

Question Q219

National Group: The Finnish AIPPI group

Title: **The availability of injunctions in cases of infringement of IPRs**

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Questions

I. Analysis of current law and case law

The Groups are invited to answer the following questions under their national laws:

Availability:

1. Are injunctions for infringement of an IPR available on a provisional/preliminary basis?

Yes. Preliminary injunctions are available for all intellectual property rights based on general provisions in procedural law. In addition, there are specific provisions regarding provisional injunction measures in specific IPR acts. Also injunction orders against intermediaries facilitating intellectual property right infringements are available for all IPRs.

2. Are injunctions for infringement of an IPR available on a permanent basis?

Yes. Injunctions on a permanent basis are available for all intellectual property rights based on the specific IPR acts, which contain the following basic principle: the party who has been found to infringe the exclusive rights of an IPR holder, may, at the right holder's request, be prohibited from continuing or repeating the infringing act.

Criteria:

3. If yes to question 1, what are the criteria for the grant of an injunction on a provisional/preliminary basis?

Preliminary injunctions regarding all intellectual property rights can be granted by virtue of Chapter 7 Section 3 of the Code for Judicial Procedure either before or during the main proceedings. Furthermore, also provisions of specific IPR acts, such as Section 68 of the Patent Act and Section 48 of the Trademark Act, provide for preliminary injunctions that may be obtained during the main proceedings. Preliminary injunctions may also be granted provisionally on *ex parte* basis without hearing the counterparty, *inter alia*, in situations in which the purpose of the preliminary injunction could otherwise be compromised.

While in practice the characteristic features of different intellectual property rights impact, for example, the presenting and assessment of evidence with respect to infringements, the criteria for granting a preliminary injunction are in principle the same for all intellectual property rights. The prerequisites for a preliminary injunction are:

(i) Claim requirement

The right holder shall establish that he/she has a right enforceable against the counterparty. The evaluation of the fulfilment of the claim requirement is based on probability assessment: according to recent practice, if it is deemed at least somewhat more likely that the right in question is infringed by the defendant than the opposite, the claim requirement is deemed to be fulfilled.

(ii) Danger requirement

It is required that the counterparty by deed, action, or negligence, or in some other manner, hinders or undermines the realization of the right holder's right or decreases essentially the value or significance of said right. Actual existence of the danger is generally not required to be proven, a claim thereof suffices.

(iii) Comparison of interest / undue inconvenience

The Court considers the interests of both parties and assesses whether the defendant would suffer undue inconvenience in comparison to the benefit to be secured. In principle, the more harm the infringement is deemed to cause to the right holder in comparison to the harm caused by the injunction to the alleged infringer, the lower the threshold for granting a preliminary injunction is, and vice versa.

In addition to the preliminary injunctions described above, the Finnish intellectual property right laws provide for a prohibition pertaining to Article 9 of the Enforcement Directive against intermediaries facilitating the infringement of intellectual property rights (injunction order). A party maintaining a transmitter, server or other similar device or other service provider acting as an intermediary, can be prohibited under penalty of a fine from continuing the use alleged to infringe the intellectual property right in question, unless it can be considered disproportionate in view of the rights of the alleged infringer of the intellectual property right in question or in view of the rights of the intermediary or the right holder. The injunction order may be obtained during the main proceedings or prior to the initiation of the proceedings provided, however, in the latter event that it is apparent that the right holder's rights would otherwise be seriously prejudiced. The injunction order may be granted provisionally until further notice also on *ex parte* basis if deemed necessary due to the urgency of the case.

4. If yes to question 2, what are the criteria for the grant of an injunction on a permanent basis?

In case an infringement of intellectual property rights has been established, the grant of an injunction will as the main rule follow upon the request of the IPR holder: the case law of Finnish Supreme Court establishes that only in exceptional circumstances will an injunction not be granted; as an example of such circumstances, the Supreme Court has primarily identified a situation where there is no danger of continuance or repetition of the infringing act (Supreme Court decision 2003:127). The Supreme Court has confirmed in the aforementioned case, which concerned patent infringement, that the essence of the exclusive rights conferred by a patent is that no one else than the patentee may exploit the invention without the patentee's permission. The prohibition right is the crux of the patentee's legal safeguards. Therefore the Court concluded that the right to obtain an injunction against the infringer should be restricted only in exceptional circumstances (taking also into consideration mandatory license provisions).

- 5. If not addressed in answering questions 3 and 4, does the criteria for the grant of an injunction differ depending on whether the injunction sought is on a provisional/preliminary or permanent basis? If so, how?**

Please see the responses to questions 3 and 4 above.

- 6. Are the criteria for the grant of an injunction equally applicable to infringement of all IPRs?**

Yes, the criteria for the grant of a preliminary or permanent injunction are equally applicable to infringement of all IPRs.

