

UNJUSTIFIED THREATS - THE LAW

Intellectual Property (Unjustified Threats) Bill

- A communication contains a "threat of infringement proceedings" if a reasonable person in the position of a recipient would understand from the communication that—
 - a registered trade mark exists, and
 - a person intends to bring proceedings (whether in a court in the United Kingdom or elsewhere) against another person for infringement of the registered trade mark by—
 - an act done in the United Kingdom, or
 - an act which, if done, would be done in the United Kingdom.

Professional advisers

- Proceedings in respect of an actionable threat may not be brought against a professional adviser (or any person vicariously liable for the actions of that professional adviser) if the conditions in subsection (3) are met.
- The conditions are that—
 - in making the communication the professional adviser is acting on the instructions of another person, and
 - when the communication is made the professional adviser identifies the person on whose instructions the adviser is acting.



James Whymark
Senior Associate
T: +44 20 7919 1407
E: James.Whymark@bakermckenzie.com



Rachel Wilkinson-Duffy
Senior Associate
T: +44 20 7919 1392
E: Rachel.Wilkinson-Duffy@bakermckenzie.com

Annual IP Seminar

BRAND MANAGEMENT & BRAND ENFORCEMENTS: TRENDS AND RECENT DEVELOPMENTS

1. GROUNLESS "THREATS" CLAIMS UNDER TM, PATENT AND DESIGN LEGISLATION

INTELLECTUAL PROPERTY (UNJUSTIFIED THREATS) BILL

Timeline:



Key provisions

New test for what constitutes a threat:

- Whether the communication would be understood by a reasonable person in the position of a recipient to mean that a right exists
- Whether the communication would be understood by a person to mean that someone intends to bring infringement proceedings in respect of that right for an **act done in the UK**.

Exceptions

- Exceptions – Patents – No actionable threat if infringement proceedings threatened where the claim is (i) making a product for disposal or (ii) importing a product for disposal or (iii) using a process
- Exceptions – Trade Marks - No actionable threat if infringement proceedings threatened where the claim is (i) applying mark to packaging; or (ii) importing a product; or (iii) offering services under a sign.

Professional advisors

New exceptions included for acts carried out by professional advisors. Will not be threats if:

- You are acting in a professional capacity in providing legal or attorney services;
- You are regulated by a regulatory body in the provision of those services;
- You are acting on the instructions of a client; and
- You have identified that client to the person with whom you are communicating.

WHAT IS THE IMPACT OF ALL OF THIS?

Intellectual Property (Unjustified Threats) Bill

- Threats actions remain a relevant consideration
- Threats actions are generally rare - new rules mean more limited
- If claim is speculative then the risk of a threats claim is one to consider.
- It is still possible to circumvent the

threats risk:

- No threats risk if claim relates to TM use in relation to services or importation of products.
- No threats risk if fits within current safehaven - BUT weak strategic position to be in as taking this approach will flag that there is no confidence in a case.
- It does not apply to passing off or copyright claims

2. THE DEVELOPING WORLD OF "CONFUSION" AND PASSING OFF

PASSING OFF – COMMON LAW

- 1 Goodwill
- 2 Misrepresentation
- 3 Damage

RECENT DEVELOPMENTS REGARDING THE LAW ON CONFUSION AND PASSING OFF

Case	Reference	Development
London Taxi v Frazer Nash	[2015] EWHC 1840	Court rejected request for survey evidence to be admitted on basis that it was leading, not of value to the case and excessively expensive.
Grenade v Grenade Energy	[2016] EWHC 877	Presumption of damage to value of goodwill if misrepresentation shown.
Starbucks v B Sky B	[2015] UKSC 31	Starbucks had reputation in the UK from offering IPTV services in Hong Kong. Held that this was insufficient to establish goodwill. There must be economic activity in the UK.
Game Healthcare v PAL	[2016] EWHC 75	Goodwill in get-up of medical wipes not substantiated. The goodwill in the brand names was dominant and no evidence of goodwill in the get up.
George East Housewares v Facklemann	[2016] EWHC 2476	Goodwill in get up of measuring cups not demonstrated even though blatant copying of design.

Developments in Passing off

- Goodwill –
 - Reputation does not equal goodwill
 - Goodwill in get-up is difficult to show + copying per se is not an infringement.
- Misrepresentation - The survey is all but dead as evidence
- Damage – Presumption of damage if misrep and goodwill

3. IMPACT OF BREXIT AND THE ROLE OF THE UK IPO

EU IPO V UK IPO DISPUTE PROCEEDINGS

Key differences to be aware of:

- Cooling-off periods
- Extensions of time
- Separation of evidence and submissions
- Strict evidence formalities
- Oral hearings
- Appeal options

EU IPO V UK IPO Dispute Proceedings

As it is expected that "post-Brexit" the EUTM regime will no longer apply in the UK, global brand owners with a presence in the UK will need to re-familiarise themselves with the very different procedures in disputes before the UK IPO. Unlike EUIPO proceedings which take a more administrative, exclusively paper-based approach, UK IPO proceedings correspond more with an action before the courts and many of the principles are not harmonised.