



Actionable Threats

If, as an IP right holder, you become aware that someone is infringing your IP, litigation is unlikely to be your first port of call. Suing another party is expensive and time consuming, and is usually seen as a last resort. It may be tempting, therefore, to contact the potential infringer, seeking to stop the infringement. However, UK law prohibits certain types of communications, known as Actionable Threats, and great care must be taken when communicating with another party about a potential infringement.

Why are certain threats prohibited?

The Actionable Threats provisions in the UK are designed to prevent IP right owners from unfairly intimidating third parties who are not responsible for making or importing infringing articles into ceasing their commercial activities.

The provisions provide a level of protection to parties who are not themselves manufacturing or importing the products but are perhaps simply stocking and selling them. These parties may be regarded by the IP right holder as easier targets than the manufacturer or importer if they are smaller and less familiar with IP matters. Those selling the product are also generally more visible than those manufacturing it, and it may not be immediately apparent who is manufacturing or importing the product.

As an example, consider a local store that receives stock from a larger supplier. If the store receives a threat, it is likely to respond by simply pulling the product in question, as they won't want to risk being sued. In all likelihood, a retailer can probably just source a replacement product to sell, so is unlikely to want to defend an infringement action. If the patentee writes to all the retailers of the product in this manner, it can shut down the market for the allegedly infringing product without ever taking action against the manufacturer or importer. The product may not even be an infringing product!

If such a threat is actionable, the Actionable Threats provisions allow anyone aggrieved by the threat, including the product manufacturer or importer, to seek an injunction and claim damages in respect of the loss sustained by reason of the threat, as well as other remedies.

The threats provisions therefore aim to encourage IP right holders to target the infringement at the source (manufacture or importation), rather than targeting downstream parties who are less likely to want to defend an infringement action.

What is a threat?

In order to be deemed a threat of infringement proceedings, a communication must satisfy the following criteria:

- a reasonable person would understand from the communication that a patent exists, and that a person intends to bring proceedings for infringement of the patent; and
- the alleged infringement is an act done in the UK, or a future act which if done, would be done in the UK.

That is, the intentions of the party sending the threat must be clear to a reasonable recipient, albeit it is not necessary that an express threat of litigation is made.

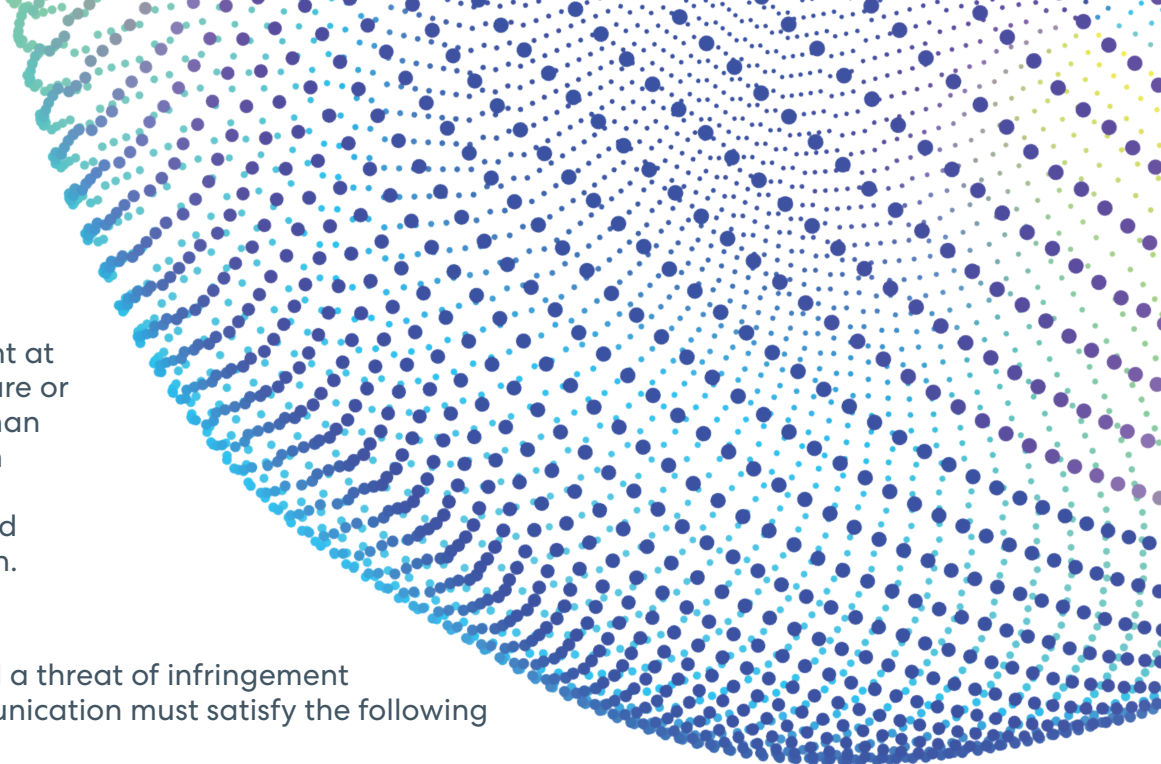
Since UK patents have jurisdiction in the UK, it is no surprise that the threat must relate to acts done, or which if done, would be done in the UK.

