

Intellectual Property Brief

In brief:

Below are a few developments (chosen from very many) that may be of interest, although as we write, there have been a number of very recent references to the European Court (ECJ) concerning the alleged infringing use of trade marks on the internet (Interflora v Marks and Spencer and L'Oreal v eBay) on which commentary will be produced at a later date.

- Budejovicky Budvar v Anheuser-Busch – The Court of Appeal. An appeal from the High Court of Justice, Chancery Division, which held essentially that the previous failure of Anheuser-Busch to prevent (1) use of the trade mark BUDWEISER by Budejovicky Budvar in passing off proceedings, and (2) registration of that trade mark in opposition proceedings under the old 1938 Trade Marks Act, did not prevent Anheuser-Busch from seeking part invalidation of the same trade mark registration under the Trade Marks Act 1994 on the basis of its earlier BUDWEISER trade mark. This conclusion was partly based on an acceptance that the statutory 5 year period of acquiescence by Anheuser-Busch of the parties' co-existence could only commence from the date of registration of its earlier mark (a period of just under 5 years) and thus was insufficient to defeat the action. The Court of Appeal disagreed with that interpretation and has referred the case to the European Court of Justice to determine the meaning of acquiescence and when the required 5 year period should commence.
- L'Oreal v Bellure NV – The European Court of Justice (ECJ). A referral by the Court of Appeal of England and Wales. The defendants were marketing perfumes that used packaging and bottles which bore similarities in appearance to famous L'Oreal perfumes such as Trésor. They also used comparison lists which they provided to their retailers and which identified the brand of fine fragrance of which the perfume being marketed is an imitation. In addition to granting infringement rights where identical/similar trade marks are used for identical/similar goods/services, applicable EU/UK trade mark legislation provides owners of brands possessing a reputation with protection where the brand complained of takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the earlier mark, thus infringement of a trade mark can be found without the need for confusion. However uses of well-known marks which amounted to legitimate comparative advertising could be permitted (under separate legislation) under certain conditions. The ECJ: (i) the use by a party of a sign similar to a mark with a reputation in order to benefit from the attractive power of the earlier mark and the marketing investment made in the earlier mark amounted to taking unfair advantage of the repute of the earlier mark. Thus the defendants' packaging and bottles were similar to the complainants' packaging/bottles which enjoyed a reputation, and took unfair advantage of the complainants' reputation by benefiting from the power of attraction, reputation and prestige of the claimants' brands; (ii) the defendants' use of the comparison lists is still capable of amounting to trade mark infringement even though it is clear that there is no ownership of or origin association with the complainants' trademarks/brands; (iii) the comparison lists amounted to the express or implied representation that the defendants' products were imitations, and any resulting advantage must be considered to be an advantage taken unfairly of the reputation of those marks, therefore not legitimate comparative advertising.

- Intel v CPM – The European Court of Justice (ECJ). A referral from the Court of Appeal of England and Wales in an action where Intel has sought to invalidate CPM's registered rights in INTEL MARK for telemarketing services. The relevant legislation required Intel to establish that use of INTEL MARK took unfair advantage of, or caused detriment to, the distinctive character or repute of its trade mark INTEL (which it failed to do at every level in the UK). The ECJ: Possession of a unique mark with huge reputation for specific types of goods/services which are dissimilar or dissimilar to a substantial degree to those covered by the later mark which, for the average consumer calls the earlier mark to mind is *not* sufficient to establish that the use of the later mark takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark. Detriment to the distinctive character (i.e. dilution) of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future. Michael Bilewycz of Decisis is privileged to be adviser to CPM in this case and in relation to IP matters generally.
- *Seminars on IP*- Michael Bilewycz, Managing Director of Decisis, will be speaking on IP law at seminars and other events. Details under "Seminars and events on IP law" below.
- *IPO* – Introduction of new Tribunal and procedure for contesting the registration of company names.
- *IPO* – Changes to trade mark rules including opposition time limit.
- *IPO* - The IPO has been consulting on increasing the penalties that may be imposed by Magistrates' Courts for online copyright infringement.
- *IPO* - The IPO has been consulting on exemptions to copyright law applicable to charitable organisations.
- *IPO* – Fast track examination of trade mark applications leads to fast acceptance of applications *if* there are no objections.
- *IPO* – The IPO will not reject later trade marks conflicting with earlier registrations. It will be for the owners of the earlier rights to police their rights.

