



For Innovation

CONSULTATION PAPER

Representative Actions for the Enforcement of Intellectual Property Rights



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Representative Actions for the Enforcement of
Intellectual Property Rights

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Introduction

1. During the implementation of IP Enforcement Directive (2004/48/EC) we gave careful consideration to Article 4 (persons entitled to apply for the application of the measures, procedures and remedies). We made some provisional proposals in the implementing regulations for representative actions. But we did not include them in the final regulations as it became apparent from the variety of comments we received that they were not an adequate solution for representative actions and the Directive did not require us to make specific provisions.

2. However as a result of the range and extent of the comments received regarding representative actions, we decided that a further formal consultation was needed to consider this issue in detail. For the purposes of this consultation, a representative action is:

-an action undertaken by, a representative or representative organisation on behalf of a group intellectual property (see para 31 for a definition of intellectual property) rights holders who may, or may not be individually named in a situation where an individual would have a direct cause of action.

3. Given the technical nature of this consultation, we are offering workshops with particular interests as part of the consultation process. This is in an effort to ensure that views and evidence are collected from a full range of interests.

Executive Summary

4. A number of intellectual property interests, both during the implementation of the IP Enforcement Directive (2004/48/EC) and previously have pressed for representative actions. Any measures to provide for representative actions need to be carefully framed to ensure they provide benefits in terms of reduced litigation costs, that they do not encourage litigation, or result in other costs. This consultation includes a request for interests to provide evidence of likely benefits from representative actions, and evidence of any additional costs that might arise.

5. As with most civil litigation it will be for the parties to fund representative actions. Costs will be considered and awarded by the judges in due course to the winning party, taking account whether the parties have behaved reasonably.

6. This consultation sets out three options for introducing representative actions. All of these will require primary legislation with supporting changes to the court rules (Civil Procedure Rules in England and Wales).

7. Intellectual property policy is not devolved and it is one of Lord Sainsbury's responsibilities. However any changes to the civil justice regimes will need to be considered separately for England & Wales, Scotland and Northern Ireland.

Background

8. In February 2001 the Lord Chancellor's Department (now the Department for Constitutional Affairs) launched a consultation "Representative Claims: Proposed New Procedures" to consider the costs and benefits of providing for such claims in England and Wales. Where "representative claims" were defined as "claims made by, or defended by, a representative or representative organisation on behalf of a group of individuals who may, or may not be individually named in a situation where an individual would have a direct cause of action".
9. This consultation showed that there was general support for the principles of representative claims. But given their diverse nature, the Department for Constitutional Affairs concluded that they should be taken forward by means of specific legislation for particular types of cases where there is evidence to support the introduction of such provisions.
10. This consultation noted the following points:
 - Where respondents disagreed with the concept of representative claims, they responded positively to proposals that limited scope based on strict controls;
 - There was strong support for a permission stage before organisations could be allowed to act in a representative capacity;
 - There was opposition to any system that allowed damages to be awarded for unnamed claimants and to allow claims against defendants who were outside the direct causal relationship.
11. As noted by the consultation in 2001 there are existing provisions for group actions in England and Wales as set out in Parties and Group Litigation - Part 19 of the Civil Procedure Rules (http://www.dca.gov.uk/civil/procrules_fin/contents/parts/part19.htm). However these provisions essentially require all parties to a claim to share a common interest in the claim, and typically representative associations (eg. trade associations) will not have a common interest with their members ie. they do not own intellectual property rights. This difficulty has been recognised by the Court of Appeal¹.
12. There are differences in civil law across the UK. Currently, representative party and group litigation proceedings are available in England & Wales, but all parties must share the same cause of action. Representative party and group litigation proceedings do not exist in Scotland, but parties are able to assign their rights of action.

1

Chocosuisse Union des Fabricants Suisses de Chocolat v Cadbury Limited

Court of Appeal, 25/02/99

[1999] E.T.M.R 1020, [1999] R.P.C 826, (1999) 22(8) I.P.D 22079

13. During the consultation on implementation of the IP Enforcement Directive, several representative bodies, in response to Article 4, pressed for provisions to allow them to act on behalf of their members. For example, the Scotch Whisky Association said that they should be able to take passing off actions on behalf of their members and to pursue breaches of EC Regulations 1576/89². We understand that there could be benefits from such actions, as recognised by Lord Justice Chadwick in *Chocosuisse Union des Fabricants Suisses de Chocolat v. Cadbury Ltd* (1999) RPC:

“It would be convenient if a trade association were permitted to sue in a representative capacity on behalf of its members.”

14. However we concluded if such actions were possible a number of detailed points need careful consideration:

- Should representative actions be available for all intellectual property rights and related causes of action?
- How should remedies and costs be handled in these representative actions?

