

October 2008

### UK: opposition term reduced to 2 months

Amendments to the trade mark rules which came into force in the UK on 1 October 2008 include, amongst various procedural changes, a reduction of the opposition period (during which a trade mark application is open to third party challenge) to **two months**. A single, one month, extension of this period is available on application.

The period to file a defence and counterstatement in opposition proceedings is also reduced to **two months**. If the parties agree, a cooling-off period can be entered extending the period to **nine months**, with a further period to a total of **eighteen months** available.

Note the opposition period for UK designations of International Registrations is now also two months.

In contrast, **CTMs** have a non-extendible **three month** opposition period.



### Adwords

Google's announcement earlier this summer that it would no longer prevent third parties in the UK and Republic of Ireland from bidding to register competitors' trade marks as search keywords brought Google's position in the UK and ROI into line with the USA and Canada. However, in many European countries Google continues to apply its trade mark complaint procedure to keywords as well as Ad text. In a European Union where trade mark law is broadly harmonised, but national differences remain, there is uncertainty on the legal position where a company registers another's trade mark as a keyword, but does not use the trade mark in the linked-to webpage.

The case law on this issue is not settled. The most recent decision in the UK, *Wilson v Yahoo*, was an undefended application for summary judgment, so offers guidance only. It followed the line taken by the Court of Appeal in *Reed Executive v Reed Business*. The judge said "*the trade mark in this case is not used by anyone other than the browser who enters the... search query*". There could not be trade mark infringement since the defendant was not using the trade mark.

Decisions in other EU member states have been more sympathetic to claimants against search engines. Notably in *Google France v Louis Vuitton* the Paris Courts of Appeal held Google liable for trade mark infringement and rejected its claim that it was not using the trade marks, since it was actively suggesting terms for advertising.

A reference from France's highest court is now pending with the European Court of Justice that should provide some clarification on the liability of search engines in such cases.

# Newsletter

## Trade Marks & Brand Identity

### UK: objecting to company names

From 1 October 2008 a newly-established Company Names Tribunal will be able to consider complaints that a company's name is sufficiently similar to a name in which the complainant has goodwill that it would be likely to mislead.

The new provision is intended to deter the opportunistic registration of company names. It does not encompass cases where the company name was adopted in good faith or where the complainant's interests are not likely to be adversely affected. The new rules are retrospective, so can apply to companies registered before October 2008.

Further provisions of the new Companies Act, which will allow objection to company names too like existing names, will come into force on 1 October 2009.

### CAUTIONARY SALES

#### Using your brands abroad

Most companies appreciate the importance of making sure that a brand is free to be used and is protected before it is launched in a country.

But what happens when you have products manufactured and labelled in one country and shipped out to be sold elsewhere? Not a problem, you may think; the goods are put into cases and no-one in the country of manufacture will even see the product. Where's the risk in that?

Unfortunately, that is not how the law sees it in most countries. Using a trade mark on goods for export only out of a country can amount to infringement of a trade mark right in that country in the same way as if you sold goods in the country under that trade mark.

It might seem improbable that someone would already own a registered trade mark that you would infringe, but it is not uncommon for local suppliers or agents to protect a client's brands "on its behalf". Sometimes this is done in good faith and, when asked, the rights are transferred to the brand owner on reasonable terms. However, we have seen cases where the ownership of the registered rights by the local company is used as a means of tying the brand owner into a supply contract; if you try to move supplier, the disgruntled supplier/agent may injunct any other parties using the brand in that country – even the brand owner itself. It is also possible that a competitor might protect the brand owner's marks as a spoiling tactic, or that a third party coincidentally owns a conflicting right.

It is therefore always important that, when you trade in a country using a brand – whether by supplying into that country or by having branded product exported – you first check that you are free to use the brand and, if you are, that you seek trade mark registration there.

Protection of the brand will also give you a basis to act against counterfeiters or others who use your trade marks without your authorisation, whether the use is on a product or in any other way that damages your rights in the brand – for example, a conflicting domain name.



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## Trade Marks & Brand Identity

A number of countries do recognise rights that arise through use of a brand, but these can be difficult and time consuming to prove; for example, where you are merely exporting out of a country rather than selling into that market. In comparison, proof of ownership of a registered right is a relatively simple matter.

One country where we have carried out a significant amount of brand protection work is China; while the country has a well developed legal framework, enforcement of rights can be difficult, particularly if you have no registered rights. China has undertaken a number of steps to improve enforcement measures and to change its image as a counterfeiting centre, including mobilising the AICs (the local trading standards bodies) to inspect and close down unauthorised production centres. How does your supplier prove they are authorised if raided by the AIC? It is easiest to show the AIC that the trade mark is registered in China and that the registered owner of the brand has provided written authorisation.

In deciding whether to take steps to protect trade marks in a country where the branded product is made or sold, consider the impact on your business of:

- Sales of the branded product being stopped;
- Production of branded stock being halted;
- Having to change product branding/labelling;
- Circulation of unauthorised product within and out of the country in question

If the effect would be significant, you should be thinking carefully about use and protection of your trade marks in that country.

If you need guidance on an appropriate and cost-effective protection strategy, have a word with us and we will be happy to advise.

### **Beware...**

Many of our clients have been receiving letters that, at first glance, appear to be correspondence from the Community Trade Marks Office (OHIM) asking for payment of a registration fee. Several different companies are sending out these bogus invoices, but the service offered is the same – the inclusion of your trade mark in a 'register' for a period of one year and for a typical fee of over \$1,000 – and is of no value whatsoever.



Domain name registration companies in China and Taiwan continue to issue emails alleging that another company has expressed an interest in registering a raft of domain names which happen to include clients' registered trade marks. These emails are attempts to generate business, and we advise against responding to them.

We have also heard of domain name owners receiving communications purporting to be renewal notifications. Following the instructions set out will result in the domain name being transferred away. This highlights the importance of having your domain names administered by a single, reputable registrar, so that unsolicited notices from unknown providers can be easily identified and ignored.

Checking the small print will generally identify these communications for what they are, but if you have doubts please get in touch with your usual contact at HL.

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