


Status:  Judicial Consideration or Case History Available

The Law  
Reports

**\*396 American Cyanamid Co. Appellants v Ethicon Ltd. Respondents**

House of Lords

5 February 1975

[1975] 2 W.L.R. 316

[1975] A.C. 396

Lord Diplock , Viscount Dilhorne , Lord Cross of Chelsea , Lord Salmon and Lord Edmund-Davies

1974 Nov. 12, 13, 14; 1975 Feb. 5

Injunction—Interlocutory—Jurisdiction to grant—Principles on which interlocutory injunction to be granted—No need to be satisfied that permanent injunction probable at trial—Protection of parties—Balance of convenience—Criteria—Rule identical in patent cases

The plaintiffs, an American company, owned a patent covering certain sterile absorbable surgical sutures. The defendants, also an American company, manufactured in the United States and were about to launch on the British market a suture which the plaintiffs claimed infringed their patent. The defendants contested its validity on divers grounds and also contended that it did not cover their product. In an action for an injunction the plaintiffs applied for an interlocutory injunction which was granted by the judge at first instance with the usual undertaking in damages by the plaintiffs. The Court of Appeal reversed his decision on the ground that no prima facie case of infringement had been made out. On the plaintiffs' appeal:

Held, allowing the appeal,

(1) that in all cases, including patent cases, the court must determine the matter on a balance of convenience, there being no rule that it could not do so unless first satisfied that, if the case went to trial on no other evidence than that available at the hearing of the application, the plaintiff would be entitled to a permanent injunction in the terms of the interlocutory injunction sought; where there was a doubt as to the parties' respective remedies in damages being adequate to compensate them for loss occasioned by any restraint imposed on them, it would be prudent to preserve the status quo (post, pp. 406C-F, 407G, 408F).

(2) That in the present case there was no ground for interfering with the judge's assessment of the balance of convenience or his exercise of discretion and the injunction should be granted accordingly (post, p. 410C-E).

Hubbard v. Vosper [1972] 2 Q.B. 84 , C.A. considered.

Decision of the Court of Appeal [1974] F.S.R. 312 reversed.

The following cases are referred to in their Lordships' opinions:

- Donmar Productions Ltd. v. Bart (Note) [1967] 1 W.L.R. 740; [1967] 2 All E.R. 338 .
- Harman Pictures N.V. v. Osborne [1967] 1 W.L.R. 723; [1967] 2 All E.R. 324 .
- Hubbard v. Vosper [1972] 2 Q.B. 84; [1972] 2 W.L.R. 389; [1972] 1 All E.R. 1023, C.A.
- Jones v. Pacaya Rubber and Produce Co. Ltd. [1911] 1 K.B. 455, C.A.
- Preston v. Luck (1884) 27 Ch.D. 497, C.A.

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- Smith v. Grigg Ltd. [1924] 1 K.B. 655, C.A.
- Wakefield v. Duke of Buccleugh (1865) 12 L.T. 628 .

The following additional cases were cited in argument:

- Acetylene Illuminating Co. Ltd. v. United Alkali Co. Ltd. (1904) 22 R.P.C. 145 , H.L.(E.).
- British Thomson-Houston Co. Ltd. v. Corona Lamp Works Ltd. (1921) 39 R.P.C. 49 , H.L.

- (E.).
- Carroll v. Tomado Ltd. [1971] R.P.C. 401 .
  - Challender v. Royle (1887) 36 Ch.D. 425, C.A.
  - Elwes v. Payne (1879) 12 Ch.D. 468, C.A.
  - Evans Marshall & Co. Ltd. v. Bertola S.A. [1973] 1 W.L.R. 349; [1973] 1 All E.R. 992, C.A.
  - Hatmaker v. Joseph Nathan & Co. Ltd. (1919) 36 R.P.C. 231 , H.L.(E.).
  - May & Baker Ltd. and Ciba Ltd.'s Letters Patent, In re (1948) 65 R.P.C. 255 ; 66 R.P.C. 8 , C.A.; sub nom. May & Baker Ltd. v. Boots Pure Drug Co. Ltd.; (1950) 67 R.P.C. 23 , H.L. (E.).
  - Mitchell v. Henry (1880) 15 Ch.D. 181, C.A.
  - Mogul Steamship Co. v. M'Gregor. Gow & Co. (1885) 15 Q.B.D. 476 .
  - Natural Colour Kinematograph Co. Ltd. v. Bioschemes Ltd. (1915) 32 R.P.C. 256 , H.L.(E.).
  - Newman v. British & International Proprietaries Ltd. [1962] R.P.C. 90, C.A.
  - No-Fume Ltd. v. Frank Pitchford & Co. Ltd. (1935) 52 R.P.C. 231, C.A.
  - R.C.A. Photophone Ltd. v. Gaumont-British Picture Corporation Ltd. (1935) 53 R.P.C. 167, C.A.
  - Wrotham Park Estate Co. Ltd. v. Parkside Homes Ltd. [1974] 1 W.L.R. 798; [1974] 2 All E.R. 321 .
  - Zaidener v. Barrisdale Engineers Ltd. [1968] R.P.C. 488, C.A.

