

# Intellectual Property (Unjustified Threats) Bill [HL]

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## EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by the Department for Business, Energy and Industrial Strategy, are published separately as Bill 113 – EN.

## EUROPEAN CONVENTION ON HUMAN RIGHTS

Secretary Greg Clark has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Intellectual Property (Unjustified Threats) Bill [HL] are compatible with the Convention rights.

# Intellectual Property (Unjustified Threats) Bill

## [HL]

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### CONTENTS

#### *Patents*

- 1 Patents

#### *Trade marks*

- 2 Trade marks
- 3 European Union trade marks

#### *Registered designs, design right and Community design*

- 4 Registered designs
- 5 Design right
- 6 Community design

#### *Final provisions*

- 7 Extent
- 8 Commencement
- 9 Short title

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**B I L L**

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Amend the law relating to unjustified threats to bring proceedings for infringement of patents, registered trade marks, rights in registered designs, design right or Community designs.

**B**E IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

*Patents*

**1 Patents**

- (1) The Patents Act 1977 is amended as follows.
- (2) For section 70 (remedy for unjustified threats of infringement proceedings) substitute—

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*“Unjustified threats*

**70 Threats of infringement proceedings**

- (1) 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) a patent exists, and
  - (b) a person intends to bring proceedings (whether in a court in the United Kingdom or elsewhere) against another person for infringement of the patent by—
    - (i) an act done in the United Kingdom, or
    - (ii) an act which, if done, would be done in the United Kingdom.
- (2) References in this section and in section 70C to a “recipient” include, in the case of a communication directed to the public or a section of the public, references to a person to whom the communication is directed.

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**70A Actionable threats**

- (1) Subject to subsections (2) to (5), a threat of infringement proceedings made by any person is actionable by any person aggrieved by the threat.
- (2) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of— 5
- (a) where the invention is a product, making a product for disposal or importing a product for disposal, or
  - (b) where the invention is a process, using a process.
- (3) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of an act which, if done, would constitute an infringement of a kind mentioned in subsection (2)(a) or (b). 10
- (4) A threat of infringement proceedings is not actionable if the threat— 15
- (a) is made to a person who has done, or intends to do, an act mentioned in subsection (2)(a) or (b) in relation to a product or process, and
  - (b) is a threat of proceedings for an infringement alleged to consist of doing anything else in relation to that product or process.
- (5) A threat of infringement proceedings which is not an express threat is not actionable if it is contained in a permitted communication. 20
- (6) In sections 70C and 70D “an actionable threat” means a threat of infringement proceedings that is actionable in accordance with this section.

**70B Permitted communications**

- (1) For the purposes of section 70A(5), a communication containing a threat of infringement proceedings is a “permitted communication” if— 25
- (a) the communication, so far as it contains information that relates to the threat, is made for a permitted purpose; 30
  - (b) all of the information that relates to the threat is information that—
    - (i) is necessary for that purpose (see subsection (5)(a) to (c) for some examples of necessary information), and
    - (ii) the person making the communication reasonably believes is true. 35
- (2) Each of the following is a “permitted purpose” —
- (a) giving notice that a patent exists;
  - (b) discovering whether, or by whom, a patent has been infringed by an act mentioned in section 70A(2)(a) or (b); 40
  - (c) giving notice that a person has a right in or under a patent, where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the patent.
- (3) The court may, having regard to the nature of the purposes listed in subsection (2)(a) to (c), treat any other purpose as a “permitted purpose” if it considers that it is in the interests of justice to do so. 45

- (4) But the following may not be treated as a “permitted purpose” –
- (a) requesting a person to cease doing, for commercial purposes, anything in relation to a product or process,
  - (b) requesting a person to deliver up or destroy a product, or
  - (c) requesting a person to give an undertaking relating to a product or process. 5
- (5) If any of the following information is included in a communication made for a permitted purpose, it is information that is “necessary for that purpose” (see subsection (1)(b)(i)) –
- (a) a statement that a patent exists and is in force or that an application for a patent has been made; 10
  - (b) details of the patent, or of a right in or under the patent, which –
    - (i) are accurate in all material respects, and
    - (ii) are not misleading in any material respect; and
  - (c) information enabling the identification of the products or processes in respect of which it is alleged that acts infringing the patent have been carried out. 15

#### 70C Remedies and defences

- (1) Proceedings in respect of an actionable threat may be brought against the person who made the threat for – 20
- (a) a declaration that the threat is unjustified;
  - (b) an injunction against the continuance of the threat;
  - (c) damages in respect of any loss sustained by the aggrieved person by reason of the threat.
- (2) In the application of subsection (1) to Scotland – 25
- (a) “declaration” means “declarator”, and
  - (b) “injunction” means “interdict”.
- (3) It is a defence for the person who made the threat to show that the act in respect of which proceedings were threatened constitutes (or if done would constitute) an infringement of the patent. 30
- (4) It is a defence for the person who made the threat to show –
- (a) that, despite having taken reasonable steps, the person has not identified anyone who has done an act mentioned in section 70A(2)(a) or (b) in relation to the product or the use of a process which is the subject of the threat, and 35
  - (b) that the person notified the recipient, before or at the time of making the threat, of the steps taken.

