

## PRELIMINARY INJUNCTION MOTIONS IN PATENT LITIGATION

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### I. INTRODUCTION

An injunction is "an order that is directed to a party, enforceable by contempt, and designed to accord or protect some or all of the substantive relief sought by a complaint in more than temporary fashion." [n2] A preliminary injunction is a provisional injunction issued pending the disposition of a litigation, [n3] the purpose of which is to "preserve the status quo and to protect the respective rights of the parties pending a determination on the merits." [n4]

This article concerns preliminary injunctions in the patent litigation context. Although varying types of preliminary injunctions in patent litigation have been obtained and are available, [n5] this article focuses on motions for preliminary injunction whereby patentees seek to enjoin alleged infringers from further infringement of patents pending trial and/or seek recalls of accused product. The purpose of this article is \*324 twofold. First, this article is intended to educate the Bar with respect to the law relating to preliminary injunctions in patent litigation. Second, it is intended to present ideas and advice for attorneys who find themselves engaged in preliminary injunction motion practice in patent cases.

In the past decade, preliminary injunction motions have become effective tools in patent infringement actions and the courts have shown an increased willingness to grant such motions. Intellectual property attorneys should be acquainted with the law relating to preliminary injunctions in patent cases for two reasons. First, because of the considerable time pressures associated with a preliminary injunction motion, counsel already familiar with the law will have a significant advantage. Second, conduct prior to the filing of any such motion may affect substantially the chances of success of the motion. Therefore, it is important that counsel not wait until it is decided to file a preliminary injunction motion to become knowledgeable about preliminary injunction law.

### II. THE CURRENT LEGAL ENVIRONMENT

Prior to the establishment of the Federal Circuit Court of Appeals in October, 1982, the courts were very reluctant to grant preliminary injunctions in patent actions. As characterized by one court, the standard for granting such relief in patent cases was "unusually stringent." [n6] For example, while the movant in a non-patent case needed to show a likelihood of success on the merits, a patentee was required to show that the patent was "beyond question" valid and infringed. [n7] Although a patent was presumed valid by statute and could only be invalidated by clear and convincing evidence, in the preliminary injunction context, the patentee was sometimes required to show either that (1) his or her patent had previously been adjudicated valid, (2) there was public acquiescence to its validity, or (3) there was conclusive direct technical evidence proving its validity. [n8] In addition, in contrast to a non-patent \*325 case, where the movant could obtain an injunction if it was shown that irreparable harm would occur absent an injunction, a court in a patent case generally refused to order an interlocutory injunction unless it was established that the alleged infringer was insolvent and would not, therefore, be answerable in damages. [n9]

Since its institution, the Federal Circuit has taken great steps to lessen the burden of patentees seeking preliminary injunctions. Attributing the once stricter standard to an unfamiliarity with patent issues and an unfounded belief that the ex parte examination by the Patent and Trademark Office is inherently unreliable, [n10] the Federal Circuit has stated that the standards applied in patent cases should be no more stringent than in non-patent cases. [n11] In fact, if anything, the standards currently applied in patent cases are less stringent than in non-patent cases and the trial courts have shown an increased willingness to issue preliminary injunctions to stop patent infringement. [n12] One trial court recently opined that in patent infringement cases "the preliminary injunction carries more importance than in other cases." [n13]

One statistic is telling. Of the approximately fifty (50) trial court patent preliminary injunction decisions reported in the United States Patent Quarterly (Second), more than sixty (60%) percent have granted injunctions. [n14] Since the Federal Rules of Civil Procedure require a court to issue findings of fact and conclusions of law whether or not a preliminary \*326 injunction is granted, [n15] there is no reason to believe that a decision which granted a preliminary injunction is more likely to be published than a decision which denied an injunction.

Because the courts have become more amenable to granting injunctive relief pendente lite in patent litigation, and because Federal Circuit substantive patent law precedent has created a more favorable environment for patentees in general, motions for preliminary injunction in patent cases have become effective weapons. The most important benefit to the patentee is that preliminary injunction (or temporary restraining order) [n16] applications can be decided early in the lawsuit. Such applications may be heard within days or weeks after filing of the patent action. A preliminary injunction motion may also promote a settlement of the suit. Further, before or after the commencement of the hearing of an application for a preliminary injunction, the court may order the trial of the action to be advanced and consolidated with the hearing of the application. [n17]

At the same time, it goes without saying that an injunction can be devastating to a company charged with infringement. If the accused product is a central part of the company's business, the alleged infringer can be ruined financially by an injunction.

Therefore, it is important that intellectual property attorneys be familiar with the law relating to preliminary injunctions in patent actions. With no warning and very little time to prepare memoranda and marshal evidence, counsel may be engaged in preliminary motion practice which, for all practical purposes, will decide an important patent litigation.

Practice Tip for Patentee: Before filing a motion for preliminary injunction, a patentee should consider carefully whether such a motion is prudent. Although there are often advantages to be gained by bringing on a preliminary injunction motion, there can also be a significant downside. A bond or other security is generally required before a \*327 preliminary injunction will come into effect [n18] and bond premiums can be substantial. In addition, if the patentee ultimately loses the action at trial, the alleged infringer may recoup its damages and costs caused by and incidental to the injunction against the bond, for which the patentee will be held responsible by the surety. Preparation of the moving and reply papers can be very expensive and there may be expedited discovery relating to the motion. In addition, if the patentee is hoping for a settlement, a defendant, which has been victorious in the motion, may be less willing to settle after expending the resources, time and money to fend off the motion. Finally, in the rush of prosecuting the preliminary injunction motion, damaging mistakes and statements can be made which can diminish the chances of ultimate success at trial.

Practice Tip for Alleged Infringer: Although a preliminary injunction can be obtained shortly after commencement of the action, some courts have expressed a reluctance to grant an injunction early in a case. Some have shown a hesitation to enjoin a party based on a "limited" record. [n19] One court declined to grant a preliminary injunction, noting that a preliminary injunction only a few months after the suit was filed would likely cause significant disruption, more than would a permanent injunction after all concerned parties had had a chance to prepare. [n20] The court further explained that if the alleged infringer were to prevail at trial, "the case would have resulted in two unnecessary periods of adjustment for all concerned." [n21] Where a patentee has brought on a preliminary injunction motion immediately after filing suit, the alleged infringer may gain some mileage by citing and discussing these authorities. However, the situation may be different where, although there has been little time to conduct discovery, the alleged infringer has been aware of the patent since well before the filing of the preliminary injunction motion. [n22]

\*328 III. THE STANDARD FOR PRELIMINARY INJUNCTIONS IN PATENT CASES.

The authority of federal district courts to grant preliminary injunctions arises from the Patent Act, which provides that the "several courts having jurisdiction under this title may grant injunctions in accordance with the principles of equity to prevent the violation of any rights secured by patent, on such terms as the court deems reasonable." [n23]

A district court exercising jurisdiction under the Patent Act is bound by the law of the Federal Circuit. [n24] It is settled that the grant or the denial of a preliminary injunction against patent infringement involves substantive matters unique to patent law and is therefore governed by the law of the Federal Circuit. [n25] However, as to purely procedural aspects of such injunctions, regional circuit law controls. [n26] For example, appropriate regional circuit law controls the issue of whether the district court, in granting a preliminary injunction, complied with Rule 52(a) or Rule 65 of the Federal Rules of Civil Procedure. [n27]

While the Federal Circuit has liberalized substantially the standard for obtaining preliminary injunctive relief in patent infringement suits, it has continued to state that such relief is an "extraordinary remedy which must not be routinely granted." [n28] It is generally recognized that the grant or denial of a preliminary injunction in a patent case is a matter committed to the sound discretion of the district court. [n29] A patentee must establish a right to a preliminary injunction in light of four separate factors, (1) a reasonable likelihood of success on the merits, (2) irreparable harm, (3) the balance of hardships tipping in favor of the requesting party, and (4) that the issuance of an injunction is in the \*329 public interest. [n30] The district court must balance each of these factors against the others and against the magnitude of the relief requested to determine whether a preliminary injunction should be granted or denied. [n31] Where a preliminary injunction is denied, "the absence of an adequate showing with regard to any one factor may be sufficient, given the weight or lack of it assigned the other factors, to justify the denial." [n32]

The Federal Circuit test appears to differ slightly from the standard used in non-patent cases. As explained by one trial court:

[I]t appears that the standard for issuing a preliminary injunction in a patent infringement case differs slightly from the standard in other type cases. Specifically, the burden of proving validity and infringement, i.e., "the likelihood of success on the merits" element, is greater.

