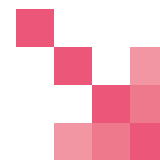


# UK (England and Wales)



Ian Kirby and Rochelle Pizer, Arnold & Porter (UK) LLP

[www.practicallaw.com/2-234-5952](http://www.practicallaw.com/2-234-5952)

## REGISTERING A TRADE MARK

### 1. What marks can be registered?

In theory, any sign which is distinctive and capable of being represented graphically, can be registered. This includes:

- Words.
- Designs.
- Letters.
- Numerals.
- Logos (devices).
- Sounds.
- Smells.
- Packaging.
- 3D objects.
- Colours.
- Internet domain names.

### 2. What are the legal requirements for registration?

To be registered, a trade mark must be capable of both:

- Being represented graphically.
- Distinguishing the goods or services of one undertaking from those of another undertaking (that is, the mark must be sufficiently distinctive).

Registration is also subject to the absolute and relative grounds for refusal (see *Question 6*).

### 3. What protection exists for trade marks that are not registered?

Unregistered trade marks can be protected by the common law action of passing off. However, if possible, trade marks should

still be registered, as passing off actions are notoriously expensive, time-consuming and difficult to prove.

To succeed, a trade mark owner must show all of the following:

- It has sufficient 'goodwill' (reputation) in the mark.
- Because of the other party's unauthorised use of the mark there has been a misrepresentation.
- The misrepresentation has caused or is likely to cause damage to the trade mark owner's goodwill.

In most cases market survey evidence is required to provide evidence of reputation and misrepresentation. A new unregistered trade mark will generally not have attracted sufficient goodwill to be protected, and therefore new marks in particular should always be registered.

### 4. What considerations should be taken into account in choosing a mark? (Please include examples of words and terms that are unregistrable.)

Aside from marketing considerations, to ensure maximum protection a trade mark applicant should be confident that the mark it selects is capable of registration, and is unlikely to face heavy opposition.

There are grounds for refusing to register a trade mark (see *Question 6*), but the trade mark owner should also take into account the following:

- Searches should be carried out to see whether identical or similar prior marks exist. Not only may prior marks bar registration, but discovering these marks at an early stage can avoid proceedings for infringement or passing off. Initial searches can be carried out over the internet, but a trade mark lawyer can do a more thorough search of registrations and applications.
- Marks will be refused registration if they are purely descriptive, or indicative of the geographical origin of the goods or services.
- Although colours, sounds and smells can be registered as trade marks, they are difficult to represent graphically and must be particularly distinctive to be registered. Examples of marks which have been registered, however, are the colour turquoise for Heinz baked beans and the bark of the Dulux puppy.

- The most successful trade marks are those which are fanciful or invented, such as KODAK or EXXON, or words which suggest quality, but are not directly relevant to the product being provided, such as JAGUAR or DULUX (for paint). Equally, logos are easier to register than words, as they are generally more distinctive and there is no problem in representing them graphically.

There may also be regulatory issues to consider depending on the nature of the product to be marketed. For example, trade marks associated with pharmaceutical products may need to comply with certain regulations before they can be registered. A trade mark owner should seek advice on the relevant regulations in all of the countries in which it intends to distribute.

### 5. Is it possible to make a pre-application search? If so, how?

It is possible to make a pre-application search, and it is advisable to do so.

The Trade Marks Registry (Registry) will conduct a search for GB£94 (GB£80 plus VAT) (about US\$184) per mark in up to three classes, plus GB£11.75 (about US\$23) per extra class. Their report will indicate any likely absolute or relative grounds for refusal. Applications can be made in writing through the UK Patent Office website (see box, *The regulatory authority*), or by filling in Form TM SAS, available on the Patent Office's website.

The easiest and most valuable way to conduct a pre-application search, however, is to instruct a trade mark lawyer, who can conduct a search that is broader in scope than the Registry. Costs vary, but it is generally not too expensive, and can save money, time and disappointment later on.

### 6. When the regulator is reviewing an application:

- What factors are taken into account?
- On what grounds can an application be refused?
- Can third parties object? If so, how, on what grounds and when?

#### Factors to be taken into account

The Registry assesses whether the legal requirements for registering a mark have been met (see *Question 2*). If this is the case, the Registry then assesses whether the application should be refused on absolute or relative grounds.

