United Kingdom: Intellectual Property

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

For a full list of jurisdictional Q&As visit here
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).

Rights identified below as “EU” or “Community” rights have geographical scope covering the EU. The other rights and causes of action are confined in geographical scope to the UK.

**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 in order 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 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. In the UK, the tort of breach of confidence may assist in protecting against its unauthorised use. On 9 June 2018, the UK Trade Secrets (Enforcement etc.) Regulations 2018 came into force, to give effect to the EU Trade Secrets Directive, which broadly harmonises the law in this area in the EU. The Directive requires EU Member States to provide protection for trade secrets, which are defined (broadly) 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 not expected to lead to a significant change to the legal protection available for trade secrets 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 UK trade mark or a European Union 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.

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 as UK or “Community” (EU) designs. A design registration may be used to protect the appearance of the whole, or part, of a product, and may be 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.

Unregistered designs

UK 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. UDR does not subsist in a method or principle of construction, the shape of an article that “must fit” another, or the appearance of an article that “must match” another. UDR does not protect two-dimensional designs such as ornamentation or surface decoration (which may be protected by copyright).

EU “Community” unregistered design right has a slightly broader scope of protection than UDR and protects both three-dimensional and two-dimensional designs.

Both UDR and Community unregistered design right arise automatically in qualifying circumstances. Infringement depends upon copying of the protected work (assessed qualitatively).

Copyright

Copyright 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 works are 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 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.
**Plant varieties**

Plant variety rights 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. Protection is available for the UK or throughout the EU.

**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?**

<table>
<thead>
<tr>
<th>Right</th>
<th>Duration</th>
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<tbody>
<tr>
<td><strong>Patents</strong></td>
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<tr>
<td>Patents</td>
<td>20 years from the date the application was filed, provided renewal fees are paid.</td>
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<tr>
<td>Supplementary Protection Certificates</td>
<td>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.</td>
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<tr>
<td>Trade secrets</td>
<td>As long as the confidential/secret nature of the information is preserved.</td>
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<tr>
<td><strong>Trade mark</strong></td>
<td></td>
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<tr>
<td>Registered trade marks</td>
<td>Indefinite, provided renewal fees are paid.</td>
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<tr>
<td>Passing Off</td>
<td>Indefinite.</td>
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<tr>
<td><strong>Design</strong></td>
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<tr>
<td>Registered Designs</td>
<td>25 years, provided renewal fees are paid.</td>
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<tr>
<td>UK Unregistered Designs</td>
<td>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).</td>
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<tr>
<td>Unregistered European Community Designs</td>
<td>3 years from the date the relevant design is first made available to the public.</td>
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<td><strong>Copyright</strong></td>
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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 work, 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 until 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 until 25 years from the end of the year of publication.

<table>
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<tr>
<th>Copyright</th>
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<tr>
<td>The duration of the <em>sui generis</em> database right is 15 years from the end of the calendar year in which the database was completed.</td>
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<tr>
<td>Plant varieties</td>
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<tr>
<td>30 years from the date of grant (for potatoes, trees and vines) and 25 years from the date of grant in all other cases.</td>
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<td>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.</td>
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</table>

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 was created by an employee in the course of the employee’s employment, the employer is usually the first owner of the right, unless the work was created outside of the normal duties of the employee’s employment (in which case 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.

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 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 covering the UK, a UK registered trade mark, or a UK registered design, the application may filed with the UK Intellectual Property Office (UKIPO). Alternatively, a UK patent or a UK registered trade mark 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 an EU registered trade mark or EU (Community) registered design, the application is filed at the EU Intellectual Property Office (EUIPO). An EU registered trade mark may also be sought by filing an application at WIPO pursuant to the Madrid International Trademark System or the Hague International Design system.
For a UK plant variety right, the application is made to the UK Plant Variety Rights Office. For a Community Plant Variety Right, the application is made to the Community Plant Variety Office.

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 3-4 years in the UKIPO (although it can be considerably quicker than this if fees are paid early and correspondence is responded to promptly or longer if the UKIPO raises objections or questions in respect of the application) or 3-8 years in EPO (and post-grant opposition proceedings may considerably lengthen the duration of EPO proceedings further).