#### 70D Professional advisers

- (1) 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. 40
- (2) In this section “professional adviser” means a person who, in relation to the making of the communication containing the threat –
- (a) is acting in a professional capacity in providing legal services or the services of a trade mark attorney or a patent attorney, and 45

- (b) is regulated in the provision of legal services, or the services of a trade mark attorney or a patent attorney, by one or more regulatory bodies (whether through membership of a regulatory body, the issue of a licence to practise or any other means). 5
- (3) The conditions are that—
- (a) in making the communication the professional adviser is acting on the instructions of another person, and
- (b) when the communication is made the professional adviser identifies the person on whose instructions the adviser is acting. 10
- (4) This section does not affect any liability of the person on whose instructions the professional adviser is acting.
- (5) It is for a person asserting that subsection (1) applies to prove (if required) that at the material time—
- (a) the person concerned was acting as a professional adviser, and 15
- (b) the conditions in subsection (3) were met.
- 70E Supplementary: pending registration**
- (1) In sections 70 and 70B references to a patent include references to an application for a patent that has been published under section 16.
- (2) Where the threat of infringement proceedings is made after an application has been published (but before grant) the reference in section 70C(3) to “the patent” is to be treated as a reference to the patent as granted in pursuance of that application. 20
- 70F Supplementary: proceedings for delivery up etc.**
- In section 70(1)(b) the reference to proceedings for infringement of a patent includes a reference to proceedings for an order under section 61(1)(b) (order to deliver up or destroy patented products etc.).” 25
- (3) In section 70F (inserted by subsection (2)) at the end insert “and proceedings in the Unified Patent Court for an order for delivery up made in accordance with articles 32(1)(c) and 62(3) of the Agreement on a Unified Patent Court.” 30
- (4) Before section 71 insert—
- “Declaration or declarator as to non-infringement”.*
- (5) In section 74 (proceedings in which validity of a patent may be put in issue) in subsection (1)(b), for “under section 70” substitute “in respect of an actionable threat under section 70A”. 35
- (6) In section 78 (effect of filing an application for a European patent (UK)), in subsection (2) at the appropriate place insert “sections 70 to 70F”.
- (7) In section 106 (costs and expenses in proceedings before the Court) in subsection (1A)(c), for “under section 70” substitute “in respect of an actionable threat under section 70A”. 40
- (8) In paragraph 2 of Schedule A3 (application of relevant statutory provisions to European patent with unitary effect) at the appropriate place insert “sections 70 to 70F (unjustified threats);”.

*Trade marks***2 Trade marks**

- (1) The Trade Marks Act 1994 is amended as follows.
- (2) For section 21 (remedy for unjustified threats of infringement proceedings) substitute— 5

*“Unjustified threats***21 Threats of infringement proceedings**

- (1) A communication contains a “threat of infringement proceedings” if a reasonable person in the position of a recipient would understand from the communication that— 10
- (a) a registered trade mark exists, and
  - (b) 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— 15
    - (i) an act done in the United Kingdom, or
    - (ii) an act which, if done, would be done in the United Kingdom.
- (2) References in this section and in section 21C to a “recipient” include, in the case of a communication directed to the public or a section of the public, references to a person to whom the communication is directed. 20

**21A Actionable threats**

- (1) Subject to subsections (2) to (6), a threat of infringement proceedings made by any person is actionable by any person aggrieved by the threat.
- (2) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of— 25
- (a) applying, or causing another person to apply, a sign to goods or their packaging,
  - (b) importing, for disposal, goods to which, or to the packaging of which, a sign has been applied, or 30
  - (c) supplying services under a sign.
- (3) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of an act which, if done, would constitute an infringement of a kind mentioned in subsection (2)(a), (b) or (c). 35
- (4) A threat of infringement proceedings is not actionable if the threat—
- (a) is made to a person who has done, or intends to do, an act mentioned in subsection (2)(a) or (b) in relation to goods or their packaging, and
  - (b) is a threat of proceedings for an infringement alleged to consist of doing anything else in relation to those goods or their packaging. 40
- (5) A threat of infringement proceedings is not actionable if the threat—

- (a) is made to a person who has done, or intends to do, an act mentioned in subsection (2)(c) in relation to services, and
  - (b) is a threat of proceedings for an infringement alleged to consist of doing anything else in relation to those services.
- (6) A threat of infringement proceedings which is not an express threat is not actionable if it is contained in a permitted communication. 5
- (7) In sections 21C and 21D “an actionable threat” means a threat of infringement proceedings that is actionable in accordance with this section.

