

Litigants beware – groundless threats provisions rear their face again

As recent case law demonstrates, potential litigants in the UK must be aware and take heed of the groundless threats provisions before asserting any intellectual property right (IPR) in the UK.

1. Introduction

1.1 It is almost always the case that an intellectual property right (IPR) holder will want to move aggressively against an alleged infringer, especially when the alleged infringer is a known competitor moving into the IPR holder's commercial space. However, misplaced aggression may be detrimental because there are provisions in UK legislation which can be relied upon as a source of relief against a threat of action: the so-called groundless threats provisions.

1.2 The provisions differ depending on the IPR in question. For instance, the provisions which relate to patents¹ are not the same as those which relate to registered trade marks², registered designs³ or UK unregistered design right⁴. Contradistinctively, there are no statutory provisions that protect against groundless threats to bring an action in relation to copyright or passing off⁵.

1.3 The *raison d'être* behind the introduction of the provisions was to ensure that a threat of intellectual property litigation was not misused, insofar as the provisions offered a form of protection to those engaged in the selling and/or stocking a product (*secondary* infringement). For example, a person selling or stocking a product would have been able to rely upon the provisions as a source of relief, whereas an importer or manufacturer (*primary* infringement) would not. In other words, the provisions were introduced to provide a safeguard to those further down the supply chain in that they encouraged the patentee to deal with the alleged infringement at the source.

¹ [s.70](#) – s.70 Patents Act 1977

² [s.21](#) – s.21 Trade Marks Act 1994

³ [s.26](#) – s.26 Registered Designs Act 1949

⁴ [s.253](#) – s.253 Copyright, Designs and Patents Act 1988

⁵ depending on the circumstances, it may be possible to bring an action for malicious falsehood in such cases

1.4 Historically, however, the threats provisions had been perceived as fairly tricky to negotiate for a patentee trying to suggest (albeit discreetly) that a person might like to stop infringing its patent⁶. Therefore, in an attempt to settle some of the vagaries of the old law, the provisions in relation to patents have recently been amended (the provisions in relation to the other IPRS have not been 'updated', as yet).

1.5 This publication presents an overview of the amendments made to the Patents Act⁷ and also describes a recent case⁸ whereby a patentee fell foul of the amended provisions. This latter point highlights the importance of ensuring that complainants are correctly advised before asserting any IPR in the UK.

2. Amendments to the Patents Act

2.1 s.70 of the Patents Act was amended to introduce four new or revised subsections. As a consequence, the grounds for bringing an action against a person who has made a threat are now considerably restricted⁹.

2.2 Briefly, the amendments now provide the following:

- a counter plea that the patentee can rely on where infringement is found which is that he did not know, and had no reason to suspect, that the patent was invalid - s.70(2A);
- that exemption from s.70 is dependent upon the person threatened rather than solely on the type of infringement alleged (*i.e. primary* or *secondary*) – s.70(4);
- additional actions which are now deemed non-threatening – s.70(5); and

⁶ *Jaybeam v Abru Aluminium* [1976] RPC 308; *Speedcranes v Thomson* [1978] RPC 221; *Bowden Controls v Acco Cable Controls* [1990] RPC 427; *Brain v Ingledew Brown* [1997] FSR 511

⁷ [s.70](#) – Patents Act 1977

⁸ [\[2009\] EWHC 1829 \(Pat\)](#)

⁹ note that the amendments only apply to threats made after 01 January 2005.

- a defence for the patentee when he has threatened a person alleged to be engaged in a *secondary* act of infringement if he can show that he used his best endeavours, without success, to identify the *primary* infringer – s.70(6).

2.3 s.70(1) of the Act provides relief for anyone who is aggrieved by a threat being made to bring court proceedings with respect to an infringement (or potential infringement) of a patent. The relief may be in the form of damages and/or an injunction to stop the continuance of the threat and/or a declaration stating that the threat was unjustified.

2.4 A person aggrieved may be entitled to the relief if it can prove to the court that a threat was made and that he is aggrieved by it – s.70(2). It is important to note here that a threat need not be made directly to a person for that person to be aggrieved by it. For instance, a person who can show that he is aggrieved as a consequence of a threat made to somebody else may be entitled to the relief¹⁰.

2.5 However, s.70(2A) now provides two exceptions which may, depending on the facts of the case, benefit either the claimant (*i.e.* the person alleging he is aggrieved by the threat) or the defendant. If infringement of the patent is shown and the claimant can prove that the patent alleged to be infringed is invalid then the claimant will be entitled to the relief. However, if the defendant subsequently shows that it had no reason to suspect that the patent was invalid at the time of making the threat then the claimant will not be entitled to relief.

2.6 s.70(3) and (4), respectively, identify the relief available and provide exclusions from s.70 for a threat made to a person who is engaged in an act of *primary* infringement (or an act of *secondary* infringement whereby that person was also the *primary* infringer). Therefore, a manufacturer or an importer of an allegedly infringing product may not make a claim for relief under s.70 notwithstanding the fact that he is also stocking and/or selling the product.

2.7 Further, s.70(5) now provides that a patentee may, without risk of threatening another person, provide factual information about the patent; make enquiries of the other person for the sole purpose of discovering whether, or by whom, the patent has been infringed; or make an assertion about the patent for the purpose of any enquiries so made.

