

# United Kingdom

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## 1. Legal framework

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UK primary trademark legislation consists of:

- the Trademarks Act 1994, as amended;
- the Trademarks Rules 2000, as amended by the Trademarks (Amendment) Rules 2001 and 2004;
- the Community Trademark Regulation (40/94), as amended; and
- the EU First Trademark Directive (89/104/EEC).

## 2. Unregistered marks

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### Protection

The owner of an unregistered mark does not have the right to sue for trademark infringement. Although there is no absolute right to registration for the first user, a prior user may contest unauthorized subsequent registration of its mark by a third party, in particular when its own use may give rise to an action for passing off. Some protection is also afforded through a common law action for passing off and the torts (in Scotland: delicts) of defamation and malicious falsehood.

To succeed in a passing off action, the claimant must show:

- a goodwill or reputation attached to the goods or services that it supplies in the mind of the purchasing public by association with the identifying get-up, which may include a brand name or trade description, or the individual features of labelling or packaging, under which the particular goods or services are offered to the public, such that the get-up is recognized by the public as distinctive specifically of the claimant's goods or services;
- a misrepresentation by the defendant leading or likely to lead the public to believe that the goods or services offered by it are those of the claimant or are somehow connected to

those of the claimant. Passing off includes the mistaken belief by customers that the defendant's products or services are licensed, endorsed or somehow connected in trade with the claimant; and

- likelihood of damage to the claimant's business or goodwill by reason of the misrepresentation. Often, damage will be assumed once goodwill and misrepresentation are found.

### Use requirements

In order to establish a right based on passing off, it is necessary first to establish a goodwill or reputation in the goods or services attached to the mark. This is done by demonstrating use of the mark or get-up. It is a question of fact. The mark need not be universally known. However, there must be goodwill to the point where substantial damage will be caused by the acts complained of. The relevant date is the date when the defendant commenced the acts complained of. It is easier to establish a reputation where a mark has been used for a substantial period of time, but there is no absolute period of time requirement. There are cases where a reputation can be established in a very short space of time – for instance, where there has been substantial publicity around a re-brand or company launch. Further, goodwill may survive even after a business has ceased trading.

## 3. Registered marks

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### Ownership

Any natural or juridical person, including partnerships, charities and unincorporated associations, is entitled to file and own a trademark. The applicant must provide an address for service in the United Kingdom. However, there must be use of the mark or a good-faith intention that the mark shall be so used in connection with the goods or services covered by the application.

### Scope of protection

A trademark is registrable if it is:

- capable of being represented graphically; and
- capable of distinguishing the goods or services of one undertaking from those of other undertakings.

The sign may include words (including personal names), designs, letters, numerals or the shape of the goods or their packaging.

A trademark must not be:

- devoid of any distinctive character;
- descriptive of the goods or services; or
- generic.

However, a trademark will not be refused registration on the first two grounds above if, by the date of filing, it has acquired distinctive character as a result of the use made of it.

Shapes can, in principle, be registered as trademarks unless they:

- result from the nature of the goods themselves;
- are functional; or
- give substantial value to the goods.

Further, the use of a trademark should not, for the mark to qualify for protection:

- be deceptive or contrary to public policy;
- be prohibited by UK or EU legislation;
- consist of or contain certain protected emblems; or
- be in bad faith.

An application may also be refused if it conflicts with the rights of other traders. Specifically, a mark will not be registered in relation to particular goods or services 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 protected in relation to similar goods or services, or because it is similar to

an earlier mark protected in relation to identical or similar goods or services;

- an earlier mark has a reputation in the United Kingdom and the mark applied for is identical or similar to that earlier mark. Registration will be refused to the extent that 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 mark; or
- the existence of other earlier rights, such as an unregistered trademark, a design or a copyright, may prevent registration.

The legislation provides for the registration of marks that conflict with earlier rights where there is honest concurrent use or consent by the owner of the earlier right. Registration under the honest concurrent user provisions is complicated, particularly if the owner of the earlier right opposes the application.

Provided that a sign satisfies the above criteria, slogans, logos, labels, seals, three-dimensional shapes, colours, holograms, monograms, numbers, surnames, forenames, geographical names and sounds are capable of registration. Olfactory signs are registrable provided that they satisfy the requirement of adequate graphical representation.