## **21B Permitted communications** 10

- (1) For the purposes of section 21A(6), a communication containing a threat of infringement proceedings is a “permitted communication” if—
- (a) the communication, so far as it contains information that relates to the threat, is made for a permitted purpose; 15
  - (b) all of the information that relates to the threat is information that—
    - (i) is necessary for that purpose (see subsection (5)(a) to (c) for some examples of necessary information), and
    - (ii) the person making the communication reasonably believes is true. 20
- (2) Each of the following is a “permitted purpose”—
- (a) giving notice that a registered trade mark exists;
  - (b) discovering whether, or by whom, a registered trade mark has been infringed by an act mentioned in section 21A(2)(a), (b) or (c); 25
  - (c) giving notice that a person has a right in or under a registered trade mark, where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the registered trade mark. 30
- (3) The court may, having regard to the nature of the purposes listed in subsection (2)(a) to (c), treat any other purpose as a “permitted purpose” if it considers that it is in the interests of justice to do so.
- (4) But the following may not be treated as a “permitted purpose”—
- (a) requesting a person to cease using, in the course of trade, a sign in relation to goods or services, 35
  - (b) requesting a person to deliver up or destroy goods, or
  - (c) requesting a person to give an undertaking relating to the use of a sign in relation to goods or services.
- (5) If any of the following information is included in a communication made for a permitted purpose, it is information that is “necessary for that purpose” (see subsection (1)(b)(i))—
- (a) a statement that a registered trade mark exists and is in force or that an application for the registration of a trade mark has been made; 40
  - (b) details of the registered trade mark, or of a right in or under the registered trade mark, which— 45



- (i) are accurate in all material respects, and
- (ii) are not misleading in any material respect; and
- (c) information enabling the identification of the goods or their packaging, or the services, in relation to which it is alleged that the use of a sign constitutes an infringement of the registered trade mark. 5

### 21C Remedies and defences

- (1) Proceedings in respect of an actionable threat may be brought against the person who made the threat for—
  - (a) a declaration that the threat is unjustified; 10
  - (b) an injunction against the continuance of the threat;
  - (c) damages in respect of any loss sustained by the aggrieved person by reason of the threat.
- (2) It is a defence for the person who made the threat to show that the act in respect of which proceedings were threatened constitutes (or if done would constitute) an infringement of the registered trade mark. 15
- (3) It is a defence for the person who made the threat to show—
  - (a) that, despite having taken reasonable steps, the person has not identified anyone who has done an act mentioned in section 21A(2)(a), (b) or (c) in relation to the goods or their packaging or the services which are the subject of the threat, and 20
  - (b) that the person notified the recipient, before or at the time of making the threat, of the steps taken.

### 21D Professional advisers

- (1) 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. 25
- (2) In this section “professional adviser” means a person who, in relation to the making of the communication containing the threat—
  - (a) is acting in a professional capacity in providing legal services or the services of a trade mark attorney or a patent attorney, and 30
  - (b) is regulated in the provision of legal services, or the services of a trade mark attorney or a patent attorney, by one or more regulatory bodies (whether through membership of a regulatory body, the issue of a licence to practise or any other means). 35
- (3) The conditions are that—
  - (a) in making the communication the professional adviser is acting on the instructions of another person, and 40
  - (b) when the communication is made the professional adviser identifies the person on whose instructions the adviser is acting.
- (4) This section does not affect any liability of the person on whose instructions the professional adviser is acting.
- (5) It is for a person asserting that subsection (1) applies to prove (if required) that at the material time— 45

- (a) the person concerned was acting as a professional adviser, and
- (b) the conditions in subsection (3) were met.