In more detail:

**Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc.
The Court of Appeal, Ward and Jacob LJJ, Warren J. 20 October 2009.
An appeal from the High Court of Justice, Chancery Division.
Norris J. 19 February 2008.**

Budejovicky Budvar ("BB") first entered the UK beer market in 1973 and Anheuser-Busch ("AB") gradually entered during the period 1974-1979, and in cross-proceedings for passing off the Court of Appeal ([1984]FSR 448) upheld the High Court's decision that there was a dual reputation in the name BUDWEISER and neither party could be disentitled to use that trade mark. In the meantime AB had filed an application to register BUDWEISER on 11 December 1979 for 'beer, ale and porter', and similarly BB had commenced an application for the mark on 28 June 1989 for 'beer, ale and porter; malt beverages'. AB commenced opposition proceedings against BB's later application, but these were refused on the basis of BB's "honest concurrent use" since 1973. Both parties were therefore permitted to own registrations for BUDWEISER in respect of the same goods. Both applications were registered on 19 May 2000. On 18 May 2005 (four years and 364 days after the registration of BB's mark) AB commenced invalidity proceedings against BB's registration, which application was not served on BB until after five years had passed. By reason of section 48 of the Trade Marks Act 1994 if there is acquiescence for a continuous period of five years in the use of a registered mark the owner of an earlier mark lost any entitlement to seek invalidity of the later mark. BB was thereby disabled from making its own cross-application for invalidity of AB's mark on the basis of its earlier trade mark BUD. BB's arguments were: (i) that there had been statutory acquiescence by AB to its *use* for a continuous period of five years which period

commenced before the date of registration, such as from the date of application; (ii) that alternatively there was “common law acquiescence” by AB giving rise to an estoppel in BB’s favour (its conduct in not seeking to invalidate or seeking other redress resulting in BB acting to its detriment); (iii) that in AB making the invalidity application there was an abuse of process giving rise to issue estoppel. The High Court (Norris J.) held that (i) section 48 could only be construed so that the period of acquiescence commenced from the date of registration, as in Sunrider Corporation v Vitasoy International Holdings Limited [2007] EWHC 37; (ii) the failure to issue invalidity proceedings could not be seen as a representation giving rise to estoppel and there was no evidence that this failure had influenced BB; (iii) relying on the Court of Appeal decision in Special Effects Ltd v L’Oreal SA [2007] EWCA Civ1, there was no abuse of process in pursuing the invalidity application, and in any event AB was availing itself of rights it did not previously have. AB’s application was part granted (except for ‘malt beverages’).

The Court of Appeal (Ward and Jacob LJJ, Warren J.) held that (i) whilst neither of the Common Law defences of estoppel and abuse of process applied; (ii) they were unable to agree with the construction of the statutory acquiescence provision applied by Norris J. Preferring to refer directly to the Trade Marks Directive 89/104 (Articles 4 and 9) rather than the Trade Marks Act 1994 (which was intended to be based on the Directive) the Court of Appeal (in a decision delivered by Jacob LJ) expressed the view that the recital to Article 9 (the provision dealing with acquiescence) and the *travaux préparatoires* (in particular, previous drafts of the Directive) created sufficient uncertainty as to the meaning of acquiescence and the time from which it should start, to justify a reference to the ECJ. The Court observed that:

1) the recital to Article 9 used the term “tolerated” which suggested a broader meaning than voluntary acquiescence (indeed, possibly enforced acquiescence);

2) the intention found in the *travaux préparatoires* was to foster legal certainty so that in cases where there had been co-existence after a certain amount of time the owner of the earlier trade mark should not be able to undermine that legal certainty by enforcing its rights;

3) there is no indication in the *travaux* that acquiescence is to be regarded as starting only at the date when the owner of the earlier trade mark gets his registration, the emphasis being on the period of use of the later mark. Accordingly, the following questions were formulated for the European Court of Justice: In Council Directive 89/104/EEC:

1. What is meant by “acquiesced” in Article 9(1) and in particular:

(a) Can the proprietor of a trade mark be held to have acquiesced in a long and well-established honest use of an identical mark by another when he has long known of that use but has been unable to prevent it?