15. The need for representative actions is recognised in some legislation, such as Commission Regulation EC 1768/95³ where Article 3(2) provides the following:

Rights referred to in paragraph 1 may be invoked by individual holders, collectively by several holders or by an organization of holders which is established in the Community at Community, national, regional or local level. An organization of holders may act only for its members, and only for those thereof which have given the respective mandate in writing to the organization. It shall act either through one or more of its representatives or through auditors accredited by it, within the limits of their respective mandates.

16. On 12 July DTI launched a consultation on “representative actions consumer protection cases.”⁴

2 Council Regulation (EEC) No 1576/89 of 29 May 1989 laying down general rules on the definition, description and presentation of spirit drinks

3 Implementing rules on the Agricultural exemption provided in Article 14(3) of Council Regulation (EC) No. 2100/94 on Community Plant Variety Rights

4 See <http://www.dti.gov.uk/consultations/page30259.html>

Options

17. We have identified four options:
- Option 1 – No change;
 - Option 2 – Provide for representative action in relevant IPR legislation with a prior permission stage;
 - Option 3 – Provide for representative action in relevant IPR legislation with a court approved list of representative bodies; or
 - Option 4 – Provide for representative action in relevant IPR legislation with provision for the court to dismiss the action if the judge considers it appropriate.
18. We intend to assess these options against the following criteria:
- Will it lead to more efficient and effective enforcement of the relevant intellectual property rights?
 - Will it take full account of consumer and civil society interests and not encourage abuse of intellectual property rights;
 - Make sure it does not encourage unnecessary litigation;
 - Will it reduce burdens to business (particularly SMEs) by reducing the cost of litigation;
19. The over-riding aim is to reduce the need for litigation by encouraging Alternative Dispute Resolution (ADR)⁵ rather than just reducing the cost of litigation.

Option 1 – No change

20. To justify introducing representative actions for intellectual property rights, we need to be able to demonstrate clear benefits, as set out above.
21. With the Better Regulation initiatives, there is an over-riding need to ensure that any changes reduce rather than increase burdens on UK business. The Davidson Review⁶ is looking at how the Government puts EU legislation into practice. For example, there is a need to guard against “goldplating” ie. ensuring that implementation of an EU Directive does not go beyond the minimum necessary to comply. However, further changes may be acceptable where a clear need can be demonstrated.
22. Consequently respondents to the consultation will be encouraged to provide relevant evidence that either makes the case for representative actions or questions the need for it.
23. This is our default option if insufficient evidence is provided to justify any changes.

5 For example see the Patent Office Mediation Service introduced in April 2006 - <http://www.patent.gov.uk/about/ippd/mediation/index.htm>

6 http://www.cabinetoffice.gov.uk/regulation/reviewing_regulation/davidson_review/index.asp

Option 2 – Provide for representative action in relevant IPR legislation with a prior permission stage

24. By amending the relevant IPR legislation (see Q1) to provide a right for a representative body to take action on behalf of a number of IP rights holders with a prior permission stage where the court considers whether the representative association should have right to bring this action. The court would need to consider whether the interests of justice would be served by the case and whether the defendant or defendants would be disadvantaged.
25. Such an approach would provide for representative actions, but would add the burden of a permission stage. Scottish civil court procedures do not include a “case to answer” stage. There are procedures which allow one party to seek early dismissal of a case on the basis that the other party lacks title to sue, but current rules do not involve the court making a preliminary assessment of the merits of a case before allowing it to proceed. Finally, introducing a permission stage would need to be set out in legislation.

Option 3 – Provide for representative action in relevant IPR legislation with a court approved list of representative bodies

26. By amending the relevant IPR legislation (see Q1) to provide a right for a representative body to take action on behalf of a number of IP rights holders with a court approved list of representative bodies would provide certainty as to which bodies could undertake representative action. However such a list (particularly if it was defined in an enactment) could add substantially to the burdens placed on the court and others both in terms of setting up the list and in making additions. Such additions might be required on a regular basis and, often urgently, as they are likely to be dictated by particular infringement actions which could not be predicted. Establishing such a list would not necessarily prevent such authorised bodies from bringing inappropriate claims. Consequently, the courts would still need to have the ability to dismiss such cases.

Option 4 - Provide for representative action in relevant IPR legislation with the power for the court to dismiss the action if it considers it inappropriate.

27. This is our preferred option provided there is evidence to demonstrate that the introduction of representative actions is justified and will not impose undue costs on business.
28. Amending the relevant IPR legislation (see Q1) to provide a right for representative associations to take action on behalf of a number of IP rights holders (its members) with a provision for a court to dismiss and control the action appears an effective and efficient way forward. For a representative association to take such an action, they will need to have consent from the relevant right holders. However we intend to allow rights holders to revoke this consent for a representative association to take action on their behalf at any stage in the proceedings. But careful consideration will need to be given to what happens to the case should this occur.

