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UK BACKGROUND PAPER
SUBMISSION BY THE UNITED KINGDOM

Document prepared by the Secretariat

1. The Secretariat received, on June 8, 2004, a submission by the United Kingdom Patent Office on civil and criminal proceedings for England and Wales, and the arrangements for quasi-judicial decisions. The said submission is annexed to this document.

2. *The ACE is invited to take note of the information contained in the Annex to this document.*

[Annex follows]

ANNEX

UK BACKGROUND PAPER
FOR THE WIPO ADVISORY COMMITTEE ON ENFORCEMENT
FROM THE UNITED KINGDOM PATENT OFFICE

Introduction

1. This paper is intended to provide a brief overview of civil and criminal proceedings for England and Wales¹, and the arrangements for quasi-judicial decisions as background for the WIPO Advisory Committee on Enforcement (28-30th June 2004).
2. The Patent Office is responsible for coordinating intellectual property policy for the UK, and the enforcement of intellectual property rights is one of our priorities.
3. As a result of the Department of Trade & Industry's Innovation Review the Patent Office is developing a national strategy for IP Crime. The Office has set up an IP Crime Group which includes representatives from the full spectrum of national enforcement and commercial interests; including local enforcement agencies such as trading standards organisations, and commercial interests from brand owners and the creative industries. We are developing a strategy document with an annual progress report to measure our progress on IP Enforcement.
4. We also coordinated the UK contribution to the recently adopted intellectual property enforcement Directive, which we see as largely consistent with UK practice for such measures as protection of evidence, provisional injunctions, remedies, award of damages and legal. However we will be consulting on the implementation² of this Directive.
5. Further details of our enforcement activities can be found at <http://www.patent.gov.uk/about/enforcement/eu.htm>, this includes information on Alternative Dispute Resolution (ADR) which is increasingly promoted as an alternative to litigation.

Civil proceedings and related issues

6. The High Court in England and Wales has three divisions, the Queens Bench Division, the Chancery Division and the Family Division. The Chancery Division hears all intellectual property actions, although the Queens Bench Division also has jurisdiction to hear copyright and confidential information actions. Within the Chancery Division, the Patents Court has exclusive jurisdiction to hear patent and registered design infringement proceedings.
7. In the Patents Court there are a number of full-time assigned judges who have a technical background, the court therefore has extensive experience of patent law and the ability to deal with complicated technologies. Additionally, scientific advisers can be appointed to the court to assist the judge.

¹ The court system and procedures are different for Scotland and Northern Ireland – see paras 26, 27.

² Required by April 2006.

8. The county court system in England and Wales is a network of regional courts to deal with smaller and simpler claims than those dealt with by the High Court. A specialist Patents County Court was opened in September 1990, principally to help medium and small size firms in litigating patents, registered designs and certain other cases involving similar rights. The court was established by means of s.287 of the Copyright, Designs and Patents Act 1988, and currently does not have jurisdiction to deal fully with trade mark actions. However the necessary changes should be in place by the end of 2004 to allow the court to deal fully with trade mark cases.

9. Appeal from both the High Court and Patents County Court lies with permission to the Court of Appeal, and with permission cases from this court can be appealed to the House of Lords. The European Court of Justice (ECJ) is the supreme authority on all aspects of European Community law. Cases are referred to the ECJ from the national courts of the member states to interpret or verify the validity of a provision of Community law. Details of current and past intellectual cases can be found on our “ECJ table” (<http://www.patent.gov.uk/about/ippd/ecj/index.htm>)

10. In 1999, the rules governing the conduct of civil litigation in both the High Courts and County Courts in England and Wales changed. The changes resulted from a review of civil procedure by Lord Woolf. These “Civil Procedure Rules” (CPR) apply to proceedings in both the High Court and County Courts. Their overriding objective is to enable the courts to deal with cases justly, by ensuring that the parties are on an equal footing, by dealing with cases in a cost-effective manner taking due account of the complexity of a case and the financial positions of the parties.

