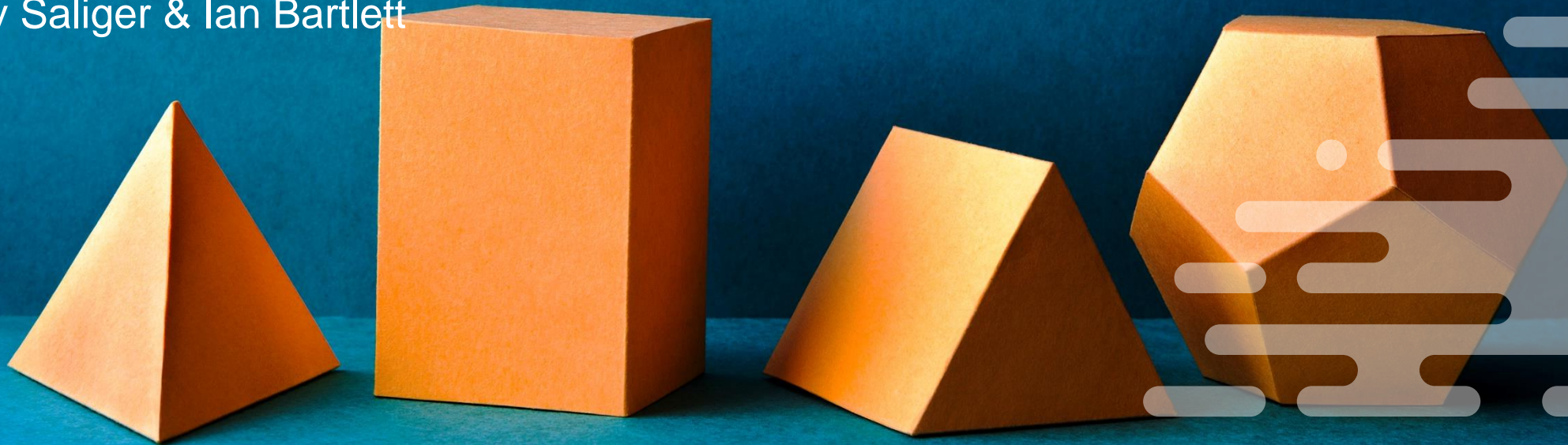


Trade Mark Enforcement in the UK

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Enforcement options in the UK

- **Prosecution:** Company Names Tribunal
- **Prosecution:** UK Intellectual Property Office (oppositions, invalidity, non-use)
- **Infringement:** High Court
- **Infringement:** Intellectual Property Court (IPEC)
-

Case Study - Scenario

- Shrubby Trading Co use the trade mark SHRUBBERRY
- Shrubby Limited use the trade mark (SHRUB-BERRY)
- both are offering gardening and landscaping services (class 44)

Shrubby Trading Co registered their company name in 2014 and started using SHRUBBERRY 2015. They registered a trade mark on 16 January 2016. Shrubby Limited started using and applied for their company name in July 2022. They also filed a UK trade mark application in July 2022. The mark has been examined, Shrubby Trading Co were notified of the application by the UK IPO. The mark has now been published and is open to opposition until 31 October 2022.

Company Names Tribunal

- Basis for action
- Costs
- Timeline

Company Names Tribunal (2)

- Basis for action – Companies Act 2006, sections 69 – 74

Section 69: (1)

“A person (‘the applicant’) may object to a company’s registered name on the ground –

- (a) That it is the same as a name associated with the applicant in which he has goodwill, or
- (b) That it is sufficiently similar to such a name that its use in the UK would be likely to mislead by suggesting a connection between the company and the applicant

Note: Goodwill includes a reputation

Company Names Tribunal (3)

- Official fee of £400, setting out a statement of grounds explaining details of the goodwill and reputation
- Defences:
 - Insufficient reputation held by the Applicant; or
 - Company name registered before the applicant traded / used; or
 - Operational considerations;
 - Name adopted in good faith
 - No adverse impact on the applicant

Company Names Tribunal (4)