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29. Such an approach should have a number of benefits:
- minimise the regulatory burden in that authorisation procedures would not be needed to establish a list of approved representative bodies;
 - clear provision of a right of representative action;
 - the defendant's rights and the interests of justice should be served as the courts will have the power to dismiss such actions or insist that the individual parties join the action.
30. Our current thinking is that:
- a right of action by a representative association should be provided for passing off and in relevant IPR legislation (see Q1 below);
 - the right of action should be limited to infringements occurring in the course of business or which are seriously prejudicial to rights holders interests
 - the relevant right holders must give written consent to this right of action;
 - once an action has started the courts should have the power to dismiss the action if it considers continuing the action would be unjust to the defendant or not in the interests of justice;
 - in assessing damages for such cases the court will need evidence of loss and will take account of any pecuniary remedy already awarded (eg. to individual rights holders);
 - in assessing costs the court will need evidence of the costs incurred in bringing the action.

Specific Questions

Q1 – Should representative actions be available for all intellectual property rights?

31. The Enforcement Directive (2004/48/EC) does not include a definition of intellectual property rights. But for England and Wales the most relevant definition is that included in the Court Practice Direction that sets out what may be covered by intellectual property claims. They may cover:
- patents;
 - registered trade marks including Community registered trade marks;
 - copyright and related rights;
 - database rights;
 - Registered designs;
 - design right including Community design right;
 - Olympic symbols;
 - plant varieties;
 - moral rights;
 - unauthorised decryption rights;
 - passing off;
 - geographical indications.

32. Our initial thoughts are that, if provided, representative actions should be available for all intellectual property rights listed above. But we would welcome views regarding the inclusion or exclusion of particular rights and whether there should be any additions to the above list. Representative actions will probably not work in the same way for all rights. For example, for rights such as passing off, a representative action on behalf of all members of a designated body may be reasonable. However for a copyright infringement action it may be necessary to name the right holders suffering from infringement so that cost and damage awards can be dealt with appropriately.

Q2 – Should a representative association be required to meet certain criteria before it is allowed to start proceedings on behalf of some or all of its members, and what should these criteria be?

Q3 – Should a list of approved designated bodies be established and maintained, or is sufficient to establish criteria that a court can use to consider applications for representative actions on a case-by-case basis?

Q4 – If you think there should be an approved list, how should it be established and maintained?

Q5 – Should there be a minimum number of rights holders that a representative association can represent (before it qualifies as such an association or before it brings such an action), and what should it be?

Q6- Should members of rights holders organisations make a specific mandate to allow the organisation to take court action on their behalf when they join or on a case by case basis? Should the scope of such mandates be restricted to particular actions (if yes please specify what actions)?

33. One conclusion from the DCA consultation carried out some years ago (see para 4) was that criteria should be specified that a representative association needs to satisfy before it is allowed to take a representative action. Possible criteria are:

- must have the written consent of the relevant rights holders;
- be reputable;
- be able to demonstrate they have the ability and resources to handle the case;
- have the interests of a particular group of rights holders, rather than profit, at the centre of their ethos.

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34. An established list of designated bodies should mean that any court proceedings for representative actions could proceed in a more straight-forward fashion. However such a list would need to be established and maintained. There may also be a need to take account of the particular cause of action before deciding whether a particular designated body was able to undertake the case. As exemplified above there are a variety of intellectual property rights and possible causes of action, and a court may need to consider the details of the application before deciding whether a particular designated body has the necessary qualifications to undertake the case. Consequently it may be more efficient to define the criteria that a court needs to consider when examining whether to dismiss a representative action after it has started.
35. We also need to consider how a rights holder should authorise a representative body to take action on their behalf. A permanent mandate would appear to be the simplest, but it may not be appropriate for the mandate to cover all possible actions and it may need to make provision for the handling of damages and costs. However we think it will be necessary to allow a rights holder to withdraw his consent to a representative action at any stage in court proceedings (for example, if the right holder considers the representative association is not acting in his or her best interests). But the court would expect a representative association to demonstrate that they have written consent from rights holders before their cause of action is accepted.
- Q7 – Do you agree that it is necessary to change primary legislation to provide for representative actions (Options 2-4 assume this is the case)?**
- Q8 – Do you think that a permission stage (Option 2) is needed to approve representative actions, or is a power for a court to dismiss such actions (Option 4) more efficient?**
- Q9 – As part of Option 4, we think rights holders should be able to withdraw their consent to a representative action at any stage, but what should happen to the proceedings if consent is withdrawn? We may need to distinguish between cases where rights holders are specifically named from a general action (perhaps for passing off) on behalf of all members of the representative association.**
- Q10 - Do you think there are any particular issues that arise regarding introducing representative actions for Scottish courts?**
- Q11 – Do you think that providing representative actions for Community rights (eg. Community Trade Marks and Community Designs) raises any particular issues?**

