – Europe’s patent superpower: more cases are heard in Germany than anywhere else on the continent and meaningful injunctions are awarded on a more regular basis. The one slight fly in the ointment is the trouble that bifurcation can cause.

China

Legal score – 8
Market score – 8
Overall score – 64

IAM says – Injunctions are readily available in China’s continental-style legal system. The size of the market and its importance to the supply chain are unparalleled, but concerns over judicial independence and judgment enforceability linger.

Japan

Legal score – 8
Market score – 6
Overall score – 48

IAM says – Permanent injunctions are granted automatically in Japan, the world’s third-largest economy. But in this decidedly staid litigation environment, just a handful are issued each year.

South Korea

Legal score – 6
Market score – 4
Overall score – 24

IAM says – The legal environment for patent plaintiffs is improving in this mid-sized but wealthy market. Permanent injunctions are upheld with some frequency, although overall litigation levels are fairly limited.

India

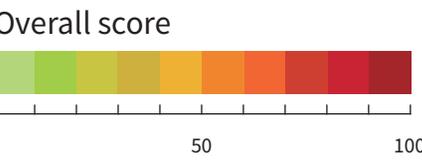
Legal score – 7
Market score – 7
Overall score – 49

IAM says – In India’s slow-moving legal system, it is all about the interim stage. The Delhi High Court has adopted a progressive approach to these temporary orders, but their benefit to plaintiffs depends greatly on the level of interim payments set.

Vietnam

Legal score – 5
Market score – 2
Overall score – 10

IAM says – Patent litigation is at an embryonic stage in Vietnam, which is increasingly becoming a home for high-tech manufacturing. Early returns show that a preliminary injunction is difficult to get, although permanent injunctions will be awarded to successful plaintiffs.



United States

Overall environment

The availability of injunctive relief for the infringement of patents in the United States heavily depends on both the venue in which a case is brought and the industry in which the patented invention lies since the Supreme Court's 2006 decision in *eBay v MercExchange*. Injunctions – in the form of exclusion orders and cease and desist orders – continue to be granted by the International Trade Commission (ITC) for unfair trade practices, which include the import of infringing articles into the United States, regardless of the art at issue. However, injunctions are rarely granted in district courts, except in cases involving pharmaceutical patents.

Recent developments

Many practitioners and commentators rightfully predicted that *eBay* would make it virtually impossible for non-practising patent owners to obtain injunctions. However, few predicted how difficult it would be for practising patent owners to obtain injunctions in district courts against their principal competitors. That latter difficulty may ultimately stem from *eBay*, but it is more directly the result of the Federal Circuit's refinement of what is required for a showing

of irreparable harm, now that such harm is no longer presumed when infringement is found.

In the course of the years-long dispute between Apple and Samsung, the Federal Circuit determined that a showing of irreparable harm requires a showing of a causal nexus between the infringement and the harm suffered by the patent owner. Of course, in cases involving complex consumer products that are covered by thousands of patents, making such a showing can be difficult, if not impossible. Such a showing is much easier to make in cases involving pharmaceutical patents, which may explain why the district courts continue to grant injunctions in such cases.

The irreparable harm inquiry is not at issue in investigations brought before the ITC, which is authorised to grant injunctive relief only. There, once the jurisdictional and substantive requirements are met, exclusion orders are granted as a matter of course unless the ITC determines that such a grant would not be in the public interest. The ITC has not found this in more than 30 years.

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Mexico

Overall environment

With globalisation and the advantages granted by the Patent Cooperation Treaty, patent protection is a necessity in Mexico.

Patent infringement proceedings are administrative matters. The Mexican Industrial Property Institute (IMPI) is in charge of prosecuting applications and is the first entity to hear infringement cases. IMPI proceedings are governed by the Mexican Industrial Property Law, which provides specific evidentiary rules.

According to this law, a plaintiff can obtain precautionary measures against an infringer before filing a complaint, or together with it. Such measures usually involve the seizure of infringing merchandise, moulds, raw materials or any other products relating to the patented invention, as well as the issuance of restrictive orders. However, before any action is taken, the IMPI often requests some kind of evidence to demonstrate that the defendant is infringing the respective patent.

