



2024 AIPPI World Congress – Hangzhou
Adopted Resolution
22 October 2024

Resolution

2024 – Study Question – General

Unjustified Allegations of Infringement of Intellectual Property (“IP”) Rights

Background:

- 1) This Resolution concerns unjustified allegations of IP infringement, in particular (a) the kind of activities that constitute unjustified allegations of IP infringement, and (b) the consequences of making such unjustified allegations of IP infringement.
- 2) In this resolution “unjustified allegations of IP infringement” refer to infringement allegations that exceed the boundaries for the legitimate exercise of an IP holder’s right.
- 3) Given the cross-border nature of IP infringement and the cross-border reach of allegations of IP infringement, a harmonised framework on the issues of unjustified allegations of IP infringement is desirable. Such a framework would benefit both IP right holders and parties who are subject to allegations of IP infringement by providing consistency,

certainty, and predictability in assessing the legitimacy of such allegations.

- 4) This Resolution does not address the interaction of competition or anti-trust law with allegations of IP infringement and whether the exercise of an IP right could be barred due to its exercise being anti-competitive. This Resolution also does not address issues relating to general good business practices, marketing law, compulsory licensing, and abuse of the IP registration system itself (such as potentially abusive utility models and trade mark registrations, and repetitive divisional patent applications).
- 5) 37 Reports were received from AIPPI's National and Regional Groups and Independent Members providing detailed information and analysis regarding national and regional laws relating to this Resolution. These Reports were reviewed by the Reporter General Team of AIPPI and distilled into a Summary Report (which can be found at www.aippi.org).
- 6) At the AIPPI World Congress in Hangzhou in 2024, the subject matter of this Resolution was further discussed within a dedicated Study Committee and again in a full Plenary Session, following which the present Resolution was adopted by the Executive Committee of AIPPI.

AIPPI resolves that:

- 1) The laws on unjustified allegations of IP infringement should be harmonised to provide a clear and consistent framework across jurisdictions for the relevant parties.
- 2) The determination of whether an allegation of IP infringement is unjustified should be a fact-sensitive approach that assesses a combination of objective and subjective criteria. The factors which should be taken into account include, without limitation:
 - a. whether the allegation was made with a reasonable basis (i.e., that a reasonable person in the position of the party making the allegation would have formed the belief that there was infringement);

- b. the motivation of the party who made the allegation, in particular whether the allegation was made with malicious intent or bad faith; and
 - c. the knowledge of the party who made the allegation, in particular whether said party had knowledge of (i) validity destroying circumstances or (ii) circumstances leading to non-infringement.
- 3) The mere fact that an allegation of IP infringement is later proved incorrect, either because of invalidity or non-infringement, does not in itself conclusively warrant a finding that said allegation was unjustified. However, at least the following should be considered as unjustified allegations of IP infringement:
 - a. Making an allegation of IP infringement while having actual knowledge of validity destroying circumstances;
 - b. Making an allegation of IP infringement while having actual knowledge of circumstances leading to non-infringement;
 - c. Making an allegation of IP infringement when the IP right does not in fact exist; and
 - d. Making an allegation of IP infringement aiming to obtain an injunction against an alleged further infringement when the invoked IP right has expired.
- 4) The mere fact that an allegation of IP infringement is later proved to be founded (e.g., by a decision on the merits), does not in itself conclusively warrant a finding that the allegation of IP infringement was justified.
- 5) The following should not categorically result in a finding that an allegation of IP infringement is unjustified:
 - a. Making an allegation of IP infringement when the party making the allegation knew or should have known that the infringement claim had a low likelihood of succeeding;
 - b. Making an allegation of IP infringement before the IP right has been granted provided that such communications does not assert the IP right as granted; and
 - c. Making an allegation of IP infringement when settlement negotiations or other dispute resolution processes are ongoing.

- 6) Any communication that can reasonably be understood by the person against whom the allegation of IP infringement is made as a threat of infringement proceedings, whether it is an express or implied threat, can constitute an unjustified allegation of IP infringement, subject to Paragraphs 3), 4) and 5). However, a mere notification of the existence of an IP right should not be deemed to constitute a threat of infringement proceedings.
- 7) National or regional laws should strive to provide greater clarity on what does or does not amount to a threat of infringement proceedings to enable parties to communicate without apprehension of incurring potential liability for unjustified allegations of IP infringement.
- 8) Any party, whether such party is the actual IP right holder or any other party (such as a non-exclusive licensee, exclusive licensee, group company, and/or other third party), who makes an allegation of IP infringement shall be liable if the allegation is found to be unjustified. Advocates, solicitors, and other IP or legal professionals acting in their professional capacity, and in accordance with applicable professional rules of conduct, on behalf of their clients shall not be personally liable for making unjustified allegations of IP infringement.
- 9) Proceedings for relief in respect of an unjustified allegation of IP infringement may be brought by the party to whom the allegation of IP infringement was made and/or by any other party whose interests have been, or might be, affected by the allegation.
- 10) When an allegation of infringement of an IP right has been determined to be unjustified, one or more of the following remedies, if applicable, should be available against the party who made the unjustified allegation:
 - a. Declaratory judgment that the allegation of IP infringement is unjustified;
 - b. Injunction;
 - c. Damages;
 - d. Fines;
 - e. Punitive damages;

- f. Publication of the judgment;
 - g. Publication of correction;
 - h. Removal of the allegation; and/or
 - i. Reimbursement of court and legal costs.
- 11) The burden of proof in cases of unjustified allegations of IP infringement lies with the party who claims that an allegation is unjustified.