(b) Is it necessary that the proprietor of a trade mark should have his trade mark registered before he can begin to “acquiesce” in the use by another of (i) an identical or (ii) a confusingly similar mark?

2. When does the period of “five successive years” commence and in particular, can it commence (and if so can it expire) before the proprietor of the earlier trade mark obtains actual registration of his mark; and if so what conditions are necessary to set time running?

3. Does Art 4(1)(a) apply so as to enable the proprietor of an earlier mark to prevail even where there has been a long period of honest concurrent use of two identical trade marks for identical goods so that the guarantee of origin of the earlier mark does not mean the mark signifies the goods of the proprietor of the earlier and none other but instead signifies his goods or the goods of the other user?

Comment – When the decision of the High Court first hit the press businesses and business lawyers alike had cause for alarm that there was seemingly little or no room in registered

trade mark law for practical commercial considerations such as the long-standing co-existence of two identical competing trade marks. Such a situation could easily have been interpreted as declaring open season on later trade marks such as the Czech Budweiser where there was no Co-existence or Delimitation agreement governing the relationship. Norris J expressed some unease no doubt for those reasons. In its decision the Court of Appeal has allayed some fears giving its views on the meaning and impact of the provisions but we have still some way to go, and there is no guarantee that the ECJ will follow suit. For different businesses which are co-existing on the basis of the use or registration of identical or similar trade marks for identical, similar or related goods or services the moral of the story remains that there is no substitute for an effective Co-existence or Delimitation agreement governing that relationship.

L'Oreal and others v Bellure NV and others – Case C487/07 The European Court of Justice

This was a referral by the Court of Appeal of England and Wales in an action where L'Oreal sought to prevent the marketing of imitation perfumes using trade mark legislation and comparative advertising legislation.

The defendants were marketing perfumes that used packaging and bottles which bore similarities in appearance to famous L'Oreal perfumes such as Trésor, Miracle, Anaïs-Anaïs and Noa. They also used comparison lists which they provided to their retailers and which indicated the brand of the fine fragrance of which the perfume being marketed is an imitation. Thus there was no question of the public being confused or deceived as to what was being sold. The relevant provisions under consideration were Article 5(1) and (2) of First Council Directive 89/104/EEC. Article 5(1) contains the classic infringement provisions – (a) use of a sign identical to the claimant's trade mark on goods/services identical to those for which the claimant's mark is registered, and (b) where the infringing sign is identical but used for similar goods/services, or a similar sign is used for identical or similar goods/services, but with the requirement of a consequent likelihood of confusion. However, the EU/UK trade mark legislation (Article 5(2) and Section 10(3) of the Trade Marks Act 1994) also provides the owners of brands possessing a reputation with protection where the sign complained of without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the earlier mark. Thus there can be an infringement of a trade mark (other than where the infringing sign is identical and used for identical goods) without the need for confusion. Nevertheless certain uses of well-known trade marks which amount to legitimate comparative advertising could be permitted (under separate comparative advertising legislation) provided certain conditions are met. The relevant provisions on comparative advertising are found in Article 3 a (1) of Council Directive 84/450/EEC of 10 September 1984 concerning misleading and comparative advertising, as amended by Directive 97/55 EC.