36. We believe that amendments to primary legislation are needed (rather than simply amending court rules) to introduce representative actions. We also think that Option 4 minimises the regulation needed to introduce such actions, but ensures that the interests of justice are served by providing a power for the court to dismiss such actions. Given the differences in the legal systems, special consideration will need to be given to introducing representative actions in the Scottish courts. Introducing representative actions for Community rights may also raise particular issues. We need to ensure that granting such actions will be compatible with the relevant Community Regulations.

Q12- If IPR legislation is amended to provide for representative actions, what changes should be made to court rules to support these legislative changes?

37. If the right of representative action is set out in legislation, the supporting changes in court rules (Civil Procedure Rules and Practice Directions for England & Wales) should be relatively minor. Covering such details as:

- indications of when a representative action is inappropriate (and so should be dismissed);
- statement of rights holders covered by the action;
- procedure for disclosure of documents by the representative association where those documents are held by rights holders;
- procedure whereby a rights holder can revoke their consent to the action (although this will probably be set out in primary legislation).

Q13- What evidence do you have to support the options suggested (or an alternative approach)? It would be particularly helpful if you can provide any figures that will help quantify and costs or benefits that are likely to result from particular options.

38. As set out above, we need strong evidence to support any change. Consequently we would like to receive any detailed evidence that supports the options above (including no change) or an alternative approach. Our thinking is that Option 4 seems to be the most effective way of introducing representative actions. But we would welcome views, and detailed evidence to support these views.

How and When to Respond

39. Please send responses by Monday 18 December to:

Jeff Watson
Intellectual Property & Innovation Directorate
The Patent Office
Concept House
Cardiff Road
Newport
NP10 8QQ

Fax: +44 (0) 1633 814922
Tel: +44 (0) 1633 813650
Email: consultation@patent.gov.uk

There is a [consultation response form](#) (Annex C) which you may wish to use to reply if it is helpful to you. Responses may be sent by post, e-mail or fax.

Please indicate in what capacity your response is submitted. If you are responding on behalf of a representative group, please also give a summary of the people and organisations that you represent.

If you have any comments or complaints about how this consultation process is being handled, please contact the Patent Office Consultation Co-ordinator, whose details are included in Annex B.

40. If there is sufficient interest we will hold workshops in October with individual interests and/or an open meeting to present and discuss the consultation. Given the wide range of interests and the technical nature of this consultation, we think it might be useful to meet with particular interests before they make a formal response to the consultation. We have therefore suggested 2 dates (see Workshop Attendance Form) when we will be available for these discussions. If there is sufficient interest, we will also hold an open meeting for a general presentation/discussion of the consultation. Please complete and return Annex D by Monday, 2nd October to register your interest in these events.

Who is being consulted

41. Copies of this consultation document have been sent to the organisations listed in Annex A. Further copies, including large print and Braille versions, may be requested from the Patent Office by contacting Ann Foster (tel.01633 814397). This consultation document has been prepared in accordance with the Government Code of Practice on Written Consultations. The Code criteria are set out in Annex B.

Openness / Confidentiality

42. This is part of a public consultation exercise. As such, your response may be made public. If you do not want all or part of your response or name made public, please state this clearly in the response. Any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in your fax cover sheet will be taken to apply only to information in your response for which confidentiality has been requested.
43. Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want other information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
44. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding.
45. The Patent Office will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Organisations to which the consultation has been sent

