



**COUNTRY  
COMPARATIVE  
GUIDES 2023**

# The Legal 500 Country Comparative Guides United Kingdom **INTELLECTUAL PROPERTY**

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This country-specific Q&A provides an overview of intellectual property laws and regulations applicable in United Kingdom.

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## UNITED KINGDOM

# INTELLECTUAL PROPERTY



**1. What different types of intellectual property rights exist to protect: (a) Inventions (e.g. patents, supplementary protection certificates, rights in trade secrets, confidential information and/or know-how); (b) Brands (e.g. trade marks, cause of action in passing off, rights to prevent unfair competition, association marks, certification marks, hallmarks, designations of origin, geographical indications, traditional speciality guarantees); (c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).**

On 31 January 2020, the UK stopped being a member of the European Union, and on 31 December 2021, the transition period agreed between the UK and the EU (during which there was no change to the application of EU law in the UK) expired.

At 11pm GMT on 31 December 2020, the UK ceased its involvement in EU-wide intellectual property regimes. The EU no longer considers EU-wide rights existing at that date, or which have since arisen or been registered, to cover the UK. However, on 31 December 2020, UK legislation extracted from each existing EU-wide right (but not applications for registered EU-wide rights) a UK right of the same scope, which became enforceable and renewable in the UK as a national right.

In the UK, adjustments have been made to address for service rules in respect of intellectual property rights. Where an address for service is required, the address provided must now be in the UK, the Channel Islands or Gibraltar (i.e. not the EU or the EEA). By way of exception, for rights extracted from an EU-wide right on 31 December 2020, a non-UK address for service remains permissible until 31 December 2023 unless

post-registration proceedings (revocation, invalidity, rectification) arise. Where such proceedings arise a one-month deadline is set for providing a UK address for service and indicating an intention to defend the proceedings. It is therefore recommended that any address for service provided in respect of a UK IP right is in the UK, Gibraltar or the Channel Islands.

### Patents

Patents are available for inventions that are new (novel), involve an inventive step and are capable of industrial application. Patents grant the inventor a period of exclusivity in return for the inventor disclosing the invention. There is a requirement that the invention be disclosed sufficiently clearly and completely for this to occur.

Some categories of development, for instance discoveries, business methods and computer programs, are not considered to be inventions and are not patentable unless they offer a technical contribution. There are also categories of invention which are excluded from patentability, for example if the invention is contrary to public policy or morality or falls within another exclusion.

In basic terms, there are two systems pursuant to which a patent may be granted covering the UK: the national system and the European Patent Convention (EPC) system. Either system may be preceded by, or may act as the receiving office for, an application under the international system through the World Intellectual Property Office (WIPO). Whichever system is employed, the patent that is granted is national in scope; European patents are, at present, filed as a single European application, but granted by the European Patent Office as a bundle of national designations.

As it can take some years after the patent has been filed to obtain regulatory approval for a pharmaceutical or plant protection product, supplementary protection certificates (SPCs) are available to extend the term of patent protection by up to five years in qualifying circumstances.

## Trade secrets

In the UK, the law against misuse of trade secrets (and other confidential information) has evolved in the tradition of the common law, to protect information that has the necessary quality of confidence and is subject to an obligation of confidence: the tort of breach of confidence may assist in protecting against the unauthorised use of confidential information.

On 9 June 2018, The Trade Secrets (Enforcement etc.) Regulations 2018 came into force in the UK, codifying for the first time some aspects of the common law protecting against misuse of confidential information. Consistently with the EU Trade Secrets Directive (in the context of which the UK regulations were passed), the UK regulations broadly define a trade secret as information which (a) is secret, in the sense that it is not generally known or accessible in the circles that normally deal with the kind of information in question, (b) has commercial value because it is secret, and (c) has been subject to reasonable steps to keep it secret. In practice, the new legislation is expected not to lead to a significant change to the legal protection available for trade secrets and confidential information more generally in the UK.

The status of information as secret or confidential may be protected by an obligation of confidentiality arising under the common law or because of specific contractual terms (for example in employment contracts and non-disclosure agreements).

## Registered trade marks

A mark or sign may be registered as a trade mark if it is capable of distinguishing the goods or services of one undertaking from those of another, and of being represented on the register. It must also not be devoid of distinctive character or exclusively indicate the kind, quality, quantity or other characteristics of the goods or services. A mark which does not immediately appear to have distinctive character can acquire distinctiveness through use.

Registered trade marks can include a variety of forms such as words, domain names, colours and the shape of goods or packaging. There can also be non-traditional trade marks such as scents and sounds, but in practice, registration of non-traditional marks is difficult to obtain.

Marks such as certification, collective and hallmarks do not have the same function as ordinary trade marks but instead exist to provide an indication of standards or quality. Goods marked with a certification mark provide a guarantee that the goods or services bearing the mark meet a certain standard or possess a particular

characteristic, whereas collective marks are an indication that the goods or services bearing the mark originate from members of a trade association. In contrast, hallmarks are a certification of a product's purity content in relation to precious metals including gold, silver and palladium.

On 31 December 2020, UK legislation extracted from each EU Trade Mark (subject to any opt-out exercised by the proprietor of the EUTM) a right of the same scope (a 'comparable UK trade mark (EU)'), which became from that date enforceable in the courts of the UK as a national registered trade mark and subject to renewal formalities and fees in the UK IPO as a national right at the renewal date of the parent EUTM. However, applications for EUTMs that remained pending on 31 December 2020 were not extracted: owners of such applications had until 30 September 2021 to file a UK application for the same mark, in respect of some or all of the same goods and services, maintaining the benefit of the same filing, priority and seniority dates. After 30 September 2021 an application may be made for the registration of the mark in the UK but without the benefit of filing, priority and seniority dates of the earlier EUTM.

## Passing off

The tort of passing off can protect goodwill attached to goods or services in the UK. Passing off applies where there is a misrepresentation leading or likely to lead the public to believe the goods or services of a third party are those of the claimant or that some other authorised link (such a licence or endorsement agreement) exists between the claimant and the goods or services, and where the claimant suffers damage as a result. The tort can be used as a way of protecting unregistered trade marks, names, logos or get-up from being mis-used.

## Registered designs

Designs that are new and have individual character can be registered. A design registration may be used to protect the appearance of the whole, or part, of a product, and may be for a three-dimensional or two-dimensional design. It is not possible to register features of an article that perform a technical function or that interconnect with another part so as to perform a function, designs that are contrary to public policy or computer programs.

On 31 December 2020, UK legislation extracted from each Registered Community Design (subject to any opt-out exercised by the proprietor of the RCD) a right of the same scope (a 're-registered design'), which became from that date enforceable in the courts of the UK as a national registered design and subject to renewal formalities and fees in the UK IPO as a national right at

the renewal date of the parent RCD. However, applications for RCDs that remained pending on 31 December 2020 were not extracted: owners of such applications had until 30 September 2021 to file a UK application for the same design, maintaining the earlier filing date of the pending RCD.

### Unregistered designs

The law in the UK now provides for two types of unregistered design right to arise automatically where qualifying criteria are met:

- Unregistered design right (UDR) protects any aspect of the shape and configuration of the whole or part of an article (whether external or internal) that is original, recorded in a design document or the subject of an article made to the design, and created by a qualifying person; but it does not subsist in a method or principle of construction, the shape of an article that “must fit” another, the appearance of an article that “must match” another, or two-dimensional designs such as ornamentation or surface decoration (which may be protected by copyright).
- From 31 December 2020, supplementary unregistered design (SUD) protects designs that are new and have individual character (i.e. like a registered design).

The qualification criteria for the two types of unregistered design protection are not the same; nor is the qualification criteria for either now the same as the qualification criteria for Community Design Right prior to 31 December 2020.

On 31 December 2020, UK legislation extracted from each existing Community Design Right a national right of the same scope (a ‘continuing unregistered Community design’), which became from that date enforceable in the courts of the UK.

For each of the three types of unregistered design protection now existing in the UK, infringement depends upon copying of the protected work (assessed qualitatively).

### Copyright

Copyright covering the UK may subsist in original works in any of the protected categories: literary, dramatic, musical and artistic works, sound recordings, films, broadcasts and typographical arrangements of published editions, provided the work qualifies by its author’s nationality or domicile or by the place of first publication of the work. Protection arises automatically when a work

is recorded in writing or some other form. Infringement depends upon copying the whole, or a substantial part, of the protected work (assessed qualitatively).

### Database rights

Databases can be protected in the UK in two ways: by copyright and by the standalone database right. The standalone database right requires a substantial investment in obtaining, verifying or presenting the contents of a database.