#### APPEAL from the Court of Appeal.

This was an appeal from an order of the Court of Appeal (Russell and Stephenson L.JJ. and Foster J.) dated February 5, 1974, whereby the judgment of Graham J. dated July 30, 1973, was reversed and his order discharged on a motion for an interlocutory injunction in an action for infringement of letters patent No. 1,043,518 in which the respondents, Ethicon Ltd., were defendants and the appellants, American Cyanamid Co., were plaintiffs. The respondents counterclaimed for revocation of the patent. Graham J. granted the appellants' application for an interlocutory injunction until the trial of the action and counterclaim, but the Court of Appeal unanimously held that, on the present evidence the claims of the patent were not likely to be construed so as to cover the respondents' product, and that a prima facie case of infringement of the patent had therefore not been established. The Court of Appeal therefore discharged the interlocutory injunction ordered by Graham J. The court refrained from expressing any view on any of the other issues raised.

The facts stated in the opinion of Lord Diplock were as follows: This interlocutory appeal concerned a patent for the use as absorbable surgical sutures of filaments made of a particular kind of chain polymer known as 'a poly-hydroxyacetic ester' ('PHAE'). These were sutures of a kind that disintegrated and were absorbed by the human body once they had served their purpose. The appellants ('Cyanamid'), an American company, \*398 were the registered proprietors of the patent. Its priority date in the United Kingdom was October 2, 1964. At that date the absorbable sutures in use were of natural origin. They were made from animal tissues popularly known as catgut. The respondents ('Ethicon'), a subsidiary of another American company, were the dominant suppliers of catgut sutures in the United Kingdom market.

Cyanamid introduced their patented product in 1970. The chemical substance of which it was made was a homopolymer, i.e. all the units in the chain, except the first and the last ('the end stabilisers'), consisted of glycolide radicals. Glycolide was the radical of glycolic acid, which was another name for hydroxyacetic acid. By 1973 this product had succeeded in capturing some 15 per cent. of the United Kingdom market for absorbable surgical sutures. Faced with this competition to catgut, Ethicon, who supplied 80 per cent. of the market, were proposing to introduce their own artificial suture ('XLG'). The chemical substance of which it was made was not a homopolymer but a copolymer, i.e. although 90 per cent. by weight of the units in the chain consisted of glycolide radicals, the remaining 10 per cent. are lactide radicals, which were similar in chemical properties to glycolide radicals but not identical in chemical composition.

Cyanamid contended that XLG infringed their patent, of which the principal claim was: 'A sterile article for the surgical repair or replacement of living tissue, the article being readily absorbable by living tissue and being formed from a polyhydroxyacetic ester.' As was disclosed in the body of the patent, neither the substance PHAE nor the method of making it into filaments was new at the priority date. Processes for manufacturing filaments from PHAE had been the subject of two earlier United States patents in 1953 (Lowe) and 1954 (Higgins). The invention claimed by Cyanamid thus consisted of the discovery of a new use for a known substance.

On March 5, 1973, Cyanamid started a quia timet action against Ethicon for an injunction to restrain the threatened infringement of their patent by supplying sutures made of XLG to surgeons in the United Kingdom. On the same day they gave notice of motion for an interlocutory injunction. Voluminous

affidavits and exhibits were filed on behalf of each party. The hearing of the motion before Graham J. lasted three days. On July 30, 1973, he granted an interlocutory injunction upon the usual undertaking in damages by Cyanamid.

Ethicon appealed to the Court of Appeal. The hearing there took eight days. On February 5, 1974, the Court of Appeal gave judgment. They allowed the appeal and discharged the judge's order. Leave to appeal from that decision was granted by the House of Lords.

*Andrew Bateson Q.C. and David Young* for the appellant company. The main issue in this appeal is whether PHAE, construed in the patent in suit, covers more than the homopolymer. In holding that that had not been established prima facie the Court of Appeal was wrong and the trial judge was right in holding that what was meant by comonomer in the patent contemplated copolymers. For the purpose of deciding whether the plaintiffs have established a prima facie case the House must decide whether on the evidence the construction for which they contend is the one \*399 applicable to the patent in suit. On construction the case put forward by the respondents is barely arguable.

The Court of Appeal wrongly construed the claim and specification and its decision was based on a misapprehension of the evidence. It erred in holding that the appellants had not established that prima facie the patent in suit would be infringed by the marketing of the respondents' suture.