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| Abbey National | British Association of Record Dealers' |
| Agricultural Engineers Association | British Brands Group, The |
| ABPI | British Broadcasting Corporation |
| ACP | British Chambers Of Commerce |
| Amazon.com | British Computer Society |
| American Film Marketing Association | British Copyright Council |
| Alternative Investigation Management | British Generics Manufacturers Association Ltd |
| Alliance Against Intellectual Property Theft | British Hospitality Association |
| Allvoice | British Horseracing Board |
| Alternative Investigations Management Limited | British Interactive Media Association |
| Arnander Irvine & Zietman | British Interactive Multimedia Association Ltd |
| American Film Marketing Association Europe | British Internet Publishers' Alliance |
| Amersham | British Library |
| Anti Copying In Design | British Motorcyclists Federation, The |
| Anti-Counterfeiting Group | British Music Rights |
| Arbroath Fish Processors Association | British Pharmaceutical Group Ltd |
| Ashurst Morris Crisp | British Phonographic Industry |
| Association For Information Management | British Photographers Liaison Committee |
| Association for University Research and Industry Links | British Poultry and Meat Federation |
| Association of British Insurers | British Retail Consortium |
| Association Of Chief Police Officers | British Standards Institution |
| Association of Consulting Engineers | BT Plc |
| Association Of Independent Music Ltd | British Web Design And Marketing Association |
| Association Of Learned And Professional Society Publishers | Broadcasting Entertainment Cinematograph & Theatre Union |
| Association Of The British Pharmaceutical Industry | Brown Cooper Monier-Williams |
| Association of Traditional Cumberland Sausages Producers | Business Application Software Developers Association |
| Association of United Recording Artists | Business In The Community |
| Authors Licensing And Collecting Society | Business Software Alliance |
| Babcock International Ltd | Cable & Wireless |
| Baker & Mckenzie | Cardiff Law School |
| Bar Council | Cassidy and Associates International |
| Belron International Limited | Channel 5 Broadcasting |
| Beresford & Co | Channel Four Television |
| Berwin Leighton | Chartered Institute Of Library And Information Professionals |
| Bharat Electronics Ltd | Chartered Institute Of Library And Information Professionals In Scotland |
| Boult Wade Tennant | Chartered Institute Of Library And Information Professionals In Wales |
| BPLC | Chartered Institute of Patent Attorneys |
| BPP Leeds IP Group | Chartered Society Of Designers |
| Bristows | Chemical Industries Association |
| British Art Market Federation | Christian Copyright Licensing International (Europe) |
| British Association of Picture Libraries and Agencies | CIMMYT |
| | Cinema Exhibitors Association |
| | Civil Court Users Association |

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| Civil Justice Council | Federation Of Small Businesses |
| Clifford Chance | Film Distributors Association |
| Commercial Radio Companies Association | Filmbank Distributors |
| Compact Collections Limited | Food and Drink Federation |
| Competition Law Association | Foundation for Information Policy Research |
| Conde Ltd | Forum Of Private Business |
| Confederation Of British Industry | Forum Of Private Business In Scotland |
| Confederation Of Information Communication Industries | Frank B Dehn & Co |
| Consumer Electronics Association | Freshfields |
| Consumers Association | |
| Convention Of Scottish Local Authorities | Gallafent & Co |
| Copyright Licensing Agency Limited | General Consumer Council For Northern Ireland |
| Copyright Promotions Licensing Group | Gill Jennings & Every |
| Cornish Pasty Association | Gin and Vodka Association |
| Crafts Council | GlaxoSmithKline |
| Cranfield University | Global Village Limited |
| Crop Protection Association | Greenpeace |
| Crown Office Scotland | Harbottle & Lewis |
| Crown Prosecution Service | Herbert Smith Solicitors |
| Cruikshank & Fairweather | Her Majesty's Stationery Office |
| Davenport Lyons | High Court Enforcement Officers Association |
| Deloitte & Touche | Howrey Simon Arnold & White |
| Design & Artists Copyright Society | Hybu Cig Cymru – Meat Production Wales |
| Digital Content Forum | ICRT |
| Digital Rights | Incorporated Society Of British Advertisers |
| Directors & Producers Rights Society | Incorporated Society Of Musicians |
| Department of Trade & Industry | Independent Family Brewers Association |
| Dyson | Information And Communications Industry Association |
| EC Laws Committee – LES Britain & Ireland | Institute Of Directors |
| Educational Recording Agency | Institute of Electrical Engineers |
| Educational Software Publishers Association | Institute of Legal Executive |
| EMI | Institute Of Practitioners In Advertising |
| Equity | Institute of Trade Mark Attorneys |
| Eureka Manufacturing Co Ltd | Intellect |
| Europe Analytica | Intellectual Property Institute |
| European Brands Association | Intellectual Property Lawyers Association |
| European Generics Association | International Chambers of Commerce |
| European Grouping of Societies of Authors and Composers | International Federation of Intellectual Property Attorneys (FICPI) |
| European Informatics Market | International Federation Of The Phonographic Industry |
| European Information Society Group | International Trademark Association |
| European Leisure Software Publishers Association | International Visual Communication Association |
| Farmhouse Cheesemakers Ltd | |
| Federation Against Copyright Theft | |
| Federation Against Software Theft | |
| Federation of the Electronics Industry | |