According to Mexican law, the scope of a patent right is determined by the subject matter of the corresponding claims only, including technical features from the specification and drawings or, when applicable, the deposit of biological material. According to Mexican case law, so-called 'literal infringement' is the most common acceptable criterion when analysing patent infringement.

Recent developments

The Industrial Property Law does not contain specific provisions on preliminary relief relating to patents.

General procedural rules apply to cases relating to patent and trademark infringement.

A patent holder can request an injunction (granted under the administrative proceeding, not by a court) provided that this complies with the applicable legal provisions. However, it cannot request a search.

In connection with injunctions, the IMPI can grant a preliminary injunction provided that the claimant proves its ownership of the patent in one of the following circumstances:

- presumed existence of infringement;
- possibility of irreparable damage being sustained;
- imminence of infringement; or
- justified fear that evidence may be destroyed, lost or altered.

After the IMPI has granted an injunction, it will conduct an inspection, seize the infringing goods (if any) and notify the alleged infringer. Only the IMPI can decide to perform an inspection or seize infringing goods.

At this point, the defendant can file a brief within 10 days after the inspection and it can then raise arguments against the inspection and the grounds of infringement. Finally, and after the cited preliminary injunction is granted, the claimant has 20 days to file a patent infringement action before the IMPI can confirm the injunction.

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Brazil

Overall environment

Brazil is the second-largest country in terms of gross domestic product and population in the Americas and is a key market for several industries (eg, consumer electronics and telecoms). However, an important feature of the Brazilian patent system is still relatively unknown – that preliminary injunctive relief is readily available.

This is because the local standards for obtaining preliminary injunctions are much lower than those of other jurisdictions. There is no need to give notice to the defendant, which means that plaintiffs are often able to obtain injunctive relief immediately after filing a complaint and before defendants are even served with the summons. Typically, there is no need to post a bond, give security, discuss balance of hardships or public interest. In addition, the plaintiff is permitted to have an *ex parte* in-chambers meeting with the judge, which also increases the chances of obtaining a preliminary injunction.

Moreover, there have been no judgments similar to *eBay v MercExchange* in Brazil and therefore, NPEs are equally capable of obtaining injunctive relief, even if the asserted patents cover standard-essential technologies, as seen in *Vringo v ZTE* and *Ericsson v TCT*.

Generally, to obtain injunctive relief, the plaintiff must present evidence to establish:

- the likelihood of eventually prevailing on the merits; and
- that the result sought with the lawsuit could be frustrated or harmed if an injunction is not granted

(ie, the plaintiff must establish that granting the preliminary injunction is an urgent matter).

Plaintiffs often rely on technical opinions to support their arguments to convince the courts to grant injunctive relief. Such opinions are preferably obtained from, and prepared by, well-known professors teaching at renowned universities in Brazil and abroad.

Recent developments

Studies covering the most relevant venues in the states of Rio de Janeiro, Sao Paulo and others, show that the chances of obtaining injunctive relief are between approximately 42% and 60%.

In summary, the lower standards for obtaining preliminary injunctive relief, together with other characteristics of the patent litigation legal framework, such as the bifurcated system (eg, invalidity must be raised in a separate and slower procedure before a different court) and the possibility of implementing forum-shopping strategies make Brazil a pro-plaintiff jurisdiction and an appealing battleground for global patent disputes. While this represents a significant opportunity for companies seeking to enforce their patent rights, it creates a substantial risk for multinational corporations doing business in Brazil.

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England and Wales

Overall environment

The availability of injunctive relief in England and Wales is a tale of two stories. Although preliminary (interim) injunctive relief is available in principle, it is only granted in specific circumstances. Conversely, final injunctive relief is usually granted except in exceptional circumstances.

One of the requirements for preliminary injunctive relief to be granted is that the patentee has suffered irreparable harm. The courts have taken the view that a patentee will rarely incur such harm; rather, it is usually compensated in damages. The exception to this is in the pharmaceutical industry. It is generally accepted by the courts that the launch of a generic drug leads to an irretrievable depreciation in the price of the innovator patentee's product, thereby causing irreparable harm.

For final injunctive relief, if there is an ongoing threat to infringe (a low threshold), the court will usually grant an injunction unless it would be grossly disproportionate to do so. One example of this is medical devices, where an injunction may put patient health at risk. Importantly, when granting a final injunction, the court will not consider the identity of the patentee and – in particular – its business model. This means that final injunctions are available to manufacturers and NPEs alike.

