

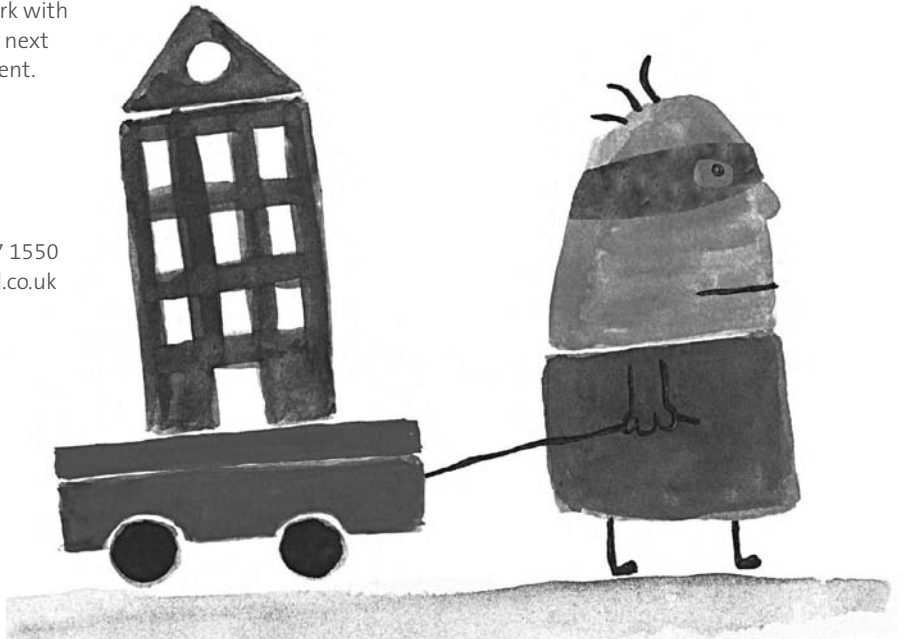
Protect your ideas. Protect your business.

Clear concise IP advice.

As one of the largest firms in the UK dedicated exclusively to patents, trade marks, designs and other intellectual property matters, UDL has grown with the companies and technologies that shape the way we live and work. With 50 attorneys around the country, UDL has the skill and resource to work with your business in its next stage of development.

To protect your business contact:

Alison Simpson
Tel: +44 (0)207 487 1550
Email: london@udl.co.uk



United Kingdom

Contributing firm
Urquhart-Dykes & Lord LLP

Author
Alison Simpson
Board member



1. Legal framework

The United Kingdom is party to the following international conventions and treaties:

- the Paris Convention for the Protection of Industrial Property (Stockholm Act);
- the Convention Establishing the World Intellectual Property Organization 1967;
- the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents 1961;
- the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (as revised);
- the Trademark Law Treaty 1994;
- the Protocol Relating to the Madrid Agreement concerning the International Registration of Marks 1989;
- the General Agreement on Tariffs and Trade and the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs);
- the Singapore Treaty on the Law of Trademarks (adopted March 27 2006, yet to be ratified); and
- the EC Treaty.

The following national laws govern trademarks:

- the Trademarks Act 1994 (as amended);
- the Trademarks Rules 2008;
- the Trademarks (Fees) Rules 2008;
- the Trademarks (International Registration) Order 2008; and
- the Olympic Symbol etc (Protection) Act 1995, as amended by the London Olympic Games and Paralympic Games Act 2006.

2. Unregistered marks

Protection is available for unregistered marks under the common law tort of passing off. It is available as a cause of action in a wide range of factual circumstances, but in general, in order to succeed in a passing off action before the court, a claimant will have to show that:

- there is goodwill or reputation attached to the goods or services which it supplies, such that the purchasing public recognizes the identifying trademark, packaging or

get-up under which the goods or services are supplied and associates it specifically with the claimant's goods or services;

- the defendant has made a misrepresentation to the public leading the public to believe that the goods or services it offered were those of the claimant; and
- it has suffered damage as a result of the mistaken belief arising from the misrepresentation that the defendant's goods or services were those of the claimant.