Prohibited marks include:

- trademarks that are identical to, or imitate, the arms, flags and other emblems, names, abbreviated names or initials of an international organization, as provided for under Article 6ter of the Paris Convention for the Protection of Industrial Property, unless authorized. The following names, words, abbreviations and symbols are prohibited from registration:
  - Red Cross;
  - Red Crescent;
  - Olympic rings symbols;
  - United Nations Educational, Scientific and Cultural Organization (and its acronym UNESCO);

- North Atlantic Treaty Organization (and its acronym NATO); and
- United Nations;
- trademarks that are identical to, or imitate, the arms, flags and other emblems, names, abbreviated names or initials of any state, unless authorized. The following are prohibited from registration:
  - names of countries;
  - flags of countries and local administrative regions;
  - representations of heads of state;
  - national arms;
  - crests; and
  - official seals; and
- any other official sign or hallmark of any state, unless authorized. Words such as ‘patent’, ‘patented’, ‘registered’, ‘registered design’ and ‘copyright’ are prohibited from registration.

#### 4. Procedures

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##### Examination

The registrar examines the trademark application to assess whether the mark complies with the requirements set out above. The registrar will also not accept a trademark application if the form on which it is filed does not meet registry requirements – for example, if there is an incorrect classification of goods or services. The registry is reviewing its examination practices on the basis of relative grounds.

An examination will typically take between two and six weeks. The applicant will be afforded an initial term of six months to overcome any objections. In the event that an objection is maintained, the applicant may attend a hearing. These *ex parte* hearings may be conducted by telephone, video conference link or face to face. In the event that the registrar maintains the objection, the application will be refused. The applicant is entitled to request written reasons

for such refusal, which may be appealed either to the High Court or to the appointed person. There is no further appeal from the appointed person. If there are no objections or the objections are overcome, the application will be published in the *Trademark Journal*.

##### Opposition

Third parties may oppose a trademark application by filing a notice of opposition with the registrar within a non-extendible three-month period from publication of the application.

All time periods during an opposition proceeding are extendible (some for defined periods of time only), except the date for filing the notice of opposition and the counterstatement; all extension requests are subject to full and proper reasons to the satisfaction of the registrar. In certain instances, the opposition may be suspended – for example, if the earlier right is subject to an attack or if both parties agree and are actively seeking settlement. In a bid to persuade parties to settle, the Patent Office (soon to be renamed the UK Intellectual Property Office) has made provision for a cooling-off period and will issue a preliminary indication before evidence is filed by either party. Appeals may be made to the appointed person or the High Court.

##### Registration

Upon registration, the trademark proprietor will be issued with a certificate of registration. The rights of the registered trademark owner have effect from the date of filing of the trademark application. Trademarks are registered and renewed for periods of 10 years, calculated from the application date. There is no requirement to show use of the trademark upon renewal.

##### Removal from register

**Surrender:** A trademark proprietor may surrender its trademark in respect of some or all

of the goods or services in respect of which the trademark is registered.

**Cancellation:** Any person may seek cancellation of a trademark registration. Applications for cancellation must be filed with the Patent Office or the High Court, together with a statement of the grounds on which the application is made. A formal decision shall be issued upon completion of tender of evidence. Cancellation may be based on a prior application, registration or use. Cancellation can also be sought on the basis that:

- the mark has not been used over a period of five years calculated from the date of actual registration or any continuous five-year period thereafter;
- the trademark was unlawfully registered or the application was filed in bad faith; or
- the mark has become generic or deceptive.

If the owner of an earlier right has acquiesced to, or been aware of, the use by another party, for a period of five consecutive years, of its trademark in the United Kingdom, it is not entitled to apply for cancellation of the subsequent registration of the mark by the third party or oppose the use of the later trademark, unless the application was filed in bad faith.

### Searches

It is possible to search for existing trademarks using the Patent Office or a specialist trademark attorney or solicitor. It is not advisable to search without specialist advice because rights in registered trademarks extend beyond the identity of the goods and services to similar marks for similar and non-similar goods and services.

The following searches are available:

- identical trademark search;
- similar trademark search;
- search per class;
- search of all classes;

- search for trade names and slogans;
- search of traditional graphic marks; and
- search of non-traditional graphic marks.