Database rights that existed on 31 December 2020 continue to be recognised and enforceable in the courts in the UK. For databases completed after that date, database protection is dependent upon qualification criteria being met by UK nationality, residency or establishment. (No change to qualification criteria for copyright protection occurred on 31 December 2020).

### Plant varieties

Plant variety rights covering the UK are available, by registration, for new, distinct, uniform and stable plant varieties, and entitle the right owner to prevent others from reproducing or conditioning for propagation the relevant plant variety, or offering for sale, selling, exporting, importing or stocking for those purposes.

For each Community Plant Variety Right contained in the register maintained under EU Council Regulation 2100/94 on 31 December 2020, the UK continues to treat it, for the remainder of its term, as if it were a UK plant variety right granted under the national plant variety protection regime.

### Semiconductor topography rights

Semiconductor topography rights protect topographies in a pattern fixed on, or intended to be fixed on, a layer of a semiconductor product or a material used to make that semiconductor, or an arrangement of patterns fixed on the layers of a semiconductor. The protection arises automatically. Most original, integrated circuits are protected, provided the circuit has at least two layers, and one is made of a semiconducting material, with a pattern fixed to it for the purpose of performing an electronic function.

## 2. What is the duration of each of these intellectual property rights? What procedures exist to extend the life of registered rights in appropriate circumstances?

Right	Duration
Patents	
Patents	20 years from the date the application was filed, provided renewal fees are paid.
Supplementary Protection Certificates	Up to 5 years from the date the relevant patent expires. The term of the SPC will be the time between the filing of the relevant patent application and the grant of the relevant marketing authorisation, minus 5 years, and subject to a maximum of 5 years, provided the correct fee is paid. An SPC for a medicinal active ingredient may be extended for a further 6 months if appropriate paediatric testing has been conducted.
Trade secrets	As long as the confidential/secret nature of the information is preserved.
Trade marks	
Registered trade marks	Indefinite, provided renewal fees are paid.
Passing Off	Indefinite.
Designs	
Registered Designs	25 years, provided renewal fees are paid.
UK Unregistered Design Rights (UDR)	The lesser of: 15 years from first recording in a design document or first making to the design; or 10 years from first making the article available for sale or hire (dates calculated from the end of the relevant calendar year).
Continuing unregistered Community Designs	3 years from the date the relevant design was first made available to the public (on or before 31 December 2020).
Supplementary unregistered design	3 years from the date the relevant design was first made available to the public (on or after 1 January 2021).
Copyright	
Copyright	Usually, the life of the author plus 70 years from the end of the calendar year in which the last surviving author dies. This applies to most types of work, including literary works, databases, tables and compilations, and films. If the work is published, copyright protection lasts until 70 years from the end of the year that the work was first made available. Some types of work attract a shorter period of protection. Sound recordings and broadcasts are protected for 50 years from the end of the calendar year in which they are created. If a sound recording is released, protection is extended to 70 years. Typographical arrangements are protected for 25 years from the end of the year of publication.
Other	
Database rights	The duration of the sui generis database right is 15 years from the end of the calendar year in which the database was completed.
Plant varieties	30 years from the date of grant (for potatoes, trees and vines) and 25 years from the date of grant in all other cases.
Semiconductor topography rights	Either: (a) 10 years from the end of the calendar year in which the topography or articles made with the topography were first made available for sale or hire, or (b) if neither were made available, 15 years from the date the topography was first recorded in a design document or an article was first made to the topography.

For registered rights (patents, registered designs and registered trade marks), the continued subsistence of

the right depends on the payment of renewal fees.

### 3. Who is the first owner of each of these intellectual property rights and is this different for rights created in the course of employment or under a commission?

In general, the first owner of an intellectual property right is the inventor, designer or author who created the work.

If the work is created by an employee in the course of the employee's employment, the employer is usually the first owner of the right. If the work is created outside of the normal duties of the employee's employment, the employee remains the owner.

If a work is created under a commission, the first owner is the inventor, designer or author, unless the parties have agreed otherwise.

The first owner of a registered trade mark is the named applicant. The first owner of a patent is the named applicant but it is possible for a person claiming a proprietary interest in or under the patent to have determined who the true proprietor is.

### 4. Which of the intellectual property rights described above are registered rights?

Patents (and SPCs), registered trade marks, registered designs and plant variety rights are registered rights.

### 5. Who can apply for registration of these intellectual property rights and, briefly, what is the procedure for registration?

Who may apply?

- The first owner of the rights in the relevant invention or design, or their successor in title, can apply to register a patent or design.
- The proprietor(s) of a patent can apply for an SPC (it is not required that the marketing authorisation also be in the patent proprietor's name).
- For registered trade marks, the applicant should be the individual or legal entity seeking registration of the mark.
- For plant variety rights, the person entitled to the grant of plant breeders' rights in respect of a variety is the person who breeds it, or discovers and develops it, or his successor in title.

In each case, the application may be filed by an appropriately qualified representative. It is possible for an applicant for a trade mark to file their own trade mark application, without the involvement of an IP professional. However, it is usually advisable to use an IP professional to undertake searches and give advice as to whether the mark is likely to be registrable, and to liaise with the examiner to address any objections or concerns that are raised.

Where is the application filed?

For a UK patent, an SPC, a registered trade mark, or a registered design, the application may be filed with the UK Intellectual Property Office (UK IPO). Alternatively, a UK patent, a registered trade mark and a registered design may be sought pursuant to the relevant international system, by filing an application at the World Intellectual Property Office (WIPO) or with a competent national or regional office.

For a European patent designating the UK (effectively this is a UK patent, which was originally filed as a European application), an application is made to the European Patent Office. Alternatively, as mentioned above, a European patent designating the UK may be sought pursuant to the international system (governed by the Patent Cooperation Treaty) by filing an application at WIPO or with a competent national or regional office.

For a plant variety right, an application may be made using the UPOV PRISMA international application platform.

Details of the procedures for registration differ between the rights, with applications for a patent generally given the most substantive scrutiny.

## 6. How long does the registration procedure usually take?

The length of the registration procedure varies depending on the right, where the application is made (see question 5) and the nature of the application.

In general, applying for a patent will take 2.5-4 years before the UK IPO and 3-6 years before the EPO (and post-grant opposition proceedings may considerably lengthen the duration of EPO proceedings further). These timeframes are indicative ranges for a 'typical' case – the exact timeframe will vary from case to case and will depend on the level of objections to the application raised by the patent office as well as the timeliness of the applicant's responses –. In some cases, it is possible for the time to obtain a granted patent to be reduced to

the lower end of these ranges or even significantly shorter if official fees are paid early and correspondence from the offices is responded to promptly.

Applying for a registered trade mark will generally take between 2-4 months in the UK IPO. Applying for a registered design is a relatively short process and can take just a few days or weeks in both the UK IPO since there is no formal examination.

## 7. Do third parties have the right to take part in or comment on the registration process?

Third party observations ("TPOs") can be filed in relation to a trade mark or patent application, enabling third parties to raise comments or objections to the grant of the right. The examiner will consider any information provided in a TPO during the examination, but the third party will have no further involvement after the filing of the TPO.

In the case of trade marks, there is also a pre-grant opposition procedure, which is discussed further in questions 28 and 29.

In the case of European patents, any person may also file a written opposition to the grant of the patent at the EPO, on one of the prescribed grounds (lack of patentability, insufficiency, added matter) within nine months of the patent being granted. The parties' submissions in the inter partes opposition procedure are considered and decided upon by the EPO's Opposition Division, with appeal lying to a Board of Appeal.

## 8. What (if any) steps can the applicant take if registration is refused?

Generally, if, during the examination of an IP right, the examiner raises objections to the right being granted, the examiner will write to the applicant with those objections and reasons for them. In an attempt to overcome the objections, the applicant may correspond with the examiner (or attend an oral hearing) to further explain and, if appropriate, propose changes to the application. Changes to a trade mark application may include, for instance, limiting the classes of goods or services for which the trade mark registration is sought. When a change is made to a patent application, it is usually to the claims of the patent, which delimit the scope of the invention. An applicant is not permitted to add new material to a patent application, so any changes must be supported by the content of the existing application (and any earlier "priority documents" filed by the applicant).



If the final decision of the examiner is to refuse the application, detailed reasons will be given and the applicant may appeal the decision to the relevant body. For trade marks and designs, appeal from a decision of a Hearing Officer may be made to the Appointed Person (as a final instance of appeal) or the court. For UK patent applications, appeal from a decision of the Comptroller lies to the court. For European patent applications, appeal lies to the relevant Board of Appeal.