The onus is not on the plaintiffs to establish a prima facie case of infringement before an interlocutory injunction case can be granted. 'Prima facie' can have many meanings. Here, if anything, it means that the plaintiff has more than a 50 per cent. chance of success. The general rule that one must establish a probability, or a strong probability, is not correct. One must look at the whole case to see whether there is a question to be tried and, if there is, then look at the balance of convenience between the parties, bearing in mind that there is good reason why the status quo should be preserved. The relevant authorities are *Preston v. Luck* (1884) 27 Ch.D. 497, 504-505; *Halsbury's Laws of England*, 3rd ed., vol. 21 (1957), pp. 365-366, para. 365 and *Donmar Productions Ltd. v. Bart* (Note) [1967] 1 W.L.R. 740. The shackles of *Harman Pictures N.V. v. Osborne* [1967] 1 W.L.R. 723 have been removed by *Hubbard v. Vosper* [1972] 2 Q.B. 84, 96, 101. See also *Evans Marshall & Co. Ltd. v. Bertola S.A.* [1973] 1 W.L.R. 349, 377, 379-380, 385-386; *Wrotham Park Estate Co. Ltd. v. Parkside Homes Ltd.* [1974] 1 W.L.R. 798, 810; *Terrell on the Law of Patents*, 12th ed. (1971), pp. 319-320, paras. 823, 824, pp. 322-323, para. 833, citing *Newman v. British & International Proprietaries Ltd.* [1962] R.P.C. 90, 93; *Challender v. Royle* (1887) 36 Ch.D. 425, 429-430, 435-436, 443; *Zaidener v. Barrisdale Engineers Ltd.* [1968] R.P.C. 488, 495 (Willmer L.J.) 497; and *Carroll v. Tomado Ltd.* [1971] R.P.C. 401, 405-406.

The appellants adopt the principle laid down in *Hubbard v. Vosper* [1972] 2 Q.B. 84, particularly the judgment of Megaw L.J. at pp. 93H-98B. There is logical reason or justification why the percentages there set out do not equally apply to plaintiffs and defendants. If there is a serious issue to be tried it will lead to a just result and mini-trials on the application for an interlocutory injunction would be prevented. It is undesirable to adopt any other course. When the court is considering whether or not to grant an interlocutory injunction the right approach is to ask first whether or not there is a serious question to be tried. When the court has some idea of the strength of the respective cases that is a factor to be taken into consideration.

In the present case Graham J. placed a heavy onus on the appellants and held that they had discharged it. The differing decisions of the Court of Appeal and the judge on the merits show that there is a serious question to be tried. On the evidence the appellant should succeed. On the question of the balance of convenience reliance is placed on Graham J.'s judgment

*Stephen Gratwick Q.C. and G. D. Paterson* for the respondent company. On an application for an interlocutory injunction the court must look at the respective situations of the two contending parties. The first question to ask is why a plaintiff should not be left to fight his action and \*400 get his relief by succeeding. The normal rule of English litigation is that a party gets no relief till he has gone to trial and persuaded the court that he has a right which has been infringed. He is not entitled to an interlocutory injunction just because he has a strong case. He is only so entitled if it is shown that there could be injustice if the defendant is left unfettered and that there is a serious risk of irreparable damage to the plaintiff. In the first place the plaintiff should show that there is some serious need for the defendant to be restrained. The law recognises that there are situations in which the property in dispute has some special quality of its own, e.g., cases where there is the danger of the collapse of a party wall, but in a patent action this is rarely the case and usually the interests of the parties are purely monetary, so that no question of irreparable damage arises. The *Evans Marshall* case [1973] 1 W.L.R. 349, 379-380 illustrates a true application of this principle. See also *Mogul Steamship Co. v. M'Gregor, Gow & Co.* (1885) 15 Q.B.D. 476, 484-486. The question is whether the plaintiff would suffer irreparable injury or only an injury which could be compensated in damages. One must look at the facts of each particular

case to see whether irreparable damage would be caused. If there is simply a dispute between traders as to a monopoly there will be no irreparable damage. The grant of a patent is an exception recognised by the Statute of Monopolies 1623 which was designed to give everyone freedom to trade. In each case one must ask why damages are not a sufficient remedy. In the present case it could be serious for the defendants to have to put all their work into cold storage. There is no suggestion that they would not be good for any damages which might be awarded against them if they lost the action eventually. In *Preston v. Luck*, 27 Ch.D. 497, 508, the court acted on the basis suggested by the defendants. It should not be the policy of the court to preserve the status quo in all cases but only to prevent irreparable damage to the plaintiffs: see *Elwes v. Payne* (1879) 12 Ch.D. 468, 476, 479. As to the assessment of damages should the plaintiffs succeed, see *Terrell on the Law of Patents*, 12th ed., p. 372, para. 948. In practical experience, parties in patent litigation rarely find difficulty in reaching an agreement on damages.

If there is evidence of irreparable damage the next question is: What sort of a case has the plaintiff got? It must also be considered on what basis the defendants will defend the action. The plaintiffs must be able to show that the strength of their case is such that in the circumstances there should be an interlocutory injunction. It is accepted that there may be cases in which the risk of damage to the plaintiffs is such that an injunction should be granted (e.g., where a defendant is erecting a fence across the plaintiff's only approach to his house) regardless of the strength of the parties' cases, but in other cases the risk of damage could be very small and the respective cases must be considered.

The House should try this matter to the extent of establishing how much substance there is in the defendants' answer. For the purposes of an interlocutory injunction the case against the specification is so strong that relief should not be granted till the rights of the parties have been tested in court.

One may distinguish between a difficult question and a serious question. Problems may arise, not from the difficulty of a question of **\*401** construction but from the amount of knowledge needed to present the case to the court in an age of increasingly complex technology, and, once this technical problem is mastered, there may be no serious difficulty over the construction of the specification. As to the contents of a specification, see *Terrell on the Law of Patents*, p. 416, para. 1134.