However, once this burden is met, the burden of proving the necessity for injunction relief, i.e., the "no legal remedy" and "irreparable harm" elements, is lesser. Finally, the integrity of the balancing of the equities performed by the Court in determining whether injunctive relief is appropriate remains intact. [n33]

Each of the relevant factors are discussed more fully below.

**Practice Tip for Patentee:** Preliminary injunction motions are governed by Rule 65 of the Federal Rules of Civil Procedure and by local court rules. Prior to preparing such a motion, counsel should review the requirements of Rule 65 and the relevant local rules.

Practice Tip for Alleged Infringer: The evidence relevant to a motion for preliminary injunction is wide-ranging. Therefore, when notice of a preliminary injunction is received, counsel should make a prompt assessment of what discovery is needed, if any, to oppose the motion and should formulate a discovery plan. Counsel should also assess the time necessary to conduct the discovery and, if additional time is required to prepare the opposition, seek a continuance of the opposition due date. Counsel should further consider whether expedited discovery is appropriate and whether depositions of the patentee's declarants should be requested. It may be possible that an expedited discovery schedule and continuance can be worked out with opposing counsel. In obtaining a continuance, whether by application or stipulation, counsel should make certain that the continuance provides sufficient time. While \*330 courts will generally grant one continuance if requested, a court will be less inclined to provide a second continuance.

#### A. The Status Quo.

As set forth above, a stated purpose of a preliminary injunction in a patent case is to preserve the status quo. [n34] The Federal Circuit has indicated that preserving the status quo does not allow a defendant to continue its infringement at the same level that existed before the plaintiff moved for a preliminary injunction. [n35] Rather, "a preliminary injunction preserves the status quo if it prevents future trespasses but does not undertake to assess the pecuniary or other consequences of past trespasses." [n36] This does not mean, however, that the alleged injury done by an injunction to a defendant is not to be carefully considered, "only that the 'status quo' is not the talisman to dispose of the question by itself." [n37]

As such, the stated purpose of preserving the status quo usually does not enter into a court's consideration of the factors relevant to the decision of whether to grant a preliminary injunction in a patent case. However, in the patent infringement context, courts have issued orders requiring infringers to recall their infringing product. [n38] It is generally recognized that where a party seeks such mandatory preliminary relief, courts are very "cautious" about issuing a preliminary injunction. [n39] In one patent case, the trial court refused to order a recall, noting that because "mandatory preliminary injunctions disturb rather than preserve the status quo, they are 'particularly disfavored and should not be issued unless the facts and law clearly favor the moving party.' " [n40] \*331 Consequently, the court applied "a stricter standard than ordinary to the plaintiff's claim for mandatory preliminary relief." [n41]

Practice Tip for Patentee: Because of the stricter standard applied to requests for mandatory injunctive relief, counsel should attempt to frame the proposed injunction in terms of prohibitory relief to the extent possible. Counsel should also note that, under Rule 65(d) of the Federal Rules of Civil Procedure, an order granting a preliminary injunction must set forth the reasons for its issuance, be specific in terms, and describe in reasonable detail the conduct to be enjoined, without reference to the pleadings or any other documents. [n42]

## B. Likelihood Of Success On The Merits.

At the preliminary injunction stage, the patentee carries the burden of showing the reasonable likelihood of its success on the merits with respect to the patent's validity, enforceability and infringement. [n43] However, the courts have not been clear as to what is meant by a "reasonable likelihood of success." Some trial courts have equated this phrase to more probable than not that the patentee will succeed at trial. [n44] Others have stated that the patentee in the preliminary injunction context must establish a better than negligible chance of success, explaining that the "more likely the plaintiff is to win, the less heavily need the balance of harms weigh in his favor; the less likely he is to win, the more need it weigh in his favor." [n45] Regardless, it appears that establishment of a reasonable likelihood of success is essential to \*332 obtaining a preliminary injunction. [n46] Further, as is discussed more fully below, a strong showing of likelihood of success often favors establishment of the other factors, irreparable harm, balance of harm and public interest.

**Practice Tip for Patentee:** In order to obtain a preliminary injunction, a patentee need only show a reasonable likelihood of success with respect to one patent claim. [n47] In a situation where the validity of a broad claim is questionable, but infringement of a stronger, more narrow claim appears clear, the patentee may want to focus his or her moving papers on the narrow claim, rather than provide the alleged infringer a straw man to knock down.

**Practice Tip for Alleged Infringer:** Upon receipt of a notice of motion for preliminary injunction, consider taking the deposition of the inventor. If the motion has been filed early in the litigation, the inventor may not be well prepared for a deposition and may make significant admissions. Such admissions can be devastating to the case of the patentee. It has been recognized that an inventor "should be qualified to express any necessary opinion as to what constitutes infringement of his patent." [n48] There is, according to one court, "no one more qualified than the inventor to express [an] opinion as to what constitutes theft of inventiveness." [n49]

### 1. Likelihood of Success on the Issue of Infringement.

To establish a reasonable likelihood of success on the issue of patent infringement, a patentee must demonstrate a reasonable likelihood that at the trial on the merits he or she can prove by a preponderance of the evidence that the defendant's products infringe one or more claims of the patent. [n50] A patentee may establish likelihood of success by showing \*333 either literal infringement or infringement under the doctrine of equivalents. [n51]

### 2. Likelihood Of Success On The Issue Of Patent Validity.

A patent is presumed to be valid and the burden of establishing invalidity of a patent or any claim thereof rests upon the party asserting such invalidity. [n52] It is basic that one who challenges a patent must establish invalidity by clear and convincing evidence. [n53] The United States Supreme Court defines clear and convincing evidence as proofs which "place in the ultimate fact finder an abiding conviction that the truth of [[the] factual contentions are 'highly probable.'" [n54]

Nevertheless, this "presumption does not relieve a patentee who moves for a preliminary injunction from carrying the normal burden of demonstrating that it will likely succeed on all disputed liability issues at trial, even when the issue concerns the patent's validity." [n55] Therefore, the patentee must establish a reasonable likelihood that the patent challenger will be unable to establish invalidity by clear and convincing evidence. [n56] It has been explained that "a patent holder seeking a preliminary injunction can make a sufficient showing of patent validity in three ways: (1) a prior adjudication of the validity of the patent; (2) public acquiescence to its validity; or (3) direct technical evidence proving its validity." [n57] At the same time, some courts have found that the presumption of validity alone supports a preliminary injunction where the alleged infringer has not come forward with evidence of invalidity. [n58]

### \*334 3. Evidence Establishing A Likelihood of Success on the Merits.

Of course, evidence that will be admissible at trial to establish infringement and validity can be considered by the district court in deciding the preliminary injunction motion. However, it is important to note that "[t]he trial court may give even inadmissible evidence some weight when to do so serves the purpose of preventing irreparable harm before trial." [n59] Therefore, for example, although it is error to determine infringement at trial by a comparison of the patentee's commercial embodiment of the claimed invention with the accused product, [n60] one trial court held that the fact that a defendant copied a patentee's device evidenced that there was a reasonable probability of success on the issue of infringement. [n61] In another case, a trial court held that, even though ITC proceedings involving the same parties (where the patent was found not invalid and infringed) are not res judicata, the inference that the patentee was reasonably likely to succeed on the merits was "inescapable." [n62]

It is also well established that, in the context of a motion for preliminary injunction, the patentee may use a prior adjudication of patent validity involving a different defendant as evidence supporting his or her burden of proving likelihood of success on the merits. [n63] This is not to say that the district court is bound, as a matter of law, by the prior adjudication of validity. [n64] Rather, the district court as an exercise of its discretion, may give considerable weight to a prior adjudication of validity in determining the likelihood of success on the merits on the issue of validity in the preliminary injunction proceeding before it. [n65]

\*335 Practice Tip for Both Parties: Although inadmissible evidence can be utilized by the parties, counsel should submit admissible evidence to the extent possible. District

courts are in the practice of not considering inadmissible evidence and will likely give less weight to such evidence. Although hearsay evidence, for example, is permitted as proof in a preliminary injunction proceeding, counsel should try to obtain declarations from individuals with personal knowledge of the facts at issue.