There is no proprietary right in the unregistered mark as such; the proprietary right protected is the goodwill and reputation in the business under the unregistered mark. Any party that owns the necessary goodwill can bring an action for passing off. These can be legal or natural persons that conduct commercial activities. The overriding requirement is for the claimant to show the necessary goodwill. There are no specific rules about how much use is necessary to establish goodwill and each case will depend upon its facts. There must be some business or market in the United Kingdom for goodwill to exist, but the fact that a claimant's business is small does not prevent goodwill from existing. Passing off actions often run in tandem with trademark infringement actions.

Under Section 56(1) of the Trademarks Act 1994, a mark which is entitled to protection under Article 6*bis* of the Paris Convention as a well-known mark, and which is also well known in the United Kingdom, will receive protection. This provision can be used as the basis of opposition and cancellation proceedings, as well as an action to prevent the use of any mark which constitutes a reproduction, imitation or translation of the well-known mark and which is liable to cause confusion.

3. Registered marks

A registered trademark is a property right and can be applied for and owned by any party that can own property. Some organizations cannot own property under English law (eg, some trusts or partnerships), so are unable to apply for or own a registered trademark. Co-ownership of a registered trademark is possible.

Any sign capable of being represented graphically may be registered provided that it is capable of distinguishing the goods or services of one undertaking from those of another. Trademarks may consist of words (including personal names), designs, letters, numerals, the shape of goods or their packaging. Slogans, sounds, musical marks, smells and three-dimensional marks can all be registered, provided that they can be represented graphically and are distinctive enough.

Under the absolute grounds for refusal, the following types of mark are not registrable:

- signs which cannot be represented graphically or which cannot distinguish the goods or services of one undertaking from those of another;
- trademarks which are devoid of distinctive character;
- trademarks which consist exclusively of signs or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin or time of production of the goods or rendering of the services;
- trademarks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade;
- signs which consist exclusively of a shape which results from the nature of the goods themselves, is necessary to obtain a technical result or gives substantial value to the goods;
- trademarks which are contrary to public policy or morality, or which are deceptive;
- trademarks whose use would be prohibited in the United Kingdom by any enactment or rule of law or by any provision of EU law;
- trademarks comprising specially protected emblems such as royal arms or any insignia or device so nearly resembling the royal arms or any such armorial bearing as to be likely to be mistaken for them; representations of royal crowns or royal flags; representations of the queen or members of the royal family; and words, letters or devices likely to lead persons to think that the applicant has royal patronage or authorization, except where consent from the queen or the relevant member of the royal family appears to have been given;
- trademarks consisting of or containing the national flag of the United Kingdom or the flags of England, Scotland, Wales, Northern Ireland or the Isle of Man, if the use of the trademark would be misleading or grossly offensive;
- trademarks which consist of or contain the flag of a convention country, or anything which from a heraldic point of view imitates any such flag, without the authorization of the competent authorities of that country, unless use of the flag in the manner proposed is permitted without authorization;
- trademarks which consist of or contain the armorial bearings or any other state emblem of a convention country which is protected under the Paris Convention or the TRIPs Agreement, or anything which from a heraldic point of view imitates any such armorial bearing or state emblem, without the authorization of the competent authorities in that country;
- trademarks which consist of or contain an official sign or hallmark adopted by a convention country and indicating control and warranty protected under the Paris Convention or the TRIPs Agreement, or anything which from a heraldic point of view imitates any such official sign or hallmark, in relation to goods or services which are the same as or similar to those in relation to which it indicates control and warranty, without the authorization of the competent authorities;
- trademarks which consist of or contain the armorial bearings, flags or other emblems, including anything which from a heraldic point of view imitates any such emblem, abbreviations and names of intergovernmental organizations of which one or more convention countries are members, protected under the Paris Convention or the TRIPs Agreement, unless there is authorization from the relevant organization or it appears that use in the manner proposed would not suggest a connection between the organization and the trademark, or is unlikely to mislead the

-
- public as to the existence of a connection between the user and the organization;
- trademarks which consist of or contain protected Olympic symbols; and
 - trademarks filed in bad faith.

Trademarks which face objections on distinctiveness or descriptiveness grounds can be registered if the applicant can show that the trademark had acquired a distinctive character as a result of use prior to the filing date of the application.