## 9. What are the current application and renewal fees for each of these intellectual property rights?

### Trade marks

The cost of registering a UK trade mark in one class of goods or services is £170 ("standard online fee") or £200 ("paper fee"). Should an applicant wish to register additional classes of goods or services, there is an additional fee of £50 per class. Once registered, the trade mark must be renewed every 10 years. The renewal cost for the mark in one class is £200, with £50 for each additional class.

Note that applications for EU Trade Marks that remained pending on 31 December 2020 ceased to cover the UK from that date: owners of such applications had until 30 September 2021 to file a UK application for the same mark, in respect of some or all of the same goods and services, maintaining the benefit of the same filing, priority and seniority dates.

For each 'comparable UK trade mark (EU)' extracted from an EU Trade Mark on 31 December 2020, UK renewal formalities and fees must be complied with at the same date as the renewal date for the parent EUTM.

### Patents

The official fee for an online application for a UK patent with up to 35 pages of description and up to 25 claims, including the filing fee, the fee for a single search, and the substantive examination fee, is £310.

Annual renewal fees are payable on granted UK patents (but not on pending applications), beginning on the fourth anniversary of the filing date (i.e. for the fifth year). The renewal fee payable on the fourth anniversary is £70, increasing annually by £20 up to and including the tenth anniversary of filing (i.e. the fee for the eleventh year). The renewal fee increases from £220 for the eleventh anniversary to £610 by the nineteenth anniversary.

The official fee for an online application for a European

patent of up to 35 pages including up to 15 claims, inclusive of the application fee, designation fee, European search and examination fee is €4,280. A grant fee of €930 is payable once the application is in condition for grant.

Unlike UK applications, annual renewal fees are payable on pending European applications, beginning on the second anniversary of the filing date. These fees are payable to the EPO. The renewal fee is €530 for the third year, increasing to €660 for the fourth year, €925 for the fifth year, €1,180 for the sixth year, €1,305 for the seventh year, €1,440 for the eighth year and €1,570 for the ninth year. From the tenth year until the twentieth year, the renewal fee is €1,775 per year. After grant of a European patent designating the UK (an EP(UK)), renewal fees are payable to the UK IPO as for a UK patent. Renewal fees cease to be payable to the EPO once the application grants.

The cost of an application for a supplementary protection certificate (SPC) is £250 at the UK IPO. The prescribed fee for an SPC to take effect is paid as a single sum at the start of its term, determined according to the duration of the right, which will be between £600 for an SPC expiring within one year of its start date and £4,000 for an SPC expiring within one year of the fourth anniversary of its start date.

### Registered designs

The cost to file a single registered design application online is £50 for one design or £60 on paper. Should the applicant wish to register multiple designs (online), the fee for 10 designs is £70. Thereafter, multiple design blocks of 10 can be added to the application at £20 per 10 designs. A registered design must be renewed on its fifth anniversary, and every 5 years thereafter, up to a maximum of 25 years. The first renewal fee, after 5 years, is £70. This increases by £20 on each of the second and third renewal periods, and by £30 on the fourth renewal period (i.e. the renewal fee increases up to £140).

Note that applications for Registered Community Designs that remained pending on 31 December 2020 ceased to cover the UK from that date: owners of such applications had until 30 September 2021 to file a UK application for the same design, maintaining the benefit of the earlier filing date of the pending RCD.

For each re-registered design' extracted from a Registered Community Design on 31 December 2020, UK renewal formalities and fees must be complied with at the same date as the renewal date for the parent RCD.

**Fees for professional advice**

It is important to note that pursuing an application for an intellectual property right can be complex and expensive and typically an applicant will instruct an appropriately qualified intellectual property professional, whose fees will be additional to the registration fees listed above.

**10. What are the consequences of a failure to pay any renewal fees and what (if any) steps can be taken to remedy a failure to pay renewal fees?**

For each of trade marks, patents and designs, the registration can be renewed either a few months before or a few months after the renewal date. If the right holder misses the renewal window, there is a grace period within which the right owner can reinstate the right.

**Trade marks**

UK trade marks may be renewed 6 months before, or up to 6 months after, the renewal date, for a £200 renewal fee (plus £50 for each additional class of goods or services in the registration, plus a £50 late renewal fee if renewing in the 6 months after the renewal date). If not renewed, the mark will be removed from the register. The trade mark owner can apply to restore the trade mark within 6 months of removal from the register, for a restoration fee of £100 and upon the provision of a statement explaining why the mark was not renewed within the renewal period, but there is no guarantee of restoration.

**Patents**

Patents (both UK and EP(UK)) can be renewed in the UK between 3 months before the renewal date and up to 1 month after the renewal date (the renewal date being the last day of the month containing the anniversary of the patent's filing date). In the 6 month period after the renewal date, the patent owner can renew the patent upon payment of a penalty of £24 for each full month that the patent was not renewed (i.e. no penalty is due if the renewal fee is paid within one month of the renewal date). If the patent is not renewed after 6 months, it will lapse. The patent owner then has 13 months from the date the patent lapsed to apply to restore it. The application requires payment of a £135 fee and supporting documentation detailing the reasons for missing the renewal date to satisfy the UK IPO that the failure to renew was 'unintentional'.

Additional fees for belated payment of a renewal fee for a European patent application are at 50% of the relevant

fee.

**Registered designs**

A registered design may be renewed up to 6 months before the renewal date, and up to 6 months after, although for renewals after the renewal date a penalty fee is payable of £24 for each full month that passes after the renewal date (i.e. if the design is renewed within 1 month of the renewal date no penalty fee is due). If not renewed, the registration will lapse. The right holder can apply to restore the right for £120, accompanied by a written explanation explaining with good reasons why the renewal did not take part in the standard time, but there is no guarantee of restoration.

**11. What are the requirements to assign ownership of each of the intellectual property rights described above?**

In general, in order for an assignment of IP rights to be effective under English law, it must be made in writing and signed by the IP owner (assignor). Nevertheless it is usually advisable for any document assigning IP rights to be signed by both the assignor and the assignee. If the IP right is jointly owned, in order to assign the whole of the right, each of the joint owners must sign the assignment.

In respect of UK registered designs, where the assignor owns both the registered and unregistered rights in a design, there is an assumption that assigning the unregistered right also assigns the registered right.

It is possible in respect of some rights to have a partial assignment, but the position is complex.

**12. Is there a requirement to register an assignment of any of these intellectual property rights and, if so, what is the consequence of failing to register?**

There is no mandatory requirement to register assignments of IP rights in the UK. However, registration is advisable because unless assignments are registered, they will not bind a third party who later acquires, in good faith, a conflicting interest in the right.

In addition, if a patent or trade mark assignment is not registered within 6 months of it taking place (or as soon as practicable thereafter), then if the patent or trade mark were to be infringed by a third party, the failure to register the right in time may prevent the new owner recovering its costs of infringement proceedings.



**13. What are the requirements to licence a third party to use each of the intellectual property rights described above?**

There are no statutory formalities for licences under English law other than a requirement in respect of UK Trade Marks that the licence is in writing and signed by the licensor.

In practice though, it is highly advisable for licences to be in writing in order to confer certainty about their terms and to enable the licensee to have the benefit of registration (where relevant).

**14. Is there a requirement to register a licence of any of these intellectual property rights and, if so, what is the consequence of failing to register?**

There is no mandatory requirement to register licences of IP rights under English law. However, it is prudent to do so because, until registered, the relevant transaction is ineffective against a third party who acquires a conflicting interest in the right in good faith. In relation to exclusive licences of patents and trade marks, if the licence is not registered within 6 months (or as soon as practicable thereafter), then if it were to be infringed by a third party, the failure to register in time may prevent the IP owner recovering costs in infringement proceedings.

There is no requirement to register a licence of copyright or other unregistered rights.

**15. Are exclusive and non-exclusive licensees given different rights in respect of the enforcement of the licensed IP, and if so, how do those rights differ?**

Exclusive licensees have certain statutory rights to bring infringement proceedings in their own name, but the IP owner must be joined in the proceedings, either as co-claimant or as a further defendant. Non-exclusive licensees, on the other hand, do not generally have the right to commence infringement proceedings under statute. However, non-exclusive licensees of trade marks can call upon the proprietor to take action, and may take action themselves if the proprietor does not do so.

The operation of the statutory defaults may be varied in negotiated licence agreements, so it is important to check the governing agreement to confirm the parties' rights in relation to infringement proceedings.

**16. Are there criminal sanctions for infringement of any intellectual property rights, and if so, what are they and how are they invoked?**

Some intellectual property rights have criminal sanctions for infringement in certain contexts. The penalties vary from a fine to a term of imprisonment of up to 10 years.

In respect of copyright, an offence is committed if a person performs an infringing act for a commercial purpose knowing, or with reasonable belief, that the act would infringe the copyright. This includes making, dealing in, or possessing the infringing article, communicating the work to the public in the course of business, or publicly performing the work.

