

DISPUTE RESOLUTION

It is possible that third parties will infringe your intellectual property (IP) rights. If that happens you may wish to take action to stop the infringement and get appropriate compensation for it. Alternatively, a competitor (or their lawyers) may allege that you infringe their IP rights.

The route to resolving any dispute depends on its specific circumstances and your desired commercial outcome. Although it is often assumed that IP enforcement inevitably means litigation and court action, this is usually the last resort. The majority of cases reach a resolution well before court action is started. Litigation is generally only used when alternative tactics, approaches and avenues of resolution have failed.

The dispute resolution team at Mewburn Ellis advise on a wide range of IP disputes, whether enforcing your rights or defending against third party claims, and we can assist in facilitating and implementing appropriate outcomes.

PRE-ACTION PROTOCOLS

Litigation under English law is governed by the Civil Procedure Rules (CPR). The CPR for IP includes a number of Pre-Action Protocols. The Protocols address the parties' behaviour before the commencement of court proceedings. Failure to comply with the Protocols can result in court-imposed sanctions. It is essential, therefore, that any necessary pre-action rules are complied with from the moment any dispute is contemplated, even if a claim form is never filed.

LETTERS BEFORE ACTION

The first stage in any dispute is usually an exchange of Letters Before Action (the first of which is commonly referred to as a Cease & Desist Letter because of the demands made). These letters should clearly set out the party's case so that the other side has the opportunity to assess it and understand their position. If you are accused of infringement, receipt of such a letter is usually the first indication.

Unless the alleged infringement is admitted by the infringer, there is often an exchange of such letters in which the parties set out the strengths of their case, and/or the weaknesses in the other side's case.



UNJUSTIFIED THREATS

In the UK, a party who is affected by an 'unjustified threat' of infringement proceedings related to a registered IP right can itself start a 'threats action' against the claimant for relief from such threats. Certain threats are excluded from being actionable and so it is generally possible to phrase a Letter Before Action in an appropriate way. We can help with this.

NEGOTIATION AND WITHOUT PREJUDICE CORRESPONDENCE

Once the initial exchanges of Letters Before Action have taken place, the parties are expected by the UK courts to attempt to settle the dispute ahead of any formal proceedings. Unless the Defendant admits the claims, these attempts usually involve further correspondence between the parties which contain proposals and counter-proposals for settlement. Such correspondence should be clearly indicated as being 'without prejudice', meaning that it cannot be shown to the court. This allows a more frank discussion of a suitable settlement arrangement. Thus any admissions or the waiving of certain rights by a party in such proposals cannot be used against the party should the action proceed to court. Without prejudice correspondence is often sent alongside formal or open Letters Before Action.

SETTLEMENTS

A settlement is a legal contract between the parties to do, or not to do, certain things in order to resolve a dispute. A settlement is enforceable in the court if either party breaches it.

The parties are generally free to agree any form of settlement, subject to the restrictions imposed by competition (anti-trust) law. These can include remedies that would be awarded by a court (e.g. destruction of infringing goods, payment of damages or costs) as well as others that would not (e.g. publication of an apology). Settlements can also be broader than the specific dispute, for example covering other countries and other rights.

A common form of settlement is an undertaking. When giving an undertaking one or both parties promise not to do certain things. For example:

- In consideration of the undertakings given by Party B, Party A undertakes not to challenge the validity of Party B's IP right.
- In consideration of the undertakings given by Party A not to do certain acts, Party B undertakes to withdraw, and not to bring at any time in the future any infringement claim in connection with other acts of Party A.

Some settlements involve a licence, which permits the alleged infringement to continue, subject to further conditions such as payment of a royalty.

ALTERNATIVE DISPUTE RESOLUTION (ADR)

While informally negotiating a settlement can be a commercially sensible alternative to litigation proceedings, there are also more formal alternative mechanisms available to attempt to reach a settlement. These generally fall under the heading of ADR and are described in more detail elsewhere.

WHAT HAPPENS IF A SETTLEMENT CANNOT BE REACHED?

If the parties are unable to reach a mutually agreeable settlement, then continuing with formal proceedings may be the only available option.

The detailed procedure of IP litigation in the UK courts is described in our related information sheets.

WHAT DO WE NEED FROM YOU?

If you have an IP right that is being infringed, we need:

- Information about the IP that is being infringed.
- The details of the infringing party.
- Details and evidence of the infringing activity.
- Your desired commercial outcome.

If you have been accused of infringement of an IP right, we need:

- The notification of infringement from the IP right holder (usually a cease and desist letter or similar).
- The details of the activity that the IP right holder alleges infringes their IP.
- Your desired commercial outcome.

With these details, we will be able to discuss your specific circumstances and propose a way forward to address the dispute.

CONTACT US

For more information on Mewburn Ellis LLP and other intellectual property matters, please visit our website at www.mewburn.com; email firstname.lastname@mewburn.com or mail@mewburn.com