The ECJ's decision can be summarised essentially as follows: (i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of that mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. The use of the defendants' packaging and bottles which were considered similar to the complainants' packaging/bottles therefore amounted to taking unfair advantage of the complainants' reputation, and therefore an infringement under Article 5(2). There was no need for confusion, damage or detriment to be caused by that conduct; merely an attempt to exploit for their own benefit the reputation and attractive power of the complainant's trade marks as well as the complainant's marketing investment;(ii) where there has been use of a mark identical to the earlier mark in a comparative advertising context but which does not meet all the requirements of Article 3 a (1) of Council Directive 84/450/EEC, Article 5(1) (a) of First Council Directive 89/104/EEC may be invoked to prevent that use where that use is liable to affect the quality guarantee, communication, investment or advertising functions of a trade mark, irrespective of the fact that the essential function of a trade mark, as an indication of the

origin of the goods, is unaffected. Accordingly, the suggestion is that the use by the defendants of the complainants' brands (registered as trade marks) in comparison lists (i.e. as comparative advertising) simply to promote their own brands is still capable of amounting to trade mark infringement, even though it is clear from the lists that there is no ownership or origin association with the complainants' trademarks/brands; (iii) the comparison lists amounted to the express or implied representation that the defendants' products were imitations of the complainants' trade marks, and any resulting advantage must be considered to be an advantage taken unfairly of the reputation of those marks, depriving that use of the defence of being legitimate comparative advertising.

Comment: In this case the ECJ took the slightly unusual step of answering the referring court's questions in a different order to which they were put. Instead of dealing with separate and distinct acts on their own terms the impression is given of a court whose role should be legislative interpretation straying into the arena of determining liability. In the context of luxury fragrances part (i) of the decision effectively creates a penumbra of protection for famous luxury brands beyond their immediate market. Whether this is actually needed in such a market is open to question since purchasers with sufficient spending power, discernment and a desire to possess a genuine luxury brand are likely to be well informed and will not want to purchase cheap imitations. Only the impecunious and less discerning will purchase such goods, and would not purchase the genuine brands in any case. It is however, quite possible that the cachet or prestige of the luxury brands would be unfairly exploited (and perhaps even adversely affected) by this imitation packaging, and from that point of view, in principle that part of the decision might be justified. It would certainly be justifiable if this case concerned supermarket own brand look-alikes. With regard to part (ii) it is noted that at paragraph 63 of the decision the ECJ leaves to the referring court the question whether the functions of a trade mark other than as an indicator of origin, are affected. The whole point of the comparison lists is to use the genuine luxury brands as benchmarks. It was already conceded that their capacity as indicators of origin is unaffected. However, their capacity to guarantee quality, and their communication, investment or advertising functions are not necessarily thereby undermined either, but arguably enhanced. A further point of debate is the Court's approach to the applicable exceptions listed under Article 3 a (1) of Council Directive 84/450/EEC in point (iii) of its answer. Rather than giving the simple answer that the defendants were deprived of the availability of the comparative advertising defence simply on the grounds that they presented their goods as "imitations or replicas of goods or services bearing a protected trade mark or trade name" (an exception under Article 3 a (1) of the comparative advertising Directive) it equates that conclusion to taking unfair advantage of the reputation of the earlier marks. It begs the question why they did not simply find that another exception of the comparative advertising Directive applied, namely condition (g) - that the advertising took unfair advantage of the reputation of a trade mark? The reasoning is artificial and takes registered trade mark law into the realms of unfair competition. Indeed this is explicit from the wording of paragraph 79 of the decision. The preamble to First Council Directive 89/104/EEC explicitly recognised (1) the necessity of removing impediments to the free movement of goods/freedom to provide services; (2) the application by member states of their own laws relating to inter alia, unfair competition; and (3) the function of a trade mark as an indication of origin. Has the ECJ extended the legislation beyond its intended reach and into a sphere reserved to the member states? What of genuine attempts in advertising at achieving a comparison between products? It is conceivable that this decision could be used as a weapon in such instances. In *Intel Corp v CPM United Kingdom Limited* the ECJ had given us hope that they were at last finding their way in Registered Trade Mark law, but here they seem to have lost it again, and have presented the owners of leading brands with a potentially oppressive weapon to stifle competition. It is perhaps, as some have suggested, a case which is peculiar to its facts (an effort to counter look-alikes), and therefore has no application beyond those facts. The case will be used by lawyers, however oppressively, to support another action, which will mean yet another visit to the ECJ for yet another explanation or clarification, as usual financed by the litigants.