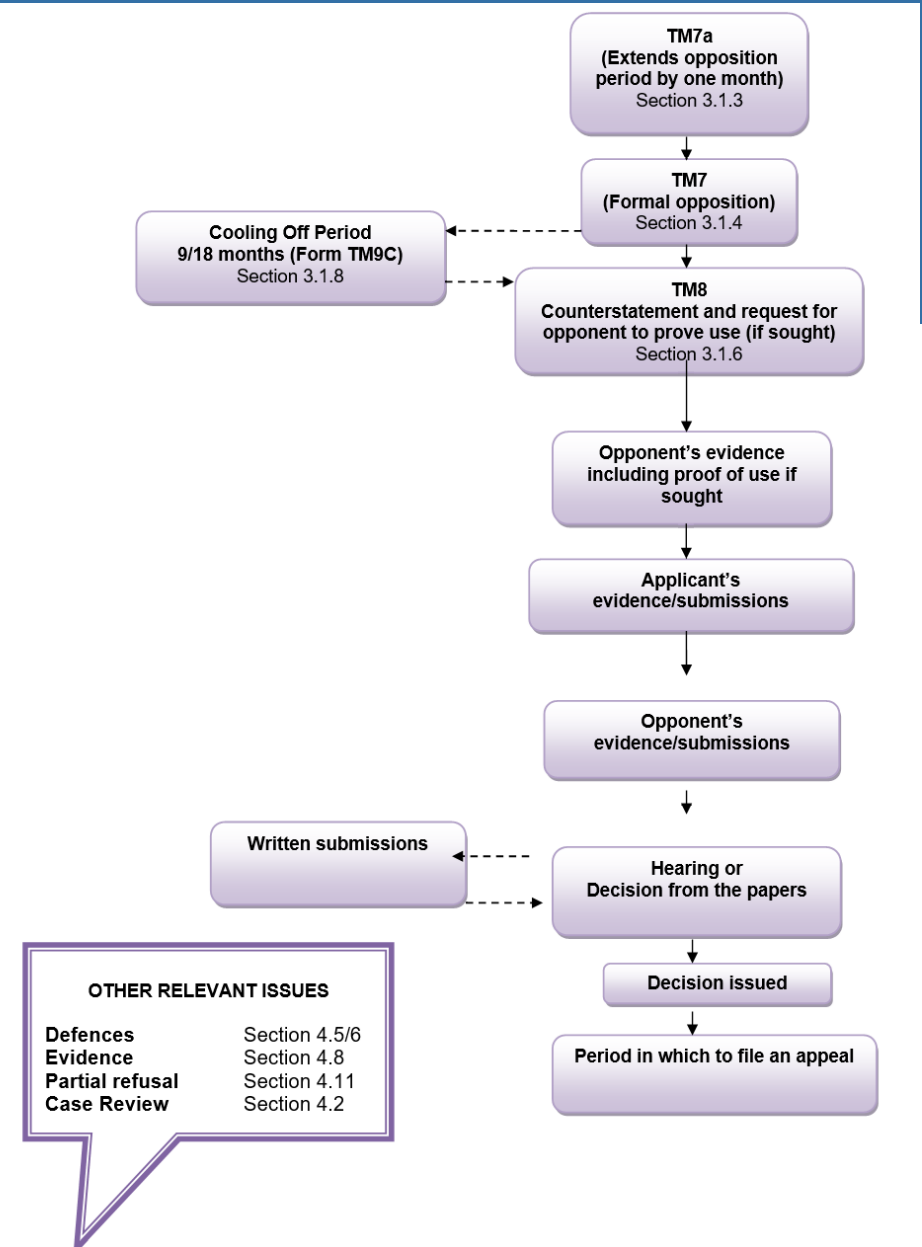
- Next steps in proceedings
- Co-respondents
- Evidence
- Hearings / Submissions
- Appeal Options
- Overall costs

UK Intellectual Property Office (1)

- Actions: opposition, revocation, invalidity can be filed
- Basis for opposing in our scenario
- Fast Track
- Costs
- Timeline to decision
- Rights of Appeal

UK Intellectual Property Office (2)