This practice should be seen in the context of the speed with which the courts operate. A first-instance

decision is usually given within 12 months. If the matter is urgent, then proceedings can be expedited. For example, in *Napp Pharmaceutical Holdings v Dr Reddy's*, first-instance and appeal decisions were reached within six months. Unless there is a stay pending an appeal, an injunction is then enforceable. Even with an appeal, an injunction may be enforceable if the patentee gives cross-undertakings as to damages.

Therefore, while preliminary injunctions may not generally be available to patentees in England and Wales, final, unappealable injunctions can be obtainable more quickly than in other jurisdictions and without incurring the risk of giving a cross-undertaking as to damages or bond to compensate the defendant for the incorrect granting of an injunction.

Recent developments

The most recent developments in relation to injunctions are in relation to SEPs. In *Unwired Planet v Huawei*, the court held that, if an SEP owner were to establish that one of its SEPs was valid, essential and infringed, having determined the terms of a FRAND licence, the court would likely oblige a prospective licensee to take a global SEP portfolio licence or be enjoined in the United Kingdom.

In doing so, the courts developed the so-called 'FRAND injunction'. This is an injunction which

automatically lapses if a prospective licensee subsequently elects to take the determined FRAND licence. Further, on expiry of the determined FRAND licence (which typically lasts five to seven years), the court can reinstate the injunction if the prospective licensee has declined another offer of a FRAND licence.

As a jurisdiction, England and Wales loses points because of the limited availability of preliminary

injunctions and because final injunctive relief may be stayed pending the outcome of an appeal. However, it receives accolades for the general availability of final injunctions, the innovative approach adopted by the courts in relation to such relief, the speed at which it can be obtained and the courts' agnostic approach to the identity of the patentee.

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Germany

Overall environment

According to German law, an injunction claim will be granted in a case where patent infringement is found. This is true for finding infringement in either actions on the merits or preliminary injunction proceedings. It is widely understood that an injunction claim is key in making patents meaningful and in supporting the efforts of the German innovation industry, especially the German *Mittelstand* and the pharmaceutical industry.

An injunction claim can be enforced based on first-instance verdicts if the patent owner places a bank guarantee to secure potential damages that may be claimed by the patent infringer. This secures the rights of the patent infringer if they are found not guilty of infringement. This also prevents the patent owner from enforcing an injunction claim frivolously.

Recent developments

A prominent example of such a case occurred in 2018 when the Dusseldorf District Court granted injunction claims based on AVC/H.264 SEPs in *Huawei and ZTE*. The injunctions were also enforced following the placing of the necessary bonds to secure potential damages. These cases were settled by Huawei and ZTE taking out a corresponding licence.

Of approximately 1,000 patent infringement cases – including actions on the merits and preliminary injunction actions – handled in Germany each year, infringement is found in 40% of cases. Based on this estimate, the German courts grant approximately 400 injunctions per year as a result of patent infringement. However, in approximately 10% of these cases, the

injunction claim is not granted due to the FRAND requirement not being fulfilled. No numbers are available for enforced injunctions. In many cases, the parties settle before the enforcement of the injunction claim is granted.

Starting with the *MPEG-2* and *Orange Book* cases in the early 2000s, the German courts have since built a detailed FRAND jurisdiction based on multiple cases. This case law continued with additional guidelines following the 2015 *Huawei v ZTE* decision, which was brought to the European Court of Justice by the Dusseldorf District Court.

Although German law is clear about the circumstances under which an injunction can be granted, over the past year the courts have focused more on requiring SEP holders to fulfil the non-discriminatory element of a FRAND proposition. In this way, granting different parties different conditions for licences to the same SEP can easily become a poisoned pill. Alternatively, treating every party equally means that there is no room for patent infringers to argue that they should give different rates to existing licensees in established programmes.

A key issue in many recent cases has been the question of a marketplace-based reference to determine whether the licence offered to an SEP infringer is FRAND. Where a convincing reference exists, the courts will rely on it. Where there is no such reference, the patent owner will need a good non-discrimination argument.