### **21E Supplementary: pending registration**

- (1) In sections 21 and 21B references to a registered trade mark include references to a trade mark in respect of which an application for registration has been published under section 38. 5
- (2) Where the threat of infringement proceedings is made after an application for registration has been published (but before registration) the reference in section 21C(2) to “the registered trade mark” is to be treated as a reference to the trade mark registered in pursuance of that application. 10

### **21F Supplementary: proceedings for delivery up etc.**

In section 21(1)(b) the reference to proceedings for infringement of a registered trade mark includes a reference to –

- (a) proceedings for an order under section 16 (order for delivery up of infringing goods, material or articles), and 15
- (b) proceedings for an order under section 19 (order as to disposal of infringing goods, material or articles).”
- (3) In section 52(3)(a) (power to provide for the application of certain provisions in relation to a European Union trade mark) for sub-paragraph (i) substitute – 20
  - “(i) sections 21 to 21F (unjustified threats);”.
- (4) In section 54(3) (power to provide for the application of certain provisions in relation to an international trade mark (UK)) for paragraph (a) substitute –
  - “(a) sections 21 to 21F (unjustified threats);”.

## **3 European Union trade marks** 25

- (1) Regulation 6 of the Community Trade Mark Regulations 2006 (S.I. 2006/1027) (unjustified threats of infringement proceedings) is amended as follows.
- (2) In paragraph (1), for “section 21” substitute “sections 21 to 21D and section 21F”.
- (3) After paragraph (1) insert – 30
  - “(1A) In the application of sections 21 and 21B in relation to a European Union trade mark, references to a registered trade mark are to be treated as references to a European Union trade mark in respect of which an application has been published in accordance with Article 39 of the European Union Trade Mark Regulation. 35
  - (1B) In the application of section 21C in relation to a European Union trade mark in a case where the threat of infringement proceedings is made after an application has been published (but before registration) the reference in section 21C(2) to “the registered trade mark” is to be treated as a reference to the European Union trade mark registered in pursuance of that application.” 40

(4) For paragraph (2) substitute –

“(2) In the application of sections 21 and 21B in relation to an international trade mark (EC), references to a registered trade mark are to be treated as references to an international trade mark (EC) in respect of which particulars of an international registration designating the European Union have been published in accordance with Article 152 of the European Union Trade Mark Regulation. 5

(3) In the application of section 21C in relation to an international trade mark (EC) in a case where the threat of infringement proceedings is made after particulars have been published (but before registration) the reference in section 21C(2) to “the registered trade mark” is to be treated as a reference to the international trade mark (EC) registered in pursuance of those particulars.” 10

(5) For the heading substitute “Unjustified threats”.

*Registered designs, design right and Community design* 15

#### 4 Registered designs

(1) The Registered Designs Act 1949 is amended as follows.

(2) For the heading before sections 24A to 28 substitute –

*“Legal proceedings: general”.*

(3) For section 26 (remedy for unjustified threats of infringement proceedings) substitute – 20

*“Unjustified threats*

#### 26 Threats of infringement proceedings

(1) A communication contains a “threat of infringement proceedings” if a reasonable person in the position of a recipient would understand from the communication that – 25

- (a) a registered design exists, and
- (b) a person intends to bring proceedings (whether in a court in the United Kingdom or elsewhere) against another person for infringement of the right in the registered design by – 30
  - (i) an act done in the United Kingdom, or
  - (ii) an act which, if done, would be done in the United Kingdom.

(2) References in this section and in section 26C to a “recipient” include, in the case of a communication directed to the public or a section of the public, references to a person to whom the communication is directed. 35

#### 26A Actionable threats

(1) Subject to subsections (2) to (5), a threat of infringement proceedings made by any person is actionable by any person aggrieved by the threat. 40

- (2) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of—
- (a) making a product for disposal, or
  - (b) importing a product for disposal.
- (3) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of an act which, if done, would constitute an infringement of a kind mentioned in subsection (2)(a) or (b). 5
- (4) A threat of infringement proceedings is not actionable if the threat—
- (a) is made to a person who has done, or intends to do, an act mentioned in subsection (2)(a) or (b) in relation to a product, and 10
  - (b) is a threat of proceedings for an infringement alleged to consist of doing anything else in relation to that product.
- (5) A threat of infringement proceedings which is not an express threat is not actionable if it is contained in a permitted communication. 15
- (6) In sections 26C and 26D an “actionable threat” means a threat of infringement proceedings that is actionable in accordance with this section.
- 26B Permitted communications** 20
- (1) For the purposes of section 26A(5), a communication containing a threat of infringement proceedings is a “permitted communication” if—
- (a) the communication, so far as it contains information that relates to the threat, is made for a permitted purpose; 25
  - (b) all of the information that relates to the threat is information that—
    - (i) is necessary for that purpose (see subsection (5)(a) to (c) for some examples of necessary information), and
    - (ii) the person making the communication reasonably believes is true. 30
- (2) Each of the following is a “permitted purpose”—
- (a) giving notice that a registered design exists;
  - (b) discovering whether, or by whom, the right in a registered design has been infringed by an act mentioned in section 26A(2)(a) or (b); 35
  - (c) giving notice that a person has a right in or under a registered design, where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the registered design. 40
- (3) The court may, having regard to the nature of the purposes listed in subsection (2)(a) to (c), treat any other purpose as a “permitted purpose” if it considers that it is in the interests of justice to do so.
- (4) But the following may not be treated as a “permitted purpose”—
- (a) requesting a person to cease doing, for commercial purposes, anything in relation to a product in which a design is incorporated or to which it is applied, 45

