

NICHIA CORPORATION V. EVERLIGHT AMERICAS, INC., Appeal Nos. 2016-1585, 2016-1618 (Fed. Cir. April 28, 2017). Before Reyna, Hughes and Stoll. Appealed from E.D. Tex. (Judge Gilstrap).

Background:

Nichia sued Everlight, alleging infringement of three patents directed to LED technology. The district court held that Everlight infringed the three patents and failed to prove that the patents were invalid. Despite the finding of infringement and invalidity, the district court denied Nichia's request for a permanent injunction against Everlight, finding that Nichia had not shown that it had suffered irreparable harm and that remedies at law provided Nichia inadequate compensation.

Issue/Holding:

Did the district court err in the denial of the permanent injunction? No, affirmed.

Discussion:

The Federal Circuit considered whether Nichia failed to establish any one of the four equitable factors required for a permanent injunction. Regarding the equitable factor of irreparable harm, Nichia argued that the district court abused its discretion in finding a lack of "meaningful competition" between the parties. However, Nichia identified only three out of 516 sales opportunities in which Everlight was a competitor, and failed to establish that Everlight was responsible for causing any lost sales. Furthermore, although Nichia lowered its price in a sale to General Electric (GE), the lower-price sale to GE was not considered to be price erosion because the lower price was required by GE. Accordingly, Nichia was required to lower its price in the GE sale, regardless of Everlight's competition.

Thus, the Federal Circuit found that because Nichia failed to establish at least one of the four equitable factors required for a permanent injunction, the district court did not abuse its discretion in denying the injunction.