

Intellectual Property Lawyers' Association

from the Secretary

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30 September 2016

House of Lords
Susannah Street
Legislation Office
House of Lords
London
SW1A 0PW

Dear Susannah

Intellectual Property (Unjustified Threats) Bill

Thank you for your letter of 19th September 2016 addressed to Rowan Freeland inviting the IPLA to provide evidence in relation to the Intellectual Property (Unjustified Threats) Bill.

The IPLA shares the view of the Law Commission that the law relating to 'threats' of intellectual property infringement proceedings is in need of reform. The draft Bill would bring greater clarity to what can and cannot be said in communications, and to whom, before commencing court proceedings. This can only increase the opportunities for pre-action correspondence, which may lead to a greater number of disputes being resolved without the need to commence court proceedings. This should result in costs savings to business and savings in costs and resources for the Court. The Bill will also remove potential ancillary liability of legal advisors acting on client instructions, which is often used strategically by the recipient of the threat to create uncertainty and discord between advisors and their client and can lead to an increase in costs for all involved. This Bill will therefore further the Overriding Objective, as set out in Rule 1 of the Civil Procedure Rules. The IPLA supports the draft Bill and hopes it may receive Royal Assent without delay.

Should the House of Lords be minded to entertain any amendment to the Bill, there is one potential amendment which would reduce the scope for uncertainty (and thus litigation) around interpretation of the new provisions set out in the Bill. In each of the provisions relating to each type of intellectual property right, there is provision for making 'permitted communications'. This sets out what a rights holder may say in correspondence to third parties, for example, to try to trace the source of potentially infringing goods or services. However, in our view, the provisions would be clearer if the word 'solely' was deleted from the relevant draft clauses (70B(1)(a) (Patents Act); 21B(1)(a) (Trade Marks Act); 26B(1)(a) (Registered Designs Act); 253B(1)(a) (Copyright Designs and Patents Act); and 2B(1)(a) (Community Designs Regulations)), as shown struck-through in the attached PDF for example.

Interpretation of whether a communication was "*made solely for a permitted purpose*" might be thought to require a subjective assessment of the 'sole purpose', in the mind of the sender, which we do not believe is the intention. In the IPLA's view, deleting 'solely' in these provisions would remove that uncertainty, without accidentally altering the effect of the clause overall, which sets

out what information can and cannot be included in a 'permitted communication'. Deleting the word "solely" could remove the risk of any uncertainty regarding interpretation of these provisions.

We would be happy to provide further information or explanation should be of interest or assistance. You are welcome to contact me by phone on 020 7067 3273 or by email Michael.Burdon@olswang.com.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Burdon', with a large, stylized flourish extending from the end of the signature.

Michael Burdon
Secretary IPLA

70A Actionable threats

- (1) Subject to subsections (2) to (5), a threat of infringement proceedings made by any person is actionable by any person aggrieved by the threat.
- (2) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of—
- (a) where the invention is a product, making a product for disposal or importing a product for disposal, or
 - (b) where the invention is a process, using a process.
- (3) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of an act which, if done, would constitute an infringement of a kind mentioned in subsection (2)(a) or (b). 10
- (4) A threat of infringement proceedings is not actionable if the threat—
- (a) is made to a person who has done, or intends to do, an act mentioned in subsection (2)(a) or (b) in relation to a product or process, and 15
 - (b) is a threat of proceedings for an infringement alleged to consist of doing anything else in relation to that product or process.
- (5) A threat of infringement proceedings which is not an express threat is not actionable if it is contained in a permitted communication. 20
- (6) In sections 70C and 70D “an actionable threat” means a threat of infringement proceedings that is actionable in accordance with this section.

