

Unjustified threats.

Author: Peter Lyons

Patentees should be aware of the potential consequences of making unjustified threats of infringement proceedings.

On 4 August Mr Justice Meade handed down his decision in Shenzhen Carku Technology Co, Ltd v The NOCO Company [2022] EWHC 2034 (Pat). This was a revocation action brought by Carku against NOCO's GB 2 257 858, and a corresponding counter-claim for infringement by several of Carku's products. The patent covered safety features present in devices for jump starting a car, specifically a circuit for detecting whether the device is connected to a car battery with the correct polarity and, if not, isolating the device's internal power source from the car battery.

A side dispute arose over NOCO's use of Amazon's IPR complaints procedure, which resulted in the de-listing of several of Carku's products. Carku alleged that the communications amounted to unjustified threats of infringement proceedings. NOCO argued they were not threats, but if they were, that they were not unjustified.

In the event, the patent was found invalid, and so necessarily was not infringed by Carku's products. Consequently, any actionable threat would necessarily be unjustified.

The definition of a "threat of infringement proceedings" in respect of a patent is found in s.70 Intellectual Property (Unjustified Threats) Act 2017 – in short, a communication is a threat if the reasonable recipient understands from the communication that a patent exists and a person intends to bring proceedings for infringement of that patent in relation to acts done or potentially done in the UK by any person (i.e. not necessarily the recipient).

NOCO argued that Amazon's actions and overall IPR procedure were not relevant, as the test was what the reasonable recipient would understand from the communication, not what the actual recipient (Amazon) did, whether or not it followed its usual procedure in responding to IPR complaints, and what its motivations were in doing so. This line of argument was not accepted, instead the judge preferred Carku's characterisation of the communications as threats of patent infringement proceedings against Amazon itself. This was justified by reference to Amazon's actions in deciding to de-list the allegedly infringing products, as an attempt by Amazon to mitigate its own liability, which the judge found were relevant in the circumstances.

The judge concluded by noting that, even if the communications had not constituted threats against Amazon, the fact that they made reference to proceedings launched against third parties in respect of NOCO's patent rights meant that they were clearly threats against allegedly infringing third parties – so meeting the definition of a threat under s.70.