# Kluwer Patent Blog

## If it were done when ‘tis done, then ‘twere well it were done quickly

Brian Cordery, Rachel Mumby (Bristows) · Monday, July 28th, 2014

We reported recently that the **IPCom** Guidelines which set out when the English Court should stay patent actions pending EPO oppositions appear to be “*More honour’d in the breach than the observance*”. This had been in response to the decision of Arnold J of 10 July 2014 who had refused to grant such a stay despite relatively broad undertakings offered by the patentee in relation to such a stay.

In the postscript to the above judgment, Arnold J noted that after he had released his judgment in draft, the patentee, Pharmacia, had offered two additional undertakings to Actavis, the potential infringer, in return for a stay. In a new judgment, handed down on 24 July, Arnold J reconsidered Pharmacia’s request for a stay in light of these additional undertakings offered and held that the additional undertakings tipped the balance in favour of a stay as they “*substantially eliminate the commercial uncertainty to which Actavis will be exposed in the United Kingdom as a result of a stay*.”

Pharmacia’s original undertakings had been: (i) to seek expedition of the EPO proceedings; (ii) not to seek an injunction against Actavis or its customers until the determination of the EPO proceedings; and (iii) only to seek damages of 1% of Actavis’ net sales during the period from launch until the determination of the EPO proceedings if the Patent was held valid both by the EPO and by the English courts.

Pharmacia’s additional undertakings were: (i) not to seek an injunction in the UK against Actavis and its customers **for the life of the patent**; and (ii) only to seek damages of 1% of Actavis’ net sales in the UK **during the life of the patent**.

Actavis had continued to resist the stay. Its first reason was that an early decision from the UK would be of considerable assistance in other European jurisdictions where it also intends to enter the market, such assistance would be persuasive both in relation to parallel litigation and in relation to customer confidence. Second, Actavis argued that an early decision from the UK would assist in promoting pan-European settlement between the parties. Third, Actavis suggested that the attitude of Pharmacia and the undertakings it had offered indicated that Pharmacia thought its patent was weak, and that there is a strong public interest in the validity of weak patents being scrutinised by a competent court at the earliest possible date. However, Arnold J stated that he had given this argument lesser weight.

As noted above, Arnold J held that, whilst Actavis' reasons favoured the refusal of a stay, the overall balance in accordance with the **IPCom** Guidelines, and having regard to the additional undertakings offered by Pharmacia, now came down in favour of the grant of a stay. Indeed, in the authors' view, if these revised undertakings were not sufficient to tip the balance in favour of a stay, it is hard to imagine when a stay would ever be granted.

Arnold J also expressed the hope that the EPO would accede to the joint request of the parties to accelerate the opposition and any appeal, although it remains to be seen whether the EPO will follow this request.

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