In respect of registered trade marks, criminal liability attaches to counterfeiting activity i.e. to a person who, with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor, sells or hires, for profit, goods bearing an identical mark or one that is likely to be mistaken for a registered mark. Importantly, the trade mark owner is not required to show that the infringer acted dishonestly. Where the offence relates to the making of an article specifically designed or adapted for making copies of a sign identical to, or likely to be mistaken for, a registered trade mark, or having such an article in his possession in the course of business, the owner is required to show that the infringer had knowledge that such articles would be used for producing goods bearing the mark.

With regard to registered design rights, it is an offence if the infringer, without the consent of the owner, intentionally copies a registered design to make a product knowing or having reason to believe that the design was registered. It is also an offence to falsely represent a design, trade mark or patent as registered.

Complaints procedures also exist, through bodies such as trading standards, which are involved in the criminal enforcement of IP.

There are no criminal sanctions for patent infringement.

**17. What other enforcement options are available for each of the intellectual property rights described above? For example, civil court proceedings, intellectual property office proceedings, administrative proceedings, alternative dispute resolution.**

## Civil court proceedings

In the UK, IP rights are most commonly enforced through civil court proceedings.

The UK has three jurisdictions: England and Wales, Scotland, and Northern Ireland. Each has its own legal system and procedures, the UK Supreme Court being the final court of appeal for all in civil cases. The overwhelming majority of IP litigation in the UK takes place in the courts of England and Wales.

The Chancery division of the High Court (now a part of the 'Business and Property Courts') is the appropriate forum for more complex and valuable IP claims of all types. Within this division, the Patents Court has jurisdiction in respect of disputes regarding patents, SPCs, registered designs, plant variety rights and semiconductor topography rights. Disputes concerning other types of intellectual property (including claims in respect of technical trade secrets) are managed in the Intellectual Property List. In the Chancery Division there is no cap on recoverable damages or costs.

For less complex and smaller value IP claims, the Intellectual Property Enterprise Court (IPEC) (also within the Chancery Division) offers a more streamlined litigation procedure, with caps on monetary compensation (£500,000) and recoverable costs (£60,000 for the liability stage and £30,000 for the quantum stage). The IPEC has jurisdiction to hear disputes regarding all types of intellectual property right and takes its jurisdiction (including in respect of the types of relief that it can award) from that of the High Court.

The IPEC also has a "small claims" track, with more limited damages (£10,000) and costs caps, in which low value disputes regarding copyright, trade marks, passing off and unregistered design rights may be heard.

In addition, some County Courts with a Chancery District Registry have jurisdiction in respect of low value intellectual property disputes (but not in respect of the types of right for which the Patents Court has jurisdiction).

## UK IPO

While the UK IPO is not a court, it has some (limited) jurisdiction to hear disputes in respect of UK patents, UK registered design rights and UK registered trade marks, most notably in respect of validity and entitlement. The UK IPO is also able to provide non-binding opinions, including in respect of infringement, in some circumstances. However as the UK IPO's power to award relief is limited, it plays a very limited role in

enforcement of intellectual property rights.

## Alternative dispute resolution

Alternative dispute resolution requires the voluntary engagement of both parties (unless the parties have entered a contract which obliges them to use ADR). It is encouraged by the Civil Procedure Rules.

The most common types of ADR are:

- Arbitration, which is similar to civil court proceedings, but the proceedings are conducted in private before a tribunal, rather than before a public court. The judgment of the arbitral tribunal is binding on the parties and can be kept confidential.
- Expert determination, which is conducted in private and involves an expert considering and assessing submissions made by the parties. The process is more flexible than arbitration and usually much less expensive. The decision of the expert is binding.
- Mediation, which is essentially a private commercial negotiation facilitated by a trained mediator. The parties are encouraged to find a commercial solution to the dispute, but the mediator does not give a decision and the process is not binding, so if the parties are unable to agree, the dispute will continue.

## Threats

In the UK, the legislation governing patents (UK and European (UK)), trade marks, and designs prohibits the making of an unjustified threat of infringement proceedings in respect of an act done, or proposed to be done, in the UK. Similar protection may be available at common law in respect of other types of intellectual property. IP right owners should ensure that steps taken to enforce their rights (including the wording of communications) are compliant with the threats provisions, and of course UK law more generally.

## 18. What is the length and cost of such procedures?

The time it takes for a civil case to reach a trial depends on the complexity of the case, the conduct of the parties and the diary of the relevant court. In a Practice Statement in 2015, the Patents Court stated its intention to list all trials within 12 months of an action commencing; the Patents Court has since been making case management orders to facilitate compliance with this timetable. Where considered appropriate, the court may hear and determine a case in less than six months

from commencement.

Cases in the Patents Court or the wider Chancery Division which qualify for the "Shorter Trial Scheme" will be listed for trial within 8 months of the case management conference.

More generally, English intellectual property court proceedings tend to take approximately 12-15 months from commencement to reach first instance trial. In all cases, judgment usually follows within 4-12 weeks of the trial. Appeals in civil cases typically take around 8-12 months although in urgent cases they can be expedited.

Court fees in the UK are generally considered low by international standards. Issue fees are calculated according to the type of relief sought and the value of the claim. For example, a claim for damages incurs a fee that is graduated by value, from £35 for a value up to £300, to a maximum of £10,000 for values over £200,000; a claim for an injunction in the High Court (including IPEC) incurs a fee of £569 (in addition to any fee in respect of the claim for monetary relief).

In addition, parties may incur costs for the services of legal representatives. In the High Court (excluding IPEC), the costs to substantive judgment are likely to be from £400,000 to £2-3 million in complex cases.

The successful party in civil litigation is able to recover a proportion of its legal costs from the other party. That proportion depends on a number of factors, but in the High Court, the successful party might typically recover around 60-75% of its legal costs from the unsuccessful party. As the recovery of legal costs in the IPEC is capped, the successful party may recover up to £50,000 for the liability stage (but often the awarded costs are less).

In respect of ADR, mediation can take as little as half a day or as long as several weeks, with costs varying according to the complexity, length of the process and choice of mediator. Expert determination is a little more involved than mediation and requires the parties to set out their case. However, properly confined and with an appropriate expert, expert determination could resolve a dispute in a fraction of the time and at a fraction of the cost of litigation. Arbitration is similar in structure to civil litigation, although the procedure may take longer and costs may accordingly be higher than in civil litigation (depending on the rules agreed by the parties).

## 19. Where court action is available, please provide details of which court(s) have

### jurisdiction, how to start proceedings, the basics of the procedure, the time to trial, the format of the trial, the time to judgment and award of relief and whether any appeal is available.

The courts which have jurisdiction in intellectual property disputes in England and Wales are discussed above (see Question 17). Before commencing court proceedings, there are pre-action procedures which should be considered (see Question 23). Proceedings can then be commenced by the Claimant filing a Claim Form, followed by Particulars of Claim, which outline details of the case. In a typical case, once the Defendant has filed its Defence and any Counterclaim, and the Claimant has had the opportunity to respond, the case will then proceed to a Case Management Conference ("CMC").

At the CMC, the court will set out the timetable for the case, up to the date of trial. Between the CMC and the trial, the parties will exchange the names and evidence of their expert witnesses and fact witnesses, undertake and produce the results of any experiments, provide any models, photographs, survey evidence and any other evidence to be relied on at the trial, and give disclosure, if it is ordered.

Shortly before the trial, the court will hold a pre-trial review hearing to finalise matters such as the timetable for trial.

The trial itself will typically last 3 to 15 days in the High Court. In IPEC the trial lasts 1-2 days and there are adjustments to the basic procedure outlined above. The trial commences with opening submissions from the parties, followed by any cross-examination of expert and fact witnesses, and closing submissions. Specialist intellectual property barristers are typically instructed to represent the parties in the Court, although in some circumstances solicitors and patent attorneys may also make submissions in Court.

An appeal is available if the judgment contains, or may contain, an error of law or principle. An appeal will review only the law and how it has been applied – there is no re-trial of the facts of the case, and very limited ability to introduce new evidence during an appeal.

The primary remedies sought in civil litigation are typically:

- for an IP owner, a declaration that its right has been infringed, an injunction to prevent the other party infringing its rights, monetary relief (damages or an account of profits) and recovery of its legal costs, plus interest; and

- for the alleged infringer, an order that the IP right is invalid and/or that it is not infringed by the allegedly infringing acts, plus recovery of its legal costs and interest.

Other types of declarations, publicity orders, orders for delivery up and destruction of goods and orders for the provision of information may be awarded. The jurisdiction of the court is broad and the type of relief awarded by the court therefore continues to evolve to adapt to developments in the commercial and technical environment of disputes.