- Opposition proceedings:
 - Earlier registered right: likelihood of confusion; and/or
 - Earlier registered right: reputation; and/or
 - Earlier unregistered right: passing off; and/or
 - Section 3: excluded from registration because it describes the goods / service, is non-distinctive, consists of signs customary within the trade; and/or
 - Other grounds
 - *table from UK IPO Manual



UK Intellectual Property Office (3)

- Defence due – two months from service - non extendible, can enter COP
- Failure to file defence / missed deadline
- Preliminary indication
- Proof of use in opposition proceedings
- Evidence
- Submissions
- Hearing



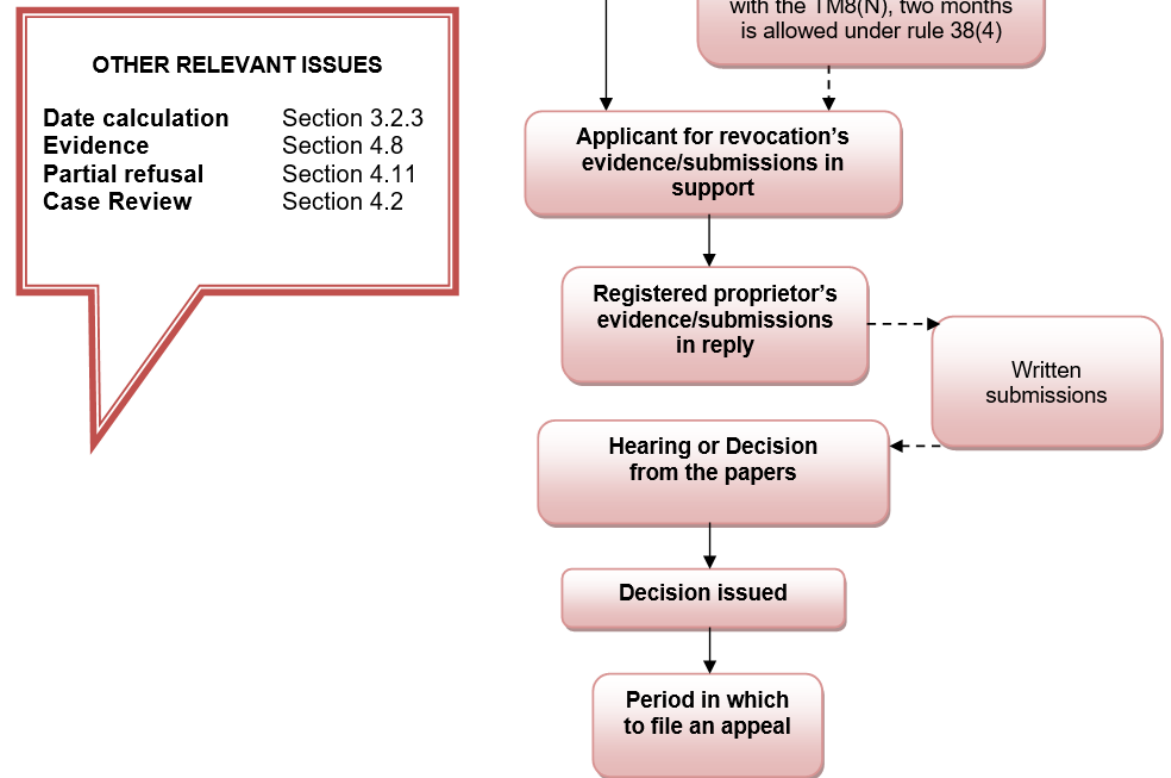
UK Intellectual Property Office (4)

- Appeal to Appointed Person (without permission);
OR
- Appeal to the High Court (without permission)
- Further rights of appeal
 - Court of Appeal
 - Supreme Court



UK Intellectual Property Office (5)

- Non-use Revocation
 - Not been put to genuine use for 5 year period
 - Brexit use
 - Use in a different form which does not alter the distinctive character of the mark
- * table from UK IPO Manual



High Court 1 - general

With two exceptions the High Court takes no part in the preparation for trial.

