

# Managing a trade mark portfolio

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This Practice Note provides strategic and practical advice on managing a trade mark portfolio that is aligned with: a company's overall business strategy; competitive intelligence; and, market analysis, and one that is a springboard for its growth and expansion.

For information on the main considerations relating to the registration and protection of UK and EU trade marks (EUTMs), see Practice Notes:

- [Application to register a UK trade mark](#)
- [Opposing a UK trade mark application](#)
- [European Union Trade Mark registration—searches and application](#), and
- [European Union Trade Mark registration—opposition, registration, renewal and cancellation](#)

In this Practice Note, all references to trade marks are also references to service marks unless otherwise stated.

## Trade marks are a growth business

Global filing rates have experienced a sustained period of growth, with almost three times as many applications being filed around the world in 2016 than in 2001.

This is a trend that is expected to maintain its momentum, and even increase, due to a number of factors, including:

- the increasing predominance of the internet and virtual trading, and the onset of new communication technologies. In this environment, trade marks are more important than ever to secure a company's strategic position
- globalisation and the need to build memorable global brands that span diverse cultures and languages (increasingly so to attract online traffic). For more information, see Practice Note: [IP and online retail](#)
- the increased use and possibility of protection of a broadening class of signs, eg non-traditional trade marks including shapes, colours, motion marks, sounds etc which can be important for the protection of get-up, advertisement and business content. For more information about protecting such signs, see Practice Note: [Unconventional trade marks](#) and for an example of the way in which registration of such signs has been addressed by the EU Intellectual Property Office (EUIPO), see: [Motion mark in colour](#)

**References:**  
*Directive (EU) 2015/2436*  
*World Intellectual Property Indicators 2017*

## **In a brands-rich business there is no business strategy without a trade mark strategy**

The above shows the need for a proactive trade mark policy and strategy in a global marketplace. A coherent regional or global strategy will help to build and maintain strong brands, helping to retain a company's strategic positioning, and save money.

### **Inside the trade mark portfolio**

The trade mark portfolio that is held by a company is a safe box for its brands, many of which will be protected by registrations. However, as what is valued is measured, the portfolio keeper (the Keeper) should ensure that it covers the following:

- house brands: generally, the most valuable brands owned by a company as they are a recognition of the 'brand promises' for which that company stands. Examples include MARS, COLGATE-PALMOLIVE, THE BODY SHOP, McDONALD'S. The positive image of a strong company house brand can extend to and boost the credibility of the products under it, especially those new to the market
- individual brands: these identify specific products/services, and can be used separately or in combination with the house mark, for eg MALTESERS, IRISH SPRING, ACTIVIST, BIG MAC
- marks in use although not necessarily registered: slogans, devices, product shapes motion marks and colour brands. The 'difficult to register' marks may fall into this category
- domain names registered as trade marks: sometimes regarded as secondary marks in the trade mark family. They can assist in providing an online advantage
- trade mark rights acquired through licences or assignments, as part of franchise agreements, co-branding agreements and other commercial transactions

### **Create/grow a strategic trade mark portfolio**

The first task is to decide which trade marks fall into the portfolio. The Keeper needs to work with the business teams to determine what their priority marks and long term plans are for each brand.

Furthermore, the protection needs to focus on the geographical remit of registration, ie which countries are worth the cost of protection? This requires discussions both with marketing and finance teams in order to establish 'first' and 'second' target jurisdictions, given their relative importance from a business and marketing perspective.

Things will change with time and for this reason a regular review of commercial priorities is required. It is good practice to conduct a review at least every three years, depending on the size of the business.

As registrations are only as valuable as the use to which they can be put, the Keeper has to determine where there is a real and genuine intention to use the trade marks in relation to the manufacture or sale/licensing of their goods and services, both now and in the future. In short, where is the money to be made by the company, or where does a third party need to be excluded from competing?