Patent specifications must not be ambiguous: *Natural Colour Kinematograph Co. Ltd. v. Bioschemes Ltd.* (1915) 32 R.P.C. 256, 266, 268-269. The plaintiffs are seeking equitable relief and he who comes to equity must do equity, whereas their specification is just the sort which was criticised in the *Natural Colour* case, 32 R.P.C. 256, 266, 268-269. If the plaintiffs have made their specification needlessly obscure, they should not be given interlocutory relief and should wait till they have proved their case for a monopoly in court. No sincere attempt was made to make it clear that that copolymers were included.

If, however, the specification bears the wider meaning alleged, it is invalid for inutility, insufficiency, unfair basis and false suggestion, since the copolymers will not have, as surgical sutures, the characteristics described in the body of the patent. The specification wholly fails to meet the obligation imposed by statute to tell the reader fairly what is required to make the copolymers.

'Ambiguity' in the present context has not the meaning which it ordinarily has in relation to the construction of documents but refers to the want of clarity which is a ground of objection under section 32 (1) (i) of the Patents Act 1949. Such an objection was made in the *Natural Colour* case, 32 R.P.C. 256, 259-260, and what Lord Loreburn said about it at p. 266 is what the defendants say here, since his observations are very appropriate to the present specification.

The essence of this invention was discovering a material which would make a satisfactory suture. That puts on the inventor the burden of saying what materials serve that purpose; otherwise he is being grossly unfair to the public. It is in this context that the House of Lords should say that the strength of the defendants' case is such that there should be no interlocutory injunction.

Two inventors may solve a problem by different methods. This has happened here, where the chief problem to be solved was that of absorb-ability. Someone using a copolymer is not doing something covered by this invention and he should not be held to be within the patent. For the plaintiffs there is no stopping point between a claim for a homopolymer and a wide claim for copolymers.

A patent cannot properly be held to cover things which do not operate in the way the inventor says they do: see *Hatmaker v. Joseph Nathan & Co. Ltd.* (1919) 36 R.P.C. 231, 232-233, 236-237, 239, which is applicable to the present case. The observations of the Lords were not confined to claims for processes. If an inventor says that by using his invention certain results are achieved, the patent is invalid if they are not achieved.

As to inutility, see *Terrell on the Law of Patents*, 12th ed., p. 99, para. 246, pp. 101-102, para. 251 and

p. 103, para. 253. The trial judge wrongly applied the test of commercial utility. The plaintiffs say that the claim covers copolymers but the defendants' copolymer does not have any of the qualities which they allege. Different inventors may \*402 arrive at commercially satisfactory ways of solving a problem by different inventions and by things which behave in different ways. This inventor solved the problem only by using homopolymers and materials which he said have certain characteristics. His patent cannot cover the case of people who solved the problem by methods which do not have those characteristics. The observations in *In re May & Baker Ltd. and Ciba Ltd.'s Letters Patent (1948) 65 R.P.C. 255*, 288-289; 66 R.P.C. 8; sub nom. *May & Baker Ltd. v. Boots Pure Drug Co. Ltd. (1950) 67 R.P.C. 23* are directly applicable to the claim in the present case. In the medical field it is very wrong of an inventor to cast his claim more widely than is justified by the work he has done. Here the plaintiffs have cast their claim over a range of copolymers, the scope of which one does not know.

It is legitimate to frame a patent widely if the invention has been so described in the body of the specification. But unless the specification is so framed, the claim cannot be made in that way: see *British Thomson-Houston Co. Ltd. v. Corona Lamp Works Ltd. (1921) 39 R.P.C. 49* quoted in *Terrell on the Law of Patents*, 12th ed., p. 97, para. 242. In the present case any claim would have to be backed up by a description in the specification intimating how other groups and units would affect the properties of the suture. This specification has not been so framed. The approach which the plaintiffs seek to make is one which the specification cannot sustain: see also *No-Fume Ltd. v. Frank Pitchford & Co. Ltd. (1935) 52 R.P.C. 231*, 236 and *R.C.A. Photophone Ltd. v. Gaumont-British Picture Corporation Ltd. (1935) 53 R.P.C. 167*, 205.

Even assuming that the plaintiffs are entitled to claim in this form, the question remains whether there was infringement. The plaintiffs are debarred from maintaining that there has been infringement because a copolymer has been used, since they have not discharged the onus of proof on this point.

As to the balance of convenience, see *Mitchell v. Henry (1880) 15 Ch.D. 181*, 191, 195.

As to the evidence on the balance of convenience what is relevant here, so far as regards damage to the plaintiffs, is the possible impact of an interlocutory injunction on domestic sales. This is a trifling amount of the total sales of a giant corporation and irreparable damage could not conceivably be caused to the plaintiffs. At most there could only be a minor commercial set-back in the development of their business, bearing in mind their resources. The plaintiffs have not adduced any evidence of irreparable damage. Both parties are giant corporations of enormous resources. Such damage as the plaintiffs might suffer, prior to judgment, if they succeed at the trial, will not have any material effect on their annual profit and loss account and that damage can easily be met by the defendants.