## 20. What customs procedures are available to stop the import and/or export of infringing goods?

An IP owner seeking to prevent the importation into the UK of products infringing its IP rights can file a customs notification with the UK's HM Revenue & Customs. An application is valid for a year, after which it must be renewed.

The more information the rights owner is able to provide, the more likely it is that Customs will be able to identify and stop infringing products. In addition to details of the IP rights in question, the notification may include information such as barcodes and images of legitimate products. Particularly in respect of patents, it can be difficult for customs authorities to ascertain whether any given product infringes the right(s) in question. The patent owner can improve the chance of infringing products being detected by customs if they provide customs with a simplified description of the patent and the infringing products.

When suspected infringements are identified, customs authorities will detain the goods and contact the rights owner and owner of the goods. The rights owner is then able to inspect the goods to ascertain whether its rights are infringed, and court action may be commenced. There are special provisions for small consignments, which allow customs to simply inform the owner of the goods that they intend to destroy the goods and if the owner consents or fails to respond, customs will destroy the goods after 10 working days.

An IP owner making a customs notification is required to accept liability for any damage that is suffered by the owner of the goods in respect of goods that are seized, but do not, in fact, infringe the IP owner's rights.

Note, however, that for (genuine) goods placed on the market in the EEA, intellectual property rights are presently considered exhausted in the UK; therefore the UK customs regime cannot be employed in respect of

imports of grey-market goods from the EEA.

## 21. Are any non-court enforcement options or dispute resolution mechanisms mandatory in respect of intellectual property disputes in any circumstances? If so, please provide details.

In the UK, the Civil Procedure Rules require litigants to engage in the "Pre-Action Protocol". Under this protocol, the Claimant should provide details of the claim and the basis on which it is made, the facts of the case and details of what the Claimant is seeking, and the Defendant should confirm whether the claim is accepted and, if not, why not.

However, the court will not expect the Pre-Action Protocol to be complied with where, among other things, telling the other party would defeat the purpose of the application or the urgency of the application is such that it is not practical to comply.

If a Claimant does not comply with the Pre-Action Protocol, it must inform the court that it has not done so and the Defendant may have additional time to file its Defence. There may also be cost consequences for the Claimant at the end of the case, when the court determines responsibility for legal costs.

## 22. What options are available to settle intellectual property disputes in your jurisdiction?

Claims may be settled at any time, whether before, during or after commencing proceedings. Some claims are even settled during the trial of the case.

Settlement usually requires the consideration of a number of factors, such as: whether the alleged infringer will be licensed and allowed to continue the allegedly infringing activity; whether a royalty or licence fee will be paid; whether there will be any payment in respect of the past activities of the alleged infringer; and whether there will be any payment in respect of legal costs incurred by the parties. Once agreed, the terms of the settlement are usually recorded in a settlement agreement.

The settlement could also form part of a broader commercial agreement.

If proceedings have been commenced, the parties will have to dispose of the proceedings by agreeing a court Order. The Order will record that the Claimant has

discontinued the proceedings or that the proceedings have been dismissed with the consent of the parties. The settlement agreement itself can remain separate from the court Order, and confidential.

### 23. What is required to establish infringement of each of the intellectual property rights described above? What evidence is necessary in this context?

At the outset of court proceedings, the claimant's 'particulars of claim' must set out in a succinct way the alleged legal basis for the claimant's claim and example facts relied upon to substantiate liability.

Once the exchange of pleadings has completed and the factual and technical issues between the parties are apparent, disclosure may be given, and witness evidence and/or expert evidence may be submitted by the parties in support of their respective cases, in accordance with the procedure outlined above. The burden of establishing infringement lies upon the party alleging it, the standard being the balance of probabilities. However in some contexts the evidential burden may shift.

#### Patents

It is an infringement of a patent to do any of the following in the UK while the patent is in force without the consent of the proprietor of the patent:

- Where the invention is a product: make, dispose of, offer to dispose of, use, import, or keep the product (whether for disposal or otherwise) in the UK.
- Where the invention is a process: use the process or offer it for use in the UK with knowledge, or when it is obvious to a reasonable person in the circumstances, that the use of the process without the consent of the proprietor would be an infringement; or make, dispose of, offer to dispose of, use, import, or keep any product obtained directly by means of that process.

Usually, any disclosure obligation upon the party alleged to infringe in respect of the alleged infringing product or process is satisfied by the provision of a 'product and process description'.

When the invention is a process, there may be a presumption that products are made using the patented process, shifting the evidential burden to the party alleged to infringe to show that the end product was made by non-infringing means.

#### Infringement of trade secret / breach of confidence

Pursuant to the English common law (*Coco v Clark* (1969) RPC 41; *Saltman v Campbell* [1963] 3 All ER 413; *BBC v HarperCollins* [2010] EWHC 2424 (Ch)), it is a tort to use in an unauthorised manner, to the detriment of the originating party, information which has the necessary quality of confidence and is subject to an obligation of confidence. To have the necessary quality of confidence, the information must not be in the public domain or form part of an employee's general skill and knowledge. The requisite obligation of confidence may exist pursuant to a contractual obligation or the circumstances in which it was imparted.

#### Registered trade marks

A person will infringe a registered trade mark if he uses in the course of trade a sign:

- which is identical to the trade mark, in relation to identical goods or services to those for which the mark is registered;
- where because the sign is (i) identical to the registered trade mark and used in relation to similar goods or services to those for which the mark is registered, or (ii) similar to the registered trade mark and used in relation to identical or similar goods or services to those for which the mark is registered, there exists a likelihood of confusion on the part of the public, which includes a likelihood of association.
- that is identical or similar to the registered trade mark, in relation to goods or services (whether or not identical or similar), where the registered trade mark has a reputation in the UK and the use of the sign, without due cause, takes unfair advantage of, or is detrimental to, the distinctive character of or the repute of the registered trade mark.

The assessment of the elements making up the torts, particularly those categorised as (ii) and (iii) above, is multifactorial (or 'global').

#### Passing off

Pursuant to the English common law (*Reckitt & Colman Products v. Borden* [1990] UKHL 12; *Starbucks v. British Sky Broadcasting* [2015] UKSC 31), the tort of passing off requires the establishment of three elements: (i) goodwill attached to the claimant's goods or services in the UK; (ii) a misrepresentation by the defendant leading or likely to lead the public to believe that the goods or services they offer are the goods or services of the



claimant or there is some other authorised link with the claimant; and (iii) the claimant suffers damage as a result.

## Designs

For registered designs, supplementary unregistered designs (SUDs) and continuing unregistered Community designs, it is an infringement to use the design and any design which does not produce on the informed user a different overall impression. For these purposes, 'use' includes making, offering, putting on the market, importing, exporting or using a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes. However, for SUDs and continuing unregistered Community designs, the proprietor may only prevent such acts if the contested use derives from copying the protected design.

Unregistered design right (UDR) is infringed by a person who, without the licence of the design right owner, reproduces the design by making articles that are exactly or substantially to that design, or making a design document recording the design for the purpose of enabling such articles to be made. An act of copying is a necessary component of the tort.

UDR is also infringed ("secondary infringement") by a person who, without the licence of the design right owner, imports into the UK for commercial purposes, has in his possession for commercial purposes or sells, lets for hire or offers or exposes for sale or hire, in the course of a business, an article which is, and which he knows or has reason to believe is, an infringing article (i.e. exactly or substantially to the protected design).

## Copyright

Copyright is infringed by a person who, without the licence of the copyright owner, does any of the acts restricted by copyright. The restricted acts are copying the work, issuing copies of the work to the public, renting or lending the work to the public, performing showing or playing the work in public, communicating the work to the public, making an adaptation of the work or doing any of the above in relation to an adaptation, and authorising another to do any of the above. Infringement may be by the doing of a restricted act in relation to the protected work as a whole or any substantial part of it.

Where it is shown that an article is a copy of a work and that copyright subsists or has subsisted at any time, the court will presume, until the contrary is proved, that the article was made at a time when copyright subsisted in the work. There is a presumption of infringement if: (i)

the infringer had access to the original work, and (ii) the infringing work and the original are similar.

It is a "secondary infringement" of copyright to import an infringing copy (other than for private and domestic use), to possess or deal with an infringing copy, to provide means for making copies, to permit use of premises for an infringing performance and to provide apparatus for an infringing performance, where the infringer knows or has reason to believe that the item he deals in or acts he performs are infringing.

## 24. How does the court acquire any necessary information (fact or technical) and in what circumstances does it do so? In particular a) Is there a technical judge, a judge with technical experience, a court appointed expert, an expert agreed by the parties, and/or parties' expert witness evidence? b) What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?