Counsel should also make sure that the declarations submitted are fact specific. The courts are typically apprehensive about self-serving statements in the context of preliminary injunction motions, especially where the motions are made soon after commencement of the action and before the facts of the case can be developed fully. In one recent case, the Federal Circuit wrote: "[A] district court should be wary of issuing a injunction based solely upon allegations and conclusory affidavits submitted by plaintiff." [n66]

### C. Irreparable Harm.

The question of whether irreparable harm to the movant will result from denial of a preliminary injunction is an important factor to be considered. [n67] The Federal Circuit has made it plain that a patent holder can be irreparably injured by infringement, even if the infringer is answerable in damages. [n68] According to the Federal Circuit, "because the principal value of a patent is its statutory right to exclude, the nature of the patent grant weighs against holding that monetary damages will always suffice to make the patentee whole." [n69] The patent statute provides injunctive relief to preserve the legal interests of the parties against further infringement which may have market effects never fully compensable in money. [n70] "If monetary relief were the sole relief afforded by the patent statute then injunctions would be unnecessary and infringers could become compulsory licensees for as long as the litigation lasts." [n71]

\*336 However, "[a]pplication of the concept that every patentee is always irreparably harmed by an alleged infringer's pretrial sales would ... disserve the patent system." [n72] As the Federal Circuit has explained: "[T]here is no presumption that money damages will be inadequate in connection with a motion for an injunction pendente lite. Some evidence and reasoned analysis for that inadequacy should be proffered." [n73]

Irreparable injury is the most difficult factor to comprehend conceptually and is the most susceptible to conflicting opinions from the courts. The courts have indicated that "[t]he focus on the irreparable injury inquiry is harm that is impossible to measure in monetary terms." [n74] However, all patent cases concern money. Patent holders obtain patents for the very purpose of making money. As one trial court wrote:

I am frequently at a loss to understand in civil cases what is meant by irreparable injury. In criminal cases it is clear. You serve time in jail, and that time is gone; it can not be brought back. This litigation, on the other hand, concerns money. That is all Eli Lilly or Hybritech or Abbott want. That is all their investors care about. If an error is made, we can award money and repair the harm. So I am not quite sure what irreparable injury means in this context, but it must mean something.

The courts, and the Federal Circuit in particular, have said that preliminary injunctions are appropriate in patent cases and therefore that irreparable harm can and does exist. In some cases it is even presumed to exist. So irreparable harm must be something more than just the money damages suffered by the losing party.

A patent is a right to exclusive use granted by law. That right may give the patent holder not merely the ability to make cash; it gives him monopoly power. It may give him not just the ability to set prices with relative impunity, but to obtain concessions that others cannot, to establish licensing relationships and generally to exploit the commercial benefit of monopoly power. We usually do not like monopolies, but in the patent area the Constitution and courts have said that monopolies are fine.

In talking about irreparable harm, the question then is, might the denial of the preliminary injunction deprive Hybritech of the collateral benefits of holding the patent monopoly? These benefits are intangible, and the loss can be irreparable. The issue is not how many test kits Hybritech will sell, but the benefit to its business to be derived from having exclusive use of the patented invention. [n75]

\*337 A patentee can establish irreparable harm in one of two ways. First, if the patentee presents a "clear" or "strong" showing of success on the merits, irreparable injury is presumed. [n76] Second, if the patentee does not secure the benefit of such a presumption, the patentee can establish actual imminent irreparable harm.

#### 1. Presumption Of Irreparable Harm.

As stated above, a patentee is entitled to a legal presumption of irreparable harm after he or she makes a "strong showing" of likelihood of success on the merits. [n77] According to one trial court, "[t]o hold otherwise would be contrary to the public policy underlying the patent laws." [n78] "[W]ithout a clear showing of validity and infringement, a presumption of irreparable harm does not arise in a preliminary injunction proceeding." [n79] Some courts have explained that there can be no "clear showing of validity" where the alleged infringer has raised a "bona fide" question of invalidity. [n80] In one such case, the court wrote:

The kind of strong showing that raises the presumption is, for example, proof that the patent has already been held valid in a prior adjudication, or the failure of the alleged infringer to present any relevant evidence contesting the patent's validity. Here, however, the '070 patent has not previously been litigated, and although some of Hako's statements about invalidity are ineffective, by submitting the Schmidt and Wason patents Hako has raised a bona fide question of invalidity for obviousness. That measure of doubt prevents a clear showing of the patent's validity. [n81]

\*338 "A clear showing of infringement is, for example, a literal reading of the claims on the accused device, or an opponent's admission that if the patent is valid the device infringes it." [n82]

"Like most legal presumptions, [the presumption of irreparable harm] is rebuttable by clear evidence that it is overcome in the case at hand." [n83] The presumption merely

requires that an alleged infringer confronted by a patentee's strong showing of validity and infringement bring forward evidence that irreparable injury would not actually be suffered by the patentee if the motion for preliminary injunction were denied. [n84]

## 2. Nature of Irreparable Harm.

As discussed above, where the patentee has not made a clear showing of likelihood of success on the merits, the patentee has the burden of establishing actual irreparable harm. No matter how great the threat of irreparable injury, the threat must be immediate. [n85] Therefore, where the alleged infringer has discontinued any infringement with no intention of renewing the infringement, or where the alleged infringer is merely experimenting with a patented invention with no immediate plans to use the invention commercially, a preliminary injunction may be inappropriate. [n86] However, where the alleged infringer has not yet marketed its product, injunctive relief may still be warranted if the defendant's entry into the market is imminent. [n87]

\*339 What amounts to irreparable harm is another question. The Federal Circuit recently warned:

[N]either the difficulty of calculating losses in market share, nor speculation that such losses might occur, amount to proof of special circumstances justifying the extraordinary relief of an injunction prior to trial. Indeed, the district court's reliance on possible market share loss would apply in every patent case where the patentee practices the invention. [n88]

In patent litigation, the courts have granted preliminary injunctions to prevent various types of injuries which the courts deem irreparable, including the following: (1) Damage to reputation, loss of goodwill, confusion in the marketplace and/or loss of ability to sell non-patented items in the relevant market; [n89] (2) an inability of the infringer to pay any likely damage award; [n90] (3) a deleterious impact on the plaintiff's market share and pricing structure; [n91] (4) the encouragement of others to infringe; [n92] and, (5) an imminent threat to the survival of the plaintiff's business. [n93]

\*340 The courts have also looked to several different facts and circumstances in determining whether a patent holder will suffer irreparable harm without an injunction. Some of the factors which have been recognized to favor the imposition of preliminary injunctive relief include the following: (1) the alleged infringer is reaping the benefit of a substantial investment by the patent holder in product and market development; [n94] (2) the defendant has a significant presence in the related product market; [n95] (3) the plaintiff and defendant are direct competitors trying to influence the same group of customers; [n96] (4) the plaintiff's patent will expire in less than two years or there is a possibility that the value of the patent will be substantially diminished and the technology in the field will bypass the patented technology before the litigation is finished; [n97] (5) the patented invention is a principal part of the patent holder's business; [n98] (6) the patentee is at a significant competitive disadvantage without the patent; [n99] (7) the field of technology covered by the patent-in-suit is new; [n100] (8) there is a substantial

amount of competition in the field; [n101] (9) the technology in the relevant industry changes fairly quickly; [n102] and, (10) a considerable amount of research and development is being conducted in the relevant field. [n103]

\*341 It has been held that there may be irreparable harm even though the patentee does not practice the patented invention commercially. [n104] Further, it has been held that the existence of additional infringers does not justify continuing infringement of a patent. [n105]

### 3. Delay In Bringing On A Motion For A Preliminary Injunction.

The Federal Circuit has noted that a contention of irreparable harm may be rebutted by a showing that the patentee has delayed in seeking the injunction, has granted licenses, or has done other acts that are incompatible with his or her right to exclude others from the invention. [n106] Therefore, trial courts have held that delay in seeking preliminary injunctive relief for the alleged infringement cuts against a patent owner's claim that he will suffer irreparable injury. [n107] However, the Federal Circuit has recognized that the "period of delay exercised by a party prior to seeking a preliminary injunction in a case involving intellectual property is but one factor to be considered by a district court in its analysis of irreparable harm." [n108] Although a showing of delay may be so significant, in the district court's discretion, as to preclude a determination of irreparable harm, a showing of delay does not preclude, as a matter of law, a determination of irreparable harm. [n109] A period of delay is but one circumstance that the district court must consider in the context of the totality of the circumstances. [n110]

Most patent cases where preliminary injunctive relief has been denied because of delays have involved delays of more than one year. [n111] \*342 However, preliminary injunctions have been granted where the delay has been significantly longer than one year. [n112]

A patentee might argue that significant delay was justified because it was attempting to negotiate a settlement with the alleged infringer or was dealing with other alleged infringers. At least one trial court has indicated that the reasons for the delay are irrelevant to the issue of whether the patentee will suffer irreparable harm. [n113] The court explained:

While [the patentee] points out that it delayed because of a dispute with General Motors and because of the hope of a successful negotiation with [the alleged infringer], the point is not that [the patentee] should be barred by laches for the delay; the point is that the delay shows that the situation is not so urgent or emergent that a preliminary injunction should be issued. [n114]

