

United Kingdom

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1. Legal framework

UK trademarks are governed by:

- the Trademarks Act 1994, as amended;
- the Trademarks Rules 2000, as amended;
- the Community Trademark Regulation (40/94), as amended; and
- the EU First Trademark Directive (89/104/EEC).

The Trademark Rules 2000 have been amended seven times since coming into force. A consultation is pending over consolidation of these rules and procedural changes, particularly in regard to opposition. The consultation is due to close on May 26 2008, with new rules expected to come into force on October 1 2008.

2. Unregistered marks

Protection

In the United Kingdom, there are no property rights in an unregistered name or trademark as such. However, in the absence of registration, users of distinctive names and trademarks may still be entitled to protection. A trader which has acquired a reputation in an unregistered trademark may be able to rely on the law of passing off to prevent another from using that mark in a way which would mislead the public.

Passing off is based on decided cases rather than statutory provisions, and its scope is not precisely defined. At its simplest, it involves a trader showing that it has a reputation in a particular mark and that, as a result of the defendant's activities, the relevant public is likely to be confused between the parties' goods or services and damage has resulted or will result.

The tort of passing off is often contrasted with the law of unfair competition which exists in other jurisdictions, particularly in continental Europe. While there are some similarities, there are significant differences and passing off tends to be more narrowly applied. To date, the UK courts have been unwilling to broaden the scope of passing off to encompass a more general law of unfair competition.

In order to succeed in a passing-off action, the claimant must show:

- goodwill in the name or trademark, which may include a brand name, logo or features of goods or packaging;
- misrepresentation by the defendant that its goods or business are those of or connected with the claimant. This can include the mistaken belief that the defendant's products are licensed, endorsed or approved by the claimant; and
- likelihood of damage to the claimant's business or goodwill.

Use requirements

Passing off protects a trader's goodwill rather than the name or trademark in question. Goodwill is proved by showing use of the name or trademark – for example, through trading or advertising in the United Kingdom. There is no minimum level of goodwill to bring an action, and in principle businesses carried out on a small scale or for a short period can acquire sufficient reputation to bring an action. Nevertheless, the claimant must demonstrate that it will suffer damage as a result of the defendant's activities. The more extensive and longstanding the claimant's use, the easier this generally is. Where the unregistered mark consists of a colour, shape or some other element of the claimant's trading style rather than a word or logo mark, the UK courts generally require substantial evidence before they are willing to accept association in the minds of the relevant public.

3. Registered marks

Ownership

An applicant must be a natural person or legal entity capable of owning property in its own name. This can include corporate bodies, partnerships, trustees, registered charities and other unincorporated bodies.

Scope of protection

To qualify for registration as a UK trademark, the mark must meet the usual EU requirements – that is, it must be a sign capable of being represented graphically and of distinguishing the goods or services of one undertaking from those of another.

Registration will be refused on absolute grounds if the mark does not comply with these criteria. Further absolute grounds for refusal include that the mark is:

- devoid of any distinctive character;
- descriptive of the goods or services in question;
- generic;
- deceptive or contrary to public policy;
- prohibited from use under law;
- a protected emblem, including royal arms, crown and other royal insignia (including representations of the royal family), royal warrants, armorial bearings and national flags and other emblems of certain other states and international organizations as protected under Article 6ter of the Paris Convention; or
- held in bad faith.

A trademark will not be refused registration on the first three grounds above if it has acquired distinctive character through use by the date of filing.

An application may also be refused on relative grounds if it conflicts with the rights of other

traders who object to registration. In particular, a mark may not be registered where:

- it is identical to an earlier mark protected in relation to identical goods or services;
- there exists a likelihood of confusion on the part of the public because it is identical to an earlier mark in relation to similar goods or services, or because it is similar to an earlier mark in relation to identical or similar goods or services;
- it is identical or similar to an earlier mark with a reputation in the United Kingdom, and would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier mark; or
- use of the mark may be prevented by other earlier rights, such as passing off, design or copyright.

However, registration will not be refused on relative grounds if:

- the applicant can show honest concurrent use of the mark applied for; and
- the owner of the earlier right consents to or does not oppose the use.

The types of sign that may be registered in principle include names, logos, labels, slogans, shapes, colours, sounds and smells. In the case of shapes, there are specific exceptions where the shape:

- results from the nature of the goods themselves;
- is functional; or
- gives substantial value to the goods.

Some types of non-traditional trademark (eg, smells or colours) require special attention to graphical description. A mark consisting of a jingle is usually accepted by filing musical notation. However, in one case the “smell, aroma or essence of cinnamon” in respect of furniture was rejected as being too imprecise. With respect to colour marks, representation can be by description or an internationally recognised

colour identification code. For three-dimensional marks, single or multiple pictorial representations can be given. Some non-traditional trademarks are also prone to being considered inherently non-distinctive, requiring compelling evidence to demonstrate that they have acquired sufficient distinctiveness through use to justify registration.