- (b) requesting a person to deliver up or destroy a product in which a design is incorporated or to which it is applied, or
  - (c) requesting a person to give an undertaking relating to a product in which a design is incorporated or to which it is applied.
- (5) If any of the following information is included in a communication made for a permitted purpose, it is information that is “necessary for that purpose” (see subsection (1)(b)(i)) – 5
- (a) a statement that a right in a registered design exists and is in force or that an application for registration of a design has been made; 10
  - (b) details of the registered design, or of a right in or under the right in the registered design, which –
    - (i) are accurate in all material respects, and
    - (ii) are not misleading in any material respect; and
  - (c) information enabling the identification of the products in which the registered design is allegedly incorporated or to which the registered design is allegedly applied. 15

#### 26C Remedies and defences

- (1) Proceedings in respect of an actionable threat may be brought against the person who made the threat for – 20
- (a) a declaration that the threat is unjustified;
  - (b) an injunction against the continuance of the threat;
  - (c) damages in respect of any loss sustained by the aggrieved person by reason of the threat.
- (2) It is a defence for the person who made the threat to show that the act in respect of which proceedings were threatened constitutes (or if done would constitute) an infringement of the right in the registered design. 25
- (3) It is a defence for the person who made the threat to show –
- (a) that, despite having taken reasonable steps, the person has not identified anyone who has done an act mentioned in section 26A(2)(a) or (b) in relation to the product which is the subject of the threat, and 30
  - (b) that the person notified the recipient, before or at the time of making the threat, of the steps taken.

#### 26D Professional advisers 35

- (1) 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.
- (2) In this section “professional adviser” means a person who, in relation to the making of the communication containing the threat – 40
- (a) is acting in a professional capacity in providing legal services or the services of a trade mark attorney or a patent attorney, and
  - (b) is regulated in the provision of legal services, or the services of a trade mark attorney or a patent attorney, by one or more regulatory bodies (whether through membership of a regulatory body, the issue of a licence to practise or any other means). 45

- (3) The conditions are that—
- (a) in making the communication the professional adviser is acting on the instructions of another person, and
  - (b) when the communication is made the professional adviser identifies the person on whose instructions the adviser is acting. 5
- (4) This section does not affect any liability of the person on whose instructions the professional adviser is acting.
- (5) It is for a person asserting that subsection (1) applies to prove (if required) that at the material time—
- (a) the person concerned was acting as a professional adviser, and 10
  - (b) the conditions in subsection (3) were met.

#### **26E Supplementary: pending registration**

- (1) In sections 26 and 26B references to a registered design include references to a design in respect of which an application for registration has been made under section 3. 15
- (2) Where the threat of infringement proceedings is made after an application for registration has been made (but before registration) the reference in section 26C(2) to “the registered design” is to be treated as a reference to the design registered in pursuance of that application.

#### **26F Supplementary: proceedings for delivery up etc. 20**

In section 26(1)(b) the reference to proceedings for infringement of the right in a registered design includes a reference to—

- (a) proceedings for an order under section 24C (order for delivery up), and
  - (b) proceedings for an order under section 24D (order as to disposal of infringing articles).” 25
- (4) Before section 27 insert—

*“Meaning of “the court” and appeals”.*

- (5) In section 45 (application to Scotland) after subsection (1) insert—
- “(1A) In the application of section 26C(1)(a) (remedy for unjustified threat of infringement proceedings) to Scotland, “declaration” means “declarator”.” 30