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France

Overall environment

Any person entitled to initiate an infringement action (ie, the owner of the patent or the exclusive licensee) may request preliminary or provisional/permanent injunctions against the alleged infringer, its intermediaries or suppliers to prevent imminent infringement or to cease the infringing action. Preliminary injunctions can be obtained *ex parte* or *inter partes* depending on the urgency of the case. For an *ex parte* proceeding the applicant must show that any delay would cause irreparable harm.

Preliminary injunctions were almost impossible to obtain in France in the past. However, recent case law shows a shift in the attitude of French judges, who are becoming more favourable to patentees. A provisional/

permanent injunction request will be granted if the patent is declared valid and infringement is found, provided that such an injunction is requested by the claimant. In some cases, the judge may refuse to grant a provisional/permanent injunction on the basis that the infringer has ceased the infringing activity or has already undertaken to put an end to the infringement.

Provisional injunctions can be subject to the payment of a bond or the court may authorise the continuance of the infringement pending the outcome of an appeal subject to a bond.

For preliminary injunctions, the claimant is required to demonstrate that infringement is likely or imminent and that the patent at issue is *prima facie* valid. In

that respect, only *prima facie* and obvious invalidity of the patent makes the infringement impossible as patents enjoy a presumption of validity. In preliminary injunction cases, extensive debates on validity occur at that level. The judge in charge of the preliminary injunction application has no jurisdiction over patent validity, but will make a pre-assessment of the risk of revocation of the patent at issue. It is impossible to obtain a preliminary injunction when infringement by equivalence is claimed.

Unless the injunction is granted in the course of pending proceedings, the applicant must initiate proceedings on the merits within 20 business days or 31 calendar days (whichever is longer), otherwise the preliminary injunction is void and the defendant may be entitled to damages as a result of the injunction.

Recent cases

The key cases in 2018 and 2019 included the following:

- The granting of six preliminary injunctions, which consisted of:
 - the seizure of goods;
 - the withdrawal and recall of goods under a penalty fine (within a short period of 48 hours) and the right to information under penalty; and
 - the option to order provisional damages.

- The highest amount of provisional damages granted to the sum of €13 million (Paris CFI, 7 June 2018, *Teva Sante v Novartis*). In this case, injunctions under a penalty fine (ceasing of sales and communication of information) and the authorisation to perform a seizure under bailiff control were also granted.

Recent developments

France is becoming a more attractive forum for patentees, particularly those in the life sciences and pharma field. The limited number of preliminary injunctions likely stems from the fact that patentees and exclusive licensees rarely try to get them. However, such parties should try to get injunctions more often, as the Paris Court of First Instance has proven to be inclined to grant them, provided that the requirements are met. Indeed, recently, in two cases, injunctions were refused as the requirements regarding the scope of the patent and infringement was not established, nor was the patent validity seriously challenged (*Mv Industrie v Otto Graf*, Paris CFI, 25 January 2019 and *Fresenius Kabi v Amgen*, Paris CFI, 14 February 2019).

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The Netherlands

Overall environment

Injunctions are granted by the Dutch courts where patent infringement is found. This applies in both main and summary proceedings. Although the interests of the parties play a role in summary proceedings, this almost never results in an injunction being denied if patent infringement is found. In appropriate circumstances, the injunction can extend beyond the Netherlands, which results in a so-called 'cross-border injunction'. Irrespective of this, injunctions in the Netherlands are effective, given the country's role in many distribution chains, which can affect the entire continent.

The District Court of The Hague has exclusive jurisdiction over patent matters. Decisions of the court can be appealed to the Hague Court of Appeal. Both courts have a specialised IP chamber with experienced patent judges. For the swift handling of matters, the District Court has created an accelerated regime for patent cases. Under this regime, the court provides a schedule according to which the proceedings will be run and which sets, among other things, a date for the oral hearing before the proceedings commence. The oral hearing is normally scheduled approximately eight to nine months from the start of proceedings.

The enforcement of injunctions almost never requires the posting of a bond. Enforcement is effective as the injunction is issued under pain of penalty, which is due to the patentee.

Recent cases

The Dutch courts can grant relief quickly where needed. In the recent *Searle v Sandoz* case, a provisional prohibition of infringement on pain of penalty was

granted in *inter partes* proceedings just seven business days after the writ of summons was issued.

