



Intellectual  
Property  
Office



Department  
for Business  
Innovation & Skills

## THE GOVERNMENT'S RESPONSE TO THE LAW COMMISSION'S REPORT (LAW COM NO 346) "PATENTS, TRADE MARKS AND DESIGN RIGHTS: GROUNDLESS THREATS"

The Government responds as follows to the recommendations made in the Law Commission's Report. The recommendations are reproduced as they appear in chapter 10 of the Report and **the Government's response is set out in bold** after the relevant recommendations.

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10.1 We recommend that protection against groundless threats of infringement proceedings should be retained.

10.2 We recommend that groundless threats protection should continue to apply to UK and Community unregistered design rights.

10.3 We recommend that the law of groundless threats of patent, trade mark and design rights infringement should be reformed.

- **The Government accepts these three recommendations, for the reasons given in the Law Commission's Report.**
- **The Government agrees that the idea discussed in the Report of replacing the threats provisions with a UK-wide or EU-wide new tort in relation to making unfair allegations deserves more consideration in the longer term, but agrees that it makes sense to progress first with what the Report calls the more "evolutionary" changes to the threats regime.**

10.4 We recommend that a groundless threats action may not be brought for threats to bring proceedings for infringement made to a primary actor, that is a person who has carried out, or intends to carry out the following:

For patents

- (1) The making or importing of a product for disposal, even where the threat refers to any other act in relation to that product.
- (2) The use of a process, even where the threat refers to any other act in relation to that process.

For registered and unregistered design rights

(3) The making or importing of an article or product for disposal, even where the threat refers to any other act in relation to that article or product.

For trade marks

(4) The application of a mark, or causing a mark to be applied, to goods or their packaging, even where the threat refers to any other act in relation to those goods.

(5) The importation for disposal of goods to which, or to the packaging of which, the mark has been applied, even where the threat refers to any other act in relation to those goods.

(6) The supply of services under the mark, even where the threat refers to any other act in relation to the supply of those services.

10.5 We recommend that threats proceedings may not be brought for a threat to bring infringement proceedings:

(1) For design rights, for the making or importing of anything “for disposal”.

(2) For trade marks, for the application of the mark to goods or their packaging or for “causing the mark to be applied”.

(3) For trade marks, for the importation “for disposal” of goods to which, or to the packaging of which, the mark has been applied.

- **The Government accepts these two recommendations, for the reasons given in the Law Commission’s Report but in particular in order to align trade mark and design provisions with the existing approach taken in patent law.**
- **In relation to the exemption from a threats action applying in the case of a person who “intends to carry out” one or more of the listed actions, the Government agrees that the onus should be on the party making the threats to show that the recipient intended to commit such an act.**

10.6 We recommend that communications should be excluded from the groundless threats provisions if they are made for a legitimate commercial purpose, and if the information given is necessary for that purpose.

10.7 The statute should provide examples of legitimate commercial purposes.

10.8 These should include:

(1) enquiries for the sole purpose of discovering whether, and by whom, the patent<sup>1</sup> has been infringed; and

(2) where a rights holder has a remedy which depends on the infringer being aware of the right, the rights holder may alert a potential infringer of the right.

- **The Government accepts these three recommendations insofar as they set out the principle of having, in legislation, a general definition of the type of communications to be excluded, accompanied by some specific and non-limiting examples of such communications.**
- **The Government agrees that the law should not be too inflexible; nor should it exhaustively list the types of specific excluded communications.**
- **However, the Government wishes to reflect further on whether defining excluded communications as ones that are made for a “legitimate commercial purpose” is the right statutory definition, or whether it carries the risk of being interpreted too widely. The Government notes that an overly-wide interpretation could potentially remove any effective protection for secondary actors, despite any specific examples that may be present in the legislation.**

10.9 The statute should provide examples of the information which may be communicated.

10.10 These should include:

(1) that the right exists;

(2) that the right is in force;

(3) details of the right including, where appropriate, copies of any registration, specifications or drawings; where details are given, they must include any limitations or other restrictions on the right; and

(4) information to identify the goods and to make appropriate enquiries.

- **The Government accepts these two recommendations for the reasons given in the Law Commission’s Report but in particular in order to clarify patent law and to align provisions across patent, design and trade mark law.**

10.11 The exclusion should apply only where the person seeking to rely on it has reasonable grounds for believing that the information communicated is true. The

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<sup>1</sup> It seems clear from the context of this recommendation that the Law Commission’s intention was to refer to infringement of any relevant IP right – patent, trade mark, registered or unregistered design.

burden of showing there are reasonable grounds is on the person seeking to rely on the exclusion.

- **The Government accepts this recommendation for the reasons given in the Law Commission's Report.**

10.12 We recommend that, for patents, the current defence for making threats to secondary actors is retained but reformed to the extent that the threatener must use reasonable endeavours to discover the primary actor.

10.13 We recommend that, for trade marks, where threats of infringement proceedings are made by a person to another who would be entitled to bring a threats action, it will be a defence for the person making the threat to show that they have used reasonable endeavours to locate, without success:

- (1) the person who has applied the mark or caused the mark to be applied to goods or their packaging;
- (2) the person who has imported such goods; or
- (3) the person who has supplied services under the mark.

10.14 We recommend that, for registered and unregistered design rights, where threats of infringement proceedings are made by a person to another who would be entitled to bring a threats action, it will be a defence for the person making the threat to show that they have used reasonable endeavours to locate, without success:

- (1) the person who has made the product or article; or
- (2) the person who has imported the product or article.

10.15 We recommend that – for patents, trade marks, registered and unregistered design rights – the person making the threat shall inform the person threatened either before or at the time of making the threat of the reasonable endeavours used to find the persons identified in the proposals set out above, and provide sufficient detail for the person threatened to identify what those steps were.

- **The Government accepts these four recommendations to the extent that they introduce the patents defence into trade mark and design law for the first time, thus bringing a high degree of consistency between rights.**
- **As for the right standard to be met, the Government agrees with the Report that a rights holder should not be required to go to “extraordinary lengths” in order to invoke the defence. The Government agrees that it is important for users of the system to have a good understanding of what the defence requires, and that the test is applied consistently.**
- **However, the Government has some reservations about whether “reasonable endeavours” is a test which is objectively clearer, fairer and**

**better understood by users than the existing “best endeavours” requirement in patent law. The Government will want to reflect further as the proposals for legislative change are developed.**

10.16 We recommend that section 70(2A)(b) of the Patents Act 1977 should be repealed.

- **The Government accepts this recommendation, along with the implication that no equivalent defence is to be introduced for trade marks and designs.**

10.17 We recommend that a lawyer, registered patent attorney or registered trade mark attorney should not be liable for making threats where they have acted in their professional capacity and on instructions from their client.

- **The Government accepts this recommendation for the reasons given in the Law Commission’s Report.**
- **However, the Government will want to ensure that the exemption only applies when the communication from the legal representative on behalf of a client clearly identifies that client.**
- **The Government also considers it important that the legislation enacting this exemption should leave no doubt that any threat is deemed to have been made by the client themselves (even if this is not explicitly stated by the legal representative).**
- **The Government considers that the burden of proof should fall on the legal representative to show that they were acting on instructions and so exempt from the threats provisions.**

10.18 We recommend that claims for the delivery up of goods, articles or products should be treated as proceedings for infringement for the purposes of the threats provisions for patents, trade marks and design rights.

- **The Government accepts this recommendation for the reasons given in the Law Commission’s Report.**

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