- Unless invited by the parties, the court only intervenes at the “**Case Management Conference**” and the “**Pre-Trial Review**”.
- Parties required to follow the “Civil Procedure Rules” (see “resources” below) as they proceed towards trial.
- If a pre-trial dispute over the way case is progressing either party can make an application to the court to decide the issue.

Claims for TM infringement and passing-off (England & Wales)

Claims for registered trade mark infringement (and “passing-off”) can be brought in the following English/Welsh courts:

- **High Court**
- **IPEC** – “The Intellectual Property Enterprise Court”
- **County Courts** of Birmingham, Bristol, Cardiff, Leeds, Liverpool, Manchester, and Newcastle upon Tyne.

(Trade mark and Passing-Off claims started in the County Courts are rare)

High Court 2 – The three main phases

Like most UK proceedings, including IPO proceedings, there are 3 main stages in Court litigation

- **Pleadings (“Statements of Case”)**: The Claim and the Defence

The statement of facts which the parties say they will prove and which, if proved, must inevitably lead to the remedies they requires, (eg injunction, damages, etc. - Claimant and refusal of the claim - Defendant).

- **Evidence**: Documentary and witness evidence

The evidence the parties will bring to prove the facts asserted in their pleadings.

- **Submissions**: Made in writing (“skeleton arguments”) and then orally at trial before the judge

Why the evidence proves the facts stated in the pleadings and must lead to the remedies requested.

High Court 3 – specific “phases”

In more detail, the phases in High Court litigation are:

1. Pleadings – details of the claim followed by the defence
2. **Case Management Conference (“CMC”)**
3. Disclosure (ie “discovery”)
4. Witness statements (what the witness will say at trial if called)
5. Expert reports (if any)
6. Pre-trial review
7. Trial
8. Judgment
9. The “Consequential” hearing – form of injunction, damages, other remedies, costs etc.

High Court 4 – The Case Management Conference i

Case Management Conference – a “mini-trial”.

After listening to the parties’ submissions, and any evidence, the court determines how the case will progress to a full trial.

1. Issues

The court reviews the pleadings, listens to parties submissions , and decides the “***issues***” which need to be determined at trial.

Examples of “***issues***” in a trade mark case: Does the defendant use the mark in trade, and for what goods services?

- Is the Claimant’s registration valid?
- Are the marks the same or similar?
- Is there a risk of confusion?
- Does the claimant have a reputation?
- Will there be a link and unfair advantage?
- Is there “due cause”?

High Court 4 – The Case Management Conference ii

2. Disclosure (discovery)

Remember that In UK court proceedings parties obliged to disclose “*documents*” (including electronic documents, eg emails, texts, notes of conversations etc.) which are relevant to the issues **and** all documents which are **adverse** to their case)

After listening to the parties’ submissions the court decides:

- Do any of the “issues” need disclosure
- What category of documents must be disclosed
- how hard the parties must **search** for such documents

(For instance, defendant might be ordered to search for and disclose all documents relevant to the issue of “confusion”, such as emails, letters, telephone messages, from its customers confusing its products as those of the claimant.)

High Court 4 – The Case Management Conference iii

3. Witnesses

- Witnesses are persons with first-hand knowledge of the *issue* in question. They must give a witness statement prior to the trial and may be called to give oral evidence at the trial and be “cross examined” unless the other party accepts their evidence).

After listening to the parties’ submissions the court will decide:

- for which of the *issues* witnesses are required.
- the number and identity of the parties’ witnesses.

High Court 4 – the Case Management Conference iv

4. Expert evidence

- The court is usually **reluctant** to receive expert evidence.
- If a party wishes to appoint an “expert” then it must obtain the court’s permission, usually at the Case Management Conference.
- In a trade mark case a party might wish to appoint an expert:
 - If the field of business is highly technical, to educate the court how the consumers in that field make purchasing decisions.
 - To comment on the results of any “survey” which the Claimant or Defendant might wish to conduct (survey evidence needs permission of the court and the court is usually reluctant to give such permission).

High Court 4 – the Case Management Conference v.

