



Keeping the Faith: the role of good and bad faith in IP disputes

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Patents Act 1977

There are numerous references to “good faith” throughout the Patents Act, which can broadly be split into those:

- permitting the continuation of good faith use started before certain events, or
- restricting damages etc upon amendment in the absence of good faith by the patentee

Faith also arises for entitlement limitation periods.

Prior use

- s. 64(1) – priority
[CPC 1975 Art.38]
- s. 80(4) – mistranslation
[EPC Art.70(4)(b)]

Prior use - transfer of title [CPC 1975 Art.28(3)]

- s.11(3)
- s. 38(3)

Prior use – reinstatement

- s. 20B
- s. 28A(4)
- s. 77(5) [EPC Art.112a(6)]
- s. 78(6) [EPC Art. 122(5)]
- s. 117(4)

Damages (where amended) [PA 2004, implementing Enf Dir]

- s. 58(6)
- s. 58(8)
- s. 62(3)
- s. 63(2)

Patents Act 1977 – prior use (s. 64(1))

64 Right to continue use begun before priority date.

(1) Where a patent is granted for an invention, a person who **in the United Kingdom** before the priority date of the invention—

(a) does in **good faith** an act which would constitute an infringement of the patent if it were in force, or

(b) makes in **good faith** effective and serious preparations to do such an act,

has the right to continue to do **the act** or, as the case may be, to do the act, notwithstanding the grant of the patent; but this right **does not extend to granting a licence** to another person to do the act.

Patents Act 1977 – prior use – reinstatement (s. 28A(4))

28A Effect of order for restoration of patent.

(4) If after it was no longer possible for the patent to be so renewed, and before publication of notice of the application for restoration, a person—

(a) began in **good faith** to do an act which would have constituted an infringement of the patent if it had not expired, or

(b) made in **good faith** effective and serious preparations to do such an act,

he has the right to continue to do **the act** or, as the case may be, to do the act, notwithstanding the restoration of the patent; but this right **does not extend to granting a licence** to another person to do the act.

Patents Act 1977 – prior use – transfer (s. 11(3))

11 Effect of transfer of application under s. 8 or 10.

(3) If before registration of a reference under section 8 above resulting in the making of any order mentioned in subsection (2) above—

- (a) the original applicant or any of the applicants, **acting in good faith**, worked the invention in question in the United Kingdom or made effective and serious preparations to do so; or
- (b) a licensee of the applicant, **acting in good faith**, worked the invention in the United Kingdom or made effective and serious preparations to do so;

that or those original applicant or applicants or the licensee shall, on making a request within the prescribed period to the person in whose name the application is to proceed, be entitled to be granted a licence (but not an exclusive licence) to continue working or, as the case may be, to work the invention.

Patents Act 1977 – damages where amended (s. 62(3))

62 Restrictions on recovery of damages for infringement.

(3) Where an **amendment** of the specification of a patent has been allowed under any of the provisions of this Act, the court or the comptroller **shall**, when awarding **damages** or making an order for an **account of profits** in proceedings for an infringement of the patent committed **before the decision to allow** the amendment, **take into account** the following—

(a) whether at the date of infringement the defendant or defender knew, or had reasonable grounds to know, that he was infringing the patent;

(b) whether the specification of the patent as published was framed in **good faith** and with reasonable skill and knowledge;

(c) whether the proceedings are brought in **good faith**.

Patents Act 1977 – entitlement (s. 37(9))

37 Determination of right to patent after grant.

(9) The court shall not in the exercise of any such declaratory jurisdiction determine a question whether a patent was granted to a person not entitled to be granted the patent if the proceedings in which the jurisdiction is invoked were commenced after the second anniversary of the date of the grant of the patent, unless it is shown that any person registered as a proprietor of the patent **knew** at the time of the grant or, as the case may be, of the transfer of the patent to him **that he was not entitled** to the patent.

[no “good faith” but a very specific example of lack of “bona fide”]

Regulation 6/2002 – entitlement (Art.15(3))

Art.15 Claims relating to the entitlement to a supplementary unregistered design

3. Legal proceedings under paragraphs 1 or 2 shall be barred three years after the date of disclosure of a supplementary unregistered design.

This provision shall not apply if the person who is not entitled to that design was acting in **bad faith** at the time when such design was disclosed or was assigned to him.

ETSI IP Policy, Clause 6.1 / ITU-T

Availability of Licences

6.1 When an ESSENTIAL IPR relating to a particular STANDARD or TECHNICAL SPECIFICATION is brought to the attention of ETSI, the Director-General of ETSI shall immediately request the owner to give within three months an irrevocable undertaking in writing that it is **prepared to grant irrevocable licences on fair, reasonable and non-discriminatory ("FRAND") terms and conditions under such IPR** to at least the following extent:...

No mention of “good faith” but:

- Art.102 TFEU / German Civil Code, para 242 (per CJEU in C-170/13 *Huawei v ZTE*)
- French Civil Code, Art.1104 (now the focus of the English courts)

Similar approach under ITU-T and Swiss law (eg *Acer v Hisense* [2025] EWHC 3331 (Pat))