

Putting groundless threats to bed

- ▶ Owner of rights in bed linen and packaging designs claims infringement by a competitor
- ▶ Use of eBay's VeRO programme to assert rights
- ▶ Can this amount to a groundless threat?

What's it about?

Both parties to the case design and manufacture bed linen. T&A Textiles (**T&A**) claimed that certain bed linen sets sold by Hala Textile UK Ltd (**Hala**) infringed T&A's copyright (as regards the designs printed on the products) as well as its UK registered design in a packaging label. In return, Hala claimed that T&A's registered design was invalid on the basis that the design had been used prior to its registration.

Hala also claimed that letters from T&A to third parties amounted to "groundless threats". English law recognises that a threat of legal action for infringement by a rights owner can have a potent effect. Accordingly, recipients of threats (save where the threat of proceedings relates to a breach of copyright) have the right to make a claim for relief (in the form of an injunction, damages or a declaration) if the threats cannot be proven.

The letters included letters sent to eBay as part of its Verified Rights Owner (VeRO) programme, which enables rights owners to report eBay listings that infringe their intellectual property rights.

Why does it matter?

The court held that Hala had not infringed T&A's copyright, on the basis that Hala's designs had been imported into the UK before the date of T&A's designs. The court also held that certain letters sent to eBay in relation to the VeRO programme did amount to groundless threats. However, the court merely gave a provisional view that the initial VeRO notice could amount to a groundless threat.

Given the popularity of eBay, rights owners may be keen to understand whether they can use the VeRO programme without being accused of making a groundless threat.

Now what?

Although this case is not conclusive, it does give a good indication that rights owners should consider the law on groundless threats when using the VeRO programme. The case is a reminder that every "threat" needs to be considered objectively and carefully when drafting a claim letter. There are certain exceptions to the groundless threats provisions set out in the various IP statutes. For example, it can be justifiable to threaten infringement proceedings for manufacturing or importing an infringing product, without that amounting to a groundless threat.

In addition, rights owners should remember that – to avoid an allegation of a groundless threat – they must be sure that their right is valid as well as that the recipient has infringed it. This may involve some investigation.

[T&A Textiles and Hosiery Ltd v Hala Textile UK Ltd and others \[2015\] EWHC 2888 \(IPEC\)](#)

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