In practice, the type and nature of the IPR may have an effect on the consideration and scope of evidence establishing the (i) existence of the IPR (such as unregistered IPR vs. registered IPR / IPR granted after a substantive examination by the relevant authority) and (ii) infringement (e.g., technical expertise may be required in patent cases, which is not the case in trademark cases), and also the burden of proof provisions may vary as regards the question of infringement (e.g., as regards permanent injunction, the reversed burden of proof provision pertaining to Article 34 of the TRIPS Agreement in cases of patents granted for processes to manufacture novel products), but once the infringement has been established, the criteria for the grant of an injunction is equally applicable to infringement of all IPRs and there is no case law to suggest otherwise.

- 7. If no to 6, are there any specific criteria or considerations for the grant of an injunctions for particular IPRs? If so, what criteria apply and to which IPRs?**

Please see the response to question 6 above.

- 8. Are there any specific criteria or considerations for particular subject matter, for example, pharmaceutical patents? If so, what criteria or considerations apply to what subject matter?**

No.

- 9. Are there any specific considerations relevant to particular IP holders, for example, NPEs? If so, what considerations are relevant and to what IPR holders?**

No, there is no statutory law or case law to this extent in Finland.

Discretion:

10. Is there any element of judicial discretion in relation to the grant of an injunction for infringement of IPRs? If so, how does the discretion apply?

Please see the responses to questions 3 and 4 above.

As for permanent injunctions, according to the wording of the specific IPR acts the court *may* grant an injunction. However, in practice there is not much scope for a court to apply discretion in granting an injunction against infringing activities.

As for preliminary injunctions, there is considerable discretion. While Finnish courts have traditionally been somewhat reluctant to grant preliminary injunctions, during the recent years the attitude of the courts towards preliminary injunctions has become more favourable. In this respect, please see response to question 16 below.

Based on the case law to date, it is not possible to identify exact rules for applying the criteria described under question 3 above as regards preliminary injunctions (claim requirement, danger requirement and the balancing of the right holder's interests against those of the defendant). The relevant issues to be considered depend on the specific circumstances in each case and to a certain extent also on the type of the IPR in question, even though the vast majority of the cases have been based on patents. Issues that may have been considered or arguments that have been raised by the parties in this regard include the following, among others:

- economic significance of the exclusive right to the right holder and the market situation in general;
- right holder's passiveness in defending its rights;
- alleged infringer's passiveness in responding to right holder's inquiries;
- time period how long the products have been on the market;
- imminence of the danger of infringement;
- life of a patent; period of validity / expiry date of the IPR in question;
- pending invalidity claim regarding the IPR in question;
- nature of the IPR in question, *i.e.* the fact whether the IPR is registered or unregistered, and when registered, whether the IPR has been granted after a substantive examination or not.

As for preliminary measures in general, Finnish courts apply a rule regarding the so-called advance enjoyment, according to which the threshold for granting a preliminary measure is raised considerably in case such a measure would in practice lead to a situation where the applicant achieves in advance exactly the same outcome, which is the subject of the claims in the main proceedings. This general rule is in principle applied to all preliminary measures, not only to those related to intellectual property rights. However, in practice this rule is not very significant when applying the criteria for the grant of a preliminary injunction in intellectual property matters, since the advance enjoyment situation is implied in these cases.

11. Are there any circumstances in which a court must grant an injunction for infringement of an IPR? If so, in what circumstances?

Please see the responses to questions 3, 4 and 10 above. At the right holder's request, the court must grant an injunction if an infringement of IPR is proved. In practice, there is only a very limited scope of discretion.

- 12. Are there any circumstances where infringement of an IPR is proved and no permanent injunction is available? If so, in what circumstances?**

Please see the response to question 4 above. The Finnish Supreme Court has held that the right to obtain an injunction against the infringer should be restricted only in exceptional circumstances. Such a situation may primarily arise where there is no danger of continuance or repetition of the infringing act.

Scope:

- 13. Is an injunction granted only against named parties to the infringement proceeding, or is an injunction available more broadly against potential infringers such as customers or manufacturers who are not parties to the proceeding?**

Injunctions are granted only against named parties to the infringement proceedings.

- 14. Is there a specific form of words used by your courts to describe the scope of the grant of an injunction? If so, what is the 'formula'?**

There is no such specific 'formula' used by the courts. The definition and scope of an injunction varies depending on the case in question and the formulation of the claims.

- 15. Is the grant of an injunction referable to the item(s) alleged to infringe the relevant IPR, or may the grant of an injunction be broader in scope? If it may be broader, what is the permissible scope of the injunction?**

The grant of an injunction is generally referable to the specific infringing act subject to the infringement proceedings. Unspecified injunctions prohibiting the infringement of the IPR generally are not normally granted, although there may be exceptions to this general rule in the court practice.