70B Permitted communications

- (1) For the purposes of section 70A(5), a communication containing a threat of infringement proceedings is a “permitted communication” if—
- (a) the communication, so far as it contains information that relates to the threat, is made ~~solely~~ for a permitted purpose, 30
 - (b) all of the information that relates to the threat is information that—
 - (i) is necessary for that purpose (see subsection (5)), and
 - (ii) the person making the communication reasonably believes is true. 35
- (2) Each of the following is a “permitted purpose”—
- (a) giving notice that a patent exists;
 - (b) discovering whether, or by whom, a patent has been infringed by an act mentioned in section 70A(2)(a) or (b);
 - (c) giving notice that a person has a right in or under a patent, where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the patent. 40
- (3) The court may, having regard to the nature of the purposes listed in subsection (2)(a) to (c), treat any other purpose as a “permitted purpose” if it considers it necessary in the interests of justice to do so. 45
- (4) But the following may not be treated as a “permitted purpose”—

- (6) A threat of infringement proceedings which is not an express threat is not actionable if it is contained in a permitted communication.
- (7) In sections 21C and 21D “an actionable threat” means a threat of infringement proceedings that is actionable in accordance with this section. 5

21B Permitted communications

- (1) For the purposes of section 21A(6), a communication containing a threat of infringement proceedings is a “permitted communication” if—
- (a) the communication, so far as it contains information that relates to the threat, is made ~~solely~~ for a permitted purpose, and 10
 - (b) all of the information that relates to the threat is information that—
 - (i) is necessary for that purpose (see subsection (5)), and
 - (ii) the person making the communication reasonably believes is true. 15
- (2) Each of the following is a “permitted purpose”—
- (a) giving notice that a registered trade mark exists;
 - (b) discovering whether, or by whom, a registered trade mark has been infringed by an act mentioned in section 21A(2)(a), (b) or (c); 20
 - (c) giving notice that a person has a right in or under a registered trade mark, where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the registered trade mark. 25
- (3) The court may, having regard to the nature of the purposes listed in subsection (2)(a) to (c), treat any other purpose as a “permitted purpose” if it considers it necessary in the interests of justice to do so.
- (4) But the following may not be treated as a “permitted purpose”—
- (a) requesting a person to cease using, in the course of trade, a sign in relation to goods or services, 30
 - (b) requesting a person to deliver up or destroy goods, or
 - (c) requesting a person to give an undertaking relating to the use of a sign in relation to goods or services.
- (5) Examples of information that may be regarded as necessary for a permitted purpose include— 35
- (a) a statement that a registered trade mark exists and is in force or that an application for the registration of a trade mark has been made;
 - (b) details of the registered trade mark, or of a right in or under the registered trade mark, which— 40
 - (i) are accurate in all material respects, and
 - (ii) are not misleading in any material respect; and
 - (c) information enabling the identification of the goods or their packaging, or the services, in relation to which it is alleged that the use of a sign constitutes an infringement of the registered trade mark. 45

26B Permitted communications

- (1) For the purposes of section 26A(5), a communication containing a threat of infringement proceedings is a “permitted communication” (in relation to that threat) if—
- (a) the communication, so far as it contains information that relates to the threat, is made ~~solely~~ for a permitted purpose, 5
 - (b) all of the information that relates to the threat is information that—
 - (i) is necessary for that purpose (see subsection (5)), and
 - (ii) the person making the communication reasonably believes is true. 10
- (2) Each of the following is a “permitted purpose”—
- (a) giving notice that a registered design exists;
 - (b) discovering whether, or by whom, the right in a registered design has been infringed by an act mentioned in section 26A(2)(a) or (b); 15
 - (c) giving notice that a person has a right in or under a registered design, where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the registered design. 20
- (3) The court may, having regard to the nature of the purposes listed in subsection (2)(a) to (c), treat any other purpose as a “permitted purpose” if it considers it necessary in the interests of justice to do so.
- (4) But the following may not be treated as a “permitted purpose”—
- (a) requesting a person to cease doing, for commercial purposes, anything in relation to a product in which a design is incorporated or to which it is applied, 25
 - (b) requesting a person to deliver up or destroy a product in which a design is incorporated or to which it is applied, or
 - (c) requesting a person to give an undertaking relating to a product in which a design is incorporated or to which it is applied. 30
- (5) Examples of information that may be regarded as necessary for a permitted purpose include—
- (a) a statement that a right in a registered design exists and is in force or that an application for registration of a design has been made; 35
 - (b) details of the registered design, or of a right in or under the right in the registered design, which—
 - (i) are accurate in all material respects, and
 - (ii) are not misleading in any material respect; or 40
 - (c) information enabling the identification of the products in which the registered design is allegedly incorporated or to which the registered design is allegedly applied.