4. Procedures

Examination

An application must include a signed statement of *bona fide* intention to use the mark in relation to the goods or services claimed, and:

- the applicant's name and address;
- the goods or services to be covered; and
- a graphical representation of the mark(s).

The UK Intellectual Property Office (UKIPO) reviews applications. If filing deficiencies are noted, the UKIPO issues a letter and allows two months for reply. Following this two-month period, the application is examined and the applicant has three to six months to respond to objections.

The UKIPO no longer raises earlier potentially conflicting trademarks as an objection to registration. The applicant is notified of any earlier marks and given the option to proceed. If the applicant chooses to proceed, the UKIPO notifies the owners of these earlier UK trademarks and owners of earlier Community trademarks (if they have opted in to such notifications).

The applicant can respond to objections in writing or request a hearing. An application is refused if objections are maintained; however, the applicant can appeal the decision.

Accepted applications are published in the *Trademark Journal* and opened to opposition by third parties.

An unopposed application can achieve registration within six months.

The Trademarks and Trademarks (Fees) (Amendment) Rules 2008 provide for a fast-track examination procedure from April 6 2008. This reduces the time from application to receipt of the report to within 10 business days and costs an additional £300. The term 'fast-track' relates only to examination; the three-month opposition period still applies.

Opposition

An application can be opposed within three months of publication. The opponent must prove genuine use (or proper reasons for non-use) of earlier trademarks if the marks have been registered for five years or more.

The applicant must file a counterstatement within three months of opposition. Alternatively, a cooling-off period may commence (for a maximum of 12 months, terminable by either party) to allow settlement negotiations to occur before filing the counterstatement. Once filed, the UKIPO may indicate whether the opposition would be wholly or partially successful. The preliminary indication is not binding, but if it is identical to the subsequent decision the costs may be affected.

The opponent has three months in which to file evidence. Evidence may be filed in response, as well as further evidence, within consecutive three-month periods.

The UKIPO will issue a decision based on evidence filed or submissions made at the hearing, and this decision may be appealed or referred to the European Court of Justice.

A UKIPO decision takes between 12 and 30 months.

At the time of writing the UKIPO is consulting on proposed changes to opposition procedures.

The main effect of the proposed changes would be to shorten both the opposition period and the cooling-off period.

Registration

On registration, the UKIPO issues a certificate of registration. The registrant's rights date back to the date of filing.

The trademark is registered for an initial period of 10 years, which may be renewed indefinitely for further 10-year periods. The trademark can be renewed up to six months before the renewal date. Late renewal is possible upon payment of a fee. After the six-month late renewal period there is a further six-month period to restore the trademark.

Removal from the register

Surrender: A registered trademark can be surrendered in relation to some or all of the goods or services for which it is registered.

Invalidation: Any person can apply to the court or the UKIPO registrar to invalidate a trademark. It may take 18 to 24 months to determine a declaration of invalidity. If a trademark has acquired distinctive character post-registration, it shall not be declared invalid. If a proprietor of an earlier trademark has been aware of the use of a later trademark for a continuous period of five years, the later trademark cannot be declared invalid unless there is bad faith.

Revocation: Any person can apply to the court or the UKIPO registrar to revoke a trademark. It may take 12 to 18 months to determine a declaration of revocation.

A registration may be revoked on four grounds:

- There has been no genuine use within five years of registration and there is no proper reason for non-use;
- Use has been suspended for an uninterrupted five-year period and there are no proper reasons for non-use;

- The mark has become generic; or
- The mark has misled the public.

Applications must be accompanied by a statement of grounds. If non-use is alleged, the onus is on the proprietor to show genuine use. It is satisfactory if use is recommenced after the five-year period has expired but before the application is made. However, use in the three-month period before the application shall be disregarded unless preparations for recommencement began without knowledge of the application.

Searches

Trademark attorneys can conduct pre-filing searches to check for earlier registered or unregistered marks. The UKIPO can also conduct a pre-application search. The UKIPO will notify the applicant of any identical or similar marks.

5. Enforcement

Registered rights

Under Section 10 of the Trademarks Act 1994, infringement occurs if a third party uses a sign in the course of trade which is:

- identical to the trademark and used in relation to identical goods or services to those for which the trademark is registered;
- identical to the trademark and used in relation to similar goods or services to those for which the trademark is registered, and there is a likelihood of confusion;
- similar to the trademark and used in relation to identical goods or services to those for which the trademark is registered, and there is a likelihood of confusion;
- identical or similar to a trademark which has a reputation in the United Kingdom, and the use of the sign without due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the trademark; or

- identical or similar to a well-known trademark protected under the Paris Convention or the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights and used in relation to identical or similar goods or services, and the use is likely to cause confusion.

The Trademarks Act 1994 does not provide an exhaustive list of what constitutes ‘use’; however, it makes clear that affixing the sign to packaging, importing or exporting goods under the sign and using the sign on business paper or advertising all amount to use. As for ‘in the course of trade’, this includes in the course of a profession or business, including rental or leasing.