#### Grounds for refusal

There are two main categories of grounds for refusing to register a trade mark: absolute and relative. These grounds are set out in sections 3 and 5 of the Trade Marks Act 1994 (Trade Marks Act) respectively. Absolute grounds generally concern the qualities or characteristics of the mark itself. Relative grounds are concerned

with the rights of third parties, and can therefore prevent registration of a mark where identical or similar marks exist on the register.

#### Absolute grounds

The Registry will refuse to register a trade mark if the mark does not meet the legal requirements for registration (see *Question 2*). There are no exceptions to this ground.

Further absolute grounds without exception are that the mark:

- Consists exclusively of a shape which results from the nature of the goods, is necessary to obtain a technical result, or which gives substantial value to the goods.
- Is contrary to public policy or principles of morality.
- Is deceptive.
- Is prohibited from use in the UK by any enactment, rule of law, or provision of EC law.
- Is a specially protected emblem.
- Has been applied for in bad faith.

The following absolute grounds also prevent registration unless the mark has acquired distinctive character through use, before the date of application:

- The mark is devoid of distinctive character.
- It consists exclusively of signs or indications which serve to designate the kind, quality, quantity, intended purpose or geographical origin of the goods or services.
- It consists of signs or indications which have become customary in the current language or trade practices.

#### Relative grounds

Subject to the consent of the prior right owner, the Registry will refuse to register a trade mark under relative grounds if it checks the register and finds that the mark is:

- Identical to an earlier mark registered for identical goods or services.
- Identical to an earlier trade mark registered for similar goods or services and there is a likelihood of confusion with the earlier mark (which includes a likelihood of association with the earlier mark).
- Similar to an earlier trade mark registered for identical or similar goods or services and there is a likelihood of confusion with the earlier mark (which includes a likelihood of association with the earlier mark).
- Identical or similar to an earlier mark and the earlier mark has a reputation in the UK and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier mark.

- Liable to have its use prevented in the UK by any rule of law (such as passing off (*see Question 3*)) or because of another earlier right (for example, copyright, registered designs and design rights).

References to “earlier mark” mean:

- Any registered trade mark, international trade mark (UK) or Community trade mark (CTM), which registration was applied for earlier than the trade mark in question.
- Any CTM which can validly claim seniority from an earlier registered trade mark or international trade mark (UK).
- Any trade mark which was entitled to protection under the WIPO Paris Convention for the Protection of Industrial Property 1883 as a well-known trade mark at the date of application of the mark in question.

However, it is likely that the Registry will stop refusing registrations on relative grounds in the future (*see Question 19*).

### Third party objections

Third parties can oppose the registration of a trade mark during the three-month, non-extendable opposition period, which runs from publication of the application in the Trade Marks Journal (updated every Friday on the Patent Office website).

The “opponent” commences opposition proceedings by filing Form TM7, along with a fee of GB£200 (about US\$392), a Notice of Opposition and a Statement of Grounds. The Statement of Grounds sets out the basis of the opposition, and can cite any of the absolute or relative grounds for refusal (*see above, Grounds for refusal*). Generally, an opponent wants to prevent a mark which is identical or similar to its own mark from being registered, and will cite relative grounds.

At this stage, the parties can agree to a “cooling off” period, which is similar to a stay of court proceedings. The cooling off period lasts for a maximum of 12 months, during which time the parties are encouraged to negotiate a settlement. The trade mark applicant then has until the end of the 12 months to file its Counter-Statement. Where the parties do not agree to a cooling off period, the applicant must file its Counter-Statement within three months of receiving the Notice of Opposition. Failure to file a Counter-Statement results in the Registry treating the application as withdrawn.

At this stage, if the opposition is based on the relative grounds that there is an identical mark for identical goods or services, or an identical mark for similar goods or services, the Registry provides a preliminary opinion, designed to indicate the outcome of the opposition proceedings and encourage the parties to settle before further costs are incurred. Following the preliminary opinion, if either party still intends to proceed, it must file a Form TM53 within one month.

The opponent then has three months in which to file its evidence, after which the applicant has three months to file evidence in reply. If it chooses to do so, the opponent then has a further

period of three months in which to file additional evidence. Unless either party requests a hearing, the Registry then decides the case based on the written evidence.

From the time opposition proceedings are commenced, the trade mark application is placed on hold until the opposition proceedings are withdrawn or concluded.

