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**Ref: PP23/06**

***TMPDF Reply to UKPO Consultation on representative actions for the enforcement of intellectual property rights (Article 4 of the IP Enforcement Directive - 2004/48/EC)***

***Introduction/General points***

Member companies of the Federation do not consider that there is a strong need for representative actions to assist with the enforcement of their intellectual property rights. The general view is that in most normal circumstances, companies should, and would expect to, act directly on their own behalf in the enforcement of rights, rather than through a representative organisation.

However, there could be circumstances where the ability to operate through a representative organisation would be helpful, such as when members of such an organisation have an interest in a standard covered by a patent, or in a geographical indication, or in a collective mark, or in a copyright work administered by a collecting society.

We do not agree that the possibility of somewhat more litigation should be a reason to resist the introduction of representative actions. The possibility for representative organisations to act on behalf of members could be of help in particular to SMEs. This might encourage them to make greater use of, and to have greater confidence in, the intellectual property system.

While it is not obligatory under Article 4 of the IP Enforcement Directive to recognise collective rights management bodies and professional defence bodies if the applicable law does not permit it, the directive seems to be drafted from the point of view that these bodies should be recognised, and paragraph 15 of the consultation document refers to a particular instance where rights may be asserted collectively in an intellectual property context. We understand that several other EU member states do permit representative actions in some circumstances. The UK should perhaps be able to do likewise.

The following answers are drafted on the assumption that representative actions are to be permitted in some way.

***Question 1: Please give your views on whether representative actions should be available for all intellectual property rights***

Yes they should. All possible circumstances where a representative action might be appropriate cannot be predicted and we see no basis for differentiating between the different forms of intellectual property.

***Question 2: Please give your views on whether a representative association should be required to meet certain criteria before it is allowed to start***

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***proceedings on behalf of some or all of its members, and if so what these criteria should be.***

We see little need for setting detailed criteria for representative organisations acting with the consent and support of the members involved, but the criteria in paragraph 33 of the consultation document seem reasonable.

***Question 3: Please give your views on whether a list of approved designated bodies should be established and maintained, or whether it is sufficient to establish criteria that a court can use to consider applications for representative actions on a case-by-case basis.***

We do not consider that a list of approved bodies should be established. As the consultation document implies, entry to the list would have to be regulated (by the court or Patent Office perhaps?), with arrangements for appeal against non inclusion, and regularly updated. Such bureaucracy could lead to discrimination against new organisations and in favour of those on the list.

***Question 4: If you think there should be a list, please give your views how this should be established and maintained.***

We do not consider that there should be a list.

***Question 5: Please give your views on whether there should be a minimum number of rights holders that a representative association can represent (before it qualifies as such an association or before it brings such an action) and, if so, what that number should be.***

We do not consider that it would be appropriate to set minimum numbers.

***Question 6: Please give your views on whether members of rights holders' organisation should make a specific mandate to allow their organisation to take court action on their behalf when they join or whether this should on a case by case basis. Should the scope of such mandates be restricted to particular actions? If so please specify what actions.***

We consider that members of the organisation should give a specific written mandate for the enforcement of each particular right, but whether this should be given as a general mandate for that right or on a case by case basis may be left to the rules of the organisation. (It may be cumbersome to require a mandate in respect of every action against each different defendant.) In view of the mandate, we consider that it should be possible for individual members to revoke their consent to an action at any time and on balance prefer that this should be provided for in the legislation, though it might be left to the rules of the organisation. (See further comments on this point under question 9 below.)

There should be no restriction in law on the type of actions (though organisations themselves should be at liberty to impose restrictions on the types of action that they will handle).

**Question 7: Please give your views on whether a change of primary legislation is necessary to provide for representative actions (Options 2-4 assume this is the case).**

This is for government lawyers/ Department of Constitutional Affairs/DTI to determine. The consultation document says explicitly that primary legislation will be required.

**Question 8: Please give your views on whether a permission stage (Option 2) is needed to approve representative action or whether a power for a court to dismiss such actions (Option 4) would be more efficient.**

We agree that a prior permission stage where the court must consider whether the representative organisation should be given the right to bring a particular action, in advance of the action itself, seems unnecessary and burdensome. We prefer option 4 in the consultation document (i.e., the court can dismiss the action where the judge considers that this is appropriate).

**Question 9: As part of Option 4, we think that rights holders should be able to withdraw their consent to a representative action at any stage. Please give your views on what should happen to the proceedings if consent is withdrawn. Is there a need to distinguish between cases where rights holders are specifically named from a general action (perhaps for passing off) on behalf of all members of the representative association?**

We agree that individual rights holders should be able to withdraw their consent at any stage, and on balance prefer that this should be specified in the legislation, though it could be reasonably argued that this should be a matter for the rules of the organisation concerned. The allocation of costs and other consequences in the event of a withdrawal should be covered in the rules of the organisation. The following might be possible guidelines:

- (i) Where rights holders are specifically named, the action should continue on behalf of those who have not withdrawn.
- (ii) A general action might continue, depending on the issues involved, where a majority (simple or greater, depending on the rules of the organisation) remains in favour. Those who disagree should be able to disassociate themselves from the action. (See also answer to question 6 above.)

**Question 10: Please comment on any particular issues that arise regarding introducing representative actions for Scottish courts.**

No comment. Our members have limited experience of Scottish court procedures.

**Question 11: Please comment on any particular issues that arise regarding providing representative actions for Community rights ((e.g. Community Trade Marks and Community Designs).**

This is for government lawyers to determine, but it might be noted that Article 97 CTMR applies national law to all matters not covered by the Regulation, including the rules of procedure governing the same type of action relating to a national trade mark. The Community Design Regulation contains a similar provision. Article

70 CTMR enables the proprietor of a collective mark to claim compensation on behalf of all those (the members of the collective) with authority to use the mark. Thus it does not seem that any particular issue arises in applying national rules concerning representative actions to actions involving Community rights.

***Question 12: Please give your views on what changes would be needed to court rules to support an amendment to IPR legislation to provide for representative actions.***

For government lawyers/DCA to determine

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***Question 13: Please provide any evidence you have which supports the options suggested (or an alternative approach). It would be particularly helpful if you can provide any figures that will help quantify and costs or benefits that are likely to result from particular options.***

As is often the case in IP policy matters, this might be very difficult to quantify, but the introduction of representative actions in some form may help to improve confidence in the IP system among SMEs.

***Question 14: Do you have any comments on the Partial Regulatory Impact Assessment?***

The current draft assessment provides little information

***Do you have any other comments that might aid the consultation process as a whole?***

See introduction/general remarks above.

***The Patent Office consults interested parties on a range of topics related to intellectual property. As your views are valuable to us, would it be alright if we were to include you in our list of people or organisations we regularly consult?***

Yes. This Federation acts on behalf of many of the main users of IP in the UK and should be consulted routinely on IP matters.

December 2006.

## MEMBERS OF TMPDF

AstraZeneca plc  
Babcock International Ltd  
BAE Systems plc  
BP p.l.c.  
British Telecommunications plc  
British-American Tobacco Co Ltd  
BTG plc  
Celltech Therapeutics Ltd  
Dow Corning Ltd  
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