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| Internet Services Providers Association (UK) | National Hi-Tech Crime Unit |
| Inventorslink Inc | Newspaper Licensing Agency Limited |
| IP Legal Advisors (IPLA) | Newspaper Publishers Association Limited |
| IPR Industry Action Group | Newspaper Society |
| Joint Action Group On Organised Crime | Nicholson Graham & Jones |
| Jones Day | Nokia |
| Kent Jones And Done | Norton Rose |
| Lancaster University | Northern Ireland Council For Voluntary Action |
| Law Society Of England & Wales, The | NTL |
| Law Society Of Northern Ireland | Office of Government Commerce |
| Law Society Of Scotland | Olswang |
| Legal Action Group, The | Ordinance Survey |
| Library And Archive Copyright Alliance | Patent Judges |
| Lincolnshire Sausages Association | Periodical Publishers Association |
| Linklaters & Paines | Pfizer Limited |
| Linx | Pilkington Technology Centre |
| Litigants in Person Society | Pillsbury Winthrop Shaw Pittman |
| Local Authorities Coordinators Of Regulatory Services | PJB Publications |
| Local Government Association | Policy Action Limited |
| Lodestar Translations | Practical Law Company |
| London Solicitors Litigation Association | Preventative Medicines Tech Inc. |
| Lovells International Law Firm | Producers Alliance For Cinema & Television |
| Macrovision | Publishers Association` |
| Magister Ltd | Publishers Licensing Society |
| Marconi Corporation Plc | REACT |
| Marketforce Communications | Richards Butler |
| Marks & Clerk | Royal Courts of Justice |
| Mayne Pharma plc | Royal Mail |
| MCPS-PRS | RWS Group |
| Mechanical-Copyright Protection Society | Saba & Co |
| Melton Mowbray Pork Pie Association | Scotch Whisky Association |
| Mewburn Ellis | Scottish Consumer Council |
| Microsoft Ltd | Scottish Council For Voluntary Organisations |
| Milbank Tweed Hadley & McCloy | Scottish Salmon Producers Organisation |
| Ministry of Defence | SCRIPT |
| Mishcon De Reya Solicitors | Sianel Pedwar Cymru (S4C) |
| Motion Picture Association | SIBLE University Of Sheffield |
| Motorcycle Action Group | Simmons & Simmons |
| Museums Copyright Group | Society of College National & University Libraries |
| Music Choice Europe | Society of Independent Brewers Association |
| Music Publishers Association | Society of Motor Manufacturers and Traders Limited |
| Music Users Council Of Europe | Society Of Numismatic Artists & Designers |
| Musicians Union | Sony Entertainment |
| National Archives | Specialist Cheesemakers Association |
| National Consumer Council | |
| National Council For Voluntary Organisations | |
| National Criminal Intelligence Service | |

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| Spoken Word Publishing Association | University of Alicante |
| Stilton Cheese Makers' Association | University of Cambridge |
| Tarlo Lyons | University of London Queen Mary & Westfield College |
| Taylor & Meyer | University of Oxford |
| Taylor Wessing | University Of Paisley |
| Telecommunications UK Fraud Forum | University of Plymouth |
| Tesco | University Of Strathclyde |
| The Simkins Partnership | Urquhart, Dykes & Lord |
| Thompsons Solicitors | Vereenigde |
| THUS plc | Video Performance Limited |
| Time Warner | V-Lex Ltd |
| Trade Marks Patents & Designs Federation | Visteon Global Technologies |
| Trading Standards Institute | Wedlake Bell |
| Traditional Farmfresh Turkey Association | Welsh Consumer Council |
| UK Media Monitoring Association | Welsh Local Government Association |
| UK Parliament | Wine and Spirits Trade Association |
| UK Vineyards Association | Writers Guild Of Great Britain |

Cabinet Office Code of Practice on Consultations

The Consultation Code of Practice Criteria

1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
3. Ensure that your consultation is clear, concise and widely accessible.
4. Give feedback regarding the responses received and how the consultation process influenced the policy.
5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

The complete code is available on the Cabinet Office's website:
<http://www.cabinet-office.gov.uk/servicefirst/index/consultation.htm>

Comments or complaints

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please tell the Patent Office's Consultation Co-ordinator, who is:

Maria Ciavatta
Consultation Co-ordinator
The Patent Office
Concept House
Cardiff Road
Newport
NP10 8QQ
Tel: +44 (0)1633 814796
Fax: +44 (0)1633 814509
E-mail: maria.ciavatta@patent.gov.uk

Consultation on representative actions for the enforcement of intellectual property rights (Article 4 of the IP Enforcement Directive - 2004/48/EC)

Response Form

The Patent Office may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual consultation responses. This will extend to your comments unless you inform us that you wish them to remain confidential.

If you wish your comments to remain confidential, please tick this box:

Even if you request confidentiality of your comments, we would still like your name and organisation to be supplied. This will help us to more accurately assess the views of your market sector.