### **5 Design right**

- (1) Part 3 of the Copyright, Designs and Patents Act 1988 (design right) is amended as follows. 35
- (2) For section 253 (remedy for unjustified threats of infringement proceedings),

and the heading immediately before that section, substitute –

*“Unjustified threats*

**253 Threats of infringement proceedings**

- (1) A communication contains a “threat of infringement proceedings” if a reasonable person in the position of a recipient would understand from the communication that – 5
- (a) design right subsists in a design, and
  - (b) a person intends to bring proceedings (whether in a court in the United Kingdom or elsewhere) against another person for infringement of the design right by – 10
    - (i) an act done in the United Kingdom, or
    - (ii) an act which, if done, would be done in the United Kingdom.
- (2) References in this section and in section 253C to a “recipient” include, in the case of a communication directed to the public or a section of the public, references to a person to whom the communication is directed. 15

**253A Actionable threats**

- (1) Subject to subsections (2) to (5), a threat of infringement proceedings made by any person is actionable by any person aggrieved by the threat. 20
- (2) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of –
- (a) making an article for disposal, or
  - (b) importing an article for disposal.
- (3) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of an act which, if done, would constitute an infringement of a kind mentioned in subsection (2)(a) or (b). 25
- (4) A threat of infringement proceedings is not actionable if the threat – 30
- (a) is made to a person who has done, or intends to do, an act mentioned in subsection (2)(a) or (b) in relation to an article, and
  - (b) is a threat of proceedings for an infringement alleged to consist of doing anything else in relation to that article.
- (5) A threat of infringement proceedings which is not an express threat is not actionable if it is contained in a permitted communication. 35
- (6) In sections 253C and 253D an “actionable threat” means a threat of infringement proceedings that is actionable in accordance with this section.

**253B Permitted communications**

- (1) For the purposes of section 253A(5), a communication containing a threat of infringement proceedings is a “permitted communication” if – 40
- (a) the communication, so far as it contains information that relates to the threat, is made for a permitted purpose;

- (b) all of the information that relates to the threat is information that—
- (i) is necessary for that purpose (see subsection (5)(a) to (c) for some examples of necessary information), and
  - (ii) the person making the communication reasonably believes is true. 5
- (2) Each of the following is a “permitted purpose” —
- (a) giving notice that design right subsists in a design;
  - (b) discovering whether, or by whom, design right in a design has been infringed by an act mentioned in section 253A(2)(a) or (b); 10
  - (c) giving notice that a person has a right in or under the design right in a design, where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the design right in the design.
- (3) The court may, having regard to the nature of the purposes listed in subsection (2)(a) to (c), treat any other purpose as a “permitted purpose” if it considers that it is in the interests of justice to do so. 15
- (4) But the following may not be treated as a “permitted purpose” —
- (a) requesting a person to cease doing, for commercial purposes, anything in relation to an article made to a design, 20
  - (b) requesting a person to deliver up or destroy an article made to a design, or
  - (c) requesting a person to give an undertaking relating to an article made to a design.
- (5) If any of the following information is included in a communication made for a permitted purpose, it is information that is “necessary for that purpose” (see subsection (1)(b)(i)) — 25
- (a) a statement that design right subsists in a design;
  - (b) details of the design, or of a right in or under the design right in the design, which — 30
    - (i) are accurate in all material respects, and
    - (ii) are not misleading in any material respect; and
  - (c) information enabling the identification of articles that are alleged to be infringing articles in relation to the design.
- 253C Remedies and defences 35**
- (1) Proceedings in respect of an actionable threat may be brought against the person who made the threat for —
- (a) a declaration that the threat is unjustified;
  - (b) an injunction against the continuance of the threat;
  - (c) damages in respect of any loss sustained by the aggrieved person by reason of the threat. 40
- (2) It is a defence for the person who made the threat to show that the act in respect of which proceedings were threatened constitutes (or if done would constitute) an infringement of design right.
- (3) It is a defence for the person who made the threat to show — 45
- (a) that, despite having taken reasonable steps, the person has not identified anyone who has done an act mentioned in section



253A(2)(a) or (b) in relation to the article which is the subject of the threat, and

- (b) that the person notified the recipient, before or at the time of making the threat, of the steps taken.

#### **253D Professional advisers**

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- (1) 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.

- (2) In this section “professional adviser” means a person who, in relation to the making of the communication containing the threat—

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(a) is acting in a professional capacity in providing legal services or the services of a trade mark attorney or a patent attorney, and

(b) is regulated in the provision of legal services, or the services of a trade mark attorney or a patent attorney, by one or more regulatory bodies (whether through membership of a regulatory body, the issue of a licence to practise or any other means).

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- (3) The conditions are that—

(a) in making the communication the professional adviser is acting on the instructions of another person, and

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(b) when the communication is made the professional adviser identifies the person on whose instructions the adviser is acting.