In the courts of England and Wales, judges are appointed from among the most senior advocates in the relevant field. IP claims are therefore usually heard by specialist judges. In the Patents Court, cases are given a technical complexity rating (which is usually agreed between the parties) to ensure the case is allocated to a judge with sufficient technical experience.

In the IPEC, cases are heard by intellectual property specialists HHJ Hacon and HHJ Melissa Clarke. In the Patents Court (and the wider Intellectual Property list), cases are also heard by intellectual property specialists, such as Meade J and Mellor J. The pool of first instance judges is supplemented by deputy judges drawn from senior advocates and legal experts experienced in intellectual property law, as well as other judges of the Chancery Division of the High Court.

Experienced specialist patents (and intellectual property) judges in the Court of Appeal are Arnold LJ and Birss LJ, and in the Supreme Court, Lord Kitchin.

In the early stages of a case, the Court will hold a Case Management Conference, which will set the structure of the proceedings leading to trial, including the types of evidence that can be brought into the case.

In patent cases, occasionally a technical teach-in for the judge, from an expert in the relevant field, will be ordered. More commonly, the parties are ordered to



prepare an agreed document setting out the (undisputed) background technology. Almost always, the parties rely on the (written) evidence of expert witnesses in respect of the technical points in dispute. An expert witness may be, for instance, an engineer with experience in the technical subject-matter of a patent. It is often said that a case can turn on the expert evidence, as judges place considerable weight on the opinions of experts and their reasons for those opinions. Pursuant to the CPR, the duty of the experts is to the Court, even when they are instructed by only one party to the litigation (which is usual). At the trial, cross-examination is employed to test the evidence and to assist the judge in reaching conclusions on the technical (and factual) matters in dispute.

Fact evidence may also be employed, to establish facts in dispute. For instance, this may be evidence from a consumer who has been confused by the similarity of two trade marks, or from an individual on the making (or not) of an offer for sale. Again, evidence in chief is given in writing and at the trial it may be scrutinised by cross-examination.

A party may also seek to adduce evidence in other forms, for instance, experimental evidence to demonstrate a component of a product falls within the scope of a patent, photographs or models, or survey evidence demonstrating confusion in trade mark cases (though surveys can be of limited use).

At the Case Management Conference, the court will also consider whether any disclosure is required. There is no longer a prima facie rule that standard disclosure be given. In patent cases, absent a “smoking gun” or a more sophisticated type of argument (such as the patentee relying upon commercial success or the reaction of others to the invention), the court will be disinclined to give standard disclosure (or any disclosure) in a straightforward obviousness dispute.

Search and seizure orders and orders for the provision of information may be available where considered appropriate by the court.

## **25. How is information and evidence submitted to the court scrutinised? For example, is cross-examination available and if so, how frequently is it employed in practice?**

In the High Court’s Patents Court and Intellectual Property List, most witnesses providing expert and fact evidence will be called by the opponent for cross-examination during the trial. The length of cross-

examination will depend on the nature of the evidence given, how important it is to the case and its complexity. Typically, for example, an expert witness will be cross-examined for between 1-2 days. The barristers advising on a case will agree a timetable for the trial and the cross-examination of witnesses.

In the IPEC, the Court intends to provide more streamlined procedures. As a result cross-examination is less routine and, if it takes place, is limited to specific issues, making it considerably shorter in duration. An IPEC trial is limited to 2 days.

## **26. What defences to infringement are available?**

An act is only capable of infringing if it is done without the consent of the proprietor and in respect of a right which exists and is not invalid (or in respect of a tort which has been established, such as breach of confidence or passing off). One of the most common defences in infringement proceedings is therefore that the right is invalid (for registered rights) or does not subsist (for unregistered rights). The burden of establishing such a defence lies upon the alleged infringer.

Another very common defence is that the act complained of does not constitute an infringement. For instance, the alleged infringer may argue that the product or process does not fall within the scope of what is claimed in the patent, or that copyright is not infringed because there was no copying, or the copying does not relate to a substantial part of the work.

Further, and generally speaking, once goods are put on the market in the UK or the European Economic Area by the proprietor of the relevant intellectual property or with their consent, it is not an infringement to deal in the goods in question in the UK. The so-called ‘exhaustion’ or ‘implied licence’ (depending on the context) of the intellectual property right(s) may therefore operate as a defence in infringement proceedings in the UK.

In respect of specific defences to IP infringement:

### **Defences to patent infringement**

- Non-infringing acts: There are a number of acts which are not infringements of a patent. The most common of these are acts done: privately and for non-commercial purposes; for experimental purposes; or in a pharmacy in preparation of a medicine for an individual in accordance with a prescription.
- ‘Bolar’ exemption: Undertaking the tests and

trials necessary for a generic medicine to utilise the shortened procedure for obtaining marketing approval will not infringe a patent. (However, there is a period of data exclusivity within which data submitted in connection with an innovative drug cannot be used by third parties, and a period of market exclusivity within which generic medicines cannot be placed on the market. The combined period of exclusivity is typically around 10 years).

- **Gillette Defence:** A Gillette defence is a technical argument which combines attacks on validity and non-infringement arguments. An alleged infringer may claim that their product or process is the same as, or obvious based on, prior art documents disclosed to the public before the relevant date (the priority date of the patent). In which case, if the patent owner claims that the product or process complained of falls within the scope of the patent, the patent will be invalid because its scope includes products or processes which were obvious in light of the prior art.
- **Innocent Infringement:** Although not a defence to liability, no damages or account of profits can be awarded in respect of infringing activities if the infringer can prove that at the date of the infringement, or each infringing act, it was not aware, and had no reasonable grounds for supposing, that the patent existed (s.62 PA). The burden of proof is on the party asserting the defence. It rarely succeeds because patents are available on a public register.
- **Repair vs remanufacture:** UK jurisprudence recognises a distinction between subsequent alterations to products which amount to re-manufacture and those which amount to repair. Subsequent work to repair a patented product would not infringe but work amounting to 'making' a patented product would infringe. However, the notions of making and repairing may overlap, and so must be interpreted contextually, the question being a matter of fact and degree.

#### **Defences to registered trade mark infringement**

- **Use relating to genuine goods:** It is a defence if the sign complained of is used to identify goods or services belonging to the registered trade mark owner, or in accordance with honest practices in commercial matters, and which does not take unfair advantage of or

prejudice the distinctive character or repute of the mark. For instance, use of a mark to demonstrate that a product is compatible with a product of the registered trade mark owner may be permissible.

- **Exhaustion of rights:** Once goods are put on the market in the UK or the European Economic Area under the trade mark, by the proprietor or with their consent, it is not an infringement to deal in the goods in question in the UK provided that the goods have not been altered or impaired.
- **Honest Use:** Use, in the course of trade, of a person's own name (natural and legal persons can rely on the own-name defence concerning UK trade marks) or indicators which are not distinctive or which concern the quality, quantity, geographical origin, time of production, or other characteristics of goods or services, or the purpose of the goods or services, are considered honest practices.
- **Comparative advertising:** Use of a UK trade mark in permissible forms of comparative advertising will not constitute infringement of the mark when used in accordance with honest practices in industrial or commercial matters.

#### **Defences to registered design infringement**

- **Non-infringing acts:** Registered designs will not be infringed if the use relates to acts done privately, for non-commercial purposes, or experimental or teaching purposes, provided the use does not prejudice the right holder's right to commercially exploit the design and the right holder is acknowledged where possible.
- **Repairing a complex product:** Registered design protection does not extend to spare parts used for the repair of a complex product (products composed of at least two replaceable component parts), where the design must be reproduced to the exact specification of the original in order for the product to be functional.
- **Innocent Infringement:** In proceedings for the infringement of a registered design, damages will not be awarded against a Defendant who proves that, at the date of the infringement, he was not aware, and had no reasonable ground for supposing, that the design was registered. A person shall not be deemed to have been aware or to have had reasonable grounds for supposing the design was registered by reason only of the marking of a

product with the word “registered” or similar, or with any words expressing or implying that the design applied to, or incorporated in, the product has been registered, unless the number of the design is also provided.

### Defences to unregistered design right infringement

- **Innocent Infringement:** Where, in an action for primary infringement of UK unregistered design right, it is shown that at the time of the infringement the Defendant did not know, and had no reason to believe, that the design right subsisted in the design, the Claimant will not be entitled to damages, but other remedies remain available. In the case of secondary infringement, where the Defendant shows that the infringing article was innocently acquired by him or a predecessor in title of his, the only remedy available against him in respect of the infringement is damages not exceeding a reasonable royalty in respect of the act.