## MAINTAINING A TRADE MARK

### 7. Under what circumstances can a trade mark registration be invalidated, revoked or cancelled?

In cases where a trade mark registration is declared invalid, the registration is treated as if it never existed. However, where a registration is revoked, the registration is valid up until the point of revocation.

#### Invalidity

Proceedings for invalidity can be brought by any natural or legal person, claiming that the trade mark fails on one of the absolute or relative grounds and therefore should not have been registered. It is a defence in certain cases, where absolute grounds are claimed, for the trade mark owner to show that the mark has acquired distinctiveness through use, and that therefore it should be registered. For example, the mark CARPHONE WAREHOUSE is purely descriptive of the goods and services provided, however the mark has acquired distinctiveness through use in the UK and so is protected as a registered trade mark.

#### Revocation

Proceedings for revocation can be brought:

- For lack of use.
- Where the mark has become the common name for goods or services.
- Where the mark is likely to mislead the public as to the quality or origin of the goods or services on offer.

A registered trade mark must be put to genuine use (that is, real commercial use) in the UK within five years of registration, in relation to all of the goods or services for which it is registered. Proceedings for revocation can be brought if any natural or legal person can show that this requirement has not been fulfilled, or if the mark, although initially used in the UK, has subsequently not been used for a period of five consecutive years. Where there are compelling reasons for such non-use, the revocation proceedings may fail, but this is very rare.

Revocation can also be sought where the branded product has become a common household name, or a name common in the trade. Examples of this would be the use of the word Hoover for a vacuum cleaner or Panadol for paracetamol tablets.

## 8. On what grounds can a trade mark owner bring an action for infringement?

A trade mark owner can bring an action for infringement where a person uses a mark, in the course of trade, which is:

- Identical to the registered trade mark, in relation to identical goods and services for which the trade mark is registered.
- Identical to the registered trade mark in relation to similar goods or services for which the trade mark is registered, and there is a likelihood of confusion on the part of the public, which includes a likelihood of association with the registered trade mark.
- Similar to the registered trade mark in relation to identical or similar goods or services for which the trade mark is registered, and there is a likelihood of confusion on the part of the public, which includes a likelihood of association with the registered trade mark.
- Identical or similar to the registered trade mark, the registered trade mark has a reputation in the UK, and the use of the sign, being without due cause, takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

“Use in the course of trade” is defined as being:

- Affixing the infringing mark to goods or packaging.
- The offering or exposing for sale, placing on the market, or offering the supply of services under the infringing mark.
- Importing or exporting goods under the infringing mark.
- Use of the infringing mark on business papers or in advertising.

A trade mark owner can also bring an action for infringement where its mark is used dishonestly and without due cause takes advantage of or is detrimental to the distinctive character or reputation of the mark. It is not an infringement, however, to use a registered trade mark to identify goods or services as those belonging to the trade mark owner or its licensee.

## 9. What is the procedure for bringing an action?

Proceedings for trade mark infringement are brought by issuing a claim form and filing particulars of claim in either the High Court (Chancery Division), or Patents County Court, or the County Courts of Birmingham, Bristol, Cardiff, Leeds, Liverpool, Manchester or Newcastle (where there are Chancery district registries).

Such proceedings generally progress more quickly than other types of civil action, with cases usually being dealt with within one year of commencement, and rarely taking over 18 months to be heard. The relevant procedure is set out in the court's Civil Procedure Rules and the Patent's Court Guide.

Unless the trade mark owner intends to seek an *ex parte* injunction, the Civil Procedure Rules strongly recommend that before starting proceedings, the trade mark owner sends the infringing party a letter before action. Such letter should set out the existence of the registered trade mark and the intention to make a claim if the matter is not satisfactorily and efficiently resolved. Failure to send a letter before action is likely to result in adverse costs consequences for the trade mark owner. Care should be taken however that the contents of the letter do not constitute a “groundless threat” and it is recommended that local counsel review any draft letter.

## 10. What defences are available to the alleged infringer?

It is a defence to trade mark infringement for the alleged infringer to show that it was using (*section 11, Trade Marks Act*):

- Its own registered trade mark in relation to the goods or services for which the mark is registered.
- Its own name or address, according to honest practices in industrial or commercial matters.
- Indications concerning the kind, quality, quantity, intended purpose, value, geographical goods or other characteristics of goods or services, according to honest practices in industrial or commercial matters.
- The registered trade mark as it was necessary to indicate the intended purpose of a product or service (for example, in relation to spare parts), according to honest practices in industrial or commercial matters.
- The registered trade mark in the course of trade in a particular locality of an earlier right which applies only in that locality.