- (4) This section does not affect any liability of the person on whose instructions the professional adviser is acting.

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- (5) It is for a person asserting that subsection (1) applies to prove (if required) that at the material time—

(a) the person concerned was acting as a professional adviser, and

(b) the conditions in subsection (3) were met.

#### **253E Supplementary: proceedings for delivery up etc.**

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In section 253(1)(b) the reference to proceedings for infringement of design right includes a reference to—

(a) proceedings for an order under section 230 (order for delivery up), and

(b) proceedings for an order under section 231 (order as to disposal of infringing articles).”

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- (3) Before section 254 insert—

*“Licensee under licence of right not to claim connection with design right owner”.*

- (4) In section 262 (adaptation of expressions in relation to Scotland) at the appropriate place insert—

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““declaration” means “declarator”;

## 6 Community design

- (1) The Community Design Regulations 2005 (S.I. 2005/2339) are amended as follows.
- (2) For regulation 2 (remedy for unjustified threats of infringement proceedings) substitute—

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### “2 Unjustified threats: threats of infringement proceedings

- (1) 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) a Community design exists, and
- (b) a person intends to bring proceedings (whether in a court in the United Kingdom or elsewhere) against another person for infringement of the Community design by—
  - (i) an act done in the United Kingdom, or
  - (ii) an act which, if done, would be done in the United Kingdom.

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- (2) References in this regulation and in regulation 2C to a “recipient” include, in the case of a communication directed to the public or a section of the public, references to a person to whom the communication is directed.

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### 2A Unjustified threats: actionable threats

- (1) Subject to paragraphs (2) to (5), a threat of infringement proceedings made by any person is actionable by any person aggrieved by the threat.
- (2) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of—
  - (a) making an article for disposal, or
  - (b) importing an article for disposal.
- (3) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of an act which, if done, would constitute an infringement of a kind mentioned in paragraph (2)(a) or (b).
- (4) A threat of infringement proceedings is not actionable if the threat—
  - (a) is made to a person who has done, or intends to do, an act mentioned in paragraph (2)(a) or (b) in relation to an article, and
  - (b) is a threat of proceedings for an infringement alleged to consist of doing anything else in relation to that article.
- (5) A threat of infringement proceedings which is not an express threat is not actionable if it is contained in a permitted communication.
- (6) In regulations 2C and 2D an “actionable threat” means a threat of infringement proceedings that is actionable in accordance with this regulation.

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**2B Unjustified threats: permitted communications**

- (1) For the purposes of regulation 2A(5), a communication containing a threat of infringement proceedings is a “permitted communication” if—
- (a) the communication, so far as it contains information that relates to the threat, is made for a permitted purpose; 5
  - (b) all of the information that relates to the threat is information that—
    - (i) is necessary for that purpose (see paragraph (5)(a) to (c) for some examples of necessary information), and 10
    - (ii) the person making the communication reasonably believes is true.
- (2) Each of the following is a “permitted purpose”—
- (a) giving notice that a Community design exists;
  - (b) discovering whether, or by whom, a Community design has been infringed by an act mentioned in regulation 2A(2)(a) or (b); 15
  - (c) giving notice that a person has a right in or under a Community design, where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the Community design. 20
- (3) The court may, having regard to the nature of the purposes listed in paragraph (2)(a) to (c), treat any other purpose as a “permitted purpose” if it considers that it is in the interests of justice to do so.
- (4) But the following may not be treated as a “permitted purpose”—
- (a) requesting a person to cease doing, for commercial purposes, anything in relation to an article made to a design, in which a design is incorporated or to which it is applied, 25
  - (b) requesting a person to deliver up or destroy an article made to a design, in which a design is incorporated or to which it is applied, or 30
  - (c) requesting a person to give an undertaking relating to an article made to a design, in which a design is incorporated or to which it is applied.
- (5) If any of the following information is included in a communication made for a permitted purpose, it is information that is “necessary for that purpose” (see paragraph (1)(b)(i))— 35
- (a) a statement—
    - (i) that a design is a registered Community design and the registration is in force,
    - (ii) that an application for a registered Community design has been made, or 40
    - (iii) that a design is protected as an unregistered Community design;
  - (b) details of the Community design, or of a right in or under the Community design, which— 45
    - (i) are accurate in all material respects, and
    - (ii) are not misleading in any material respect; and
  - (c) information enabling the identification of the article that is alleged to be infringing an article in relation to the design.