Name:

Organisation:

Address:

Country:

Postcode/Zipcode:

Telephone:

E-mail:

If you are responding on behalf of a representative group, please give a summary of the people and organisations that you represent.

Please tick one box from the list of options that best describes you as a respondent. This enables views to be presented by group type.

- Small to Medium Enterprise
- Big Business
- Trade Union
- Interest Group
- Representative Organisation
- Local Government
- Central Government
- Other (please describe):

Question 1

Please give your views on whether representative actions should be available for all intellectual property rights

Question 2

Please give your views on whether a representative association should be required to meet certain criteria before it is allowed to start proceedings on behalf of some or all of its members, and if so what these criteria should be

Question 3

Please give your views on whether a list of approved designated bodies should be established and maintained, or whether it is sufficient to establish criteria that a court can use to consider applications for representative actions on a case-by-case basis.

Question 4

If you think there should be a list, please give your views how this should be established and maintained.

Question 5

Please give your views on whether there should be a minimum number of rights holders that a representative association can represent (before it qualifies as such an association or before it brings such an action) and, if so, what that number should be.

Question 6

Please give your views on whether members of rights holders' organisation should make a specific mandate to allow their organisation to take court action on their behalf when they join or whether this should on a case by case basis. Should the scope of such mandates be restricted to particular actions? If so please specify what actions.

Question 7

Please give your views on whether a change of primary legislation is necessary to provide for representative actions (Options 2-4 assume this is the case).

Question 8

Please give your views on whether a permission stage (Option 2) is needed to approve representative action or whether a power for a court to dismiss such actions (Option 4) would be more efficient.

Question 9

As part of Option 4, we think that rights holders should be able to withdraw their consent to a representative action at any stage. Please give your views on what should happen to the proceedings if consent is withdrawn. Is there a need to distinguish between cases where rights holders are specifically named from a general action (perhaps for passing off) on behalf of all members of the representative association?

Question 10

Please comment on any particular issues that arise regarding introducing representative actions for Scottish courts.

Question 11

Please comment on any particular issues that arise regarding providing representative actions for Community rights ((eg. Community Trade Marks and Community Designs).

Question 12

Please give your views on what changes would be needed to court rules to support an amendment to IPR legislation to provide for representative actions.

Question 13

Please provide any evidence you have which supports the options suggested (or an alternative approach). It would be particularly helpful if you can provide any figures that will help quantify and costs or benefits that are likely to result from particular options.

Question 14

Do you have any comments on the Partial Regulatory Impact Assessment?

Do you have any other comments that might aid the consultation process as a whole?

Thank you for taking the time to let us have your views.

The Patent Office consults interested parties on a range of topics related to intellectual property. As your views are valuable to us, would it be alright if we were to include you in our list of people or organisations we regularly consult?

Yes No

Please send responses by Monday 18 December to:

Jeff Watson
Intellectual Property & Innovation Directorate
The Patent Office
Concept House
Cardiff Road
Newport
NP10 8QQ

Fax: +44 (0) 1633 814922

Tel: +44 (0) 1633 813650

Email: consultation@patent.gov.uk

Workshop Attendance Form

Workshops

Given the wide range of interests and the technical nature of this consultation, we think it might be useful to meet with particular interests before they make a formal response to the consultation.

We would be more than happy to arrange individual or group meetings between 10am and 12pm, and 2pm and 4pm on Wednesday 11 and Wednesday 18 October at our London Office.”

If you would like to participate, please use the boxes below to indicate which workshop you would be interested in attending.

- Wednesday 11 October 2006 - morning
- Wednesday 11 October - afternoon
- Wednesday 18 October morning
- Wednesday 18 October afternoon

Open Meeting

If there is sufficient interest, we will also hold an open meeting for a general presentation/discussion of the consultation.

Are you interested in attending an open meeting?

Yes No

If you are interested in attending either the workshops or the open meeting, please provide contact (name, e-mail, telephone) details by Monday 2nd October 2006 to:

Ann Foster
Intellectual Property & Innovation Directorate
The Patent Office
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Email: consultation@patent.gov.uk

Partial Regulatory Impact Assessment

Representative actions for the enforcement of intellectual property rights

Purpose and intended effect of the measure

Objective

To make provision for representative associations to be able to take court action on behalf of a number of intellectual property rights holders.

Background

During the implementation of the IP Enforcement Directive (2004/48/EC) we gave careful consideration to Article 4 (Persons entitled to apply for the application of the measures, procedures and remedies). We made some provisional proposals in the implementing regulations for representative actions. But we did not include them in the final regulations as it became apparent from the variety of comments we received that they were not an adequate solution for representative actions and the Directive did not require us to make specific provisions.