## 5. Enforcement

### Complexity

The Trademarks Act defines 'infringement' as the use, in the course of trade and without the consent of the mark owner, of a sign that is:

- identical to a registered mark in relation to goods or services identical to those covered by the registration (eg, counterfeiting);
- similar to a registered mark in relation to goods or services identical to those covered by the registration, where there is a likelihood of confusion;
- identical or similar to a registered mark in relation to goods or services similar to those covered by the registration, where there is a likelihood of confusion;
- identical or similar to a registered mark with a reputation, where the mark or sign is used in relation to different or similar goods or services to those covered by the registered mark but where the use, without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the registered mark (ie, the so-called 'euro-dilution' provisions); or
- identical or similar to a well-known mark under the Paris Convention or the Agreement on Trade-Related Aspects of Intellectual Property Rights, where the use is likely to cause confusion.

As noted, to constitute infringement, use of the sign must be "in the course of trade" – 'trade' being defined as any profession or business, including leasing, rental or hire purchase.

**Defences to infringement:** The Trademarks Act provides the following non-exhaustive list

of potential defences against claims of trademark infringement:

- manufacturers that affix a sign to goods or packaging;
- retailers that offer goods or services for sale under a sign;
- importers and exporters of goods bearing a sign;
- designers, advertisers and promoters that apply a sign to materials intended to be used for labelling, packaging, advertising or on business paper; and
- advertisers, promoters and retailers that use a sign on business paper or in advertising.

The following three general categories may allow the user of a sign to escape the scope of UK infringement provisions:

- 'Glass-house' provisions apply where the registered owner's right to sue is limited for any of the following reasons:
  - The user obtained the implicit or explicit consent of the trademark owner;
  - The registered trademark is liable to be revoked or cancelled either partially or in full; or
  - The registered owner has, subject to certain exceptions, acquiesced to the use of its mark (ie, it has not taken action against the use of the mark despite having full knowledge of it for a prescribed number of years).
- 'Shielding' provisions cater for situations where the user has rights of its own. These apply where:
  - the registered mark is used in relation to goods or services for which it is registered; and
  - the user has a right to use the mark because the alleged infringing mark has been used continuously from a date anterior to the date on which the registered mark was first used.
- 'Manner of use' provisions rely on the premise that use of the mark is made in accordance with "honest practices in

industrial or commercial matters". The following will not amount to infringement:

- use of the sign for the purpose of identifying the goods or services of the proprietor or a licensee of the proprietor (eg, comparative advertising);
- use by a person of his own name (including company name) or address in accordance with honest practices; and
- use of indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or rendering of services, or other characteristics of the goods or services, where such use is in accordance with honest practices (commonly known as the 'descriptive use' exception).

**Relief available:** The claimant may seek injunctions, damages and/or account of profits, delivery up of the infringing articles, removal of the infringing sign or destruction of the infringing products. It may also seek preliminary and interim measures. Customs, following a notice by the mark owner, may seize infringing goods.

**Criminal offences:** It will be a criminal offence if a person uses a mark with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor. The list of criminal offences is exhaustive and includes use of a mark identical to, or a mark likely to be mistaken for, a registered mark in relation to goods, their packaging, material intended to be used for labelling or packaging goods, business paper in relation to goods or for advertising goods, or for making an article specifically designed or adapted for making copies of an infringing mark.

The offender is liable:

- on summary conviction, to imprisonment for a term not exceeding six months and/or a fine not exceeding the statutory maximum;

- on conviction on indictment, to a fine and/or imprisonment for a term not exceeding 10 years; or
- both.

False description of goods is a criminal offence under the Trade Descriptions Act 1968 and proceedings can be instituted only by the public prosecutor. The Trade Descriptions Act and the Consumer Protection Act 1987 are the primary consumer protection laws in the United Kingdom. "Going equipped to cheat" is an offence under Section 525 of the Theft Act 1968, which does not apply in Scotland.

Another possible criminal provision is the common law offence of conspiracy to defraud.

**Unregistered rights:** The cause of action is known as passing off (see section 2 above), which protects the goodwill owned by a proprietor of a mark. An action in passing off may be more complex than an action for infringement of a registered mark because of the need to prove both the existence of goodwill and that relevant people (consumers) have been misled by the defendant's conduct. This is made more difficult (and expensive) by the fact that UK courts are often sceptical about the use of market surveys to prove these two elements, which is why registration of distinctive get-ups as trademarks is recommended. Often both passing off and trademark, design or copyright infringement are pleaded in the same case.