Applying for a registered trade mark will generally take between 2-4 months in the UKIPO or 3-6 months in the EUIPO if the application is unopposed. Applying for a registered design is a relatively short process and can take just a few days or weeks in both the UKIPO and EUIPO 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 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/or 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 European rights, an appeal may be taken to the relevant Board of Appeal, and for UK rights, appeals are heard by the Court. In the case of UK trade marks and designs, appeals may also be made to the Appointed Person.

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

**Trade mark**

As of May 2018, the cost of registering a UK trade mark in one class of goods or services is £170 ("standard online 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 costs for the mark in one class is £200, with £50 for each additional class.

The cost of registering a European Union trade mark in one class of goods or services is €850 (electronic fee). There is an additional fee of €50 for an additional class of goods or services, and €150 for each class of goods and services exceeding two for an individual EU trade mark. European Union trade marks must be renewed every 10 years. The renewal cost for the mark in one class is €850, an additional €50 for a second class of goods or services, and €150 for each class of goods and services exceeding two for an individual EU trade mark.

**Patent**

The fee for registering a patent in the UK, inclusive of the application fee, search fee and substantive examination fee, is either £310 (online applications) or £400 (postal applications). In contrast, the fee for a European patent, inclusive of the application fee, European search and examination fee, is €3055 (online) or €3145 (not online).

On the fourth anniversary of filing (i.e. in year 5), a renewal fee of £70 is payable for a patent in the UK, increasing annually by £20 until the eleventh anniversary of filing (i.e. year 12).
The renewal fee increases from £220 from the eleventh anniversary to £610 by the nineteenth anniversary date of filing.

For European patents, a renewal fee of €470 is payable on the third year, increasing to €585 on the fourth year, €820 on the fifth year, €1050 on the sixth year. The renewal fee increases by €115 from €1050 on the sixth year to €1395 on the ninth. From the tenth year until the twentieth year, the renewal fee is €1575 per year. (SPCs)

The cost of an application for grant of a supplementary protection certificate is £250 in the UKIPO. The first year annual fee is £600. The annual fee increases by £100 on each of the second, third, fourth and fifth year.

**Registered Design**

The cost to file a single registered design application online is £50 for one design. Should the applicant wish to register multiple designs, 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 for the fourth renewal period.

The cost of filing a single registered Community design application online is €230 (publication fee of €120). The application fee for two to ten designs is €345 (publication fee of €60) and an additional €50 (excluding publication fee of €30). A Community registered design must be renewed every 5 years, up to a maximum of 25 years. The first renewal fee, after 5 years, is €90. This increases by €30 on each of the second, third and fourth renewal period.

**Plant variety rights**

The fees for plant variety rights in the UKIPO vary depending on the species variant being registered, however, the commonly occurring fees include an administration fee (£741), a distinctness, uniformity and stability criteria fee (ranging from £310 up to £1765), an annual charge, technical management fees and miscellaneous fees relating to the services.

In the EU’s Community Plant Variety Office, the fee for an online application is €450, or €650 for paper filing. The examination fees vary according to the species, however the range is from €1530 up to €3350 per growing period. In addition to this, annual charge fees and miscellaneous fees are chargeable.

**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.

**Patents**

Patents can be renewed between 3 months before the renewal date and 1 month after the renewal date. In the 6 months 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. 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, for £135. The application requires supporting documentation detailing the reasons for missing the renewal date and the UKIPO must be satisfied that the failure to renew was unintentional.

**Trade Mark**

UK trade marks may be renewed 6 months before, or 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 £50 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.

European Union trade marks may be renewed 2 months before, or 2 months after, the renewal date. If the mark is renewed in the 2 months after the renewal date, a surcharge of 25% is levied on the renewal fee. If the mark is not renewed within the 4 months, the EUIPO will issue a notice that the registration is expired from the last anniversary date of registration.

**Registered Design**

A registered design may be renewed 6 months before the renewal date, and up to 6 months after. Renewals in the period 2-6 months after the renewal date are subject to a penalty of £24 per month for each month that has passed. 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.