So, if there is no interlocutory injunction and the plaintiffs succeed at the trial, they will recover damages under every relevant head of damage appropriate to infringement of a patent. The basis will be the amount of business done by the defendants, which can easily be ascertained from their accounts. No other head of damage would arise. The patent will not expire till 1980 and so the perpetual injunction, which will be granted if \*403 the plaintiffs succeed ultimately, will protect them in re-establishing a monopoly.

If an interlocutory injunction is granted and the defendants succeed at the trial, the plaintiffs will have to pay them such damages as are attributable to the injunction. There will be no simple basis on which to assess it since it must depend on an estimate of the amount of business the defendants would have done during the period of the injunction and of the diminution caused by that injunction in the future value of that business when resumed. A further source of damage to the defendants arises out of the great expense involved in developing and preparing to market their products over many years. Any delay in marketing represents a loss in the return on the investment and a loss in its actual value because it gives more time to other competitors to develop products of their own. These losses are more difficult to assess than any which could arise if an injunction were not granted and the plaintiffs succeeded.

The present case resembles *Zaidener v. Barrisdale Engineers Ltd. [1968] R.P.C. 488*. The balance of convenience is against the granting of an interlocutory injunction. The application can be and should be refused without the court needing to form any prima facie view as to the respective rights of the parties.

In every patent action money is at stake and there is some question of substance. If it is right to grant an interlocutory injunction in this case, where there is little evidence of the probability of irreparable damage to the plaintiffs, when would it not be right to grant such an injunction?

*Paterson* following. There are four points of defence: (1) On the proper construction of claim 1 of the specification there has been no infringement. (2) If on the true construction of claim 1 it is broad enough to cover the defendants' sutures, then it is invalid on grounds of inutility, insufficiency, ambiguity, no fair basis and false suggestion: section 32 (1) (g) (h) (i) and (j) of the Patents Act 1949. (3) Each claim is

invalid on the ground of obviousness: section 32 (1) (g) . (4) The balance of convenience does not favour the grant of an interlocutory injunction.

One cannot have a patent for a new use of an old product unless there is invention in the adaptation of the old product to the new use: *Acetylene Illuminating Co. Ltd. v. United Alkali Co. Ltd.* (1904) 22 R.P.C. 145 , 155-156. The test is whether the new use lies in the track of the old use.

In 1963 three companies independently had the idea of using PHAE as a suture, Graham J. in rejecting the defendants' submissions on this point ignored the evidence of the history of the matter.

[LORD DIPLOCK intimated that their Lordships only required to hear arguments in reply on the question of balance of convenience.]

*Bateson Q.C.* in reply. Prospective infringers should not 'jump the gun.' In the light of the defendants' aggressive sales policy and in view of the fact that the case cannot be finished till 1977, there is a danger that the defendants might press the sale of those sutures, not to fill a need, but to get ahead of the plaintiffs. The balance of convenience is primarily a matter for the judge of first instance.

Their Lordships took time for consideration. February 5, 1975.

**\*404**

LORD DIPLOCK

stated the facts and continued: My Lords, the question whether the use of XLG as an absorbable surgical suture is an infringement of Cyanamid's patent depends upon the meaning to be given to the three words 'a polyhydroxyacetic ester' in the principal claim. Cyanamid's contention is that at the date of publication of the patent those words were used as a term of art in the chemistry of polymerisation not only in the narrower meaning of a homopolymer of which the units in the chain, apart from the end stabilisers, consisted solely of glycolide radicals but also in the broader meaning of a copolymer of which up to 15 per cent. of the units in the chain would be lactide radicals; and that what was said in the body of the patent made it clear that in the claim the words were used in this wider meaning.

Ethicon's first contention is that the words 'a polyhydroxyacetic ester' in the principal claim bear the narrower meaning only, viz. that they are restricted to a homopolymer of which all the units in the chain except the end stabilisers consist of glycolide radicals. In the alternative, as commonly happens where the contest is between a narrower and a wider meaning in a patent specification, they attack the validity of the patent, if it bears the wider meaning, on the grounds of inutility, insufficiency, unfair basis and false suggestion. These objections are really the obverse of their argument in favour of the narrower construction. They are all different ways of saying that if the claim is construed widely it includes copolymers which will not have as surgical sutures the characteristics described in the body of the patent. Ethicon also attack the validity of the patent on the ground of obviousness.

Both Graham J. and the Court of Appeal felt constrained by authority to deal with Cyanamid's claim to an interlocutory injunction by considering first whether, upon the whole of the affidavit evidence before them, a prima facie case of infringement had been made out. As Russell L.J. put it in the concluding paragraph of his reasons for judgment with which the other members of the court agreed [1974] F.S.R. 312 , 333:

'... if there be no prima facie case on the point essential to entitle the plaintiffs to complain of the defendants' proposed activities, that is the end of the claim to interlocutory relief.'

'Prima facie case' may in some contexts be an elusive concept, but the sense in which it was being used by Russell L.J. is apparent from an earlier passage in his judgment. After a detailed analysis of the conflicting expert testimony he said, at p. 330:

'I am not satisfied on the present evidence that on the proper construction of this specification, addressed as it is to persons skilled in the relevant art or science, the claim extends to sterile surgical sutures produced not only from a homopolymer of glycolide but also from a copolymer of glycolide and up to 15 per cent. of lactide. That is to say that I do not consider that a prima facie case of infringement is established.'

