

BETWEEN THE LINES: PAUL MOTION

Are you threatening me?

Threatening to sue for alleged infringements of trademarks, design rights and patents can spectacularly backfire. Until recently, any person who was “aggrieved by” an Unjustified Threat to bring such proceedings could themselves to sue the person making that threat. Worse, the “aggrieved” person need not be the individual or organisation who has copied the design, or infringed the trademark or patent: it can be anyone who can assert that their commercial interests have been damaged.

The remedy for Unjustified Threats was even available against professional advisers. This created a potentially absurd situation. Courts work on the principle of fair notice. To avoid criticism for premature litigation and consequent possible exposure to awards of expenses, it is usually necessary to explain to the other party in some detail why you think your client has a remedy. Directly linked to that is the concept encouraged

by most judicial processes that the other party be given full details and fair notice of the case against it. But doing that in this area of the law could previously get you sued.

Under the previous law, the threat of litigation in relation to patents, trademarks and designs could result in the person who is threatened counterclaiming. This turned the tables and forced the threatener to prove the validity of all its rights and its intention to follow through with court action.

The Intellectual Property (Unjustified Threats) Act 2017 came into force on 1 October. This legislation takes a more sensible approach and also harmonises the position in relation to trademarks, design rights and patents. Normally, professional advisers threatening litigation on behalf of the rights owner will no longer be subject to the risk of litigation in their own right, subject to them being able to prove that they were acting on the instructions of their clients.

The new law broadens

somewhat the question of who may be threatened with what. For example, the person copying a design or infringing a trademark may not only be threatened with litigation for these acts, but also for related activity such as selling or distributing infringing products. The Unjustified Threats regime did not apply to copyright under the old law and this position remains unchanged under the new law.

Notwithstanding the relative increase in protection, anyone contemplating intellectual property litigation should take professional advice and also bear in mind that in the digital world, threat letters can readily end up on social media where they may attract adverse comment. Further, the underlying policy of discouraging Unjustified Threats remains intact. If you have no intention of going to court, don't make the threat!

● *Paul Motion is a partner and solicitor advocate with BTO Solicitors and heads the Tech/IP team*