Community registered designs may be renewed 2 months before, or 2 months after, the renewal date. If the design is renewed in the 2 months after the renewal date, a surcharge of 25% is levied on the renewal fee. If the design is not renewed within the 4 months, the European Union Intellectual Property Office will issue a notice that the registration is expired from the last anniversary date of registration.

*Plant Variety Rights*

A plant variety right lasts for 25 years, or 30 years in the case of trees and vines, in the UKIPO and Community Plant Variety Office, subject to the payment of annual fees.

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). In some cases, for instance, to assign certain European rights including EU trade marks, EU (Community) designs and European patent applications, the assignment must also be signed by the recipient (assignee). It is therefore 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.

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 are no specific requirements 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 (a duplicative assignment).

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.

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.

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). In addition, for a licence to be valid, it must comply with usual English law contractual formalities, such as offer, acceptance, intention to create legal relations, and consideration.

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 right 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 have the right to commence infringement proceedings. 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.

   However, it is worth noting that these statutory defaults are commonly 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 UK or Community 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 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 (£50,000 for the liability stage and £25,000 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 mark, passing off and unregistered design right 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).

**UKIPO**

While the UKIPO 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 UKIPO is also able to provide non-binding opinions, including in respect of infringement, in some circumstances. However as the UKIPO’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 (UK and EU), and designs (registered and unregistered, UK and Community) prohibits the making of an unjustified threat of infringement proceedings in respect of an act done, or proposed to be done, in the UK. IP right owners should ensure that steps taken to enforce their rights are compliant with the threats provision, 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 £528 (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, the costs are likely to be from £400,000 to several 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 1-2 days in the IPEC and 3 to 15 days in the High Court. 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. 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.

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, from outside of the EEA, 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.

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?**

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 the 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 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:

a. 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.
b. 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.

Pursuant to the Trade Secrets Directive, it is an infringement to acquire a trade secret in an
unlawful way, to use or disclose an unlawfully acquired trade secret or to use or disclose a trade secret in breach of a contractual or other duty.

Registered trade marks

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

(i) which is identical to the trade mark, in relation to identical goods or services to those for which the mark is registered;
(ii) 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.
(iii) 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) there is goodwill attached to the claimant’s goods or services in the UK; (ii) there has been 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

It is an infringement of a UK registered design and a European Community registered or unregistered design, 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 of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes. However, for unregistered Community designs, the proprietor may only prevent such acts if the contested use derives from copying the protected design.
UK unregistered design right 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. Again, an act of copying is a necessary component of the tort.

UK unregistered design right 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. More complex patent cases tend to be allocated to Arnold J, Birss J or Henry Carr J – experienced patent judges who are also judges in the wider Chancery Division.

In the IPEC, patent cases are heard by intellectual property specialist HHJ Hacon and deputy judges draw from a pool of senior advocates and legal experts.

Experienced specialist patents (and intellectual property) judges in the Court of Appeal are Kitchin LJ and Floyd LJ. In the Supreme Court, several of the justices have experience in intellectual property disputes.

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 ‘primer’ on 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 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. 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 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 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. The so-called ‘exhaustion’ of the intellectual property right(s) may therefore operate as a defence in infringement proceedings.

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 in Europe).

- **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 remanufacture and those which amount to repair. The principle of exhaustion covers subsequent work to repair a patented product but not works that would amount to infringement by ‘making’. 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 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 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 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; for EU trade marks, only natural persons can rely on the own-name defence) 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. In respect of EU trade marks, comparative
advertising may again be permitted, provided it is not used in a manner contrary to Directive 2006/114/EC (concerning misleading comparative advertising).

Defences to registered design infringement

- **Non-infringing acts**: Registered UK and European Community 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**: UK and European Community registered design right 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 UK 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, 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, however, 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, and (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 UKIPO 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 UKIPO or EPO) and the examiner will consider
the observations. This is an ex parte procedure – once the TPO has been filed, the third party
will have no further involvement in explaining or debating the observations or objections
filed.

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 UKIPO.

For European Patents, once the application has been granted, its validity can be challenged
by filing an opposition. Oppositions must be filed at the EPO 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.

In addition, at any time after the grant of a European Patent covering the UK, any person may seek revocation of the UK designation in the UK Court.