**2C Unjustified threats: remedies and defences**

- (1) Proceedings in respect of an actionable threat may be brought against the person who made the threat for –
- (a) a declaration that the threat is unjustified;
  - (b) an injunction against the continuance of the threat; 5
  - (c) damages in respect of any loss sustained by the aggrieved person by reason of the threat.
- (2) It is a defence for the person who made the threat to show that the act in respect of which proceedings were threatened constitutes (or if done would constitute) an infringement of the Community design. 10
- (3) It is a defence for the person who made the threat to show –
- (a) that, despite having taken reasonable steps, the person has not identified anyone who has done an act mentioned in regulation 2A(2)(a) or (b) in relation to the article which is the subject of the threat, and 15
  - (b) that the person notified the recipient, before or at the time of making the threat, of the steps taken.

**2D Unjustified threats: professional advisers**

- (1) 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 paragraph (3) are met. 20
- (2) In this section “professional adviser” means a person who, in relation to the making of the communication containing the threat –
- (a) is acting in a professional capacity in providing legal services or the services of a trade mark attorney or a patent attorney, and 25
  - (b) is regulated in the provision of legal services, or the services of a trade mark attorney or a patent attorney, by one or more regulatory bodies (whether through membership of a regulatory body, the issue of a licence to practise or any other means). 30
- (3) The conditions are that –
- (a) in making the communication the professional adviser is acting on the instructions of another person, and
  - (b) when the communication is made the professional adviser identifies the person on whose instructions the adviser is acting. 35
- (4) This section does not affect any liability of the person on whose instructions the professional adviser is acting.
- (5) It is for a person asserting that paragraph (1) applies to prove (if required) that at the material time – 40
- (a) the person concerned was acting as a professional adviser, and
  - (b) the conditions in paragraph (3) were met.

**2E Unjustified threats: supplementary: pending registration**

- (1) In the application of regulations 2 and 2B in relation to a registered Community design, references to a Community design include references to a Community design in respect of which an application 45

for registration has been filed in accordance with Article 35 of the Community Design Regulation.

- (2) Where the threat of infringement proceedings is made after an application for registration has been filed (but before registration) the reference in regulation 2C(2) to “the Community design” is to be treated as a reference to the design registered in pursuance of that application. 5

## **2F Unjustified threats: supplementary: proceedings for delivery up etc.**

In regulation 2(1)(b) the reference to proceedings for infringement of the Community design includes a reference to – 10

- (a) proceedings for an order under regulation 1B (order for delivery up), and
- (b) proceedings for an order under regulation 1C (order as to disposal of infringing articles).”
- (3) In regulation 5A(1) (application to Scotland) at the appropriate place insert – 15  
 ““declaration” means “declarator”.”

### *Final provisions*

## **7 Extent**

- (1) This Act extends to England and Wales, Scotland and Northern Ireland.
- (2) The following provisions also extend to the Isle of Man, subject to such modifications as Her Majesty may by Order in Council provide – 20
- (a) section 1(1), (2) and (4) to (7);
- (b) section 2;
- (c) section 4;
- (d) this subsection; 25
- (e) section 8 (so far as relating to the commencement of provisions which extend to the Isle of Man);
- (f) section 9.
- (3) Her Majesty may by Order in Council provide for the amendments made by section 1(3) and (8) of this Act to the Patents Act 1977 to extend, with or without modifications, to the Isle of Man. 30
- (4) The power to make an Order in Council under section 255(2) of the Copyright, Designs and Patents Act 1988 (extension of certain provisions to the Isle of Man, the Channel Islands or other territories, with or without modifications) may be exercised in relation to any amendment made by section 5 above (and in section 255(4) and (5) of that Act the references to Part 3 include references to the provisions substituted or inserted by the amendments made by section 5). 35

## **8 Commencement**

- (1) This section, section 7(1) to (3) and section 9 come into force on the day on which this Act is passed. 40

- (2) The other provisions of this Act come into force on such day or days as the Secretary of State may by regulations made by statutory instrument appoint.
- (3) Regulations under subsection (2) may –
  - (a) appoint different days for different purposes;
  - (b) make transitional, transitory or saving provision.

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**9 Short title**

This Act may be cited as the Intellectual Property (Unjustified Threats) Act 2016.

# Intellectual Property (Unjustified Threats) Bill

## [HL]

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# B I L L

To amend the law relating to unjustified threats to bring proceedings for infringement of patents, registered trade marks, rights in registered designs, design right or Community designs.

*Brought from the Lords, 13 December 2016*

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*Ordered by, the House of Commons, to  
be Printed, 13 December 2016.*

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