Most infringement cases centre on marks which are similar and not identical to the registered mark, or which are used on similar goods and services to those for which the trade mark is registered. To succeed in such cases, the trade mark owner needs to prove a likelihood of confusion. Generally, an alleged infringer tries to show that there is no likelihood of confusion, and so no infringement. This is an easier defence to plead if the trade mark being sued on is not a famous brand.

In many cases, the alleged infringer also counterclaims for invalidity to try to have the registered trade mark declared invalid. If this succeeds, there can be no infringement, as the trade mark is considered as never having been registered (*see Question 7*). However, a declaration of invalidity will not prevent an action for passing off (*see Question 3*).

In addition, principles of EC Competition Law and the exhaustion of rights also apply, to prevent a trade mark owner from using infringement proceedings to prevent parallel trade. There is no infringement in cases where a trade mark is used in relation to goods which have been put on the market in the European Economic Area (EEA) by the proprietor or with its consent.

### 11. What remedies are available if the action is successful?

The following remedies are available:

- Damages or an account of profits.
- Injunctions.
- Order for erasure or removal of the infringing mark.
- Order for destruction of the infringing goods, if it is not possible to erase or remove the infringing mark.
- Delivery up of the infringing goods, material or articles.

Although these remedies are appropriate in most cases, the court does have discretion as to the extent of the relief it grants.

## EXPLOITING A TRADE MARK

### 12. Is it possible to assign trade marks? If so, how?

It is possible to assign both registered and unregistered trade marks, in whole or in part. A trade mark is partially assigned where it is limited to some but not all of the goods or services for which the mark is registered, or, where it is limited to use in a particular manner or locality.

Registered trade marks can be assigned in connection with the goodwill of a business, or independently. Unregistered trade marks, however, can only be assigned in connection with goodwill.

### 13. Are assignments of trade marks subject to any formality requirements on the part of the assignor and/or assignee? If so, please provide brief details.

For the assignment of a registered (or unregistered) trade mark to be effective, the assignment must be in writing and signed by the trade mark owner or assignor. A trade mark which is jointly owned cannot be assigned without the consent of the co-owner.

While there is no statutory requirement to register assignments at the Registry, it is always advisable to do so (particularly for the assignee), as otherwise the assignment is ineffective against a third party acquiring a conflicting interest in the mark.

Also, if the assignment is not registered within six months of taking place, the assignee cannot claim its costs in relation to any infringement proceedings brought before registration, unless he can satisfy the court both that:

- It was not practicable to register the assignment during the six-month period.
- The assignment was registered as soon as practical afterwards.

Section 25(4) of the Trade Marks Act was amended as from 29 April 2006 to implement the Directive 2004/48/EC on the enforcement of intellectual property rights. It previously provided that an assignee or exclusive licensee was unable to claim damages or an account of profits in such circumstances. Now, failure to register an assignment within six months only affects the recovery of costs, not damages or an account of profits.

To register an assignment of a UK trade mark, registry form TM16 must be completed and sent to the Registry. There is a fee of GB£50 (about US\$98). No stamp duty is payable on the assignment of a trade mark.

### 14. Is it possible to license trade marks? If so, how?

It is possible to license both registered and unregistered trade marks, in whole or in part. A trade mark is partially licensed if it is limited to some, but not all, of the goods or services for which the mark is registered, or if it is limited to use in a particular manner or locality.

Licences can also be exclusive and non-exclusive. An exclusive licence gives the licensee the right to use and market the trade mark in a particular jurisdiction (or even globally), excluding all others, including the registered owner. Non-exclusive licences can vary from licences permitting only the owner and licensee to use the mark, to permitting multiple persons to do so.

### 15. Are licences of trade marks subject to any formality requirements on the part of the licensor and/or licensee? If so, please provide brief details.

To be legally effective, a trade mark licence in respect of a registered trade mark must be in writing and signed by the trade mark owner or licensor. There are no formal requirements for licensing an unregistered trade mark but it is advisable that such agreements are also made in writing and signed by all relevant parties. A trade mark which is jointly-owned cannot be licensed without the consent of the co-owner.

