



Patents, Trade Marks and Design Rights: Groundless Threats

The consultation

On 17 April 2013, the Law Commission published a consultation paper on groundless threats. This consultation relates to their Patents, Trade Marks and Design Rights: Groundless Threats project. The Commission was consulting on two approaches to reform:

- The first is to build on the reforms made to patent law in 2004 and to extend these to the other rights. We also propose that legal advisers should be protected from liability for groundless threats.
- The second approach is to treat groundless threats as a form of unfair competition and to introduce a new and broader cause of action based on the Paris Convention.

IP Federation response

The IP Federation responded on the closing date, 17 July 2013 - see policy paper PP12/13. The IP Federation agrees with the general consensus that the unlawful threats provisions should be retained in some form. The main problem we see with the current law is that it is too complex (due, in large part, to the differences in the threats provisions with respect to different IPRs) and, in places, overly broad. For example, we believe that, as a general matter, rights holders should be able to notify potential secondary infringers of certain factual matters, without risking a threats action. It is also unnecessary for the provisions to catch professional advisers writing on behalf of their clients.

We therefore agree with the Law Commission's proposal for an evolutionary approach to reform, rather than the "wider approach" discussed in Chapter 9. Whilst if looked at afresh the "wider approach" has its benefits (e.g. it would be more obviously in line with the "unfair competition" provisions of the Paris Convention and the approaches taken in most civil law jurisdictions), the introduction of such a regime in the UK would cause considerable uncertainty, and hence additional cost, in the short-to-medium term. Given that the existing regime is reasonably well understood, and can certainly be improved, we do not believe it would be sensible to discard it.

As for the details of the reforms, consistent with the above, we believe the position for the different IPRs should be aligned. We also believe it would be sensible to clarify exactly what can be said to secondary infringers without triggering a threats action (as noted above, we believe rights holders should be able to notify secondary infringers of certain factual matters, without any risk of a threats action). On the other hand, where there is no clear argument one way or the other, we would suggest maintaining the status quo, in order to avoid confusion and additional cost to businesses.

Outcome of the consultation

Preliminary indications are that the Law Commission does not believe that there is sufficient support to do away with the current threats provisions altogether, although it may consider this in the future. There is reportedly wide support for reforming the law for trade marks and design rights along the lines of what was done for patents in 2004, and for changes to protect legal advisers from liability for groundless threats.

The Law Commission's final report is expected in spring 2014.

David England, 13 November 2013

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