Registered trade marks

For trade marks, oppositions may be filed at the relevant intellectual property office (UKIPO for UK applications, and the EUIPO for EU trade mark applications) 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 relevant intellectual property office. The procedure is similar to that for patent applications - the third party will not be involved beyond the original submission of the observations. TPOs can be filed within the 3 month period from the publication of the application or, if an opposition is filed within that period, TPOs can be filed any time before the final decision in the opposition.

Registered designs

For registered designs, the 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 EUIPO (in the case of Community Registered Designs) or the civil courts of UKIPO (in respect of UK Registered Designs).

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 UKIPO, EUIPO or EPO, or WIPO. 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 the third parties to file detailed opposition 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 UKIPO or EUIPO (for Community Designs and EU Trade Marks).

*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 been 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. This attack usually requires expert evidence and may include other measures, such as experiments demonstrating that the information in the patent cannot be used to produce the invention.
Other forms of insufficiency have emerged over time, including that the claimed invention lacks ‘plausibility’, and that the claim is excessively broad having regard to the patentee’s technical contribution to the art.

- **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 within 2 years of grant).

The validity of a trade mark may be attacked in whole or in part (in relation to certain goods and services) and on “absolute grounds” (on the basis that the trade mark itself is not the type of trade mark that is capable of registration), “relative grounds” (that the trade mark is identical or similar to an existing mark, in respect of the same or similar goods and services) or for non-use for a period of 5 years.

- **The absolute grounds** include that a mark: (i) does not distinguish the goods or services of one undertaking from those of other, (ii) is devoid of distinctive character, (iii) designates the kind, quality, intended purpose, value, or geographical origin of goods or services, or other characteristics of goods or services, (iv) has become customary in the current language or established practice of the trade; (v) assumes the shape of the goods, either as a result of the nature of the goods or which is necessary to obtain a technical result, (vi) gives substantial value to the goods; (vii) are contrary to public policy or morality, (viii) deceive the public as to the nature, quality or geographical origin of the goods or service, (ix) are prohibited in the UK, or (x) are protected emblems.
  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.

- An attack may be based on **relative grounds**, that the registered mark is identical or similar to an earlier mark and used in relation to identical or similar goods or services. For non-identical trade marks, there must also be shown to be a likelihood of association of the later mark with the earlier mark.
- An attack may also be raised on the relative grounds that the trade mark is identical or similar to an earlier mark which has a reputation in the UK 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 mark.
- Trade mark applications 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 registered design right 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 third 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. Before applying to the court, the party 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 recent development in UK case law provides a further type of declaration in cases where a patent has not yet been granted (so is not yet capable of being opposed or revoked). This is known as an “Arrow” or “Fujifilm” declaration and is essentially a court declaration that the third party’s products or process would not have been new or inventive at the priority date of the pending patent (so could not infringe a valid patent). Such declarations are only available in exceptional circumstances. Proceedings for such declarations will be of similar scale to a “standard” infringement and validity cases.

The Patents Act also provides for a party to apply to the “Comptroller” via the UKIPO for a non-binding opinion on issues including patentability, sufficiency, added matter and extension of scope. While such opinions are non-binding, they 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

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. There is also potential for a licence as of right where the Competition Commission finds that the patentee was 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 right to make changes to its product or process 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. In respect of use in a particular locality, 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 measure 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 Injunction (Preliminary Injunction):** 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 the balance of convenience lies in favour of granting, or not granting, the injunction, and whether granting an injunction best preserves the status quo. This will also involve consideration of whether damages would be adequate compensation for each of the parties if the interim injunction were wrongly granted or refused. The IP right owner will be required to give a cross-undertaking in damages, to undertake to pay the alleged infringer damages in the event that the interim injunction is wrongly granted (i.e. if the court ultimately determines that the IP right was not valid or not infringed).

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

If, following the trial, the court determines that the IP right is valid, and infringer, 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 is not an automatic entitlement and it remains at the court’s discretion whether one is granted or substituted for financial compensation, for instance if the infringement is trivial or where no future threat of infringement exists.

**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 will 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 ordered 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. In respect of the trial of liability issues, the costs are capped at £50,000. The costs of a damages enquiry are then capped at £25,000.

**Security of 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.