26C Remedies and defences

- (1) Proceedings in respect of an actionable threat may be brought against the person who made the threat for— 45
- (a) a declaration that the threat is unjustified;
 - (b) an injunction against the continuance of the threat;

- (3) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of an act which, if done, would constitute an infringement of a kind mentioned in subsection (2)(a) or (b).
- (4) A threat of infringement proceedings is not actionable if the threat— 5
 (a) is made to a person who has done, or intends to do, an act mentioned in subsection (2)(a) or (b) in relation to an article, and
 (b) is a threat of proceedings for an infringement alleged to consist of doing anything else in relation to that article.
- (5) A threat of infringement proceedings which is not an express threat is not actionable if it is contained in a permitted communication. 10
- (6) In sections 253C and 253D an “actionable threat” means a threat of infringement proceedings that is actionable in accordance with this section.

253B Permitted communications 15

- (1) For the purposes of section 253A(5), a communication containing a threat of infringement proceedings is a “permitted communication” (in relation to that threat) if—
 (a) the communication, so far as it contains information that relates to the threat, is made ~~solely~~ for a permitted purpose, and 20
 (b) all of the information that relates to the threat is information that—
 (i) is necessary for that purpose (see subsection (5)), and
 (ii) the person making the communication reasonably believes is true. 25
- (2) Each of the following is a “permitted purpose”—
 (a) giving notice that design right subsists in a design;
 (b) discovering whether, or by whom, design right in a design has been infringed by an act mentioned in section 253A(2)(a) or (b);
 (c) giving notice that a person has a right in or under the design right in a design, where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the design right in the design. 30
- (3) The court may, having regard to the nature of the purposes listed in subsection (2)(a) to (c), treat any other purpose as a “permitted purpose” if it considers it necessary in the interests of justice to do so. 35
- (4) But the following may not be treated as a “permitted purpose”—
 (a) requesting a person to cease doing, for commercial purposes, anything in relation to an article made to a design,
 (b) requesting a person to deliver up or destroy an article made to a design, or 40
 (c) requesting a person to give an undertaking relating to an article made to a design.
- (5) Examples of information that may be regarded as necessary for a permitted purpose may include— 45
 (a) a statement that design right subsists in a design;

2A Unjustified threats: actionable threats

- (1) Subject to paragraphs (2) to (5), a threat of infringement proceedings made by any person is actionable by any person aggrieved by the threat.
- (2) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of— 5
 (a) making an article for disposal, or
 (b) importing an article for disposal.
- (3) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of an act which, if done, would constitute an infringement of a kind mentioned in paragraph (2)(a) or (b). 10
- (4) A threat of infringement proceedings is not actionable if the threat—
 (a) is made to a person who has done, or intends to do, an act mentioned in paragraph (2)(a) or (b) in relation to an article, and 15
 (b) is a threat of proceedings for an infringement alleged to consist of doing anything else in relation to that article.
- (5) A threat of infringement proceedings which is not an express threat is not actionable if it is contained in a permitted communication.
- (6) In regulations 2C and 2D an “actionable threat” means a threat of infringement proceedings that is actionable in accordance with this regulation. 20

2B Unjustified threats: permitted communications

- (1) For the purposes of regulation 2A(5), a communication containing a threat of infringement proceedings is a “permitted communication” if— 25
 (a) the communication, so far as it contains information that relates to the threat, is made ~~solely~~ for a permitted purpose,
 (b) all of the information that relates to the threat is information that— 30
 (i) is necessary for that purpose (see subsection (5)), and
 (ii) the person making the communication reasonably believes is true.
- (2) Each of the following is a “permitted purpose” — 35
 (a) giving notice that a Community design exists;
 (b) discovering whether, or by whom, a Community design has been infringed by an act mentioned in regulation 2A(2)(a) or (b);
 (c) giving notice that a person has a right in or under a Community design, where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the Community design. 40
- (3) The court may, having regard to the nature of the purposes listed in paragraph (2)(a) to (c), treat any other purpose as a “permitted purpose” if it considers it necessary in the interests of justice to do so.
- (4) But the following may not be treated as a “permitted purpose” — 45