Is Your Hair on Fire? Patent Preliminary Injunctions

by David Johnson

Congress has expressly authorized the issuance of injunctions to prevent patent infringement.[1] Preliminary injunctions, however, are "extraordinary" and "drastic" remedies that are to be granted sparingly.[2] "A plaintiff seeking a preliminary injunction must establish that she is [1] likely to succeed on the merits, that she is [2] likely to suffer irreparable harm in the absence of preliminary relief, that [3] the balance of equities tip in her favor, and that [4] an injunction is in the public interest."[3] Most motions for preliminary injunction succeed or fail based on the outcome of the likelihood of success on the merits and irreparable harm factors.

The fundamental right granted in a U.S. patent is the right to exclude, *i.e.*, the right to stop others from making, using or selling the claimed invention. Infringement harms the patent owner because the infringer (typically) is making sales the patent owner or its licensee could otherwise make. Many patent owners therefore point to lost sales as the basis for a claim of irreparable harm. Irreparable harm, however, is by definition harm that cannot be adequately compensated with money damages.[4] Infringers argue there is no irreparable harm because the Court can award damages if the patent owner prevails. So what is a plaintiff to do? Conceptually, a patent plaintiff must persuade the Court that her hair is on fire and an injunction is the only way to put the fire out. The notion is that not only will the fire ruin the plaintiff's current coiffure, but that the hair will not grow back, that the fire will irremediably scar the plaintiff's face, and that the infringement will catastrophically affect the plaintiff's business and the lives of its employees and suppliers. Here are some examples of ways patent owners might establish "hair on fire" irreparable harm, using lost sales evidence:

- Pricing advantages won by the innovation claimed in the patent will be irretrievably lost. Infringers can sell at lower prices because they have no investment in research and development, and the patent owner will be forced to match the infringer's lower knock-off prices to survive. The resulting lower margins will prevent funding of research and development, which will stifle innovation and expansion. Even if the patent owner ultimately prevails, she will not be able to return prices to pre-infringement levels.

- Market expansion opportunities will be lost. Customers dissatisfied with the infringer's inferior quality copy of the invention will not come back to the product category.

- Employees, vendors and others may lose their jobs if the infringer continues to erode prices and market share. Replacement of key employees may prove impossible.

The likelihood of success factor also requires careful attention in a preliminary injunction motion. It is not enough for the plaintiff to show that she might prevail on her claim. Rather, the plaintiff must show she is more likely than not to prevail.[5] Plaintiffs should focus the request for injunctive relief on a single patent claim (or a very small number of claims) that balance the broadest coverage with the smallest number of invalidity and non-infringement issues. Broad assertions of large numbers of patent claims will almost always torpedo a motion for preliminary injunctive relief because they are easy targets for invalidity assertions. Likewise, claims presenting difficult infringement issues should be avoided when possible because they distract from the heart of the request. The closer the validity and infringement issues, the lower the likelihood of a preliminary injunction. A plaintiff should think about how she would attack the claims if she were the infringer, and select the claims with the fewest risks.

So, what should a plaintiff do when she is faced with infringement that is killing her in the market? First, remember that Congress has expressly authorized the issuance of injunctions, which means preliminary injunctions are a real and powerful remedy that can be granted upon a proper showing. Second, carefully identify the claims with the highest likelihood of coverage and the lowest amount of invalidity / claim construction risk and seek preliminary injunctive relief on those claims. Third, take a fresh look at the harm she is suffering and craft descriptions of that harm that will convince the Court the harm is irreparable. If your hair is on fire, you will immediately know it and will know that the fire must be put out. You need to convince the Court of that urgency. Move quickly, because convincing a judge to put the fire out will be a tall order if you have taken the time to look all over town for a full-length mirror to confirm the existence of the blaze.

[1] 35 U.S.C. § 283; 35 U.S.C. § 171(b)

[2] *See Mazurek v. Armstrong*, 520 U.S. 968, 972 (1997)

[3] *Winter v. Natural Resources Defense Council, Inc.*, 555 U.S. 7, 20 (2008); *see also Apple, Inc. v. Samsung Elecs. Co., Ltd.*, 678 F.3d 1314, 1323 (Fed. Cir. 2012); Federal Rule of Civil Procedure 65.

[4] *See, e.g., TruePosition Inc. v. Andrew Corp.*, 568 F. Supp. 2d 500, 531 (D. Del. 2008)

[5] *See, e.g., Titan Tire Corp. v. Case New Holland, Inc.*, 566 F.3d 1372, 1376 (Fed. Cir. 2009)