However, one court held that a period of delay of more than one year would not preclude a preliminary injunction where the plaintiff did not seek preliminary injunctive relief until it adjudicated another lawsuit that would establish a reasonable likelihood of success on the issue of infringement in the pending case. [n115] In another action, a court

granted a preliminary injunction in spite of a delay of eight years where, during the intervening period, there was a PTO interference, a PTO reexamination and settlement negotiations between the parties. [n116] The court explained that delay until infringement made litigation economically worthwhile was acceptable. [n117] In an additional case, the court granted an injunction where substantial delay was due to settlement negotiations. [n118]

#### 4. Licensing And/Or Willingness ToLicense The Patent As Evidence Of No Irreparable Injury.

Some courts found irreparable injury assertions to be undercut by a patentee's having licensed the patent and/or the patentee's willingness \*343 to license the patent. [n119] These courts have deemed such conduct "incompatible with the emphasis on the right to exclude." [n120]

Therefore, one trial court denied a preliminary injunction where the patent holder was in "the business of selling licenses to other manufacturers--it routinely contracts away its right to exclusivity in return for money." [n121] The court explained that, "while this point does not mean that [the patent holder] would not be entitled to a permanent injunction, it does argue significantly against the patentee's point that infringement for a limited period of time cannot be remedied by money damages." [n122] In another case, the trial court denied a preliminary injunction where the patentee had entered into license negotiations with the alleged infringer. [n123] The court stated that that action, together with significant delay in bringing on the motion for preliminary injunction, demonstrated "a pattern of conduct on the part of [the patentee] inconsistent with a desire to maintain the statutory right to exclude in order to protect goodwill." [n124] Still another found that a conclusion of no irreparable harm was "supported by the fact that [the patentee] has been licensing competitors under the patents and has offered [the alleged infringer] a similar license." [n125]

However, the cases with respect to licensing have not been uniform. In one decision, for example, the court granted a preliminary injunction where the patentee had established a licensing program and the alleged infringer's ability to bid projects using the allegedly infringing product without paying royalty irreparably injured the licensing program. [n126]

Practice Tip for Patentee: Counsel should avoid delay in bringing on a motion for preliminary injunction to the extent possible. Further, consider carefully whether an offer to license might hurt the patentee's chances of obtaining a preliminary injunction.

\*344 D. Balance of Harm.

Even when irreparable injury is established, the court must still consider whether the balance of hardships favor the patentee. [n127] "In considering the balance of hardships,

the Court must balance the harm that will occur to the moving party from the denial of the preliminary injunction with the harm that the nonmoving party will incur if the injunction is granted." [n128] The Federal Circuit has recognized that a "preliminary injunction is a drastic remedy. The hardship on a preliminarily enjoined manufacturer who must withdraw its product from the market before trial can be devastating." [n129]

One important consideration in weighing the balance of harms is whether the alleged infringer was aware of the patent when it developed its accused product. The courts have frequently issued preliminary injunctions where the infringement could have been avoided in the first place. [n130] Such "harm is self-inflicted" [n131] and "[t]hose who take calculated risks should be well aware that they thereby assume the risk of being put out of that business by the issuance of a preliminary injunction." [n132] Conversely, where a defendant developed its infringing product without knowledge of the patent, courts are more likely to weigh the balance of harms in favor of the defendant. [n133]

In weighing the balance of harms, a number of trial courts have balanced the proportional, rather than the absolute, harms of the parties. [n134] Therefore, in one case where the defendant would lose only a very small percentage of its total business by issuance of an injunction, and the plaintiff's potential loss would represent a far greater percentage of its business if infringement were permitted to continue, the balance of harms favored granting the motion. [n135]

\*345 It has been stated that "[t]he Court of Appeals for the Federal Circuit has indicated that the balance-of-hardship inquiry should be guided by the strength of plaintiff's showing that it will succeed at trial. [n136] As explained in one recent case: "The magnitude of the threatened injury to the patent owner is weighed, in the light of the strength of the showing of likelihood of success on the merits, against the injury to the accused infringer." [n137]

The courts have been less inclined to grant preliminary injunctions where the purportedly infringing product is the defendant's primary product and an injunction would be extremely harmful to the financial stability of the company. [n138] However, one court granted an injunction, stating: "Putting a defendant out of business is not enough to preclude a preliminary injunction, when the infringement and validity issues are clear...." [n139] On the other hand, the fact that the infringer's sales of infringing product have been small favors imposition of an injunction. [n140]

Preliminary injunctions have also been granted where the alleged infringer had a viable non-infringing alternative available for market, [n141] where the injury to the alleged infringer would be merely temporary in duration, [n142] where many of the parts of the infringer's enjoined product inventory could be used in its non-infringing product line, [n143] and where the infringer had just recently entered the market with its infringing product. [n144]

**Practice Tip for Alleged Infringer:** Normally, a preliminary injunction does not become effective until after bond is posted. [n145] In most instances, \*346 such a bond is the

limit of damages which the enjoined party can recover if the party was wrongfully enjoined. [n146] Counsel, therefore, should make certain to submit evidence sufficient for the court to assess an adequate amount for a bond, in the event that a preliminary injunction is granted. The defendant should request a bond that will cover sufficiently its lost profits, lost interest earnings and any other costs relating to the preliminary injunction.

The damages potentially caused by an improvidently granted injunction should equate substantially to the defendant's potential harm considered by the court in connection with the balance of harm factor. Therefore, the evidence relating to the issues of balance of harm and bond amount will be largely coextensive.

Counsel may be reluctant to submit quantitative evidence relating to the alleged infringer's possible lost profits because the plaintiff will be given information regarding the alleged infringer's sales. Counsel must weigh the consequences of providing this information against the consequences of an insufficient bond amount. Counsel should also take care not to overstate the facts relating to the possible lost profits since such overstatements may come back to haunt the accused infringer during the damages phase of the trial.

#### E. The Public Interest.

The Federal Circuit has explained that the focus of the district court's public interest analysis should be whether there exists some critical public interest that would be injured by the grant of preliminary relief. [n147] Therefore, the Federal Circuit has affirmed the denial of preliminary injunctions where the public health and welfare would be adversely affected by a preliminary injunction. [n148] Preliminary injunctions have also been denied where the grant of the injunction sought would "severely disrupt the supply of cotton bale wrap to the domestic cotton industry" [n149] and where the alleged infringer would be forced to lay off \*347 many employees and "the injunction would leave many third party computer manufacturers without a source of supply of tape drives for a significant period of time resulting in large financial losses to them as well." [n150]

Numerous courts have granted preliminary injunctions stating that the public interest factor favors the patentee because public policy favors protection of the rights of patent owners. [n151] One court opined that the public policy of protecting patent rights is more strongly implicated where the infringer has deliberately copied the patentee's commercial embodiment of the patented invention. [n152] Still, it has been explained that "it is not in the public interest to grant an injunction to the holder of what is likely to be proven to be an invalid patent." [n153] Further, there is a public interest in "free and open competition." [n154] Other courts have observed that, in the absence of some critical public interest other than the protection of valid patents or the preservation of competition, the public interest factor is "a neutral one." [n155]

Practice Tip for Alleged Infringer: Counsel should consider obtaining and submitting declarations from third-parties who will be harmed by the sought preliminary injunction.

#### \*348 IV. CONCLUSION

During the past decade, preliminary injunction motions have become effective weapons in patent infringement actions and the courts have shown an increased willingness to grant such motions. Therefore, intellectual property attorneys should be aware of the law relating to preliminary injunctions in patent cases. The foregoing is intended to provide counsel with guidance with respect to the handling of preliminary injunction motions in patent cases and to serve as a research tool for attorneys engaged in such motion practice.

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[n2] *Gon v. First State Insurance Co.*, 871 F.2d 863, 865 (9th Cir.1989).

[n3] See Fed.R.Civ.P. § 65.

[n4] *Cordis Corp. v. Medtronic, Inc.*, 835 F.2d 859, 863, 5 U.S.P.Q.2d 1118, 1121 (Fed.Cir.1987).

[n5] E.g., *Allergan Optical, Inc. v. Cohen*, 15 U.S.P.Q.2d 1810 (E.D.N.Y.1990) (preliminary injunction directing licensor to restore right of licensee's attorneys to initiate and prosecute patent proceedings in Patent and Trademark Office in accordance with provisions of patent licensing agreement); *Cordis Corp. v. Medtronic, Inc.*, 2 U.S.P.Q.2d 1845 (D.Minn.1986), *aff'd*, 835 F.2d 859, 5 U.S.P.Q.2d 1118 (Fed.Cir.1987) (preliminary injunction restraining defendant from terminating licensing agreement); *Gould v. General Photonics Corp.*, 230 U.S.P.Q. 706 (N.D.Cal.1986) (preliminary injunction granted to prevent disposal of assets).