The Intellectual Property (Enforcement etc) Regulations 2006/1028, which implement a number of changes in various degrees to all the major UK IP statutes, came into force on April 29 2006. The primary purpose of the new regulations is to implement the EU IP Rights Enforcement Directive, which aims to harmonize the civil enforcement of IP rights across the European Union.

### Timeframe

In urgent cases it is possible to obtain an interim injunction very quickly: this takes a matter of days. This does not formally conclude the matter but, in practice, often does. A factor in determining whether a case is urgent is whether damages could not adequately compensate the rights owner if the case were ultimately to be successful.

Summary judgment may be obtained where it is possible to satisfy a court that the defendant has no reasonable prospect of successfully defending the claim. In this way, it is possible to obtain a final judgment in between one and three months.

The standard procedure, which includes exchange of relevant documents, witness statements and, where appropriate, expert evidence, usually takes approximately nine to 15 months to trial and final judgment.

In urgent circumstances, it may be possible to obtain an order for a speedy trial, whereby the standard procedure is accelerated so that a full trial takes place in approximately four to five months.

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## 6. Ownership changes – legalization requirements

An assignment must be executed in writing and signed by the assignor. Recordal may take place by:

- filing Form TM16 with the details of the mark(s) assigned and the assignor/assignee, and having both parties or their representatives sign the form; or
- filing Form TM16 with a copy of the actual assignment, thus avoiding the need to have both parties sign the form.

There are no legalization requirements. If the assignment is not recorded within a period of six months, the assignee is not entitled to damages or an account of profits in respect of any infringement of the registered trademark occurring after the date of the assignment and before the recordation. There is a similar provision for the recordal of licences. Recordal of a licence is not obligatory, but advisable.

## 7. Areas of overlap with related rights

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The most common areas of overlap, other than as described under the various laws relating to trademarks above, are with respect to copyright, designs and design right.

**Copyright:** Under UK law there is no copyright in a mere name. However, copyright arises automatically (ie, without registration) on the creation of an artistic work that may be found in a logo or device mark. Copyright generally lasts for 70 years following the death of the author.

**Design:** A design is the appearance of the whole or part of a product, which can include packaging, get-up and symbols, resulting from features including lines, contours, colour and shape. Logos and device marks can be registered as designs, provided that they are new, have individual character and satisfy registry requirements. Registration can last for a maximum of 25 years. A registered design is additional to any design right or copyright protection that may exist automatically in the design.

**Design right:** Design right is an IP right in original, non-commonplace designs of the shape or configuration of products. Design right lasts until 10 years after first marketing products made to the design, subject to an overall limit of 15 years from creation of the design.

## 8. Online issues

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### Domain name issues

The leading case on whether use of a domain name can amount to trademark infringement or passing off is *British Telecommunications PLC v One in a Million Ltd* [1998] FSR 265. In this case, the defendants registered a number of domain names incorporating famous trademarks of other companies, such as Marks & Spencer, Virgin and Ladbrokes, and attempted to sell them to the brand owners. The Court of Appeal of England and Wales held that the names were held as "instruments of fraud" and that the attempt to sell them to their rightful owners amounted to passing off and trademark infringement.

The United Kingdom adopted a domain name dispute resolution policy for '.co.uk' domain names based on, but distinct from, the Internet Corporation for Assigned Names and Numbers' Uniform Domain Name Dispute Resolution Policy. The UK dispute resolution system is run by Nominet UK Limited. At the time of writing Nominet is carrying out a consultation on proposed changes to its Dispute Resolution Service, including rules on generic terms used as domains and clarification of the term 'legitimate use' and 'abusive use', as well as procedural rules, including fees.

### Jurisdiction

In *Euromarket Designs Inc v Peters* [2001] FSR 20 and *1-800 Flowers Inc v Phonenames Ltd* [2002] FSR 12, the Court of Appeal concluded that a mark cannot automatically be said to be used (for infringement purposes) in the United Kingdom just because the website on which it appears can be accessed in the United Kingdom; there must be something more. For example, the website must be directed at UK customers with the intent of attracting business from them.

**Metatags/key words/invisible use**

The current leading case is the 2004 Court of Appeal case of *Reed Executive plc v Reed Business Information* [2004] RPC 40. In this case, the Court of Appeal held that there was no trademark infringement or passing off (as there was no likelihood of confusion) in the defendants' use of the name Reed as a metatag. However, this decision conflicts with a number of decisions in other European countries. Each case will need to be looked at on its own merits.

