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Trade mark threats after *Bargain Busting v SKE*

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Overview

1. The threats regime
2. 'Standard' Interim Injunctions under *American Cyanamid*
3. The higher standard for interims which engage Art 10 free speech rights

The 'classic' type of threats

The classic threats situation is:

- Writing to a retailer or distributor saying you will sue them for selling a third party's goods
- The retailer/distributor then pulls the product or reduces their exposure to it
- The product seller may or may not know about the threat

- Increasingly the retailer/distributor threatened is Amazon/eBay or other online seller

Overview of Threats provisions

- The law is found in ss. 21-21E Trade Marks Act 1994
- This was amended to its present form by the Intellectual Property (Unjustified Threats) Act 2017
- The law dates back to 1883 when it was introduced for patents

Simon Brown LJ said in *Unilever Plc v The Proctor & Gamble Co* [2000] 1 WLR 2436:

"*Essentially, therefore, in its earliest manifestation this provision was designed to stop those patentees who were willing to wound but afraid to strike from hanging a Damocletian sword above any trader's head*."

Overview of Threats provisions

21 Threats of infringement proceedings

(1) A communication contains a "threat of infringement proceedings" if a reasonable person in the position of a recipient would understand from the communication that—

(a) a registered trade mark exists, and

(b) a person intends to bring proceedings (whether in a court in the United Kingdom or elsewhere) against another person for infringement of the registered trade mark by—(i) an act done in the United Kingdom, or(ii) an act which, if done, would be done in the United Kingdom.

Overview of Threats provisions

21A Actionable threats

(1) Subject to subsections (2) to (6), a threat of infringement proceedings made by any person is actionable by any person aggrieved by the threat.

(2) A threat of infringement proceedings is not actionable if the infringement is alleged to consist of—

(a) applying, or causing another person to apply, a sign to goods or their packaging,

(b) importing, for disposal, goods to which, or to the packaging of which, a sign has been applied, or

(c) supplying services under a sign.

…

(6) A threat of infringement proceedings which is not an express threat is not actionable if it is contained in a permitted communication.

Overview of Threats provisions

21B Permitted communications

(1) For the purposes of section 21A(6), a communication containing a threat of infringement proceedings is a "permitted communication" if—

(a) the communication, so far as it contains information that relates to the threat, is made for a permitted purpose;

(b) all of the information that relates to the threat is information that—(i) is necessary for that purpose […] (ii) the person making the communication reasonably believes is true.

(2) Each of the following is a "permitted purpose"—

(a) giving notice that a registered trade mark exists

(b) …

(c) giving notice that a person has a right in or under a registered trade mark, where another person's awareness of the right is relevant to any proceedings that may be brought in respect of the registered trade mark.

American Cyanamid

American Cyanamid Co v Ethicon Ltd [1975] AC 396

(1) Serious issue to be tried
(2) Are damages an adequate remedy for the claimant?
(3) Would damages be an adequate remedy for the defendant?
(4) Other factors going to the balance of convenience (including status quo)

(2) - (4) are sometimes collectively referred to as the balance of convenience, but this is the standard way they are broken up.

Serious issue to be tried

- Not a high threshold in most cases
- However, there is a higher threshold when dealing with 'fundamental freedoms'.
- s.12(3) of the Human Rights Act 1998 provides that no such relief is to be granted so as to restrain publication before trial unless the court is satisfied that the applicant is likely to establish that publication should not be allowed.
- "Likely" in this context does not mean more likely than not but is higher than "real prospect" or "serious issue to be tried": see Cream Holdings v Banerjee [2005] 1 AC 253; Boehringer Ingelheim Ltd v Vetplus Ltd [2007] EWCA Civ 583

Can you consider the merits?

Yes, but only in certain circumstances

The court can look at the merits but only if they are very strongly in favour of one side or the other - Series 5 Software Ltd v. Clarks [1996] F.S.R. 273 at 286, but then rowed back from a little Guardian Media Group plc and another v. Associated Newspapers Ltd, C.A. 20th January 2000

So you can't have a mini-trial – but practically will want as much merits 'prejudice' in as possible, without risking the ire of the judge

Also don't forget the cross-undertaking in damages

Bargain Busting Limited v SKE [2025] EWHC 1239 (Ch)



Bargain Busting Limited v SKE [2025] EWHC 1239 (Ch)

Facts:

- BBL is the proprietor of various marks, including CRYSTAL BAR
- BBL had written to various retailers/distributors notifying them of that right and others, these were accepted by SKE to be permitted communications
- BBL then on 23 and 24 December 2024 wrote to eleven distributors and retailers threatening infringement proceedings
- BBL failed to confirm who else they may have written to prior to the hearing
- SKE brought an application to restrain further threats being made

Bargain Busting Limited v SKE [2025] EWHC 1239 (Ch)

The core arguments

- BBL's primary position was that the *American Cyanamid* test did not apply and that the higher threshold under s12 HRA applied

- SKE had the difficulty in showing at an interim stage that they would be more likely than not to win at trial

- SKE relied on Lord Nicholls speech in *Cream Holdings*

Bargain Busting Limited v SKE [2025] EWHC 1239 (Ch)

Lord Nicholls in Cream Holdings

"22. … In general, that should be the threshold an applicant must cross before the court embarks on exercising its discretion, duly taking into account the relevant jurisprudence on article 10 and any countervailing Convention rights. But there will be cases where it is necessary for a court to depart from this general approach and a lesser degree of likelihood will suffice as a prerequisite. Circumstances where this may be so include those mentioned above: where the potential adverse consequences of disclosure are particularly grave, or where a short-lived injunction is needed to enable the court to hear and give proper consideration to an application for interim relief pending the trial or any relevant appeal."

Bargain Busting Limited v SKE [2025] EWHC 1239 (Ch)

Miles J held

- Threats interim injunctions would often fall within the Lord Nicholls exception [78]
- BBL had only actually followed up their threats letters by suing 4 of the 11 parties threatened [94-97]
- If further threats were made the damages would be hard to adequately assess [99]
- No evidence from BBL that they could in any event pay those damages [100]

The appeal - [2026] EWCA Civ 532

The Court of Appeal overturned the decision holding that:

- The sending of letters amounts to a publication which engages free speech rights and so the higher s12(3) threshold applies
- Miles J at first instance had not held that it would pass that higher threshold so the injunction was overturned
- That the scope of what can constitute a publication, and therefore engages the higher free speech threshold, was not challenged by way of Respondent's Notice

Consequences

1. Much easier to write threats now knowing that the likelihood of interim relief is much lower, though still run the risk of being sued.
2. Outstanding issue of whether ‘publication’ means any form of communication as is the case in defamation law.
3. Does this also apply to an individual who is restrained from sending out confidential information?
4. Does this also now apply to interim injunctions restraining publication of adverts said to infringe a trade mark or passing off?

THE END

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