Other notable recent cases include *Philips v Asus* and *Philips v Wiko*. Both Asus and Wiko were found to be infringing Philips' SEPs in the telecoms field. In both cases, the Court of Appeal considered the defendants to be unwilling licensees and granted Philips unconditional injunctive relief on pain of penalty of their SEPs.

Recent developments

Dutch courts are reluctant to apply exceptions to the rights of patent holders. Recently, in *Nikon v ASML*, the District Court noted that the main rule is that the court must grant an injunction where infringement is found. Article 12 of the EU Enforcement Directive (2004/48/EC) – which allows for awarding damages instead of a prohibition – has not been implemented by the Dutch authorities. Dutch civil law and European law (eg, competition law) allow for some exceptions, but the court also held that these exceptions should be applied cautiously.

The fact that exceptions are applied with caution was demonstrated in both the *Philips* cases, where FRAND defences brought to prevent the Court of Appeal from issuing an injunction failed and an unconditional injunction on pain of penalty was issued.

These cases confirm that patent holders, including SEP owners, are in a strong position in the Dutch courts.

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China

Overall environment

Under current Chinese law and practice, an injunctive order is granted almost by default if infringement is found. This is largely believed to be consistent with Chinese legal tradition.

Notably, the Supreme People's Court Judicial Interpretation, which became effective in 2016, provides that the court may refuse to grant an injunction in circumstances where:

- the injunction may damage the national or public interest; or
- the SEP owner failed to comply with FRAND obligations.

Recent developments

In reality, such cases are rare. Since 2017, injunctions have been refused in fewer than 10 cases and all of these related to public interest concerns. For example, in *Wuhan*

Kelanjinli Construction Material v Wuhan Water Resource Development Investment, where the alleged infringing products were prefabricated parts for levee construction, the Wuhan Intermediate Court decided that social resources would be wasted and the public interest relating to flood control would be damaged if the defendants were prohibited from using the products. In these cases, the courts allowed the defendants to continue to use the infringing products, but not to make or sell them.

However, a sales ban is almost always available in China. In a controversial case in 2018, the Fuzhou Intermediate Court granted Qualcomm two preliminary injunctions against Apple's sales and imports of seven iPhone models, while Apple attempted to argue that the preliminary injunctions were moot because of updates to its operating software, iOS.

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India

Overall environment

Patent injunctions in India can take the form of an interim or temporary injunction, which are typically issued soon after the filing of a suit for infringement and a permanent or final injunction that is issued after a trial. Patent litigation in India is largely focused on obtaining temporary injunctions and many years can be spent at the interim relief stage in the courts before the trial even commences, with the interim relief governing the rights of the parties.

The basic principles for obtaining an injunction in India remain unchanged. Practice suggests that it becomes easier to obtain injunctions if the credibility of the patent itself is strong. This can be demonstrated in many ways, including whether:

- a patent with the same or similar claims has been granted in multiple jurisdictions;
- the patent has been previously enforced successfully;
- the patent has withstood opposition before other courts or another patent office; or
- the patent has been in force for a reasonably long time.

Where a patent is established as *prima facie* valid and infringed, the Indian courts regularly grant injunctions at an interim stage.

Recent developments

Two recent major decisions have indicated that the courts are hesitant to tackle complex technical matters in the absence of expert evidence. The most notable was *Monsanto*, which looked at the use of certain hybrid seeds which Monsanto claimed patent rights over. In this case, the Supreme Court held that the subject matter of the case was scientific and "technically complex" and that summary adjudication was "neither desirable nor permissible" without the provision of expert evidence and the examination of witnesses. In a different decision made around the same time, the Madras High Court reiterated this sentiment and held that parties could not rely only on documents and arguments (*La Renon Health Care Pvt, Ltd v UOI and others* (WP 1219 of 2014, Madras High Court, 10 January 2019)).

From a rights holder's perspective, this is a critical change in patent case law. The Indian courts are beginning to find that complex patent cases tend to deal with established science that can be damaged by inaccurate statements and loose observations. As a result, reliable evidence is fundamentally important. This emphasis on scientific evidence could affect patent litigation strategies going forward.

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Japan

Overall environment

In Japan, patentees have two methods available to compel an infringer to cease infringement activities:

- an injunction in the ordinary litigation process; and
- a preliminary injunction for civil provisional remedies.