As with assignments, the registration of trade mark licences is not mandatory, but highly recommended. Licences can only be binding on successors in title if they are registered. Unless otherwise agreed, registering trade mark licences also entitles the licensee to:

- Call on the trade mark owner to bring infringement proceedings in relation to matters which affect the licensee's interests.
- Bring infringement proceedings in default, if the trade mark owner fails to do so.
- Bring infringement proceedings in its own name (only available for exclusive licensees).
- Have its loss taken into account in any infringement proceedings brought by the trade mark owner (the court can direct that the trade mark owner hold damages on behalf of the licensee).

To register a licence, registry form TM50 must be completed and sent to the Registry. There is no charge.

Both an exclusive non-revocable licence for consideration and a non-exclusive licence are now free from stamp duty.

#### 16. Can trade marks be used as security? If so, what conditions and/or formalities are they subject to?

Trade mark owners can grant a security interest as a fixed or floating charge over their trade mark. Unregistered marks can only be used as security if the charge extends to the business to which the trade mark attaches.

The conditions and formalities for the grant of security interests over trade marks are similar to those for assignment (see *Question 13*). A security interest can be registered within six months of the interest being granted, by the person(s) to whom the interest was granted.

To register a security interest in a trade mark, registry form TM24 must be completed and sent to the Registry. There is no charge.

### INTERFACE WITH OTHER AREAS OF LAW

#### 17. To what extent do competition laws affect trade marks?

Both UK and EC competition laws are relevant to licences and other agreements concerning trade marks, but not to when trade marks are granted or recognised by the UK. It is important to comply with both regimes, which are consistent in all relevant respects. The relevant UK legislation is the Competition Act 1998, as amended by the Enterprise Act 2002. In the context of trade marks, competition law is particularly important regarding licences.

Two principal prohibitions are contained in the Competition Act, based on Articles 81 and 82 of the EC Treaty respectively:

- **Chapter I Prohibition.** This prevents agreements between undertakings which have the object or effect of preventing, restricting or distorting competition within the UK, and which can affect trade there.
- **Chapter II Prohibition.** This prohibits abuse by one or more undertakings of a dominant position in the UK.

Chapter I is particularly relevant to trade marks and licensing. To bring UK law into line with EC law, trade mark licences, including those that are ancillary to vertical agreements, are no longer automatically exempt from the Chapter I prohibition (as of 1 May 2005). To comply with UK and EC competition law, trade mark licences must observe the principles of Chapter I and Article 81. Competition law in relation to trade mark licence agreements is a particularly complex and constantly evolving area. It is recom-

### THE REGULATORY AUTHORITY

#### Trade Marks Registry (branch of the Patent Office)

**Head.** Ron Marchant (Chief Executive, Patent Office) and Robin Webb (Director, Trade Marks and Designs division)

**Contact details.** The Patent Office  
Trade Marks Registry  
Cardiff Road  
Newport  
South Wales  
NP10 8QQ  
UK

**T** +44 1633 813930

**F** +44 1633 813600

**E** [enquiries@patent.gov.uk](mailto:enquiries@patent.gov.uk)

**W** [www.patent.gov.uk](http://www.patent.gov.uk)

**Main area of responsibility.** The Patent Office deal with all aspects of intellectual property. The Trade Marks Registry is responsible for registering trade marks and interests in relation to those marks. It also provides advice on brand protection.

**Contact for queries.** Detailed contact information can be found at [www.patent.gov.uk/tm/contact.htm](http://www.patent.gov.uk/tm/contact.htm)

**Guidance on trade mark application procedure.** This can also be found on the website above.

mended that legal advice is sought before trade mark licences are negotiated. Relevant issues include:

- If the licensor and licensee are competitors with a market share above 10%, licence restrictions on customers or territories may be anti-competitive.
- Even if the parties are not competitors, neither party can be prohibited from responding to unsolicited orders originating outside the licensed, or reserved, territory or customer group.
- The licensee cannot be restricted in selecting the price at which products marked with the licensed brand are sold.
- A clause preventing either party from challenging the validity of trade marks (licensed or otherwise) may be anti-competitive.
- Any restriction on the freedom of either party to manufacture or trade in other products must be examined very carefully.
- Trade mark licensing schemes entered into to settle litigation must take careful account of competition law concerns.

