



Unjustified Threats

Patent and Trade Mark Attorneys

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Introduction

This information sheet should be read and understood before instructing Serjeants LLP to issue a threat of infringement proceedings under any UK patent, trade mark, registered design or unregistered design right, or European registered design, unregistered design or trade mark.

What is an unjustified threat?

For each of the above types of intellectual property right, there are provisions to protect innocent parties against damage that may be caused by unjustified threats of infringement made against them. Specifically, if the owner of a right threatens another person with court action for infringement of the right, then the person threatened may go to court to try to prove that the threats are not justified, either because there is no infringement or because the right in question is not validly registered. A successful claim can result in an injunction to prevent further threats and an award of damages for any loss that has been caused by the unjustified threats. In fact, the provisions are broader than this: the threats do not necessarily have to be issued by the owner of the rights and it can be any person who is "aggrieved" by the threats – not necessarily the alleged infringer – who goes to court to stop them. A typical scenario would be that the owner of a patent for a product threatens the purchasers of a rival product with patent infringement proceedings, then the manufacturer of the rival product goes to court to stop the threats against his customers and thereby prevent further damage being caused to his business.

The courts are very willing to find that a threat has been made if the person receiving a written or spoken communication has any reason to believe, in the light of all the surrounding circumstances, that court proceedings against them are contemplated. In practice, if it is desired to avoid the possibility of threats proceedings, then it is not safe to send anything stronger than a letter drawing attention to the existence of the right in question and inviting comments. Companies need to ensure that their employees – especially salesmen – are careful what they say about the effect of any registered rights.

Are there any exceptions?

There are exceptions for threats made in relation to a manufacturer or importer of a patented product, or the person who applies a trade mark to goods.

What are the effects of an unjustified threats action?

Even where the threats of infringement can be justified, the alleged infringer may gain a tactical advantage by using these provisions to commence proceedings in a court of his choosing and at a time when the owner of the rights may not yet be ready. It is therefore essential that, before issuing any threat, the owner of the right is willing to go to court if necessary and has the essential evidence in place to support his claim.

A further issue is of particular concern to us. There have been cases where the firm of patent or trade mark attorneys that sent a threatening letter has been named alongside its client as a joint defendant in the threats proceedings. Although we think that such a claim against the attorney would in most cases be unlikely to succeed, it could lead to a conflict of interest between the attorney and its client and there could be significant costs to the attorney in defending the claim. For this reason, we may ask our clients to sign the declaration below and return the signed copy to us.

I have read and understood this information sheet and I agree/my company agrees to indemnify Serjeants LLP against any costs to them arising from the issuance of a threat when acting on my/our instructions.

Signed _____

Name _____

On behalf of _____

Date _____