Kluwer Patent Blog

The Price You Pay

Brian Cordery (Bristows) · Thursday, April 18th, 2019

The run up to the Easter vacation is always a busy time in the English Patents Court as litigants seek have applications determined to set the direction of travel for the next period of the case and Judges, understandably, try and clear their desks before the break.

2019 was no exception to this rule and this week has seen several interesting judgments handed down. Among them is a short but interesting decision from Henry Carr J in the on-going dispute between *Napp and Sandoz* in relation to transdermal buprenorphine patches. In early 2016, Sandoz had given undertakings to the Court not to launch such patches in the UK in return for a cross-undertaking to compensate Sandoz in the event that its product was held not to infringe Napp's patent. After an expedited trial and appeal on the merits, in summer 2016, and Sandoz was released from its undertakings.

In 2017, Sandoz began the process of claiming compensation under the cross-undertaking given by Napp. In the present application, Sandoz sought to fortify the cross-undertaking to protect Sandoz's position in the damages inquiry. This involved the consideration of two issues: (i) whether the Court had the jurisdiction to grant fortification when the injunction had been discharged and (ii) whether as a matter of discretion, the Court should do so.

In relation to the first issue, Henry Carr J was clear that the Court had no jurisdiction to fortify an injunction after the injunction had been discharged. In doing so, the Judge relied on several authorities including the judgment of Popplewell J in *Thai-Lao Lignite (Thailand) v Government of Lao* [2013]. He also referred to the principle that the cross-undertaking is the price for the injunction and that the applicant for the injunction should know the price that it is being asked to pay at the time the injunction is imposed. This is consistent with other judgments of the Court such as Actavis v Boehringer Ingelheim in which it was held if the circumstances of the required cross-undertaking were to change materially – for instance if the Secretary of State for Health were subsequently to seek to be made a party to the cross-undertaking – then the applicant should be given the further opportunity to reassess the situation and decide whether it wished to continue with the injunction.

As regards discretion, Sandoz pointed to alleged financial troubles facing Purdue Pharma arising from the litigation regarding Oxycontin in the United States. Sandoz alleged that the connection between Napp and Purdue was close and the circumstances were such that there was risk that any award of damages to it might be nugatory. Having considered the evidence from Napp's witness as to the company's standing, Henry Carr J did not consider that even if he had jurisdiction to do so,

that he should fortify the cross-undertakings based on suspicions from Sandoz.

This judgment can be added to the list of recent decisions demonstrating that the English Courts have wide discretionary powers to grant injunctions and other relief but that, just as fairness dictates that a party who is injuncted at a preliminary stage should be compensated if the injunction is held to have been wrongly granted, so an applicant for relief should know the price it could be asked to pay.

To make sure you do not miss out on regular updates from the Kluwer Patent Blog, please subscribe here.

This entry was posted on Thursday, April 18th, 2019 at 1:47 pm and is filed under Injunction, Patents, Pharma, Pharmaceutical patent, United Kingdom
You can follow any responses to this entry through the Comments (RSS) feed. Both comments and pings are currently closed.