### 18. To what extent do advertising laws affect trade marks?

There is limited scope for a person to use another trade mark for comparative advertising (*section 10(6), Trade Marks Act*). There will be no infringement where a mark is used according to honest practices in industrial or commercial matters. This means the use must not take unfair advantage of, or cause harm to the other mark.

Other relevant advertising legislation and guidance includes:

- The Control of Misleading Advertisements Regulations 1988 (these are marginally stricter than the provisions of the Trade Marks Act).
- The Control of Misleading Advertisements (Amendment) Regulations 2000 (SI 2000/914) (made under Directive 97/55/EC on misleading and comparative advertising). These regulations will be replaced by the consolidated Directive 2006/114/EC on misleading and comparative advertising, which comes into force on 12 December 2007.
- The Advertising Standards Authority Codes of Practice.
- The 'CAP Code' (The British Code of Advertising, Sales Promotion and Direct Marketing).
- The Trade Descriptions Act 1968.

- Specific legislation concerning the advertising and marketing of goods such as tobacco products, pharmaceuticals, and food products.

### PROPOSALS FOR REFORM

#### 19. Please briefly summarise any proposals for reform.

When a trade mark registration is applied for, the Registry currently has to examine the application on the basis of absolute or relative grounds (*see Question 6*). If relative grounds are made out (that is, an earlier right exists), the Registry will, in most cases, automatically refuse to register the mark. This is contrary to the position regarding the CTM, where a prior mark will not prevent registration, and a 'search and notify' system was adopted instead.

Following consultation, the Patent Office has recently published draft legislation (Trade Marks (Examinations) Order 2007 and Trade Marks (Amendment) Rules 2007), which is expected to be introduced in October 2007. This legislation will bring the UK registration more in line with that of the CTM, by abolishing refusal of registration on relative grounds.

*For an overview of other essential IPRs, see table, Protection and enforcement of the essential IPRs: UK (England and Wales).*



**PRACTICAL LAW COMPANY**

**Partners in know-how**

# My valuable invisible

“PLC Cross-border Handbooks are an extremely useful resource when it comes to instructing lawyers outside the UK. They are a quick way to become literate in a particular area of law so you can then instruct a firm in a much more focused way. In addition, if a firm has been chosen by PLC to write a chapter that is definitely one of the factors we will consider when choosing external counsel to advise on a transaction in that country.”

**Steve Weatherley, Head of UK Legal  
Scottish & Newcastle**

[www.practicallaw.com/crossborder](http://www.practicallaw.com/crossborder)

# Intellectual Property *and* Information Technology *Disputes*

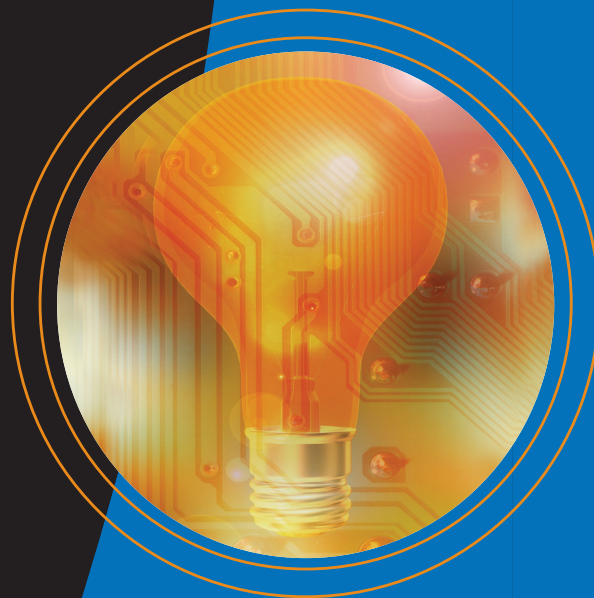
patent rights

copyright

design rights

database rights

trademark rights  
(including passing off)



London

Washington, DC

New York

Brussels

Los Angeles

San Francisco

Northern Virginia

Denver

Arnold & Porter LLP's London team regularly advises clients on a wide range of IP and IT disputes. In 2006, the *UK Legal 500* ranked Arnold & Porter's London office as recommended in the Intellectual Property practice area. In addition, *Chambers & Partners UK 2007* and *Chambers & Partners Global 2007* recognized several members of the London team for their expertise in IP.

When the issues are complex, the choice is simple.

**[arnoldporter.com](http://arnoldporter.com)**