



Advancing Industry's View On Intellectual Property Since 1920

## DCA Consultation on Consolidated Pre-Action Protocol

### TMPDF Response

PP04/07

#### ***Introductory remarks***

The Civil Justice Council proposes to recommend that a consolidated pre-action protocol should be introduced, to reduce the nine pre action protocols currently in force to one. The consolidated protocol would incorporate the core steps and guidance common to all the protocols, with subject specific appendices.

The current nine pre-action protocols, as listed in the consultation document, do not directly apply to intellectual property (IP) matters (though we are aware that pre-action protocols for the IP field were under consideration a few years ago). They concern personal injury, clinical negligence, construction and engineering, defamation, professional negligence, judicial review, disease and illness, housing disrepair and rent arrears. The fact that IP does not appear in this list may explain why the Federation was not included among those mentioned in the consultation document as being consulted.

However, the document notes that the Practice Direction on Protocols includes a section on the pre-action behaviour expected in cases where there is no specific protocol and that the court will take account of compliance or non compliance with the protocols in making decisions about case management and costs.

Thus we must assume that the court may expect the procedure of the consolidated pre-action protocol to be followed in IP cases.

#### ***Comments***

1. The patent, trade mark and design laws of the UK contain provisions for threats actions (see e.g. S21, Trade Marks Act 1994, S26 Registered Designs Act 1949, S70 Patents Act 1977 as amended 2004). These actions can be brought by those potential defendants who are threatened (in their view, unjustifiably) with proceedings for infringement. Rights holders are therefore extremely careful in bringing their rights to the attention of those who they consider might be infringing them; in particular, they avoid any allegation of infringement in advance of bringing an action.

Thus the initial step required in paragraph 9 of the proposed consolidated pre-action protocol, i.e., that as soon as the claimant decides that he is likely to bring a claim, he should notify the proposed defendant in writing, is a matter of considerable concern for IP rights holders. It is quite likely that this step will in many cases be construed as a threat.

***It must be made clear, with legal effect, that use of the pre-action protocol procedure does not constitute a threat in a pre-action procedure involving a patent, trade mark or design. Alternatively it should be made clear that the court will not expect the pre-action procedure to be applied in such cases.***

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2. Paragraph 22 of the proposed consolidated pre-action protocol indicates that both claimant and defendant may be required by the court to provide evidence that alternative means of resolving the dispute were considered. However, in IP cases it is usually the case that fundamental issues, which are not open to compromise, concerning the validity of the IP right involved and whether an infringement has actually occurred, must be determined before settlement conditions and levels of compensation can be discussed. After the fundamental issues have been resolved, there may well be scope for mediation or another ADR procedure to determine damages, royalties, or the scope of undertakings by the infringer.

***Thus more flexibility is needed in paragraph 22, so that the court can ascertain whether ADR might be possible after it has ruled on the fundamental issues of infringement and validity. The court should not penalise the parties for wanting these fundamentals decided first. This should still assist more efficient use of the court.***

3. The general procedure of the consolidated protocol seems satisfactory, with one possible exception. The time allowed for acknowledgement in paragraph 14 (14 calendar days) may be rather short in some circumstances, such as when dealing with a small office or enterprise in the holiday season. ***Perhaps the claimant's entitlement to commence proceedings in the absence of an acknowledgement should depend on him sending a reminder that an acknowledgement is due or otherwise checking on whether an acknowledgement can be expected within a few days.***

Trade Marks Patents & Designs Federation

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NOTE: TMPDF represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. This paper represents the views of the innovative and influential companies which are members of this well-established trade association; see list of members below.

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