[n6] *Rohm & Haas Co. v. Mobil Oil Corp.*, 525 F.Supp. 1298, 1302, 212 U.S.P.Q. 354, 359 (D.Del.1981).

[n7] E.g., *Mayview Corp. v. Rodstein*, 480 F.2d 714, 717, 178 U.S.P.Q. 449, 451 (9th Cir.1973); *Bose Corp. v. Linear Design Labs, Inc.*, 467 F.2d 304, 307, 175 U.S.P.Q. 385, 388 (2d Cir.1972).

[n8] E.g., *Carter-Wallace, Inc. v. Davis-Edwards Pharmacal Corp.*, 443 F.2d 867, 871 (2d Cir.), cert. denied, 412 U.S. 929, 37 L.Ed.2d 156, 93 S.Ct. 2753 (1971); *Jenn-Air Corp. v. Modern Maid Co.*, 499 F.Supp. 320, 323, 209 U.S.P.Q. 295, 298 (D.Del.1980), aff'd, 659 F.2d 1068 (3d Cir.1981).

[n9] E.g., *Nuclear-Chicago Corp. v. Nuclear Data, Inc.*, 465 F.2d 428, 430 (7th Cir.1972); *Rohm & Haas Co.*, supra, 525 F.Supp. at 1307, 212 U.S.P.Q. at 363.

[n10] *Smith International, Inc. v. Hughes Tool Co.*, 718 F.2d 1573, 1578, 219 U.S.P.Q. 686, 690 (Fed.Cir.), cert. denied, 464 U.S. 996, 78 L.Ed.2d 687, 104 S.Ct. 493, 220 U.S.P.Q. 385 (1983).

[n11] *H.H. Robertson Co. v. United Steel Deck, Inc.*, 820 F.2d 384, 387, 2 U.S.P.Q.2d 1926, 1927 (Fed.Cir.1987). See also, *Tri-Tech, Inc. v. Engineering Dynamics Corp.*, 8 U.S.P.Q.2d 1371 (D.Mass.1988).

[n12] For example, under current law, where a patentee establishes a "strong" or "clear" showing of likelihood of success on the merits, irreparable harm is presumed. *H.H. Robertson Co.*, supra, 820 F.2d at 390, 2 U.S.P.Q.2d at 1929.

[n13] *Toro Co. v. Textron, Inc.*, 703 F.Supp. 417, 419, 5 U.S.P.Q.2d 1616, 1618 (W.D.N.C.1987).

[n14] This does not include trial court decisions which have been reversed or vacated. The decisions considered are contained within Volumes 1 through 26 of the United States Patent Quarterly (Second).

[n15] In granting or refusing a preliminary injunction, the court must set forth, whether requested by a party or not, findings of fact and conclusions of law upon which its action is based. Fed.R.Civ.P. § 52(a). The findings and conclusions are not binding adjudications with respect to the merits of the litigation. *Sierra On-Line, Inc. v. Phoenix Software, Inc.*, 739 F.2d 1415, 1423, 223 U.S.P.Q. 227, 232 (9th Cir.1984).

[n16] A temporary restraining order ("TRO") is a provisional injunction, the purpose of which is to preserve the status quo until a motion for preliminary injunction can be

resolved. See Fed.R.Civ.P. § 65(a). A TRO may be obtained without notice to the party to be enjoined, while a preliminary injunction requires notice to the adverse party. *Id.*

[n17] Fed.R.Civ.P. § 65(a)(2).

[n18] Fed.R.Civ.P. § 65(c).

[n19] *Scripps Clinic and Research Foundation v. Genentech, Inc.*, 666 F.Supp. 1379, 1401 (N.D.Cal.1987). *Accord*, *Upjohn Co. v. Riahom Corp.*, 641 F.Supp. 1209, 1219, 1 U.S.P.Q.2d 1433, 1439 (D.Del.1986).

[n20] *Crucible Materials Corp. v. Sumitomo Special Metals Co.*, 719 F.Supp. 14, 18, 13 U.S.P.Q.2d 1477, 1480 (D.D.C.1989).

[n21] *Id.*

[n22] See *National Presto Industries, Inc. v. Dazey Corp.*, 18 U.S.P.Q.2d 1113, 1120 (N.D.Ill.1990).

[n23] 35 U.S.C. § 283.

[n24] See *Panduit Corp. v. All States Plastic Manufacturing Co.*, 744 F.2d 1564, 1573 (Fed.Cir.1984).

[n25] *Hybritech, Inc. v. Abbott Laboratories*, 849 F.2d 1446, 1450, 7 U.S.P.Q.2d 1191, 1194 (Fed.Cir.1988); *Saes Getters S.P.A. v. Ergenics, Inc.*, 15 U.S.P.Q.2d 1212, 1214 (D.N.J.1990).

[n26] *Hybritech*, *supra*, 849 F.2d at 1450, 7 U.S.P.Q.2d at 1194.

[n27] See, e.g., *Chemlawn Services Corp. v. GNC Pumps, Inc.*, 823 F.2d 515, 517, 3 U.S.P.Q.2d 1313, 1315 (Fed.Cir.1987); *Digital Equipment Corp. v. Emulex Corp.*, 805 F.2d 380, 382, 231 U.S.P.Q. 779, 781 (Fed.Cir.1986); *Power Controls Corp. v. Hybrinetics, Inc.*, 806 F.2d 234, 237, 231 U.S.P.Q. 774, 776 (Fed.Cir.1986).

[n28] Nutrition 21 v. United States, 930 F.2d 867, 869, 18 U.S.P.Q.2d 1347, 1349 (Fed.Cir.1991).

[n29] Smith International, supra, 718 F.2d at 1578, 219 U.S.P.Q.2d at 690.

[n30] Chrysler Motors Corp. v. Auto Body Panels, Inc., 908 F.2d 951, 952, 15 U.S.P.Q.2d 1469, 1470 (Fed.Cir.1990).

[n31] Id.

[n32] Id. at 953.

[n33] Rexnord, Inc. v. Laitram Corp., 628 F.Supp. 467, 470, 229 U.S.P.Q. 370, 373 (E.D.Wis.1986).

[n34] Cordis Corp., supra, 835 F.2d at 863, 5 U.S.P.Q.2d at 1121.

[n35] Atlas Powder Co. v. Ireco Chemicals, 773 F.2d 1230, 1231, 227 U.S.P.Q. 289, 291 (Fed.Cir.1985).

[n36] Id. at 1232.

[n37] Id. But, see, Archive Corp. v. Cipher Data Products, Inc., 12 U.S.P.Q.2d 1464, 1468 (C.D.Cal.1988) ("A preliminary injunction should preserve the status quo which is that 'last uncontested status which preceded the controversy.' Because Archive has been manufacturing the accused tape drives long prior to the issuance of either patent, the injunction could not preserve the status quo and would conversely create new market conditions.").

[n38] See, e.g., Rohm & Haas Co. v. Cumberland Chemical Corp., 220 U.S.P.Q. 978, 983 (S.D.Tex.1983) (ordering recall of all infringing product sold in previous six months).

[n39] Martin v. International Olympic Committee, 740 F.2d 670, 674 (9th Cir.1984).

[n40] Sanofi, S.A. v. Med-Tech Veterinarian Products, Inc., 222 U.S.P.Q. 143, 147 (D.Kan.1983).

[n41] Id.

[n42] The purpose of Rule 65(d) is "to assure adequate notice to parties faced with the possibility of contempt." *Davis v. San Francisco*, 890 F.2d 1438, 1450 (9th Cir.1989). The parties enjoined must be able to interpret the terms of the injunction from the "four corners of the order." *Seattle-First National Bank v. Manges*, 900 F.2d 795, 799-800 (5th Cir.1990).

[n43] *Nutrition 21*, supra, 930 F.2d at 869, 18 U.S.P.Q.2d at 1349.

[n44] E.g., *Toro*, supra, 703 F.Supp. at 419, 5 U.S.P.Q.2d at 1618.

[n45] *Oscar Mayer Foods Corp. v. Sara Lee Corp.*, 743 F.Supp. 1326, 1333, 16 U.S.P.Q.2d 1369, 1373-74 (W.D.Wis.1990). See also *Imi-Tech Corp. v. Gagliani*, 691 F.Supp. 214, 232, 6 U.S.P.Q.2d 1241, 1255 (S.D.Cal.1986) ("A strong showing of likelihood of success reduces the need of a strong showing of irreparable harm and vice versa"). In non-patent cases, most courts have rejected the idea that the movant must establish that it is more probable than not that he or she will succeed at trial. See, e.g., *Dataphase Systems, Inc. v. CL Systems, Inc.*, 640 F.2d 109, 113 (8th Cir.1981).