In effect what the Court of Appeal was doing was trying the issue of infringement upon the conflicting affidavit evidence as it stood, without the benefit of oral testimony or cross-examination. They were saying: **\*405**

'If we had to give judgment in the action now without any further evidence we should hold that Cyanamid had not satisfied the onus of proving that their patent would be infringed by Ethicon's selling sutures made of XLG.'

The Court of Appeal accordingly did not find it necessary to go into the questions raised by Ethicon as to the validity of the patent or to consider where the balance of convenience lay.

Graham J. had adopted the same approach as the Court of Appeal; but, upon the same evidence he had come to the contrary conclusion on the issue of infringement. He considered (at p. 321) that on the evidence as it stood Cyanamid had made out a 'strong prima facie case' that their patent would be infringed by Ethicon's selling sutures made of XLG. He then went on to deal briefly with the attack upon the validity of the patent and came to the conclusion that upon the evidence before him none of the grounds of invalidity advanced by Ethicon was likely to succeed. He therefore felt entitled to consider the balance of convenience. In his opinion it lay in favour of maintaining the status quo until the trial of the action. So he granted Cyanamid an interlocutory injunction restraining Ethicon from infringing the patent until the trial or further order.

The grant of an interlocutory injunction is a remedy that is both temporary and discretionary. It would be most exceptional for your Lordships to give leave to appeal to this House in a case which turned upon where the balance of convenience lay. In the instant appeal, however, the question of the balance of convenience, although it had been considered by Graham J. and decided in Cyanamid's favour, was never reached by the Court of Appeal. They considered that there was a rule of practice so well established as to constitute a rule of law that precluded them from granting any interim injunction unless upon the evidence adduced by both the parties on the hearing of the application the applicant had satisfied the court that on the balance of probabilities the acts of the other party sought to be enjoined would, if committed, violate the applicant's legal rights. In the view of the Court of Appeal the case which the applicant had to prove before any question of balance of convenience arose was 'prima facie' only in the sense that the conclusion of law reached by the court upon that evidence might need to be modified at some later date in the light of further evidence either detracting from the probative value of the evidence on which the court had acted or proving additional facts. It was in order to enable the existence of any such rule of law to be considered by your Lordships' House that leave to appeal was granted.

The instant appeal arises in a patent case. Historically there was undoubtedly a time when in an action for infringement of a patent that was not already 'well established,' whatever that may have meant, an interlocutory injunction to restrain infringement would not be granted if counsel for the defendant stated that it was intended to attack the validity of the patent.

Relics of this reluctance to enforce a monopoly that was challenged, even though the alleged grounds of invalidity were weak, are to be found **\*406** in the judgment of Scrutton L.J. as late as 1924 in Smith v. Grigg Ltd. [1924] 1 K.B. 655 ; but the elaborate procedure for the examination of patent specifications by expert examiners before a patent is granted, the opportunity for opposition at that stage and the provisions for appeal to the Patent Appeal Tribunal in the person of a patent judge of the High Court, make the grant of a patent nowadays a good prima facie reason, in the true sense of that term, for supposing the patent to be valid, and have rendered obsolete the former rule of practice as respects interlocutory injunctions in infringement actions. In my view the grant of interlocutory injunctions in actions for infringement of patents is governed by the same principles as in other actions. I turn to consider what those principles are.

My Lords, when an application for an interlocutory injunction to restrain a defendant from doing acts alleged to be in violation of the plaintiff's legal right is made upon contested facts, the decision whether or not to grant an interlocutory injunction has to be taken at a time when ex hypothesi the existence of the right or the violation of it, or both, is uncertain and will remain uncertain until final judgment is given in the action. It was to mitigate the risk of injustice to the plaintiff during the period before that uncertainty could be resolved that the practice arose of granting him relief by way of interlocutory injunction; but since the middle of the 19th century this has been made subject to his undertaking to pay damages to the defendant for any loss sustained by reason of the injunction if it should be held at the trial that the plaintiff had not been entitled to restrain the defendant from doing what he was threatening to do. The object of the interlocutory injunction is to protect the plaintiff against injury by violation of his

right for which he could not be adequately compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial; but the plaintiff's need for such protection must be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated under the plaintiff's undertaking in damages if the uncertainty were resolved in the defendant's favour at the trial. The court must weigh one need against another and determine where 'the balance of convenience' lies.

In those cases where the legal rights of the parties depend upon facts that are in dispute between them, the evidence available to the court at the hearing of the application for an interlocutory injunction is incomplete. It is given on affidavit and has not been tested by oral cross-examination. The purpose sought to be achieved by giving to the court discretion to grant such injunctions would be stultified if the discretion were clogged by a technical rule forbidding its exercise if upon that incomplete untested evidence the court evaluated the chances of the plaintiff's ultimate success in the action at 50 per cent. or less, but permitting its exercise if the court evaluated his chances at more than 50 per cent.