11. Intellectual property cases are subject to a specific set of rules (part 63 of the CPR - http://www.dca.gov.uk/civil/procrules_fin/menus/rules.htm#part61). The Patents Court Guide (<http://www.courtservice.gov.uk/cms/7370.htm>) sets the rules and procedures that apply to actions before the Patents Court and Patents County Court and a new “streamlined procedure” was introduced in 2003. In his judgment in *Merck & Co Inc v. Generics (UK) Limited*, (see <http://www.courtservice.gov.uk/judgmentsfiles/j2103/merck-v-guk.htm>) Mr Justice Laddie made specific reference to the “streamlined procedure”:

“In my view, the fact that the court must apply the rules with a view to saving expense, dealing with a case in a manner which is proportionate, ensuring that cases are dealt with expeditiously and in a manner which takes into account the need to allocate resources to other cases makes it clear that the court should not allow the parties to conduct the litigation in a bubble where the only considerations are what the parties and their lawyers want. Anyone with experience of litigation knows that clients’ (and sometimes their lawyers’) horns can become so locked with their opponents that their desire to win blinds them to what is at stake. While the parties must continue to have a major say in the way the litigation is run, this is subject to the court’s case management responsibilities under the CPR. For a case which could have been determined well within in a day to run for four suggests that there has been a failure to properly implement the restraints inherent in the overriding objective. The question to be answered is what steps should be taken to avoid a repetition.”

Quasi-judicial decisions by administrative authorities

Patents

12. Under the Patents Act 1977, the Comptroller of the Patent Office can decide on most disputes about patents. In many ways the Comptroller's powers are like those of a judge in the courts. The most common disputes on which the Comptroller decides are in the areas of ownership, licences and technical issues. Full details of the Comptroller's role in resolved disputes are set out our booklet "Deciding patent disputes in the Patent Office" (<http://www.patent.gov.uk/patent/info/deciding.pdf>).

13. Possible amendments to these powers are included in the Patents Bill, which is currently making its way through the UK Parliament. As well as implementing changes to the European Patent Convention, the modifications in the Bill are intended to facilitate the resolution of patent disputes, and so reduce the likelihood of parties having to turn to expensive and time-consuming litigation.

14. The Bill will give the Patent Office the ability to issue non-binding opinions on patent validity or infringement, with a view to aiding the early resolution of disputes. The procedure is likely to be a simple, written one – but will still allow both sides in a potential dispute to have their say. A party wishing to litigate after receiving an opinion from the Office will not be prevented from doing so – either before the comptroller or the courts.

15. The Bill will also reform the provisions on unjustified threats of patent infringement. This will better enable a patent holder to discuss, in good faith, a dispute with a potential or alleged infringer without fear of being sued for making threats. It also will align the Office's regime for requiring security for costs in proceedings with that in the courts, and will make some changes to the remedies available in ownership disputes.

Trade marks

16. Our booklet "Opposing a trade mark" (<http://www.patent.gov.uk/tm/info/oppoaiti.pdf>) set outs the detailed procedures and options to oppose a trade mark application under the Trade Marks Act 1994. From 5 May 2004 a new streamlined opposition procedure came into force. The new procedure introduced a number of detailed changes intended to deal with oppositions more effectively including a longer cooling-off period (12 months) to allow parties to negotiate a settlement agreement. Full details can be found at <http://www.patent.gov.uk/about/notices/tribunal/tribunal2.htm>.

Copyright

17. The main function of the Tribunal is to decide, where the parties cannot agree between themselves, the terms and conditions of licences offered by, or licensing schemes operated by, collective licensing bodies in the copyright and related rights area. It has the statutory task of conclusively establishing the facts of a case and of coming to a decision which is reasonable in the light of those facts. Its decisions are appealable to the High Court only on points of law. (Appeals on a point of law against decisions of the Tribunal in Scotland are to the Court of Session.)