[n46] See *Ethicon, Inc. v. United States Surgical Corp.*, 762 F.Supp. 480, 504, 19 U.S.P.Q.2d 1721, 1739 (D.Conn.1991), aff'd without op., 965 F.2d 1065 (Fed.Cir.1992) ("The court's conclusion that plaintiffs have failed to demonstrate a reasonable likelihood of success on the merits arguably obviates the need for any further discussion.").

[n47] *Pittway Corp. v. Black & Decker (U.S.), Inc.*, 667 F.Supp. 585, 588, 5 U.S.P.Q.2d 1052, 1054 (N.D.Ill.1987).

[n48] *Cleo Wrap Corp. v. Elsner Engineering Works, Inc.*, 59 F.R.D. 386, 391, 176 U.S.P.Q. 266, 269 (M.D.Pa.1972).

[n49] Meese v. Eaton Manufacturing Co., 35 F.R.D. 162, 166, 142 U.S.P.Q. 16, 18 (N.D.Ohio 1964).

[n50] Lubrizol Corp. v. Exxon Corp., 696 F.Supp. 302, 319, 7 U.S.P.Q.2d 1513, 1525 (N.D.Ohio 1988); Jacobson v. Cox Paving Co., 19 U.S.P.Q.2d 1641, 1650 (D.Ariz.), aff'd, 21 U.S.P.Q.2d 2040 (Fed.Cir.1991).

[n51] Saes Getter, supra, 15 U.S.P.Q.2d at 1215.

[n52] 35 U.S.C. § 282.

[n53] Carella v. Starlight Archery & Pro Line Co., 804 F.2d 135, 138, 231 U.S.P.Q. 644, 646 (Fed.Cir.1986).

[n54] Colorado v. New Mexico, 467 U.S. 310, 316, 81 L.Ed.2d 247, 251, 104 S.Ct. 2433, 2437-38 (1984). See also, Zeller Plastik, Koehn, Grabner & Co. v. Joyce Molding Corp., 698 F.Supp. 1204, 1220, 10 U.S.P.Q.2d 1081, 1094 (D.N.J.1988).

[n55] New England Braiding Co., Inc. v. A.W. Chesterton Co., 970 F.2d 878, 882, 23 U.S.P.Q.2d 1622, 1625 (Fed.Cir.1992).

[n56] Oscar Mayer Foods Corp. v. Sara Lee Corp., 15 U.S.P.Q.2d 1204, 1208-09 (W.D.Wis.1990).

[n57] Drexelbrook Controls, Inc. v. Magnetrol International, Inc., 720 F.Supp. 397, 400, 12 U.S.P.Q.2d 1608, 1610 (D.Del.1989), aff'd without op., 904 F.2d 45 (Fed.Cir.1990). Accord, Upjohn Co., supra, 641 F.Supp. at 1218, 1 U.S.P.Q.2d at 1438.

[n58] American Parking Meter Advertising, Inc. v. Visual Media, Inc., 693 F.Supp. 1253, 1255, 6 U.S.P.Q.2d 1813, 1814 (D.Mass.1987); Ortho Pharmaceutical Corp. v. Smith, 15 U.S.P.Q.2d 1856, 1862 (E.D.Pa.1990); Lubrizol Corp., supra, 696 F.Supp. at 320, 7 U.S.P.Q.2d at 1526; Toro, supra, 703 F.Supp. at 419, 5 U.S.P.Q.2d at 1618.

[n59] Flynt Distributing Co. v. Harvey, 734 F.2d 1389, 1394 (9th Cir.1984).

[n60] *Loctite Corp. v. Ultraseal, Ltd.*, 781 F.2d 861, 870, 228 U.S.P.Q. 90, 95 (Fed.Cir.1985).

[n61] *American Parking Meter*, supra, 693 F.Supp. at 1255, 6 U.S.P.Q.2d at 1814.

[n62] *Glasstech, Inc. v. AB Kryo OY*, 229 U.S.P.Q. 145, 147 (N.D. Ohio 1986).

[n63] *Hybritech*, supra, 849 F.2d at 1452, 7 U.S.P.Q.2d at 1196; *H.H. Robertson*, supra, 820 F.2d at 388-89, 2 U.S.P.Q.2d at 1928; *Atlas Powder*, supra, 773 F.2d at 1232, 227 U.S.P.Q. at 291-92; *Smith International*, supra, 718 F.2d at 1579, 219 U.S.P.Q. at 691.

[n64] *Hybritech*, supra, 849 F.2d at 1452, 7 U.S.P.Q.2d at 1196-97.

[n65] *Hybritech, Inc. v. Abbott Laboratories*, 4 U.S.P.Q.2d 1001, 1005 (C.D. Cal. 1987), aff'd, 849 F.2d 1446, 7 U.S.P.Q.2d 1191 (Fed. Cir. 1988); *Rexnord*, supra, 628 F.Supp. at 470, 229 U.S.P.Q. at 373; *Medtronic, Inc. v. Telectronics, Inc.*, 686 F.Supp. 838, 840, 5 U.S.P.Q.2d 1649, 1655 (D. Colo. 1987). However, in one case, the trial court denied a preliminary injunction, although the patent had been previously adjudicated not invalid and infringed, explaining that "where the issues presented significantly differ from those presented in the prior case, the prior judgment is less indicative of the outcome of the present case." *Archive Corp.*, supra, 12 U.S.P.Q.2d at 1467.

[n66] *Atari Games Corp. v. Nintendo of America, Inc.*, 897 F.2d 1572, 1575, 14 U.S.P.Q.2d 1034, 1036 (Fed. Cir. 1990).

[n67] *Illinois Tool Works, Inc. v. Grip-Pak, Inc.*, 906 F.2d 679, 682, 15 U.S.P.Q.2d 1307, 1309 (Fed. Cir. 1990).

[n68] See *Toro*, supra, 703 F.Supp. at 420, 5 U.S.P.Q.2d at 1619.

[n69] *Hybritech*, supra, 849 F.2d at 1457, 7 U.S.P.Q.2d at 1200.

[n70] *Id.*

[n71] Atlas Powder, 773 F.2d at 1233, 227 U.S.P.Q. at 292. See also, Saes Getters S.P.A. v. Ergenics, Inc., 17 U.S.P.Q.2d 1581, 1590 (D.N.J.1990).

[n72] Illinois Tool, supra, 906 F.2d at 683, 15 U.S.P.Q.2d at 1310.

[n73] Nutrition 21, supra, 930 F.2d at 872, 18 U.S.P.Q.2d at 1351.

[n74] Drexelbrook Controls, supra, 720 F.Supp. at 408, 12 U.S.P.Q.2d at 1616. Accord, Pittway Corp., supra, 667 F.Supp. at 591, 5 U.S.P.Q.2d at 1057; Oscar Mayer, supra, 743 F.Supp. at 1332, 16 U.S.P.Q.2d at 1373.

[n75] Hybritech, supra, 4 U.S.P.Q.2d at 1014.

[n76] See, e.g., H.H. Robertson, supra, 820 F.2d at 390, 2 U.S.P.Q.2d at 1929-30; Roper Corp. v. Litton Systems, Inc., 757 F.2d 1266, 1271-72, 225 U.S.P.Q. 345, 348-49 (Fed.Cir.1985); Smith International, supra, 718 F.2d at 1581, 219 U.S.P.Q. at 692-93.

[n77] Nutrition 21, supra, 930 F.2d at 871, 18 U.S.P.Q.2d at 1350; Chrysler Motors, supra, 908 F.2d at 954, 15 U.S.P.Q.2d at 1472; Saes Getters, supra, 17 U.S.P.Q.2d at 1590; Medtronic, supra, 686 F.Supp. at 845, 5 U.S.P.Q.2d at 1655.

[n78] Henkel Corp. v. Coral, Inc., 754 F.Supp. 1280, 1321, 21 U.S.P.Q.2d 1081, 1111 (N.D.Ill.1990). See also, Illinois Tool Works, Inc. v. Gri-Pak, Inc., 725 F.Supp. 951, 958, 13 U.S.P.Q.2d 1463, 1469 (N.D.Ill.1989), aff'd, 906 F.2d 679, 15 U.S.P.Q.2d 1307 (Fed.Cir.1990).

[n79] Nutrition 21, supra, 930 F.2d at 871, 18 U.S.P.Q.2d at 1351.