### Defences to copyright infringement

- **Making temporary copies:** Use for non-commercial purposes by making temporary copies, where the temporary copy is short-lived and an essential part of the technological process, is not an infringement provided the copying is necessary for the relevant process and capable of being deleted automatically once the function has been achieved.
- **Research and private study:** This applies to copyright in literary, dramatic, musical and artistic works or typographical arrangements, providing a defence for use consisting of non-commercial research and private study in situations where the use is a “fair dealing” and, in the case of non-commercial research, the right holder is acknowledged (unless it is impractical to do so). Whether the dealing is fair depends on: (i) the amount of the work used; (ii) whether the work is for commercial purposes; (iii) where the work has been copied; and (iv) whether the right holder has been deprived of trade.
- **Incidental inclusion:** This applies to the incidental inclusion of an artistic work, sound recording or film.
- **Orphan works:** There is a defence to infringement where the author of copyright in literary, dramatic, musical or artistic work is

unknown, cannot be determined by reasonable enquiry, and it is reasonable to assume the copyright has expired.

- **Recording for time shifting:** Recording copyright material for the sole purpose of allowing playback at a later date or time benefits from a defence, provided there is no shifting of format, e.g. MP3 files to CDs. There are similar defences in respect of back-ups and decompilations of works under circumstances relating to software.
- **Parody, Caricature or Pastiche:** Making limited use of copyright material for the purpose of parody, caricature or pastiche is a defence to infringement, provided that the use constitutes fair dealing, is noticeably different from the original work and constitutes an expression of humour.

## 27. Who can challenge each of the intellectual property rights described above?

A challenge against an IP right may be brought by anyone. Challenges are typically brought by: (i) an entity seeking to clear the way of the IP right before bringing its own goods or services to a market, (ii) an entity already selling potentially infringing goods or services, which is concerned about infringement, or (iii) an entity accused of infringing the right in question.

## 28. When may a challenge to these intellectual property rights be made (e.g. during any registration process or at any time during the subsistence of the right)?

### Patents

While an application for a patent is pending (whether in the UK IPO or EPO), a third party can challenge the grant of the application through the third party observation (“TPO”) procedure. Through this procedure, the third party files its observations with the intellectual property office examining the application (either the UK IPO or EPO) and the examiner considers the observations. This is an ex parte procedure – once the TPO has been filed, the third party has no further involvement in explaining or debating the observations or objections filed (as discussed in response to question 29 below).

After a UK patent has been granted, a third party can seek to challenge and revoke the right at any time, either through the civil courts or the UK IPO.

For European Patents, once granted, validity can be challenged by filing an opposition at the EPO. Oppositions must be filed within 9 months of the patent being granted. Oppositions are inter partes procedures, where the third party opponent may file an opposition brief and evidence, and may attend hearings. If the opposition is successful, the European Patent will be revoked in its entirety - in each country designated on the patent.

At any time after the grant of a European Patent covering the UK, any person may seek revocation of the UK designation in the civil courts in the UK.

Additionally, in some situations declaratory relief may be available from the civil courts before the grant of a UK or EP(UK) patent - for more on this see question 30 below.

### Registered trade marks

For trade marks, oppositions may be filed at the UK IPO within three months of the application being published. (For UK trade mark applications, there is an initial two month opposition period, which can be extended to three months.) The opposition procedure is similar to that for patents, being an inter partes procedure in which the third party has a continuing role in challenging the registration.

Third party observations may also be filed at the UK IPO within the 3 month period from the publication of the application or, if an opposition is filed within that period, at any time before the final decision in the opposition. The procedure is similar to that for patent applications - the third party will not be involved beyond the original submission of the observations.

### Registered designs

For registered designs, a third party must wait until the right has been granted before it can be challenged. It can then be challenged at any time in the civil courts or the UK IPO.

## 29. Briefly, what is the forum and the procedure for challenging each of these intellectual property rights and what are the grounds for a finding of invalidity of each of these intellectual property rights?

### Forum and outline of process

Third party observations ("TPOs") are a low cost process for objecting to the grant of a patent or trade mark (subject to time limits) before the right is granted. TPOs can be made to the UK IPO, EPO, or WIPO (as

appropriate). The third party need not identify itself; it is common for a party to instruct a patent attorney to file observations on its behalf. The intellectual property office will consider the TPO, but is not obliged to accept the observations made. While TPOs are used, they tend to be less popular than opposition or revocation proceedings because once they have been filed the third party has no further involvement in the process.

Oppositions are inter partes procedures available in relation to trade marks and European Patents. Oppositions allow a third party to file detailed submissions and evidence and to attend and participate in oral hearings. As with TPOs, a party is not required to identify itself and may bring opposition proceedings in the name of a patent attorney. Oppositions can take years to be resolved. However, they are usually considerably less expensive than UK litigation. For trade marks, oppositions occur prior to the grant of the trade mark (they must be filed within several months of publication of the application); while for European Patents oppositions occur post-grant (they must usually be filed within 9 months of the patent being granted). There is no opposition procedure for national patents or design rights.

After an IP right has been granted, a third party can seek to challenge and revoke that IP right at any time through the civil courts (see questions 18 and 19) or the UK IPO.

### Basis of invalidity finding

The basis of an attack on validity is typically that the requirements for registration (see question 1) were not met. In the case of trade mark registrations, a third party may also seek revocation on the basis that the trade mark owner has not used the trade mark for a period of 5 years.

The validity of a patent may be attacked by showing that:

- The invention claimed was not novel or was obvious (did not involve an inventive step) at the priority date of the patent. To demonstrate this, the third party will rely on disclosures (through documents, demonstrations, use, etc.) made before the priority date, whether or not these were considered during the examination of the patent, and expert evidence. To establish lack of novelty, the prior publication must either disclose each aspect of the claimed invention clearly and completely enough for it to be performed or the invention must be the inevitable result of following the teaching of the prior publication. To establish lack of

inventive step, any differences between the prior publication and the invention must have been obvious to a person skilled in the art. A novelty attack can also be based on a “co-pending” patent application which, by the priority date, had been filed at the same patent office but not yet published.

- The patent is not capable of industrial application: i.e. cannot be “made or used in any kind of industry, including agriculture”.
- The patent relates to excluded matter (for instance, it is a computer program or discovery).
- The patent is “insufficient” as it does not disclose the invention clearly enough and completely enough for it to be performed by a person skilled in the art. The jurisprudence has developed this attack into distinct types of objection, which usually require expert evidence and may include other measures, such as experiments, for resolution by the court.
- Matter has been added to the specification that goes beyond the matter disclosed in the original application.
- The claims have been amended post-grant, extending the scope of protection conferred by the patent.
- The patent was granted to the wrong individual (this challenge must be made by the person claiming to be entitled within 2 years of grant).

The validity of a registered trade mark may be attacked in whole or in part (in relation to certain goods and services) and on “absolute grounds”, “relative grounds” or for non-use for a period of 5 years.

- The absolute grounds include that a mark: (i) is not capable of being represented in a suitable manner in the register or of distinguishing the goods or services of one undertaking from those of other undertakings, (ii) is devoid of distinctive character, (iii) consists exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, or geographical origin of goods or services, or other characteristics of goods or services, (iv) consists exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade; (v) consists exclusively of the shape of the goods (or another characteristic) which results from the nature of the goods themselves, which is

necessary to obtain a technical result, or which gives substantial value to the goods; (vi) is contrary to public policy or accepted principles of morality, (vii) is of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service; and (viii) is registered in bad faith. In relation to (ii), (iii) and (iv), the mark will not be declared invalid if, after registration, it has acquired distinctive character in relation to the goods or services for which it is registered.

- The relative grounds are: (i) that the registered mark is identical to an earlier mark and for identical goods or services; (ii) that the registered mark is identical or similar to an earlier mark and for identical or similar goods or services and, because of this, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark; (iii) that the registered mark is identical or similar to an earlier trade mark that has a reputation in the UK or the EU (as appropriate) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark; (iv) that the use of the registered trade mark is liable to be prevented by any other rule of law or enactment, in particular passing off, protection for geographical indications and copyright.
- Trade mark registrations can also be revoked for non-use for a continuous period of 5 years.

A design registration may be invalidated and cancelled if:

- the design is not novel or lacks individual character (i.e. it does not produce a different overall impression to that of an earlier design on the informed user); or
- the design results from the features of, in particular, the lines, contours, colours, shape, texture or materials of the product or its ornamentation, or must have the registered shape solely in order to perform a technical function or to interconnect with another part.