However as a result of the range and extent of the comments received regarding representative actions, we decided that a further formal consultation was needed to consider this issue in detail.

Risk assessment

Without explicit provision for representative actions for IP rights holders, there is a risk that such rights holders might be disadvantaged by incurring higher legal costs to enforce their rights. This could be a particular problem for SMEs given the high court costs in the UK and our understanding is that courts in other member states are currently more willing to accept such representative actions. All options that recommend change will need to take account of any extra costs to HMCS (Her Majesty's Court Service) that might arise due to additional training needs, changes to systems and procedures.

However there is also a risk that representative actions might encourage more litigation and this might disadvantage consumers through inappropriately authorised or over-zealous legal actions by representative associations.

Options

We have identified four options:

- Option 1 – No change;
- Option 2 – Changes to primary legislation with an additional permission stage;
- Option 3 – Changes to primary legislation with a court approved list of representative bodies; or
- Option 4 – Changes to primary legislation with provision for the court to disallow if the action does not serve the interests of justice.

Option 1 – No change.

Option 2 – Changes to legislation with an additional permission stage, which would add an additional burden and probably present a problem for the Scottish courts.

Option 3 – Changes to legislation with a court approved list of representative bodies. This would provide strict control of representative actions by requiring prior approval, but at the cost of additional regulation and procedures to establish and maintain such a list.

Option 4 – Provide for representative action in IPR legislation with the power for the court to dismiss/amend the cause of action if it feels the interests of justice are not served. This approach should minimise the regulatory burden, and should be a useful change if relevant benefits can be confirmed.

Costs and Benefits

Sectors and groups affected

During the implementation of the IP Enforcement Directive (2004/48/EC), a number of interest groups pressed for provision of representative actions and complained when they were not included in the implementation. Further details.....Our recently published National Intellectual Property (IP) Enforcement Report 2005⁷ confirms that enforcement continues to be a major issue although the report concentrates on IP Crime rather than civil disputes which are the subject of this consultation.

Costs

Option 1 – No implementation costs as no changes are proposed. But rights holders may well be incurring additional costs from litigation as they will not be able to benefit from representative actions undertaken on their behalf by a relevant representative association.

Option 2 – Some implementation and ongoing costs including an additional permission stage as a precursor to court action. But rights holders would benefit from potentially reduced litigation costs through possible representative actions.

Option 3 – Some implementation and ongoing costs to establish and maintain a list of authorised representative associations. But rights holders would benefit from potentially reduced litigation costs through possible representative actions providing the relevant representative body was authorised for such actions.

Option 4 – Minimal implementation costs as only changes to legislation and court rules will be required. Right holders will have the advantage of representative actions will minimum additional regulation, but sufficient for the court to dismiss a representative action if the judge believes the interests of justice are not served.

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See <http://www.patent.gov.uk/about/enforcement/publications.htm>

Small Firms Impact Test

Benefits

To take forward any of the options (2-4) that will lead to changes, clear benefits will need to be identified and these benefits will need to outweigh any costs that might be incurred.

Competition Assessment

The competition filter test confirms that there are no substantive competition issues.

The Competition Filter Test

| Question | Answer yes or no |
|---|------------------|
| Q1: In the market(s) affected by the new regulation, does any firm have more than 10% market share? | Yes |
| Q2: In the market(s) affected by the new regulation, does any firm have more than 20% market share? | Yes |
| Q3: In the market(s) affected by the new regulation, do the largest three firms together have at least 50% market share? | Yes |
| Q4: Would the costs of the regulation affect some firms substantially more than others? | No |
| Q5: Is the regulation likely to affect the market structure, changing the number or size of firms? | No |
| Q6: Would the regulation lead to higher set-up costs for new or potential firms that existing firms do not have to meet? | No |
| Q7: Would the regulation lead to higher ongoing costs for new or potential firms that existing firms do not have to meet? | No |
| Q8: Is the sector characterised by rapid technological change? | Yes |
| Q9: Would the regulation restrict the ability of firms to choose the price, quality, range or location of their products? | No |

Enforcement and sanctions

Any changes will be enforced by the courts.

Consultation

Within government

We have consulted and will continue to consult the following departments and agencies:

Department for Constitutional Affairs

Small Business Service

Department for Food and Rural Affairs

Department for Culture, Media & Sport

Scotland (Office of the Solicitor to the Advocate General)

Northern Ireland Courts

Home Office

Public consultation

This consultation has been sent to a wide range of interests (Annex ?) including all those who contributed or expressed an interest in the earlier consultations for the IP Enforcement Directive (2004/48/EC). A web notice has been issued to advertise this consultation.

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For copies in alternative formats,
please contact our Central Enquiry Unit.

Revised: September 06



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