Is the threat actionable?

It is easiest to define an actionable threat as any threat of infringement proceedings, subject to certain exclusions. A threat is actionable unless:

- the threat is in relation to an act of making or importing a product, or using a process (referred to as acts of primary infringement). The same is true for said acts that which, if done, would constitute an infringement. Since threats themselves may relate to future acts, the provision similarly excludes actionability of threats which reference future acts;
- the threat is made to a person who has done or intends to do those primary acts, and relates to an infringement alleged to consist of doing anything else in relation to the product or process. This essentially means that if a party is committing at least one of the acts of primary infringement above, you can also include references to other (secondary) infringing acts in the same communication. This way, the recipient is put on notice of all infringing acts at the same time. There is a need for caution, however – if you are mistaken, and the person to whom you have written has not in fact carried out the primary acts of making or importing a product, or using a process, a threat in relation to other acts e.g. selling, will be actionable; or
- the threat is contained in a “permitted communication” and is not an express threat to sue.

If a threat is actionable, then any party aggrieved by the threat may take action against (i.e., sue) the sender. The action will be unsuccessful if it is found that the recipient was indeed infringing.



What is a permitted communication?

Permitted communications are communications made for a permitted purpose, where all of the information that relates to the threat is information that is necessary for the purpose, and the person receiving the communication reasonably believes it to be true.

Permitted purposes may include:

- simply giving a party notice that a patent exists;
- discovering whether, or by whom, a patent has been infringed (i.e., to identify which party should receive a threat); or
- giving notice that a person has a right in or under the patent, where another person's awareness of the right is relevant to any proceedings that may be brought in respect of the patent.

Information that is necessary for that purpose can include:

- a statement that a patent exists and is in force (or an application for one has been made);
- details of the patent or a right which are accurate and not misleading; or
- information allowing the supposedly infringing act to be identified.

Permitted communications are useful when the recipient may not even be aware that an IP right exists. By drawing the recipient's attention to the IP right, issues may be avoided entirely or may provide a starting point for alternative dispute resolution.

Communications that are not permitted purposes include:

- requests to a person to cease doing anything in relation to a product or process;
- requests to deliver up or destroy products; and
- requests to give an undertaking relating to a product or process (i.e., give us your word that you are going to stop committing a supposedly infringing act).

Similar provisions apply in respect of registered trade marks, and designs (both registered and unregistered).

How HLK can help

In summary, there exist many provisions which govern the act of issuing a threat of infringement proceedings to a third party, and care must be taken to ensure the content of the threat complies with them, or risk that threat being actioned.

If you are unsure whether a letter you have received notifying you of potential infringement constitutes an actionable threat, or have noticed that someone looks to have infringed your own IP right, our experts at HLK would be happy to answer any questions you might have. We are also able to advise on what options are available to you and next steps in order to help protect you or your business' IP rights.

This is for general information only and does not constitute legal advice. Should you require advice on this or any other topic then please contact hlk@hlk-ip.com or your usual HLK advisor.