5. Timetable

The court will set the timetable for:

- exchange by the parties of their disclosure documents.
- exchange by the parties of witness statements.
- exchange of expert reports.
- approximate trial date.

High Court 4 – The Case Management Conference vi

6. Cost budgets

- Prior to the CMC the parties must each submit a detailed **costs budget** – the amount they have expended up to the date of the CMC and the amount they expect to expend during each subsequent phase through to trial.
- The court will decide at the CMC whether the budgets are reasonable.
- Any subsequent change to the costs budget needs the permission of the court.
- If successful, a party will not be able to recover costs from the losing party, more than the sum set out in its cost budget.

High Court 5 – The trial

- Following the CMC, and after the disclosure phase, witness evidence phase and any expert evidence, there is often a “*pre-trial review*” – a short hearing at which the court will make any additional orders regarding the preparation for and conduct of the trial.
- A typical **trade mark** trial in the High Court would last for 5 to 10 days but can sometimes be longer if the issues are complex and for instance, involve counter-claims of invalidity.
- Following trial, there is a “consequential” hearing to determine eg.
 - the form of the injunction,
 - which party pays the costs,
 - whether a separate trial is needed on damages, etc.
- **Permission** to appeal required. If permission granted, appeals go to the Court of Appeal.

Intellectual Property Enterprise Court 1 – general background

IPEC established for use by small and medium sized businesses.

Key feature: Costs capped at £60,000. (Maximum sum the losing party can be ordered to pay the winning party).

- IPEC can deal with all kinds of IP, including patents, copyright, trade mark, etc.
- IPEC, like the High Court, can issue precautionary measures, eg. emergency injunctions.
- IPEC may hear cases of any degree of complexity.
- **But** IPEC will not hear cases where the main trial is expected to last more than **two** days.
- A case started in the IPEC can be sent to the High Court (for instance if the court does not think a two day trial is feasible) and vice versa.

Intellectual Property Enterprise Court 2

IPEC v High Court – main differences

	High Court	IPEC
Timescales	Over a year from commencement to trial in standard cases – often 18 months or more	About 12-18 months from commencement to trial
Pleadings	Standard pleadings – less detail is required than other forums	Pleadings expected to be thorough, but concise
Case management by the court	No active case management, except at CMC	Active case management – cost/benefit analysis applied
Disclosure	Complex disclosure system	Specific disclosure only – limited to specific documents or classes of document
Evidence	No limit – permission required for expert evidence	Extent of witness and expert evidence must be proportionate – reliance on written over oral evidence
Trial	No limit on length of trial	Trials should not exceed <u>two</u> days,
Costs budgeting	Parties required to supply detailed “costs budget” prior to CMC and to keep these updated during the course of the case to trial	No costs budgeting
Cost recovery and damages	Costs recovery usually on a standard basis. No limit to damages recovery	Costs recovery capped at <u>£60k</u> (based on phases). Damages capped at <u>£500k</u>

Intellectual Property Enterprise Court 3 – Small claims

- The IPEC court also operates a “**small claims**” procedure:
 - Claims must be less than £10,000 in value.
 - IP rights limited to trade marks, passing off, **un**registered designs and copyright. **Not** patents or registered designs.
 - Same remedies as IPEC/High Court but **no** emergency measures.
 - Usually no significant costs recovery.
 - Appeals (with permission) go to IPEC.

Resources: Court enforcement

1. **Court** procedure generally governed by Civil Procedure Rules (“CPRs”)
<https://www.justice.gov.uk/courts/procedure-rules/civil>
2. **High Court** Intellectual Property claims generally governed by the rules of the “Business & Property Courts of England & Wales”
<https://www.judiciary.uk/wp-content/uploads/2022/08/Chancery-Guide-2022-28-7-22.pdf>
3. **IPEC** claims generally governed by the IPEC Guide
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1110445/IPEC_Guide_revised_2022.pdf
IPEC Small claims track
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/679030/ipec-sct-published-guide-february-2018.pdf

Final thoughts and questions:

- Recent UK cases
- Divergence from EU
- Questions?



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