[n80] Tennant Co. v. Hako Minuteman, Inc., 651 F.Supp. 945, 961, 1 U.S.P.Q.2d 2042, 2051 (N.D.Ill.1986); Unique Concepts, Inc. v. Manuel, 231 U.S.P.Q. 268, 275 (N.D.Ill.1986).

[n81] Tennant Co., supra, 651 F.Supp. at 961, 1 U.S.P.Q.2d at 2051.

[n82] Unique Concepts, *supra*, 231 U.S.P.Q. at 275 (citations omitted). See also, *E.I. du Pont de Nemours & Co. v. Polaroid Graphics Imaging, Inc.*, 706 F.Supp. 1135, 1144, 10 U.S.P.Q.2d 1579, 1587 (D.Del.), *aff'd* without op., 887 F.2d 1095 (Fed.Cir.1989); *Glasstech*, *supra*, 635 F.Supp. at 468, 229 U.S.P.Q. at 146 (presumption of irreparable injury found based on fact that "validity and infringement have been found by the ITC").

[n83] *Roper*, *supra*, 757 F.2d at 1272, 225 U.S.P.Q. at 349.

[n84] *Id.*

[n85] *Id.*; *Kalipharma, Inc. v. Bristol-Myers Co.*, 707 F.Supp. 741, 756, 11 U.S.P.Q.2d 1737, 1749 (S.D.N.Y.1989).

[n86] *Roper*, *supra*, 757 F.2d at 1273, 225 U.S.P.Q. at 349-50 (infringement discontinued); *Scripps Clinic*, *supra*, 666 F.Supp. at 1401 ("There is no evidence that Scripps will suffer irreparable injury *pendente lite* if Genentech is permitted to continue its experimental work.").

[n87] *Zeller Plastik*, *supra*, 698 F.Supp. at 1227, 10 U.S.P.Q.2d at 1099.

[n88] *Nutrition 21*, *supra*, 930 F.2d at 871, 18 U.S.P.Q.2d at 1351. See also, *Black and Decker, Inc. v. Hoover Service Center*, 765 F.Supp. 1129, 1142, 20 U.S.P.Q.2d 1612, 1620 (D.Conn.1991); *Amoco Corp. v. Exxon Chemical Corp.*, 7 U.S.P.Q.2d 1453, 1460 (N.D.Ga.1987); *Amsted Industries, Inc. v. National Castings, Inc.*, 16 U.S.P.Q.2d 1737, 1754 (N.D.Ill.1990).

[n89] *Pittway Corp.*, *supra*, 667 F.Supp. at 592, 5 U.S.P.Q.2d at 1058; *Sanofi*, *supra*, 222 U.S.P.Q. at 149; *Toro*, *supra*, 703 F.Supp. at 420, 5 U.S.P.Q.2d at 1618-19; *Total Containment, Inc. v. Environ Products, Inc.*, 23 U.S.P.Q.2d 1305, 1306 (E.D.Pa.1992); *Motorola, Inc. v. Alexander Manufacturing Co.*, 786 F.Supp. 808, 815, 21 U.S.P.Q.2d 1573, 1578-79 (N.D.Iowa 1991); *Medeco Security Locks, Inc. v. Cinquini*, 229 U.S.P.Q. 398, 399 (D.Mass.1985); *Yenzer v. Agrotors, Inc.*, 764 F.Supp. 974, 984, 20 U.S.P.Q.2d 1198, 1206 (M.D.Pa.1991); *Moore Business Forms, Inc. v. Wallace Computer Services, Inc.*, 14 U.S.P.Q.2d 1849, 1862 (N.D.Ind.1989).

[n90] *Amicus, Inc. v. Post-Tension of Texas, Inc.*, 686 F.Supp. 583, 587, 5 U.S.P.Q.2d 1731, 1733 (S.D.Tex.1987); *Jacobson*, *supra*, 19 U.S.P.Q.2d at 1653.

[n91] Pittway Corp., supra, 667 F.Supp. at 592, 5 U.S.P.Q.2d at 1058; Oscar Mayer, 743 F.Supp. at 1332, 16 U.S.P.Q.2d at 1373; B.F. Goodrich Flights Systems, Inc. v. Insight Instruments Corp., 22 U.S.P.Q.2d 1832, 1844 (S.D. Ohio 1992); Henkel Corp., supra, 754 F.Supp. at 1322, 21 U.S.P.Q.2d at 1112; Lubrizol Corp., supra, 696 F.Supp. at 323; 7 U.S.P.Q.2d at 1528; National Presto, supra, 18 U.S.P.Q.2d at 1120; Ortho Pharmaceutical, supra, 15 U.S.P.Q.2d at 1863; Sensormatic Electronics Corp. v. Minnesota Mining & Mfg. Co., 10 U.S.P.Q.2d 1467, 1470 (S.D. Fla. 1988); Automotive Products plc v. Federal-Mogul Corp., 11 U.S.P.Q.2d 1471, 1475 (E.D. Mich. 1989); Tri-Tech, supra, 8 U.S.P.Q.2d at 1373.

[n92] Jacobson, supra, 19 U.S.P.Q.2d at 1653; Moore Business Forms, supra, 14 U.S.P.Q.2d at 1862; Tri-Tech, supra, 8 U.S.P.Q.2d at 1373.

[n93] Automotive Products, supra, 11 U.S.P.Q.2d at 1475.

[n94] Sanofi, S.A., supra, 222 U.S.P.Q. at 149; Oscar Mayer, supra, 743 F.Supp. at 1332, 16 U.S.P.Q.2d at 1373.

[n95] Pittway Corp., supra, 667 F.Supp. at 592, 5 U.S.P.Q.2d at 1058; Moore Business Forms, supra, 14 U.S.P.Q.2d at 1862. But, see, John Fluke Manufacturing Co. v. North American Soar Corp., 5 U.S.P.Q.2d 1657, 1662 (D.N.J. 1987) ("The court is not persuaded that merely because Fluke's revenue from its device is substantially greater than defendant's revenue from the infringing device, that Fluke is not harmed by those sales and the accompanying loss of market share.") Cf., Tensar Corp. v. Tenax Corp., 24 U.S.P.Q.2d 1605, 1614 (D.Md. 1992) (preliminary injunction denied where "the accused infringer has a very small presence in the filed").

[n96] Jacobson, supra, 19 U.S.P.Q.2d at 1653.

[n97] Id.; Moore Business Forms, supra, 14 U.S.P.Q.2d at 1862. See also, Henkel Corp., supra, 754 F.Supp. at 1322, 21 U.S.P.Q.2d at 1112 ("[p] atent rights do not get weaker as they near the end of their 17 year term"). Cf., Tensar, supra, 24 U.S.P.Q.2d at 1613 (preliminary injunction denied where there was "more than seven years of patent life remaining for the patent in suit").

[n98] Southwest Aerospace Corp. v. Teledyne Industries, Inc., 702 F.Supp. 870, 883, 9 U.S.P.Q.2d 1949, 1959 (N.D. Ala. 1988), aff'd without op., 884 F.2d 1398 (Fed. Cir. 1989); Automotive Products, supra, 11 U.S.P.Q.2d at 1475.

[n99] Lubrizol Corp., *supra*, 696 F.Supp. at 318, 7 U.S.P.Q.2d at 1523.

[n100] Moore Business Forms, *supra*, 14 U.S.P.Q.2d at 1862.

[n101] *Id.*

[n102] *Id.*

[n103] *Id.*

[n104] E.I. du Pont, *supra*, 706 F.Supp. at 1144, 10 U.S.P.Q.2d at 1587.

[n105] Henkel Corp., *supra*, 754 F.Supp. at 1332, 21 U.S.P.Q.2d at 1112.

[n106] T.J. Smith & Nephew, Ltd. v. Consolidated Medical Equipment, Inc., 821 F.2d 646, 648, 3 U.S.P.Q.2d 1316, 1318 (Fed.Cir.1987).

[n107] Russell William, Ltd. v. ABC Display and Supply, Inc., 11 U.S.P.Q.2d 1812, 375 (E.D.N.Y.1989); Rexnord, *supra*, 628 F.Supp. at 473-474, 229 U.S.P.Q. at 375; Ethicon, *supra*, 762 F.Supp. at 505, 19 U.S.P.Q.2d at 1739; Tennant, *supra*, 651 F.Supp. at 961-62, 1 U.S.P.Q.2d at 2052; Archive Corp., *supra*, 12 U.S.P.Q.2d at 1468; Kalipharma, *supra*, 707 F.Supp. at 756, 11 U.S.P.Q.2d at 1749.

[n108] Hybritech, *supra*, 849 F.2d at 1457, 7 U.S.P.Q.2d at 1200.