**30. Are there any other methods to remove or limit the effect of any of the intellectual property rights described above, for example, declaratory relief or licences of right?**



## Threats

In the UK, the legislation prohibits the making of unjustified threats of patent, design or trade mark infringement proceedings in respect of an act done, or proposed to be done, in the UK. The regime permits more to be said against alleged primary infringers (e.g. those making, importing, applying a mark) without engaging the tort than it permits to be said against parties whose alleged infringements are confined to secondary acts (e.g. selling). The regime can be employed by potential alleged infringers as a way to resolve issues of infringement.

## Declaratory relief in respect of patents

A party wishing to clear the way before launching a product or concerned that they infringe, or may infringe, a patent may apply to the court for a declaration that dealings with the product or process in question would not infringe the patent (a "declaration of non-infringement"). Before applying to the court, the applicant must contact and provide the patent owner with the opportunity to consider the relevant products or processes. If the patent owner does not provide the declaration sought, the third party may then apply to the Court or the Comptroller for a declaration of non-infringement (confirming that the acts in question would not infringe the patent).

A further type of declaratory relief that may be sought is known as an "Arrow" or "Fujifilm" declaration. It is, essentially, a declaration that the applicant's product or process (or aspects thereof) would not have been new or inventive at a particular date (and so could not infringe a valid patent claiming priority from that date). Such declarations are only available where, in addition to the substantive issues of patent law being resolved in the applicant's favour, the award of such relief would provide a useful purpose. This type of declaration can be available in cases where a patent exists covering the UK, a patent application remains pending (so is not yet capable of being opposed or revoked), and no patent application covering the UK is pending.

The Patents Act also provides for a party to apply to the "Comptroller" via the UK IPO for a non-binding opinion on issues including patentability, sufficiency, added matter and extension of scope. Such opinions can provide a useful indicator to a party intending to carry out a potentially infringing act and can strengthen a party's position in settlement negotiations. The Comptroller may also revoke patents of his own initiative; in practice, this could be prompted by an opinion that the patent is invalid.

## Other declaratory relief

There is no statutory method for third parties to seek declarations of non-infringement in respect of trade marks and designs. However, the court has a general discretion to grant declaratory relief when it considers it appropriate to do so. For instance, a letter of claim from a trade mark owner, alleging infringement by a third party, may be sufficient for that party to apply for a declaration under the general discretion of the court.

## Licences of right and compulsory licences

In some circumstances, a third party may be entitled to apply for a licence of the relevant IP right. In respect of patents, broadly, this applies when: (a) the patentee (by application to the Comptroller) marks the patent as having licences available as of right; or (b) the patent in question was granted more than three years before and certain circumstances exist, for instance, the invention is not already being worked to the fullest extent reasonably practicable, demand for the product is not being met on reasonable terms or an export market is not being supplied - in which case the compulsory licensing regime may apply. There is also potential for a licence as of right where the Competition Commission finds that the patentee has engaged in anti-competitive conduct.

In respect of design rights, in the final 5 years of protection, a proprietor of an unregistered design is required to give a licence as of right to any person seeking one, which greatly diminishes the practical value of the protection offered by the design right.

In each case, the licence terms will be agreed between the parties or settled by application to the Comptroller or intellectual property office.

## Prior use

In respect of patents and designs, if a third party performed a potentially infringing act, or made effective and serious preparations to do that act, prior to the date of the application for the design or patent (in respect of patents, the relevant date is the priority date), the third party is entitled to continue that use. However, there are practical limitations on the third party's ability to make changes to its product or process, without incurring liability for infringement, in the future.

In respect of trade marks, honest concurrent use and prior use in a particular locality can entitle a third party to continue that use, although the third party would not be entitled to extend its use to cover other localities.

## 31. What remedies (both interim and final)



## are available for infringement of each of the intellectual property rights described above?

### Interim orders and remedies

During proceedings, the most common forms of interim relief and measures that an IP right owner may seek from the court are:

**Search and preservation orders:** Formerly known as 'Anton Piller' orders, a search and preservation order allows the Claimant's solicitors to search a Defendant's premises and seize any infringing articles or incriminating documents. To secure the award of this order the Claimant must show that: (i) they have a strong prima facie case, (ii) the actual or potential damage to the Claimant is very serious, and (iii) the Defendant has possession of infringing articles or incriminating documents and there is a real possibility they will dispose of or destroy them.

**Norwich Pharmacal orders:** A Norwich Pharmacal order is an order compelling a Defendant to disclose the identity of the supplier of an infringing article. A failure to comply with the order may result in the Defendant being in contempt of court.

**Interim injunctions (preliminary injunctions):** The IP right owner may seek an interim injunction to prevent the alleged infringer from infringing, or continuing to infringe, the IP right in question during the proceedings. Interim injunctions may be secured on an emergency basis, pursuant to an ex parte application. Interim injunction proceedings can be quick and cost efficient, particularly in trade mark cases.

In considering whether to grant an interim injunction, the court will consider whether there is a serious question to be tried, whether damages would be adequate compensation for either of the parties if the outcome of the interim injunction application turns out to have gone against the party that subsequently succeeds on the merits of the case, and whether the balance of convenience lies in favour of granting, or not granting the interim relief. The IP right owner will be required to give a "cross-undertaking in damages" – an undertaking to pay the alleged infringer damages in the event that the alleged infringer ultimately succeeds in establishing that the IP right was not valid or not infringed.

The court will also consider the time elapsed between the IP right owner knowing of the infringement and their making the interim injunction application. Delay in making an application adversely affects the likelihood of an interim injunction being awarded.

### Relief following a finding of liability

If, following the trial, the court determines that the IP right is infringed (and valid), the IP right owner may seek:

#### **Damages or an account of the infringer's profits:**

the IP right owner may seek either damages or an account of profits. Damages are intended to compensate the IP right owner for losses caused by the infringement. Damages may be based on the profits the IP right owner would have made but for the infringement or on the basis of a hypothetical reasonable royalty. An account of profit is based on the profits made by the infringer, rather than the harm caused to the IP right owner. The court may allow various deductions (such as a portion of overheads) and may consider the contribution of the infringement to profits (e.g. the contribution of an infringing component to the sales of a larger product).

**Injunctive relief:** A final injunction prohibits further infringing activity by the infringer for the duration of the right. An injunction in general terms is the normal remedy following a finding of infringement, but not an automatic entitlement. It is possible (although unusual) for limitations to be placed on the scope of the injunction, or for financial compensation to be awarded in substitution for an injunction, at the court's discretion.

#### **Delivery up/destruction of infringing articles:**

A successful Claimant may seek an order for the delivery up or destruction of the infringing articles and the courts are under an obligation to consider the proportionality of the request for such an order against the gravity of the infringement.

**Declaratory relief:** Where an IP right owner has brought a claim of infringement and is successful, the court may make a declaration that the IP right has been infringed. Similarly, where a patent is held to be valid, a declaration of validity may be awarded, and accordingly, where a patent is held to be invalid, a declaration of invalidity may be awarded in conjunction with a revocation order.

If part of a right is valid, for instance if some claims of a patent are invalid and some are valid, or if a trade mark is valid in relation to certain goods and services, but not others, the IP right owner may apply to amend its right, to remove the invalid aspects.

**Orders for publication:** There is scope for the court to order a party, at their own cost, to publicise the outcome of a case.

**32. What are the costs of enforcement proceedings and is any kind of costs recovery available for successful parties? Is there a procedural mechanism enabling or requiring security for costs?**

The general rule in the UK is that the losing party pays the costs of the successful party in relation to the aspects of the claim that were lost. The court takes into consideration a number of factors including the conduct of the parties during the litigation. In the High Court, the winning party's costs will typically be assessed on the standard basis and will allow, subject to the matter at issue, costs that have been proportionately and reasonably incurred to be recovered. This commonly leads to a winning party recovering 60-75% of its legal costs.

In the IPEC, the normal rules of costs do not apply, and the losing party will be liable for a capped amount in respect of the costs of the successful party. For the trial of liability issues, the recoverable costs are capped at £60,000. The recoverable costs of a damages enquiry are then capped at £30,000.

**Security for costs**

To ensure that a Defendant is able to recover its costs

from a Claimant, the Civil Procedure Rules allow Defendants to seek an order for security of costs. The Claimant would then be required to provide a bank guarantee or other appropriate security or, failing this, to pay a sum of money into the court, as security for the Defendant's costs, should the Defendant succeed at trial.

The Defendant can make such an application once proceedings have been commenced against it. The application must be made promptly or as soon as all justifying facts for the award of the order are known.

**33. The Unified Patent Court ("UPC") [came into] [will come into] existence in certain European states on 1 June 2023, as did the introduction of European patents with unitary effect ("unitary patents"). Have industry-specific trends developed in your country in terms of the number of patent applicants seeking unitary patent protection and/or enforcing European patents or unitary patents before the UPC?**

The UK is not within the Unified Patent Court or Unitary patent system.

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