Judicial trends and practice:

- 16. Is there any discernible trend in your country as to the willingness or otherwise of courts to grant or refuse injunctions for particular IPRs or in relation to particular subject matter?**

For the part of permanent injunctions, no specific trend can be indicated. As already mentioned above, a permanent injunction will generally follow a finding of infringement regardless of the type of IPR or subject matter in question.

As for preliminary injunctions, the potential to apply for them was "discovered" in the early 2000s, with the decision of the Supreme Court from 2003 (2003:118) declaring that they can indeed be granted on grounds of intellectual property rights. However, the Supreme Court also stated that when the granting of the preliminary injunction would lead to so-called advance enjoyment of the rights being the subject of the claims in the main proceedings, the requirements regarding the probability of the existence of the right claimed by the applicant have to be considerably higher than in cases of other kinds of preliminary measures, such as seizures. After the Supreme Court case, the prevailing view during the following years was that in practice it would be very difficult to obtain preliminary injunctions in IPR matters due to the high threshold required of proof.

During the most recent years, however, preliminary injunctions have been granted by courts to an increasing extent in cases where infringement of IPRs can be considered at least to a certain degree more likely than non-infringement. In the recent praxis of the

Court of Appeals the importance of fulfilling the requirements set forth in the TRIPS Agreement with respect to the availability of enforcement procedures have also been emphasized. It has been stated in the said court praxis that the requirements for granting a precautionary measure shall not be interpreted unnecessarily strictly in IPR matters in view of the international obligations of Finland under the TRIPS Agreement. However, since the aforementioned Supreme Court decision remains the only precedent regarding preliminary injunctions in IPR matters, it is difficult to draw very definite conclusions as to the general requirements of probability based on Court of Appeals case law.

It should be further noted that the vast majority of IPR-related matters concerning preliminary injunctions in the recent years, including the Supreme Court case, have dealt with patents (especially pharmaceutical patents). Thus, it is difficult to indicate any trends in comparison with other IPRs.

- 17. What, if any, has been the impact of the *eBay v Merc-Exchange* decision or any tendency of the courts in your jurisdiction to treat final injunctions as discretionary? Please explain whether the *eBay v Merc-Exchange* decision has been relied on or cited by your courts, and in what circumstances. Alternatively, or in addition, has there been any legal commentary on any potential implications of the *eBay v Merc-Exchange* decision in your jurisdiction?**

The decision has not had any significant impact in Finland as permanent injunctions are not and have not generally been treated as discretionary.

II. Proposals for harmonisation

The Groups are invited to put forward proposals for the adoption of harmonised rules in relation to injunctions for infringement of IPRs. More specifically, the Groups are invited to answer the following questions:

Availability of provisional/preliminary injunctions:

- 18. Should there be a test or criteria for the grant of a provisional/preliminary injunction for the infringement of an IPR? If yes, what should that test or those criteria be?**

Yes, there should be such a test. The test could consist on the one hand (a) of an analysis of the likelihood of infringement and the likelihood of continued infringement and on the other hand (b) of a balancing of hardships.

- 19. If no, what principles should be considered in determining whether to grant an provisional/preliminary injunction?**

Availability of permanent injunctions:

- 20. Should there be a test for the grant of a permanent injunction for the infringement of an IPR? If yes, what should that test be?**

Yes. A test for granting a permanent injunction could be such that when it has been established (after a full trial on the merits) that an infringement has begun (or it is imminent) the court would be under an obligation to grant a permanent injunction, unless

there are some "important reasons" for not granting an injunction. An example of such an important reason would be the objective lack of danger of a continued infringement (e.g. if it has become impossible to infringe).

- 21. If no, what principles should be considered in determining whether to grant a permanent injunction?**

Discretion:

- 22. In what circumstances, if any, should the grant of an injunction automatically follow a finding of infringement of an IPR?**

In most cases a permanent injunction should follow a finding of infringement. Only in exceptional cases should an injunction not be granted. It is, however, difficult to delineate which cases could be deemed exceptional in this sense.

- 23. In what circumstances, if any, should the grant of an injunction be denied notwithstanding a finding of infringement of an IPR?**

Please see the response to question 22 above.

Differences between IPRs:

- 24. Should the above test/principles apply equally to all IPRs?**

For the sake of clarity, the best choice is to adopt similar provisions all across the field of IP law. With a properly formulated injunction provision the same test could apply to all IPRs, although it in practice might work differently in different areas of IP law.

- 25. If no, what should any differences be and why?**

Scope:

- 26. Should an injunction be granted only against named parties to infringement proceeding, or should an injunction be available more broadly against potential infringers such as customers or manufacturers who are not parties to the proceeding?**

An injunction should not be issued against potential infringers that are not (i) parties to the proceedings or (ii) parties otherwise being given the opportunity to be heard in the proceedings.