Under the relative grounds for refusal, the following types of mark are not registrable:

- a trademark which is identical to an earlier trademark and which seeks to cover goods or services which are identical with those of the earlier trademark;
- a trademark which is similar to an earlier trademark and which seeks to cover goods or services which are identical to or similar to those of the earlier trademark and where there exists a likelihood of confusion on the part of the public, which includes a likelihood of association with the earlier trademark;
- a trademark which is identical to or similar to an earlier trademark which has reputation in the United Kingdom, where the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trademark; and
- a trademark whose use in the United Kingdom is liable to be prevented by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trademark or other sign used in the course of trade, or by virtue of the law of copyright, design right or registered designs.

An 'earlier trademark' means:

- a UK registered trademark, an international trademark (UK), a Community trademark or an international trademark (EU) which has a date of application or a validly claimed priority date earlier than that of the trademark in question;
- a Community trademark or an international trademark (EC) which has a valid seniority claim from an earlier UK registered trademark or an international trademark (UK);

- a UK registered trademark or an international trademark (UK) which has been converted from a Community trademark or an international registration (EC) with a valid seniority claim; or
- a trademark entitled to protection under the Paris Convention or the TRIPs Agreement.

An earlier trademark also includes applications for registration, subject to them becoming registered.

4. Procedures

The application will be examined to check that it conforms with the formal requirements. It will then proceed to substantive examination, which involves consideration of:

- the applicant's *bona fide* intention to use the mark;
- whether there are absolute grounds for refusal; and
- the acceptability of the specification of goods or services.

There is no examination on relative grounds for refusal, but the examiner will conduct searches of the register and will inform the applicant of any earlier trademarks that he or she considers to be potentially conflicting. The examination report will set a three-month period for the applicant to confirm whether it wishes to proceed with the application. Submissions can be filed or the specification limited to try to avoid potential conflict with the earlier marks; however, no objection will be raised on the basis of the earlier trademarks and, unless the application is withdrawn, it will be published for opposition purposes. The UK Intellectual Property Office (UKIPO) will notify the owners of earlier UK and international rights identified in the examination report, and also the owners of any Community trademark rights which have opted in to the notification procedure.

After the trademark has been published, there is a two-month period during which oppositions may be filed. This period may be extended to three months by filing a notice of

threatened opposition. Opposition can be based on absolute or relative grounds. Once the opposition has been filed and found to be formally admissible, it will be sent to the applicant, which has two months to defend the application. A cooling-off period of up to 18 months is available at the request of both parties. If no cooling-off period is requested or if it expires without settlement, the applicant must file a counterstatement. Once the counterstatement is filed, the UKIPO will issue a preliminary indication on the merits. This is not binding. If the parties elect to continue, the opposition proceeds to the evidence rounds. Once these are complete, the parties may either request a hearing or ask for a decision to be made from the papers. A decision may be appealed if the UKIPO makes an error on a point of law. Costs are usually awarded against the losing party.

If no opposition is filed, or if the opposition is wholly or partially unsuccessful, the application is registered. Typically the UKIPO takes less than six months from application to register an unopposed mark.

A trademark can be removed from the register by several forms of legal action:

- **Revocation** – removal of a trademark from the register in its entirety or in respect of some of the goods or services only. Typically revocation is based on the grounds of non-use over a five-year period or that the trademark has become generic or deceptive. Revocation is effective from the date on which the grounds are shown to exist.
- **Invalidation** – removal of a trademark from the register in its entirety or in respect of some of the goods or services only as if it had never been registered. Typically invalidation is based on the grounds that the trademark is unacceptable on absolute grounds or conflicts with an earlier trademark.
- **Rectification** – application to correct an error that has been made in the recorded details of a registered trademark. It can be used to challenge ownership.
- **Surrender** – voluntary removal of a trademark from the register in its entirety or in respect of some of the goods or services only.

5. Enforcement

Actions for infringement or passing off may be brought before the High Court or the Patents County Court. Hearings are before a single judge sitting without a jury. Typically, the judges specialize in IP matters. Appeals to the Court of Appeal, and further to the House of Lords, are possible with leave.