In principle, if the court determines that patent infringement has occurred, an injunction will be

automatically granted. This is a strong feature of the Japanese patent system.

However, when a patentee needs to obtain injunctive relief faster than the ordinary litigation process, a preliminary injunction may be demanded, regardless of whether such a demand is made in or outside the context of the ordinary litigation process (a preliminary injunction is typically granted in eight to 12 months).

Nevertheless, it should be noted that a Japanese court will grant a preliminary injunction only when it determines that provisional remedies are needed, given certain considerations, including a balancing of hardships.

Recent developments

In 2018 the district courts issued 27 decisions in patent cases where the parties pursuing the ordinary litigation process sought injunctions. Of these, the plaintiffs won

11 cases and in each of these 11 cases, an injunction was granted at a rate of 41% (ie, 11 out of 27 cases). Examples of cases where injunctions were granted include patent litigation for inventions relating to foreign exchange transaction management services, architectural panels and antenna devices.

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South Korea

Overall environment

In South Korea, patentees operate in an environment that is increasingly favourable for protecting and enforcing patent rights. The 2016 amendments to the Patent Act provided that patentees have a more relaxed burden of proof when it comes to proving infringement and the amount of damages. Once patentees establish infringement, they can obtain a permanent injunction automatically without the courts undertaking a further analysis of factors analogous to the *eBay* factors.

South Korea has traditionally operated under a dual-track system for resolving patent and other IP-related disputes. In 2016 the intermediate appellate jurisdiction was consolidated with the Patent Court and, as a result, the Patent Court began to hear appeals of judgments rendered in infringement actions where the granting of a permanent injunction was often a critical issue. Data from the past two years reveals that the Patent Court has upheld several permanent injunction orders.

Recent developments

Against the backdrop of a relaxed burden of proof and the automatic granting of injunctions there may be an

expectation that South Korean courts will grant and – more importantly – uphold the granting of permanent injunctions in a high number of cases. However, recent data does not necessarily support this expectation. A possible explanation could rest on the fact that the Patent Court, considering its enhanced expertise and experience in adjudicating patent disputes following the jurisdictional consolidation, can scrutinise the underlying facts and evidence – both from court records and that which is newly proffered on appeal – when reviewing permanent injunctions.

Therefore, the ability of patentees to obtain an injunction in South Korea depends on the resolution of two competing forces. On the one hand, patentees and other IP owners are aided by the procedural and judicial tailwinds that favour the enforcement of patent rights. On the other hand, patentees must persuade that a permanent injunction is warranted in light of the underlying facts on appeal at the Patent Court.

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Vietnam

Overall environment

Preliminary injunctions (PIs) are crucial in preventing further damages to patent holders following the finding of infringement. Despite the importance of PIs, applying them in Vietnam is still difficult for patent holders, as a result of the vagueness of relevant provisions on their applicability and the practical difficulties in securing a PI in court.

Under Vietnamese law, PIs are granted only if:

- there is a risk of irreparable damage to the IP holder; or
- there is a risk of the dispersal or destruction of goods or evidence relating to IP infringement if they are not protected in time.

Joint Circular 02/2008 defines ‘irreparable damages’ as “damages which are the inevitable consequences of an infringement which is about to happen, and when such damages occur, they will be irreparable for the IP holder unless the PI is applied”. However, this definition is unclear and, as a result, it is difficult for PI applicants and the courts to prove whether irreparable damages will occur.

Given the struggle to prove irreparable damage due to the vagueness of the law, it is difficult for a patent holder

to seek a PI in this way. However, it is even more difficult for patent holders to demonstrate that there is a risk of the dispersal or destruction of goods or evidence relating to IP infringement.

Recent developments

There are no official statistics on the number of PIs granted by the Vietnamese courts. However, it is likely that such a number can be counted on one hand given the lack of patent disputes that are settled in court, the lack of requests for PIs and the reluctance of the courts to grant PIs.

The first PI granted by a Vietnamese court in a patent dispute was in Thanh Hoa province in 2009. The PI successfully prohibited the respondent from manufacturing, trading and advertising infringing products. In recent pharmaceutical patent disputes handled by various provincial courts, the courts have refused to grant PIs with the view that the plaintiff failed to provide evidence of the irreparability of the damage. **iam**

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