
English Courts Explain the Use of ‘Quia Timet’ Injunctions to Preempt Damages

By Raymond L. Sweigart

*In London Borough of Islington v Elliot and Morris [2012] EWCA Civ 56, the Court of Appeal reviewed the principles that apply when considering the power of a court under English law to grant injunctions **before** damage has taken place. These are known as quia timet (“because he fears”) injunctions. The decision overturning the County Court’s assessment that such an injunction was warranted illustrates the reluctance of English courts to take such action at least in nuisance cases. It also strongly suggests that common law actions may generally be ill-suited as a preemptive defensive measure. In contrast, the Patents Court recently handed down its decision in Merck Sharp Dohme Corp and Bristol-Myers Squibb Pharmaceuticals Limited v Teva Pharma BV [2013] EWHC 1958 (Pat), in which a quia timet injunction was granted to stop threatened and intended patent infringement. The analyses in both cases are instructive on the potential benefits and limits of this procedural tool.*

In the *Islington* case, tree roots from a property owned by the council were allegedly encroaching on a neighbour’s property with the perceived potential for severe damage to the neighbouring structures. Despite repeated notice and complaints, the council did nothing for three years and stated it would not act to remove the trees until it was proven the roots were actually causing significant damage. The claimants brought proceedings seeking damages and a *quia timet* injunction to have the trees removed, even though actual damage had not yet occurred. During the course of these proceedings, and before the matter came to trial, the council removed the trees. The remaining dispute then concerned an award of the claimants’ costs of bringing legal action. The claimants asserted that early removal before damage occurred was a reasonable and cost-effective step, that the council would not have taken action without an injunction or the threat of one, and that there was a likelihood of substantial damage occurring at some point if relief were not granted. The council argued that a *quia timet* injunction would never have been granted and in fact was unnecessary. The County Court found that an injunction was necessary to get the council to act

and that a court would have been likely to grant the injunction. It then proceeded to award the claimant a significant portion of its costs. The Court of Appeal reversed this decision. Although, the only issue before it was costs, the court dealt substantively with the injunction issue, finding the justification for granting a *quia timet* injunction depended on whether:

- the prospect of damage was sufficiently imminent and certain; and
- the defendant's refusal to act to avoid it was obvious.

Despite the history of considerable delay, the council had eventually resolved to remove the trees and had done so before damage occurred. Thus the Court of Appeal was of the view that there was no need for the grant of *quia timet* relief, the legal action was unnecessary and costs should not be awarded to claimant for having pursued such relief.

A different situation was presented by *Bristol-Myers Squibb* (BMS). BMS holds a patent and supplementary protection certificate (SPC) relating to efavirenz, an antiretroviral agent used in treatment of HIV infection. Teva, a generic pharmaceutical company, obtained marketing approval for efavirenz while the BMS patent and SPC were still in force. BMS contacted Teva to ask if Teva intended to bring its generic efavirenz to market before BMS's patent rights expired. Teva responded only that its marketing plans and intentions were proprietary and confidential.

BMS then applied to the court for a *quia timet* injunction to prevent Teva from launching its efavirenz. In considering whether BMS had a right to bring the action against Teva, Judge Birss determined that the question to be asked was whether, viewed in light of all the relevant circumstances at the date BMS initiated proceedings, there was a sufficiently strong probability that an injunction would be required to prevent Teva from infringing. On the facts before him, the Judge awarded an injunction preventing Teva from launching efavirenz until the patent and SPC had expired. In doing so he found that Teva would not have suffered any harm if it had told BMS that it would delay launch until the patent and SPC had expired, particularly as that information could have been imparted under a confidentiality agreement to prevent competitors of Teva who might also be planning to launch efavirenz from learning of or benefitting from Teva's marketing plans.

The BMS judgement provides a useful illustration of how and under what circumstances a *quia timet* injunction might be granted in a patent dispute as well as pre-action steps that could be taken by both parties. In particular, Judge Birss's statements of the law are instructive:

55. One question before me is whether the intention of the defendant is the only relevant factor. Is the issue solely about the defendant's subjective state of mind or do other factors play a part?

56. The principle I derive from these authorities is that the question the court is asking in every case is whether, viewed in all the relevant circumstances, there was a sufficiently strong probability that an injunction would be required to prevent the harm to the claimant to justify bringing the proceedings. In adding the word sufficiently to the word strong I do not mean to put a gloss on the words of Chadwick LJ, rather I am seeking to encapsulate the idea that the degree of probability required will vary from case to case depending on all the circumstances but that mere possibilities are never enough. To justify coming to court requires there to be a concrete, strong and tangible risk that an injunction is required in order to do justice in all the circumstances.

57. If a defendant really does, at the date of the proceedings, have no intention to do the act then in the majority of cases that will be conclusive of the question whether there was a sufficiently

strong probability to justify proceedings. (e.g. *London Borough of Islington*). However it seems to me that the question is not confined to the defendant's subjective intentions. A defendant's overt acts must be capable of being relevant. To take an extreme case, if a man began taking actual preparatory steps to commit some unlawful act seriously damaging to the claimant and in infringement of the claimant's rights and did so in full view of the claimant and well aware that the claimant could see them, he could hardly complain if the claimant started proceedings and the court decided to grant a final injunction to prevent it. A statement at trial that he had never intended to go through with it would get short shrift.

58. I bear in mind that intentions are not necessarily simple. A state of mind need not merely be either one thing or another. Also in this case the defendants are corporate entities to whom an intention can only be imputed.

59. The way the matter is put in the Particulars of Claim contains the allegation that the defendant "threatens and intends" to infringe. I think this is a useful expression in that it encompasses both the defendant's intentions and also the idea that the court should look from the outside at what the defendant is threatening to do. Both are relevant.

Thus, a careful analysis of the objective and subjective facts is required. Actions in the end may speak louder than words, but sufficient words coupled with observable action may negate the requisite "fear" that would justify court intervention. Nevertheless, in the proper case the English courts can act where necessary to prevent damage before it occurs.

If you have any questions about the content of this alert, please contact the Pillsbury attorney with whom you regularly work, or the author.

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