

HFW LITIGATION | FEBRUARY 2022

SELF-REPORTING THE INFRINGEMENT OF TRADE SECRETS

HFW acted in the first reported case of the English High Court making a publicity order under the Trade Secrets (Enforcement etc) Regulations 2018 (Regulations). The order required the defendant to publish the court's decision on its own website.

In October 2021, HFW's client, Norwegian naval architects, Salt Ship Design (Salt), succeeded in a claim against Italian cable laying company, Prysmian Powerlink (Prysmian), for breach of confidence and unlawful means conspiracy. The court found that Prysmian had made confidential Salt design documents available to a rival vessel designer, Vard Design, and encouraged Vard to use those documents in the design of a new cable laying vessel for Prysmian, Leonardo da Vinci. You can read more about the judgment in our earlier briefing².

Salt has successfully applied for an order under the Regulations requiring Prysmian to publish the court's judgment on its own website. Salt's application was made under Regulation 18, which provides for several factors to be considered when deciding whether a publicity order should be made. Three factors were determinative in this case:

- 1. The value of the trade in question.
 - It was not in dispute that Salt's confidential design documents were valuable.
- 2. The conduct of the infringer in acquiring, using or disclosing the trade secret.
 - The court found that Prysmian had engaged in a blatant misuse of Salt's confidential information so that it could have a ship built by Vard with the benefit of the Salt design, but at a significantly lower cost.
- 3. The impact of the unlawful use or disclosure of the trade secret.
 - The court accepted evidence from Salt on the negative effects of Prysmian's actions, in particular, that Salt had lost the opportunity to earn additional design fees and to be publicly associated with Leonardo da Vinci.

The court also considered policy reasons for publicity, observing that that it could deter future infringers and serve as a warning that the misuse of confidential information could have significant adverse consequences.

Prysmian had argued that there was no need for additional publicity. The judge, Jacobs J, accepted that there has been some publicity, including articles written about the case, but concluded that it had not been extensive. He also commented that the audience to which Prysmian markets Leonardo da Vinci would likely be interested to learn of the misuse that had occurred.

The judge ordered that the notice be posted on the page on Prysmian's UK website that publicises Leonardo da Vinci for a period of 6 months. The judge considered that visits to the webpage were likely to be infrequent and that 6 months would allow enough time for a reasonable number of market participants to see the notice. The judge also observed that the official launch of Leonardo da Vinci is scheduled for the second quarter of 2022 and that visits to the webpage may increase at that time.

This judgment demonstrates how the Regulations may be invoked as a remedy that affects the reputation of the wrongdoer following an infringement of intellectual property rights, in addition to the burden of having to disgorge profits or pay damages. The Regulations may also assist those whose trade secrets have been misused in repairing some of the damage done.

Salt is pursuing Prysmian for additional remedies, including disgorgement of profits and damages, including exemplary damages.

¹ Salt Ship Design AS v. Prysmian Powerlink SRL [2021] EWHC 3583 (Comm)

 $^{^2\} https://www.hfw.com/downloads/003360-HFW-Successful-claims-for-breach-of-confidence-and-unlawful-conspiracy.pdf$

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HFW (Alistair Feeney, Rosie Morrison) represented Salt Ship Design A/S, with a counsel team of Michael Ashcroft QC (Twenty Essex) and Douglas Campbell QC (Three New Square).

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