- 27. What is the appropriate scope of an injunction prohibiting an infringer from committing further infringing acts? For example, should the injunction relate simply to the IP the subject of the allegation of infringement, or should the injunction be broader in scope? If broader, what is the permissible or desirable scope?**

The starting point in formulating an injunction should always have as its core the infringing act(s) the infringer has committed. On top of this the infringer should be enjoined from doing certain acts that would be regarded as infringing acts if committed provided that there is a sufficient risk that the infringer might commit them. Overly broad in blanco injunctions may raise questions with respect to their enforceability and the exact scope to comply with.

Summary

The Finnish AIPPI Group notes that both preliminary and permanent injunctions are available under Finnish law for infringements of all types of intellectual property rights. The applicable legal criteria do not vary depending on the type of IPR in question, although the characteristic features of the IPR may in practice affect issues such as the evaluation of evidence. A permanent injunction is as the main rule always granted by the court at the request of the IPR holder when an infringement has been established. The scope for judicial discretion is limited to exceptional circumstances only. The prerequisites for a preliminary injunction are the following: (i) the right holder shall establish with sufficient probability that he has a right enforceable against the counterparty; (ii) there is a danger that the counterparty hinders or undermines the realization of this enforceable right or decreases its value or significance and (iii) based on the balancing of interests, the counterparty does not suffer undue inconvenience as a result of the preliminary injunction in comparison with the benefit to be secured. The Finnish Group considers that a similar type of a test for the granting of a preliminary injunction could also serve as a potential basis for harmonization.

Résumé

Le Groupe finlandais de l'AIPPI souligne que les injonctions préliminaires et permanentes sont prévues dans la loi finlandaise pour tous les types d'atteintes aux droits de propriété intellectuelle. Les critères juridiques applicables ne varient pas en fonction du type de droit de propriété intellectuelle, même si les caractéristiques du droit de propriété intellectuelle peuvent dans la pratique avoir une incidence sur certains éléments tels que l'évaluation de la preuve. Une injonction permanente est, en général, toujours prononcée par le tribunal à la demande du détenteur du droit de propriété intellectuelle lorsqu'une atteinte au droit a été établie. Le champ d'application du pouvoir judiciaire discrétionnaire est limité aux circonstances exceptionnelles uniquement. Les conditions préalables à une injonction préliminaire sont les suivantes : (i) le détenteur des droits doit établir avec une preuve suffisante qu'il dispose d'un droit opposable à la partie adverse ; (ii) il existe un risque que la partie adverse porte atteinte à la réalisation de ce droit opposable ou l'entrave, ou diminue sa valeur ou son importance ; (iii) en fonction des intérêts en jeu, la partie adverse ne subira pas d'inconvénients exagérés du fait de l'injonction préliminaire au regard du bénéfice à sécuriser. Le Groupe finlandais considère qu'un type similaire de test pour la prononciation d'une injonction préliminaire pourrait également servir comme base potentielle pour une harmonisation.

Zusammenfassung

Die finnische AIPPI Group weist darauf hin, dass gemäß finnischem Gesetz für Verletzungen jeder Art von geistigem Eigentumsrecht sowohl vorläufige als auch dauerhafte gerichtliche Anordnungen beantragt werden können. Die geltenden rechtlichen Kriterien variieren nicht abhängig von den fraglichen geistigen Eigentumsrechten, obschon sich die

charakteristischen Eigenschaften der geistigen Eigentumsrechte in der Praxis auf bestimmte Themen wie beispielsweise die Beweiswürdigung auswirken können. Eine dauerhafte Anordnung wird vom Gericht auf Antrag des Inhabers der geistigen Eigentumsrechte in der Regel immer genehmigt, falls eine Verletzung festgestellt wurde. Der Rahmen des richterlichen Ermessens ist nur auf außergewöhnliche Umstände beschränkt. Für eine vorläufige Anordnung gelten folgende Voraussetzungen: (i) Der Rechteinhaber muss mit hinreichender Wahrscheinlichkeit belegen, dass er gegenüber der Gegenpartei einklagbare Rechte hat. (ii) Es besteht die Gefahr, dass die Gegenpartei die Verwirklichung dieser einklagbaren Rechte behindert oder untergräbt oder ihren Wert bzw. ihre Bedeutung mindert. (iii) Basierend auf den Interessen beider Parteien ergeben sich für die Gegenpartei durch die vorläufige Anordnung keine übermäßigen Unannehmlichkeiten verglichen mit den zu schützenden Vorzügen. Die Finnish Group ist der Ansicht, dass ein vergleichbarer Test zur Genehmigung einer vorläufigen Anordnung durchaus als mögliche Basis zur Harmonisierung dienen kann.