2.8 Finally, s.70(6) now provides a further (limited) defence to a claim under s.70, even when the threat is made to a *secondary* infringer, if the patentee can show that he used his best endeavours, without success, to discover the identity of the *primary* infringer.

3. Zeno v BSM-Bionic Solutions¹¹

3.1 In September 2007, Boots plc (a well-known high street pharmacy chain store) began selling, under the trademark Zeno, a hand held device for the treatment of acne. The device was manufactured by Tyrell Inc.

3.2 In February 2008, a German firm of patent attorneys acting on behalf of the Riemser Arzneimittel AG (the patentee) wrote to a number of individual Boots' stores in the UK (but not its head office) drawing attention to the patent¹² and expressing concern that the Zeno device had adopted the same technical solution as the claimed invention, which related to a device for the thermal treatment of insect stings/bites.

3.3 An action was therefore initiated as one to seek relief against the alleged threat in respect of the letter sent to Boots.

3.4 The letter referred to the patent and continued:

“Our client has now found out that your company offers in the United Kingdom under the trademark Zeno a medical device for the treatment of acne which is also based on the principle of the application of heat over a specific period of time ...

Up to this point we cannot see any difference to the technical solution

¹⁰ Brain v Ingledew Brown [1997] FSR 511

¹¹ [\[2009\] EWHC 1829 \(Pat\)](#)

¹² [EP\(UK\)1231875](#)

for which our client was granted protection, all the more so since the temperature range is also within the limits of the range that is protected by the patent, and the patent discloses a lower limit in respect of the period of time ...

For this reason, we should like to request you to let us know why you are of the opinion that you need not take into consideration the patent of our client when marketing the product Zeno”

3.5 Importantly, the patent was held by the judge in subsequent court proceedings not to be infringed by the Zeno device. Incidentally, the patent was also found to be neither anticipated nor obvious.

4. Application of the law

4.1 As mentioned, a person must be aggrieved by a threat in order to bring an action for relief under s.70. Boots had taken heed of the letter and stopped ordering the Zeno device, therefore it was common ground, said the judge, that Tyrell Inc (the manufacture of the Zeno device) qualified as a “person aggrieved” because of their shortfall in new orders¹³.

4.2 Further, the fact that the Court had already determined that the patent was not infringed by use of the Zeno device meant that the patentee had no defence (under S.70(2A)) to stop the aggrieved person (Tyrell Inc) from claiming relief. Moreover, because the letter was addressed to Boots the exclusion that the threat was made to a person engaged in a *primary* act of infringement did not bite.

4.3 Therefore, it was left for the judge to decide whether or not the content of the letter amounted to a threat and whether or not the patentee had any defence to rely upon. The judge noted that the writer of the letter must have known who had manufactured the Zeno device and who had distributed the device throughout the UK (because it provided the information on the packaging). Therefore, there was no defence for the patentee that it was trying

¹³ note that the threat was not directed to Tyrell in the first instance and Tyrell was subsequently found by the judge to be aggrieved

to discover the identity of the manufacture/importer because it already had the information to contact these people should it wished to have done so.

4.4 Thus, the crucial question asked by the judge was... *Why, then, were the letters sent to the retailers?* The answer: it could only be to persuade Boots to stop selling the Zeno device. This partially succeeded insofar as orders of the Zeno device from Tyrell Inc had stopped.

4.5 Finally, the patentee could not rely upon the fact that it was writing for the **sole purpose** of finding out whether the patent had been infringed. This is because, quite rightly, a store manager is not likely to be aware of the technical workings of each and every device that he stocks and he is certainly not likely to be accustomed to claim language in patents. Therefore, if the patentee really wanted to know the technical details of what was being sold he would write to someone at the head office of Boots and not to a number of individual store managers.

4.6 Consequently, even though the letter did not explicitly threaten court proceedings, the judge said that the letter should be interpreted in the same way as how a reasonable person in the position of Boots would have understood it.

4.7 In summary, the judge found that the letter contextually amounted to a *veiled threat of infringement proceedings* and held that the patentee was liable for groundless threats.

5. Summary

5.1 There are statutory provisions in relation to groundless threats for patents, registered designs and registered trade marks and also UK unregistered design right. The provisions in relation to patents differ from those in relation to the other rights but all, under certain circumstances, offer relief to a person who can show that it is aggrieved as a consequence of a groundless threat.

5.2 The general aim of these provisions is to ensure that threats of infringement proceedings are not made casually or recklessly. In particular, the provisions aim to protect the so-called *secondary* infringer (e.g. *Boots, in the above*

example) who may find it difficult to ascertain whether or not it has infringed or may infringe a patent or other IPR.

5.3 More generally, great care must be taken when making assertions in relation to the potential infringement of an IPR in the UK. It is all too easy for seemingly innocent remarks to be construed as an implied threat.

5.4 Therefore, if a party is considering commencing a pan-European litigation action it would be prudent to seek advice from a firm of UK patent attorneys before proceeding with the action. As detailed above, even a letter from a firm of German patent attorneys (which does not explicitly state instigating infringement proceedings in the UK) may be construed by the court as doing so when read in context.

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