The notion that it is incumbent upon the court to undertake what is in effect a preliminary trial of the action upon evidential material different from that upon which the actual trial will be conducted, is, I think, of comparatively recent origin, though it can be supported by references in **\*407** earlier cases to the need to show 'a probability that the plaintiffs are entitled to relief' (*Preston v. Luck* (1884) 27 Ch.D. 497, 506, *per* Cotton L.J.) or 'a strong prima facie case that the right which he seeks to protect in fact exists' (*Smith v. Grigg Ltd.* [1924] 1 K.B. 655, 659, *per* Atkin L.J.). These are to be contrasted with expressions in other cases indicating a much less onerous criterion, such as the need to show that there is 'certainly a case to be tried' (*Jones v. Pacaya Rubber and Produce Co. Ltd.* [1911] 1 K.B. 455, 457, *per* Buckley L.J.) which corresponds more closely with what judges generally treated as sufficient to justify their considering the balance of convenience upon applications for interlocutory injunctions, at any rate up to the time when I became a member of your Lordships' House.

An attempt had been made to reconcile these apparently differing approaches to the exercise of the discretion by holding that the need to show a probability or a strong prima facie case applied only to the establishment by the plaintiff of his right, and that the lesser burden of showing an arguable case to be tried applied to the alleged violation of that right by the defendant (*Donmar Productions Ltd. v. Bart* (Note) [1967] 1 W.L.R. 740, 742, *per* Ungood-Thomas J., *Harman Pictures N.V. v. Osborne* [1967] 1 W.L.R. 723, 738, *per* Goff J.). The suggested distinction between what the plaintiff must establish as respects his right and what he must show as respects its violation did not long survive. It was rejected by the Court of Appeal in *Hubbard v. Vosper* [1972] 2 Q.B. 84 - a case in which the plaintiff's entitlement to copyright was undisputed but an injunction was refused despite the apparent weakness of the suggested defence. The court, however, expressly deprecated any attempt to fetter the discretion of the court by laying down any rules which would have the effect of limiting the flexibility of the remedy as a means of achieving the objects that I have indicated above. Nevertheless this authority was treated by Graham J. and the Court of Appeal in the instant appeal as leaving intact the supposed rule that the court is not entitled to take any account of the balance of convenience unless it has first been satisfied that if the case went to trial upon no other evidence than is before the court at the hearing of the application the plaintiff would be entitled to judgment for a permanent injunction in the same terms as the interlocutory injunction sought.

Your Lordships should in my view take this opportunity of declaring that there is no such rule. The use of such expressions as 'a probability,' 'a prima facie case,' or 'a strong prima facie case' in the context of the exercise of a discretionary power to grant an interlocutory injunction leads to confusion as to the object sought to be achieved by this form of temporary relief. The court no doubt must be satisfied that the claim is not frivolous or vexatious, in other words, that there is a serious question to be tried.

It is no part of the court's function at this stage of the litigation to try to resolve conflicts of evidence on affidavit as to facts on which the claims of either party may ultimately depend nor to decide difficult questions of law which call for detailed argument and mature considerations. These are matters to be dealt with at the trial. One of the reasons for the introduction of the practice of requiring an undertaking as to damages upon the **\*408** grant of an interlocutory injunction was that 'it aided the court in doing that which was its great object, viz. abstaining from expressing any opinion upon the merits of the case until the hearing': *Wakefield v. Duke of Buccleugh* (1865) 12 L.T. 628, 629. So unless the material available to the court at the hearing of the application for an interlocutory injunction fails to disclose that the plaintiff has any real prospect of succeeding in his claim for a permanent injunction at the trial, the court should go on to consider whether the balance of convenience lies in favour of granting or refusing the interlocutory relief that is sought.

As to that, the governing principle is that the court should first consider whether, if the plaintiff were to



succeed at the trial in establishing his right to a permanent injunction, he would be adequately compensated by an award of damages for the the loss he would have sustained as a result of the defendant's continuing to do what was sought to be en joined between the time of the application and the time of the trial. If damages in the measure recoverable at common law would be adequate remedy and the defendant would be in a financial position to pay them, no interlocutory injunction should normally be granted, however strong the plaintiff's claim appeared to be at that stage. If, on the other hand, damages would not provide an adequate remedy for the plaintiff in the event of his succeeding at the trial, the court should then consider whether, on the contrary hypothesis that the defendant were to succeed at the trial in establishing his right to do that which was sought to be enjoined, he would be adequately compensated under the plaintiff's undertaking as to damages for the loss he would have sustained by being prevented from doing so between the time of the application and the time of the trial. If damages in the measure recoverable under such an undertaking would be an adequate remedy and the plaintiff would be in a financial position to pay them, there would be no reason upon this ground to refuse an interlocutory injunction.

It is where there is doubt as to the adequacy of the respective remedies in damages available to either party or to both, that the question of balance of convenience arises. It would be unwise to attempt even to list all the various matters which may need to be taken into consideration in deciding where the balance lies, let alone to suggest the relative weight to be attached to them. These will vary from case to case.

Where other factors appear to be evenly balanced it is a counsel of prudence to take such measures as are calculated to preserve the status quo. If the defendant is enjoined temporarily from doing something that he has not done before, the only effect of the interlocutory injunction in the event of his succeeding at the trial is to postpone the date at which he is able to embark upon a course of action which he has not previously found it necessary to undertake; whereas to interrupt him in the conduct of an established enterprise would cause much greater inconvenience to him since he would have to start again to establish it in the event of his succeeding at the trial.