Intel Corporation v CPM United Kingdom Limited – Case C-252/07
The European Court of Justice

This is another (but ultimately concluding) episode in the long-running dispute between Intel Corporation and CPM United Kingdom Limited. Michael Bilewycz, Managing Director of Decisis is pleased to advise CPM in connection with this dispute, with Mark Engelman as lead counsel.

CPM, a leading marketing company, in 1992 established a telemarketing services business trading under the brand INTELMARK, and had in 1997 registered the name as a trade mark in the United Kingdom for “marketing and telemarketing services” in class 35. In 2003 Intel commenced proceedings in the UK IPO to invalidate the registration under section 5(3) of the UK Trade Marks Act 1994. Intel claimed that INTELMARK was similar to Intel’s own trade marks which possessed a substantial reputation, and its use without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of Intel’s trade marks, which, were registered primarily for computer-related goods. This action was dismissed by the UK IPO and (on appeal by Intel) the UK High Court on the grounds that it had failed (1) to make out that a “link” arose between INTELMARK and the Intel’s registered trade marks, and (2) that use of INTELMARK would take unfair advantage of, or be detrimental to, the distinctive character or repute of Intel’s trade marks.

Intel appealed again to the UK Court of Appeal which commented that whilst Intel’s proposition was too “oppressive”, the matter needed to be referred to the European Court of Justice. Accordingly, the Court of Appeal formulated the following questions for consideration by the ECJ:

- (1) For the purposes of Article 4(4)(a) of [the Directive], where:
- (a) the earlier mark has a huge reputation for certain specific types of goods or services,
 - (b) those goods or services are dissimilar or dissimilar to a substantial degree to the goods or services of the later mark,
 - (c) the earlier mark is unique in respect of *any* goods or services,
 - (d) the earlier mark would be brought to mind by the average consumer when he or she encounters the later mark used for the services of the later mark,

are those facts sufficient in themselves to establish (i) “a link” within the meaning of paragraphs 29 and 30 of [Adidas] and/or (ii) unfair advantage and/or detriment within the meaning of that Article?

- (2) If no, what factors is the national court to take into account in deciding whether such is sufficient? Specifically, in the global appreciation to determine whether there is a “link”, what significance is to be attached to the goods or services in the specification of the later mark?
- (3) In the context of Article 4(4)(a), what is required in order to satisfy the condition of detriment to distinctive character? Specifically, [(i) does] the earlier mark have to be unique, (ii) is a first conflicting use sufficient to establish detriment to distinctive character and (iii) does the element of detriment to distinctive character of the earlier mark require an effect on the economic behaviour of the consumer?

The European Court of Justice delivered its decision on 27 November 2008 and held:

1. Article 4(4)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted

as meaning that whether there is a link, within the meaning of Case C-408/01 Adidas-Salomon and Adidas Benelux, between the earlier mark with a reputation and the later mark must be assessed globally, taking into account all factors relevant to the circumstances of the case.

2. The fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link, within the meaning of Adidas-Salomon and Adidas Benelux, between the conflicting marks.

3. The fact that:

- the earlier mark has a huge reputation for certain specific types of goods or services, and
- those goods or services and the goods or services for which the later mark is registered are dissimilar or dissimilar to a substantial degree, and
- the earlier mark is unique in respect of any goods or services,

does not necessarily imply that there is a link, within the meaning of Adidas-Salomon and Adidas Benelux, between the conflicting marks.

4. Article 4(4)(a) of Directive 89/104 must be interpreted as meaning that whether a use of the later mark takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark, must be assessed globally, taking into account all factors relevant to the circumstances of the case.

5. The fact that:

- the earlier mark has a huge reputation for certain specific types of goods or services, and
- those goods or services and the goods or services for which the later mark is registered are dissimilar or dissimilar to a substantial degree, and
- the earlier mark is unique in respect of any goods or services, and
- for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark to mind,

is not sufficient to establish that the use of the later mark takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark, within the meaning of Article 4(4)(a) of Directive 89/104.