The rules and procedures for court actions are set out in the Civil Procedure Rules. The rules aim to:

- avoid litigation where possible;
- make litigation less adversarial and less complex;
- ensure that the parties are on an even footing;
- shorten the timescale of any litigation; and
- deal with the case in a manner which is proportionate to its complexity, the money involved, its importance and the parties' financial positions.

Under the rules, the court is responsible for managing the litigation. Through the pre-action protocols, which are intended to make parties more cooperative, it is recommended that each party review its case and organize its claims at the outset. This can result in significant costs being incurred at an early stage. Alternative dispute resolution and settlement are actively encouraged. If litigation proceeds, disclosure is available. Costs are available, but generally recovery is limited to costs that are proved to be proportionate to the value of the case.

The timeframe for resolution of an enforcement action is dependent on the seriousness and urgency of the matter. It can be as little as a few weeks, but the average time between instigating an action and trial is 12 to 18 months.

6. Ownership changes and right transfers

A trademark registration can be assigned either with or without the goodwill of a business. The assignment can be whole or partial (ie, in relation to only some of the goods or services for which it is registered, or in relation to the use of the trademark in a

particular manner or locality). The parties need to consider whether the proposed transfer will have any effect on the validity of the registration. The assignment must be in writing and must be signed at least by or on behalf of the assignor. It is best practice to have the assignment document signed by the assignee as well. There is no obligation to state any consideration, but if the document is intended to be a contract with contractual obligations, a consideration is required. There is generally an exemption from stamp duty (transfer tax) in respect of IP transactions, including goodwill transactions. The transfer in ownership should be recorded at the UKIPO as soon as practicable. No legalization is required.

the defendant is trading in the United Kingdom and whether, from an objective analysis, it appears that the website is aimed at or intended for UK customers. The terms and conditions of sale and the payment methods will be relevant to this.

Case law is divided over whether metatag use will give rise to infringement or passing off. Brand owners should also beware that although Google may now allow keyword bids on registered trademarks, including third-party trademarks, the legal position regarding trademark infringement arising from the use of these keywords is still unclear. A decision from the European Court of Justice is awaited.

7. Related rights

Registration of a trademark can be prohibited where or to the extent that the use of the mark is liable to be prevented by virtue of the law of copyright, design rights or registered designs. Accordingly, the proprietor of a copyright work, an unregistered design right or a registered design can challenge a later application or registration based on its earlier rights.

8. Online issues

A domain name is not an IP right as such since it does not give rise to a monopoly right. However, the second-level domain element of the domain name is often a trademark and use of this in the course of trade can give rise to both infringement and passing off issues. The mere registration of the domain name can result in infringement and passing off liability if the registration is considered an instrument of fraud. Generally, however, for infringement to be found, there must be use of the sign in the course of trade in relation to the relevant goods or services in the United Kingdom. The courts take the view that “the fact that a website can be accessed anywhere in the world does not mean, for trademark purposes, that the law should regard them as being used everywhere in the world”. Whether there is use in the United Kingdom will depend on the facts of the case, but there will be consideration of whether

Unregistered rights	
Protection for unregistered rights?	✓
Specific/increased protection for well-known marks?	✓
Examination/registration	
Representative requires a power of attorney when filing? Legalized/notarized?	✗ / ✗
Examination for relative grounds for refusal based on earlier rights?	✓
Registrable unconventional marks	3-D, colours, musical marks, olfactory, slogans, sounds ✓
Opposition	
Opposition procedure available? Term from publication?	2 months, extendible by 1 month ✓
Removal from register	
Can a registration be removed for non-use? Term and start date?	5 years' non-use from date of registration ✓
Are proceedings available to remove a mark that has become generic?	✓
Are proceedings available to remove a mark that was incorrectly registered?	✓
Enforcement	
Specialist IP/trademark court?	✓
Punitive damages available?	✗
Interim injunctions available? Time limit?	no specific time limit ✓
Ownership changes	
Is registration mandatory for assignment/licensing documents?	✗ / ✗
Online issues	
National anti-cybersquatting provisions?	actions may be available ✗
National alternative dispute resolution policy (DRP) for local ccTLD available?	DRP offered by Nominet ✓