The main defences to infringement are:

- subject to that use being in accordance with honest practices in industrial and commercial matters:
 - use by a person or company of his, her or its own name or address;
 - use of indications concerning the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of goods or services;
 - use where it is necessary to indicate the intended purpose of a product or service (eg, spare parts); or
 - use to identify the goods or services as being those of the proprietor or licensee;
- an earlier right used in a particular locality;
- express or implied consent by the proprietor to use the sign;
- subject to certain conditions being satisfied, acquiescence to the use of the sign by the proprietor for a specified period; or
- the invalidity or likely revocation of the trademark registration relied upon.

The successful proprietor may obtain an injunction, account of profits or damages (or in limited circumstances, a combination of both) and

delivery up or destruction of infringing articles or an order requiring removal of the trademark.

In certain circumstances, a recipient of a threat of infringement proceedings may bring an action against the person making the threat if the threat is unjustified.

Criminal offences

Criminal offences in relation to unauthorized use of a trademark include the application of a trademark, or the sale or possession of goods with the trademark applied without consent with a view to making a gain. Depending on the seriousness of the offence, the punishment can be up to 10 years’ imprisonment and an unlimited fine.

Unregistered rights

An action can be brought in relation to unregistered trademarks under the tort of passing off. In general, in the United Kingdom, it is more difficult to bring a successful action for passing off than for trademark infringement because the court requires that the claimant prove reputation in the unregistered mark and that consumers have been misled by the defendant’s conduct.

Timing

A UK case will typically take between nine and 12 months to reach trial, with the court taking an active case management role. Trials are not lengthy, taking on average between three and seven days.

In urgent cases it is possible to obtain interim injunctions and/or an order for speedy trial, accelerating the process so that the case comes to trial within three to four months. A summary judgment procedure is available in very straightforward cases.

Appeals take on average less than one year from the end of the trial to be heard.

6. Ownership changes – legalization requirements

Assignment

An assignment must be executed in writing, signed by the assignor and recorded at the UKIPO within six months on Form TM16 (signed by the assignor and assignee). Submission can be made without signature if accompanied by a copy assignment document. Applications filed later will be entered on the application date, with no costs entitlement for the unregistered period. Legalization is not required.

Licences

A licence may be registered, but is not a statutory requirement. Registration puts third parties on notice of the licensee's rights and provides remedies in relation to infringement. Legalization for recordal is not required.

7. Overlap with related rights

Three other IP rights overlap with trademarks, mainly in relation to device and shape marks.

Designs

These protect the appearance of the whole or part of an article, including colour, texture, lines, material and shape. There are registered forms, which require registration, and unregistered forms, which arise automatically. The registered form can apply in the United Kingdom only or across the European Union, and can last for a maximum of 25 years. The unregistered form applies throughout the European Union and has a short life of three years.

UK unregistered design right

This right arises automatically and applies only in the United Kingdom. Subject to qualification requirements, this right protects the shape and

configuration of an article or part thereof, provided that these aspects are original and not commonplace in the relevant design field. This right usually lasts for 10 years from the date on which products made to the design are placed on the market.

Copyright

This arises automatically on the creation of a work, such as an original artistic or literary work. Single words and very simple phrases may not be sufficient to be protected by copyright. Patterns and product shapes may be protected as artistic works. Copyright in original literary and artistic works usually lasts for 70 years after the death of the author. There are exceptions to the term of protection for mass-produced articles.

8. Online issues

Domain names

The use of trademarks in domain names was considered in *British Telecommunications plc v One in a Million Limited* ([1999] 1 WLR 903). The defendant had registered domain names incorporating well-known trademarks but had not used them. The court held that mere registration could lead to liability for passing off.

The most straightforward and cost-effective means to recover an infringing domain name is through the dispute resolution procedure of UK registry Nominet. Nominet's policy provides that a domain name can be recovered if:

- the complainant has rights in respect of a name or mark which is identical or similar to the domain name; and
- in the hands of the respondent, the domain name is an abusive registration.

An 'abusive registration' means a domain name which:

- was registered or acquired in a manner which took unfair advantage of or was unfairly detrimental to the complainant's rights; or
- has been used in a manner which took unfair advantage of or was unfairly detrimental to the complainant's rights.

The Nominet rules set a lower threshold than the Uniform Domain Name Dispute Resolution Policy, which requires the disputed domain name to be registered and used in bad faith.

Online infringement

The usual trademark infringement rules apply in the online environment. However, for infringement to take place in the United Kingdom, the owner must take active steps to direct the site to persons in the United Kingdom. Accessibility in the United Kingdom is not sufficient to constitute use (*1-800 Flowers Inc v Phonenames Ltd* [2001] EWCA Civ 721).

Metatags/invisible use

There is no definitive position regarding the invisible use of trademarks in metatags. However, considerable doubt has been cast on whether such use could be sufficient to establish infringement (*Reed Executive Plc v Reed Business Information Ltd* [2004] EWCA Civ 159).