6. Article 4(4)(a) of Directive 89/104 must be interpreted as meaning that:

- the use of the later mark may be detrimental to the distinctive character of the earlier mark with a reputation even if that mark is not unique;
- a first use of the later mark may suffice to be detrimental to the distinctive character of the earlier mark;
- Proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the

use of the later mark, or a serious likelihood that such a change will occur in the future.

Comment: This is an unfavourable result from Intel's point of view. There has been some clarification of a provision which has for some time required the *direct* attention of the ECJ, although it does broadly confirm that each case will depend on its own circumstances. In particular, for example, there is now confirmation that the establishment of the existence of a link between the conflicting marks does *not* absolve the proprietor of the earlier mark from having to prove actual/present injury to its mark or a serious likelihood that such an injury will occur in the future. Secondly, we now have some guidance on the issue of detriment to the distinctive character of the earlier mark (also referred to as 'dilution', 'whittling away' or 'blurring'). Detriment to the distinctive character had become a central issue in this case particularly as Intel had failed to satisfy all the tribunals concerned that use of the later mark had taken unfair advantage of its distinctive character/repute. Essentially Intel's case had evolved into an argument that proof of the huge reputation in its trade mark Intel in connection with microprocessor products and computer-related goods, and of a link between that trade mark and CPM's trade mark Intelmark (used and registered for marketing and telemarketing services) should effectively lead to a *presumption* (the ECJ used the term "acceptance") that detriment will be caused to the distinctive character of Intel's trade mark. This position would effectively have absolved Intel from proving some form of damage/injury or a likelihood of such occurring as a result of the use of Intelmark. The guidance given by the ECJ above will give a firmer line and much greater certainty on what amounts to detriment to the distinctive character.

By requiring evidence of a change in the economic behaviour of the average consumer of the goods or services covered by the earlier mark or a serious likelihood of such a change, resulting from use of the later mark the Court has set a challenging test. Nevertheless that test should be challenging because of the exceptional nature of the status that the likes of Intel claim for their brands. To do otherwise would hand such already powerful brand owners an oppressive weapon which could easily be abused.

Competition should be free and fair and these criteria should permit legitimate business activity. The decision places certain limits on the reach of registered trade mark law, maintaining a demarcation from areas of law which should properly be regarded as part of the law of passing off in the UK, or unfair competition in other parts of Europe. If that demarcation is not strictly observed there is a real danger that the important functions of a trade mark (to distinguish one business or product from competing businesses or products, as an indicator of origin, and as a guarantee of quality) will be damaged. Another barrier inhibiting the development of new businesses and of new brands and Intellectual Property, so critical in the current economic climate, will also have been erected.

Seminars and events

Michael Bilewycz, Managing Director of Decisis, will be speaking on IP law at the following business events:

2010 (tba) – Seminar entitled "Doing business on the internet – Intellectual Property and related issues". Venue: City Business Library, City of London, 1, Brewers' Hall Garden (off Aldermanbury Square), London, EC2V 5BX. Tel: 020 7332 1841. Limited places. This is the fifth seminar being held because of over-subscription in the previous four seminars.

www.cityoflondon.gov.uk/citybusinesslibrary

Past seminars/events attended as speaker:

21 October 2008 - "Doing business on the internet – Intellectual Property and related issues"
Venue: City Business Library, City of London, 1, Brewers' Hall Garden (off Aldermanbury Square), London, EC2V 5BX. Tel: 020 7332 1841.

www.cityoflondon.gov.uk/citybusinesslibrary

20 January 2009 - "Doing business on the internet – Intellectual Property and related issues"

Venue: City Business Library, London, EC2V 5BX.

17 February 2009 – Event on Intellectual Property - Trade Marks, Passing off and Confidential Information. Hosted by London B2B Net. For details see www.londonb2b.net.

11 March 2009 - "Doing business on the internet – Intellectual Property and related issues"
Venue: City Business Library, London, EC2V 5BX.