18. Broadly, the Tribunal's jurisdiction is such that anyone who has unreasonably been refused a licence by a collecting society or considers the terms of an offered licence to be unreasonable may refer the matter to the Tribunal. The Tribunal also has the power to decide some matters referred to it by the Secretary of State and other matters even though collecting societies are not involved. For example, it can settle disputes over the royalties payable by publishers of television programme listings to broadcasting organisations.

19. The Tribunal's jurisdiction is defined in Sections 149, 205B and Schedule 6 of the Copyright, Designs and Patents Act 1988, as amended by the Broadcasting Acts of 1990 and 1996, the Copyright and Related Rights Regulations 1996, and the Copyright and Related Rights Regulations 2003.

20. Further jurisdiction arises from Schedule 17 of the Broadcasting Act 1990, Regulations 25 and 35 of the Duration of Copyright and Rights in Performances Regulations 1995 Regulations 16 and 17 of the Copyright and Related Rights Regulations 1996, and Regulation 25 of the Copyright and Rights in Databases Regulations 1997. (For further details see <http://www.patent.gov.uk/copy/tribunal/triabout.htm>)

Criminal proceedings and prosecution

21. In England and Wales all criminal proceedings begin in the magistrates courts, and criminal offences are classed as:

- summary only³; or
- indictable⁴; or
- “either way”.⁵

There is provision for criminal offences from trade marks and copyright, and apart from trivial breaches most offences are triable either way.

22. Criminal proceedings are commenced by applying to the court for a summons. A warrant for arrest can be claimed but it is not usual for intellectual property matters. For summary offences the time limit for prosecution is six months from the date of commission of the offence. There are no time limits for commencement for “either way” or indictable offences.

23. Underpinning a criminal action is a requirement that there must be “a view to gain to himself or another or with intent to cause loss to another and without the consent of another”. The burden of proof is on the prosecution. For trade marks, section 92 sets out the offences for unauthorized use and the legal requirements for the offence and defence of section 92 were explored in a House of Lords decision (R v. Johnstone [2003]). The Lords held that the burden of proving the defence lay with the accused. Local trading standards officers have a

³ A summary offence is a criminal offence that is tried summarily, in other words, in front of a magistrate. Most minor criminal offences such as assault and battery, and minor theft are deemed to be summary offences.

⁴ An indictable offence is a serious criminal offence that requires trial by jury in a Crown Court. Most common law offences such as rape, murder, and GBH are considered to be indictable.

⁵ Triable either by a magistrate or in the crown court before a judge and jury.

duty to enforce the provisions of section 92 together with provisions of the Trade Descriptions Act 1968.

24. Sanctions and penalties for copyright and trade mark offences were more or less harmonized by the Copyright &c. and Trade Marks (Offences and Enforcement) Act 2002.

25. General powers such as the police have under the Police and Criminal Evidence Act 1984 (PACE) are also relevant. The penalties available for both trade mark and copyright offences mean that they can be deemed “ a serious arrestable offence” under section 116 of PACE where they involve “substantial financial gain or serious financial loss”. Sections 19 and 20 of PACE add to the opportunity for seizure of evidence in cases where perhaps the extent of the counterfeiting is sophisticated, or on a significant scale. For example email evidence stored on a hard drive.

Scotland and Northern Ireland

26. Although the UK is a unitary state with intellectual property laws applying equally in England and Wales, Scotland and Northern Ireland, there are separate legal systems in Scotland and Northern Ireland. These differences arise from different legal traditions. In Scotland intellectual property disputes are normally raised in the Court of Sessions (roughly equivalent to the English High Court) where there are two dedicated judges although these judges have other duties and they may not be available to hear an intellectual property case. The sheriff court is the court of first instance in civil and criminal matters, there are six sheriffdoms with each further divided into sheriff court districts of which there are 49. Further details of the procedures that apply in the Scottish Courts can be found at <http://www.scotcourts.gov.uk/index1.asp> .

27. The legal system in Northern Ireland is in many respects similar to that of England and Wales, but it has its own court system and procedures. There are no specialist courts for intellectual property cases in Scotland or Northern Ireland.

The Patent Office
June 2004

[End of Annex and of document]