[n109] *Id.*

[n110] *Id.*

[n111] Henkel Corp., *supra*, 754 F.Supp. at 1322, 21 U.S.P.Q.2d at 1112. See, e.g., Motorola, *supra*, 786 F.Supp. at 814, 21 U.S.P.Q.2d at 1578 (three months delay "insufficient to negate a finding of irreparable harm").

[n112] E.I. du Pont, *supra*, 706 F.Supp. at 1145, 10 U.S.P.Q.2d at 1588 (delay of over eight years); Jacobson, *supra*, 19 U.S.P.Q.2d at 1656 (delay of over five years).

[n113] Crucible Materials, *supra*, 719 F.Supp. at 17, 13 U.S.P.Q.2d at 1480.

[n114] *Id.*

[n115] Whistler Corp. v. Dynascan Corp., 9 U.S.P.Q.2d 2087, 2088 (N.D.Ill.1988).

[n116] E.I. du Pont, *supra*, 706 F.Supp. at 1145, 10 U.S.P.Q.2d at 1588.

[n117] *Id.*

[n118] Amicus, *supra*, 686 F.Supp. at 588, 5 U.S.P.Q.2d at 1734.

[n119] E.g., Illinois Tool, *supra*, 906 F.2d at 683, 15 U.S.P.Q.2d at 1310; T.J. Smith, *supra*, 821 F.2d at 648, 3 U.S.P.Q.2d at 1318; Crucible Materials, *supra*, 719 F.Supp. at 17, 13 U.S.P.Q.2d at 1480; Ampex Corp. v. Abekas Video Systems, Inc., 15 U.S.P.Q.2d 1219, 1223 (N.D.Cal.1990).

[n120] T.J. Smith, *supra*, 821 F.2d at 648, 3 U.S.P.Q.2d at 1318.

[n121] Crucible Materials, *supra*, 719 F.Supp. at 17, 13 U.S.P.Q.2d at 1480.

[n122] *Id.*

[n123] Ampex, *supra*, 15 U.S.P.Q.2d at 1223.

[n124] *Id.*

[n125] Archive Corp., *supra*, 12 U.S.P.Q.2d at 1468.

[n126] Amicus, *supra*, 686 F.Supp. at 587, 5 U.S.P.Q.2d at 1733.

[n127] Datascope Corp. v. Kontron, Inc., 786 F.2d 398, 401, 229 U.S.P.Q. 41, 43 (Fed.Cir.1986).

[n128] Drexelbrook Controls, *supra*, 720 F.Supp. at 408, 12 U.S.P.Q.2d at 1617.

[n129] Illinois Tool, *supra*, 906 F.2d at 683, 15 U.S.P.Q.2d at 1310.

[n130] Medeco, *supra*, 229 U.S.P.Q. at 399; National Presto, *supra*, 18 U.S.P.Q.2d at 1121; Ortho Pharmaceutical, *supra*, 15 U.S.P.Q.2d at 1863; Saes Getters, *supra*, 15 U.S.P.Q.2d at 1218; Sensormatic, *supra*, 10 U.S.P.Q.2d at 1470; Southwest Aerospace, *supra*, 702 F.Supp. at 886, 9 U.S.P.Q.2d at 1961.

[n131] Henkel Corp., *supra*, 754 F.Supp. at 1323, 21 U.S.P.Q.2d at 1113; Lubrizol Corp., *supra*, 696 F.Supp. at 318, 7 U.S.P.Q.2d at 1523.

[n132] Jacobson, *supra*, 19 U.S.P.Q.2d at 1657.

[n133] See Amoco, *supra*, 7 U.S.P.Q.2d at 1460-61.

[n134] Henkel Corp., *supra*, 754 F.Supp. at 1322, 21 U.S.P.Q.2d at 1112; Yenser, *supra*, 764 F.Supp. at 984, 20 U.S.P.Q.2d at 1206.

[n135] Kalipharma, *supra*, 707 F.Supp. at 756, 11 U.S.P.Q.2d at 1749.

[n136] Oscar Mayer, *supra*, 743 F.Supp. at 1332-33, 16 U.S.P.Q.2d at 1373.

[n137] Henkel Corp., *supra*, 754 F.Supp. at 1322, 21 U.S.P.Q.2d at 1112. Accord, Kalipharma, *supra*, 707 F.Supp. at 756, 11 U.S.P.Q.2d at 1749; Motorola, *supra*, 786 F.Supp. at 815, 21 U.S.P.Q.2d at 1579.

[n138] Archive Corp., supra, 12 U.S.P.Q.2d at 1468; Illinois Tool, supra, 725 F.Supp. at 958-59, 13 U.S.P.Q.2d at 1469-70.

[n139] Total Containment, supra, 23 U.S.P.Q.2d at 1307.

[n140] Saes Getters, supra, 15 U.S.P.Q.2d at 1218.

[n141] Henkel Corp., supra, 754 F.Supp. at 1323, 21 U.S.P.Q.2d at 1113.

[n142] Lubrizol Corp., supra, 696 F.Supp. at 318, 7 U.S.P.Q.2d at 1523.

[n143] Pittway Corp., supra, 667 F.Supp. at 592, 5 U.S.P.Q.2d at 1058.

[n144] Tri-Tech, supra, 8 U.S.P.Q.2d at 1373.

[n145] Rule 65(c) of the Federal Rules provides as follows:

No restraining order or preliminary injunction shall issue except upon the giving of security by the applicant, in such sum as the court deems proper, for the payment of such costs and damages as may be incurred or suffered by any party who is found to have been wrongfully enjoined or restrained.

[n146] Buddy Systems, Inc. v. Exer-Genie, Inc., 545 F.2d 1164, 1167-68 (9th Cir.1976), cert. denied, 431 U.S. 903, 52 L.Ed.2d 387, 97 S.Ct. 1694 (1977).

[n147] Datascope, supra, 786 F.2d at 401, 229 U.S.P.Q. at 43.

[n148] E.g., Datascope, supra, 786 F.2d at 401, 229 U.S.P.Q. at 43 (denial of preliminary injunction affirmed where "the public will be harmed by an injunction in that some physicians prefer defendant's dual lumen IABs"); Cordis, supra, 835 F.2d at 864 (denial of preliminary injunction affirmed where the alleged infringers "continuing ability to produce pacemaker leads was an issue of public interest"). See also Scripps Clinic, supra, 666 F.Supp. at 1401.

[n149] Amoco, supra, 7 U.S.P.Q.2d at 1461.

[n150] Archive Corp., *supra*, 12 U.S.P.Q.2d at 1469.

[n151] E.g., *Southwest Aerospace*, *supra*, 702 F.Supp. at 886, 9 U.S.P.Q.2d at 1961; *Augat, Inc. v. John Mezzalingua Associates, Inc.*, 642 F.Supp. 506, 509, 1 U.S.P.Q.2d 1912, 1914 (N.D.N.Y.1986); *E.I. du Pont*, *supra*, 706 F.Supp. at 1146, 10 U.S.P.Q.2d at 1588; *Glasstech*, *supra*, 635 F.Supp. at 468, 229 U.S.P.Q. at 147; *Jacobson*, *supra*, 19 U.S.P.Q.2d at 1657; *Medeco*, *supra*, 229 U.S.P.Q. at 399; *Moore Business Forms*, *supra*, 14 U.S.P.Q.2d at 1863; *Motorola*, *supra*, 786 F.Supp. at 816, 21 U.S.P.Q.2d at 1579; *Oscar Mayer*, *supra*, 15 U.S.P.Q.2d at 1212; *Pittway Corp.*, *supra*, 667 F.Supp. at 593, 5 U.S.P.Q.2d at 1059; *Toro*, *supra*, 703 F.Supp. at 420, 5 U.S.P.Q.2d at 1618-19; *Yenzer*, *supra*, 764 F.Supp. at 985, 20 U.S.P.Q.2d at 1206; *Zeller Plastik*, *supra*, 698 F.Supp. at 1227, 10 U.S.P.Q.2d at 1099; *Amicus*, *supra*, 5 U.S.P.Q.2d at 1735.

[n152] *Southwest Aerospace*, *supra*, 702 F.Supp. at 886, 9 U.S.P.Q.2d at 1961.

[n153] *Black and Decker*, *supra*, 765 F.Supp. at 1142, 20 U.S.P.Q.2d at 1620.

[n154] *Ethicon*, *supra*, 762 F.Supp. at 505, 19 U.S.P.Q.2d at 1739. Cf., *Sanofi, S.A.*, *supra*, 222 U.S.P.Q. at 150 ("increased competition in the marketplace with the resultant lower prices, is not of sufficient public interest to deny this injunction").

[n155] *Tensar*, *supra*, 24 U.S.P.Q.2d at 1614.