3 June 2009 – Breakfast seminar hosted by Kingston Smith on "Doing business on the internet – Intellectual Property and related issues". Venue: Offices of Kingston Smith LLP, 141 Wardour Street, London, W1F 0UT, web: <http://www.kingston-smith.co.uk/kingston-smith>.

5 August 2009 - "Doing business on the internet – Intellectual Property and related issues"
Venue: City Business Library, London, EC2V 5BX.

Michael Bilewycz also attends leading business networking groups such as the **LinkedIn Group Company Directors Networking**. Venue: IOD, 116 Pall Mall, London SW1Y 5ED.

The Intellectual Property Office – Company Names Tribunal

Run by the Intellectual Property Office (not Companies House) this is a procedure recently introduced under the Companies Act 2006 (and only in force since October 2008), to provide a mechanism to challenge registered company names which are confusingly similar to earlier names used by complainants. The procedure was introduced to help combat company name squatting and opportunistic company registrations.

The tribunal is staffed by Adjudicators selected from the Trade Marks Tribunal of the IPO, who, assuming proceedings are successful, have the power to issue name change orders. Appeals are to the High Court.

The first case decided under this procedure was an application by The Coca Cola Company against a registration for "Coke Cola Limited". No defence was lodged and a decision was issued on 3 December 2008 directing the respondent to change the company name. No response to the order was received and consequently the adjudicator directed a change of name.

For further advice on this development and other aspects of please contact us at the e-mail address provided in this website (ip@decisis-law.co.uk), or using the contact details below.

The Intellectual Property Office – Trade Mark Practice: Amendments to Rules

The Trade Marks Rules 2008 came into force on 31 October 2008 making extensive amendments to the 2000 Rules.

Of particular note (amongst other things) is the change in time limit for filing opposition from three months to **two months** with an option to extend that time limit by one month.

The Intellectual Property Office – Online copyright infringement

As part of its implementation of the Gowers Review, and to respond to the potential commercial damage that can be caused by large scale copyright infringement, the United Kingdom Intellectual Property Office (UK IPO) has launched consultations on the proposal to increase the maximum fine that can be handed down by a Magistrate's Court from £5,000 to £50,000.

Further details can be found at the UK IPO website <http://www.ipo.gov.uk/>.

The Intellectual Property Office – ‘Fast track’ examination for Trade Marks

As part of its response to the Gowers Report on Intellectual Property, the IPO has introduced ‘fast track’ examination procedures for both trade marks and patents.

In respect of trade marks the new procedure (introduced with effect from 6 April 2008) will involve (1) examination of a ‘Fast Track’ trade mark application, and (2) forwarding the resulting examination report (i.e. a letter to the applicant detailing its findings) within ten business days of the date of filing of the application. This compares with one month for standard trade mark applications.

If no objections are raised the ‘fast track’ application will be processed for publication in the Trade Marks Journal to enable third parties to object should they wish to do so.

The ‘fast track’ procedure only applies to *examination*. It does not extend to any other part of the process such as publication in the Journal which will still take three months. However, the UK IPO will endeavour to deal with all correspondence as quickly as possible.

In our experience, an application (non-fast track) will take between 7 and 10 months to achieve registration if there are no objections, or any objections are quickly resolved.

‘Fast track’ must be requested by the Applicant and will involve a IPO fee of £300 in addition to the usual IPO filing fees. If the IPO fails to deal with a ‘fast track’ application within the ten business day time frame the ‘fast track’ fee will be refundable. The IPO is confident that the quality of examination work will not be affected and that it has a target of ensuring that 98.5% of decisions are correct.

If objections are raised (for example that the mark applied for is devoid of distinctive character, or there are conflicting earlier rights) the ‘fast track’ application will be processed in the usual way.

Further details can be found at the UK IPO website <http://www.ipo.gov.uk/>.

The Intellectual Property Office – Trade Mark Practice

A number of trade mark owners and applicants still seem to be unclear as to the implications of an important change in practice introduced in October 2007. This is an attempt to outline its implications.