Save in the simplest cases, the decision to grant or to refuse an interlocutory injunction will cause to whichever party is unsuccessful on the application some disadvantages which his ultimate success at the trial may \*409 show he ought to have been spared and the disadvantages may be such that the recovery of damages to which he would then be entitled either in the action or under the plaintiff's undertaking would not be sufficient to compensate him fully for all of them. The extent to which the disadvantages to each party would be incapable of being compensated in damages in the event of his succeeding at the trial is always a significant factor in assessing where the balance of convenience lies, and if the extent of the uncompensatable disadvantage to each party would not differ widely, it may not be improper to take into account in tipping the balance the relative strength of each party's case as revealed by the affidavit evidence adduced on the hearing of the application. This, however, should be done only where it is apparent upon the facts disclosed by evidence as to which there is no credible dispute that the strength of one party's case is disproportionate to that of the other party. The court is not justified in embarking upon anything resembling a trial of the action upon conflicting affidavits in order to evaluate the strength of either party's case.

I would reiterate that, in addition to those to which I have referred, there may be many other special factors to be taken into consideration in the particular circumstances of individual cases. The instant appeal affords one example of this.

Returning, therefore, to the instant appeal, it cannot be doubted that the affidavit evidence shows that there are serious questions to be tried. Graham J. and the Court of Appeal have already tried the question of infringement on such affidavit evidence as was available and have come to contrary conclusions. Graham J. has already also tried the question of invalidity on these affidavits and has come to the conclusion that the defendant's grounds of objection to the patent are unlikely to succeed, so it was clearly incumbent upon him and on the Court of Appeal to consider the balance of convenience.

Graham J. did so and came to the conclusion that the balance of convenience lay in favour of his exercising his discretion by granting an interlocutory injunction. As patent judge he has unrivalled experience of pharmaceutical patents and the way in which the pharmaceutical industry is carried on. Lacking in this experience, an appellate court should be hesitant to overrule his exercise of his discretion, unless they are satisfied that he has gone wrong in law.

The factors which he took into consideration, and in my view properly, were that Ethicon's sutures XLG were not yet on the market, so they had no business which would be brought to a stop by the injunction, no factories would be closed and no work-people would be thrown out of work. They held a dominant position in the United Kingdom market for absorbent surgical sutures and adopted an aggressive sales

policy. Cyanamid on the other hand were in the course of establishing a growing market in PHAE surgical sutures which competed with the natural catgut sutures marketed by Ethicon. If Ethicon were entitled also to establish themselves in the market for PHAE absorbable surgical sutures until the action is tried, which may not be for two or three years yet, and possibly thereafter until the case is finally disposed of on appeal, Cyanamid, even though ultimately successful in proving infringement, would have lost its chance of continuing to increase \*410 its share in the total market in absorbent surgical sutures which the continuation of an uninterrupted monopoly of PHAE sutures would have gained for it by the time of the expiry of the patent in 1980. It is notorious that new pharmaceutical products used exclusively by doctors or available only on prescription take a long time to become established in the market, that much of the benefit of the monopoly granted by the patent derives from the fact that the patented product is given the opportunity of becoming established and this benefit continues to be reaped after the patent has expired.

In addition there was a special factor to which Graham J. attached importance. This was that, once doctors and patients had got used to Ethicon's product XLG in the period prior to the trial, it might well be commercially impracticable for Cyanamid to deprive the public of it by insisting on a permanent injunction at the trial, owing to the damaging effect which this would have upon its goodwill in this specialised market and thus upon the sale of its other pharmaceutical products.

I can see no ground for interfering in the learned judge's assessment of the balance of convenience or for interfering with the discretion that he exercised by granting the injunction. In view of the fact that there are serious questions to be tried upon which the available evidence is incomplete, conflicting and untested, to express an opinion now as to the prospects of success of either party would only be embarrassing to the judge who will have eventually to try the case. The likelihood of such embarrassment provides an additional reason for not adopting the course that both Graham J. and the Court of Appeal thought they were bound to follow, of dealing with the existing evidence in detail and giving reasoned assessments of their views as to the relative strengths of each party's cases.

I would allow the appeal and restore the order of Graham J.

VISCOUNT DILHORNE.

My Lords, I have had the advantage of reading the speech of my noble and learned friend, Lord Diplock. I agree with it and that this appeal should be allowed and the order of Graham J. restored.

LORD CROSS OF CHELSEA.

My Lords, for the reasons given by my noble and learned friend, Lord Diplock, in his speech, which I have had the advantage of reading in draft, I would allow this appeal.

LORD SALMON.

My Lords, I agree with the opinion of my noble and learned friend, Lord Diplock, and for the reasons he gives I would allow the appeal and restore the order of Graham J.

LORD EDMUND-DAVIES.

My Lords, for the reasons given by my noble and learned friend, Lord Diplock, I would also allow this appeal.

## Representation

Solicitors: Allen & Overy ; Lovell, White & King .

*Appeal allowed. (F. C. )*

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