As many within the IP community will know on 7 October 2007 the Intellectual Property Office (then known as the UK IPO) introduced an important change in its Examination procedures for Trade Mark applications. The IPO abandoned its longstanding previous practice of raising objections on the basis of earlier conflicting trade mark rights.

As a result of the changes the Office still conducts searches of earlier UK trade mark registrations, earlier Community Trade Marks (CTM), and earlier International Registrations designating the United Kingdom. The IPO will then inform the applicant for the later trade mark of the results of these searches if they disclose conflicting earlier rights. The applicant will then have the option of either withdrawing its application or of continuing with that application. Unlike the previous practice, if the latter course is adopted the IPO will accept the later trade mark for publication (provided other outstanding issues such as distinctiveness objections are resolved).

The IPO will provide notice of details of the later trade mark to the owners of the earlier rights disclosed in its searches, including publication details. It is then up to the owners of the earlier rights to decide whether to take action against the later trade mark.

What this means for you

a) As the owner of existing UK trade mark registrations

From time to time you will receive from the IPO notices such as those mentioned above, and there will be a window of three months in which the later mark is published and during which you will have the opportunity to object.

Objections may be expressed either by way of written observations (informal) which the IPO may or may not act upon, or by way of Opposition proceedings. The latter is an action formally giving notice of the objections of the owner of an earlier trade mark registration. Formal documentation is used and there is an IPO fee payable in addition to professional fees. Evidence will be required in the later stages of this process.

In these circumstances professional representation is strongly advised and we can call upon nearly twenty years of experience in handling these matters. Not all such actions need be pursued to their logical conclusion, and in many cases they may be resolvable by way of an agreement with the other party. Again our legal experience extends to negotiating and drafting such agreements.

b) As the applicant in respect of a trade mark application

If you find that the IPO informs you of earlier conflicting rights you will need to decide from a commercial point of view whether to continue with the application.

Obtaining appropriate advice is preferable at this stage as it will assist you in your decision. As we have experience in-house in commerce (and not just in private practice) we try to ensure our advice is commercially relevant/practical and is not overly concerned with academic points unless they are relevant. The exercise becomes a risk assessment on the question whether the owners of the earlier rights are likely to oppose your application and whether their objections are likely to be resolvable.

Caution is advised as to your response at this stage because much could later depend on the nature of that response and how it is interpreted.

If you do continue with the application and are served with Opposition proceedings appropriate representation and advice is strongly recommended. As mentioned earlier, many such cases can be resolved by negotiating a suitable agreement of which we have long and extensive experience.

c) As the owner or user of unregistered trade mark rights

There are circumstances where it is possible for the users of unregistered trade marks to oppose trade mark applications which post date such rights, but the owners of such rights, because of their unregistered status, will not be given notice of later applications.

The owners of unregistered trade marks would have to rely on the common law doctrine of 'passing off', which does however place a heavy burden on them. The 'passing off' doctrine does have its place in the protection of Intellectual Property, but at least in the context of Opposition proceedings at the IPO the owners of registered trade marks would seem to have an advantage. We suggest this is a good reason to apply to register an unregistered trade mark without delay, or at the very least to consider that option with the benefit of professional advice.

Decisis has substantial experience in advising owners of unregistered rights in these circumstances.

d) As the owner of earlier Community Trade Mark rights

Unless they have expressly notified the IPO that they wish to be notified of any later UK applications which might conflict with their Community Trade Mark (CTM) rights, they will not receive any such notification. In these circumstances they would be advised to subscribe to a trade mark watch service which will keep them advised of conflicting trade mark applications in selected regions.

NB: Decisis has no connection with the IPO but is experienced in representing clients before the IPO.

If you require any help or advice in IP or have any questions concerning trade marks or any other form of intellectual property, Decisis will be happy to assist. Please contact the Managing Director, Michael Bilewycz at Decisis Limited, 5 St John's Lane, London EC1M 4BH; telephone 020 7250 4732 or e-mail him at michael.bilewycz@decisis.co.uk.

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