## Budgeting/costs considerations

The Keeper will usually be asked for a budget. Perfection is to own any key brand in every country of the world—realism makes that financially challenging. This is where a costs analysis comes in useful. Spending one tenth of a company profit over ten years to obtain registered protection is a benchmark for worthwhile spend. However, that of course depends on the brand value of the mark.

Each year, the Keeper should have meetings with the business to decide which countries provide best value and the most leverage. This is easy when there are several years of profits from which to derive an analysis. If a brand is new, comparing this cost to the profit of a sister-brand, whose information can be found online, can inform the analysis.

## Considerations as to national/regional/international routes to registration

It may be helpful to adopt the following strategy when considering national, regional and international routes to registration:

- establish primary (priority) marks and secondary marks
- establish primary markets for registration
- consider securing a home jurisdiction filing upon which the applicant can claim priority. An applicant for both UK and EUTMs may claim priority from the filing date of the same national trade mark filed up to six months earlier in a Member State of the Paris Convention or the World Trade Organisation Agreement. In respect of both UK and EUTMs, priority claims must be filed together with the trade mark application. For more information, see Practice Notes: [Application to register a UK trade mark](#) and [European Union Trade Mark registration—searches and application](#)
- consider securing a home registration to use as a potential base for an international application via the Madrid Protocol. It may be possible to use a national trade mark registration to apply for extension in any other jurisdiction party to the Madrid Protocol, including the EU, with the international registration bearing the date on which the international application was received in the home trade mark office, provided that the international application is received by the International Bureau at the World Intellectual Property Organisation (WIPO) within a period of two months from that date (if not, the date becomes the date of receipt by the International Bureau). For more information, see Practice Note: [Madrid international trade mark system](#)
- establish timelines within which to achieve this staggered registration
- determine whether a clearer picture of the success of a brand will be available in six months' time. The portfolio needs to have a diary system that brings up a reminder five months after a home jurisdiction filing to determine whether the six months' priority period would be useful to challenge intervening 'me too' applications

For more information on trade mark registration, see Practice Note: [Trade mark registration—issues to consider](#).

For more information on steps which rights holders might wish to take in order to put in place the best possible protection for their portfolios following the UK's decision to leave the EU, see Practice Note: [Brexit—the likely impact on IP rights](#).

### References:

*Paris Convention country members*  
*Regulation (EU) 2017/1001*  
*Trade Marks Act 1994, s 35*  
*Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (as signed at Madrid on 28 June 1989), Articles 2, 3(4)*

## The road to registration

The Keeper must clear the path in order to secure the registration of the commercially valuable rights that the process above has identified.

## Clearance and searching

Searching is like insurance—the Keeper must decide whether the searches are in the nature of ‘third party, fire and theft’ or ‘fully comprehensive’:

- as soon as the business is seeking a new or tweaked brand for a new or existing product, it is advisable for the Keeper to conduct clearance searches. This is in order to ascertain whether any identical or similar marks, both registered and unregistered, exist in relation to identical or similar goods or services. Searches comprise both searches in publicly available trade mark registers for registered trade marks (eg WIPO’s ROMARIN, the EUIPO’s TM View, websites of national trade mark offices), as well as common law searches for unregistered marks. Common law searches include: searches of the internet; domain name searches; searches of the register of company names; general directory searches; and industry specific directory searches. The business team should also be asked to contribute from their knowledge of the market
- the importance of the new brand to the business should determine how in-depth such searches should be. By way of example, a new product needs full searches, ie full register searches and common law searches for similar marks for the countries in which the product will be sold. However, a slogan for an advertising campaign or for a promotion may be transitory, and therefore may require far less clearance. Here, an online identical search using a commercial database will be the first option. The exception is where the slogan becomes part of the brand (particularly if used on the packaging itself) eg HAVE A BREAK, THE MINT WITH THE HOLE. Whereas top-line searches can be conducted in-house, in the case of full clearance searches, specialist search companies are usually engaged
- the Keeper can assist the business with financial planning by estimating a realistic searching budget for the level of the clearance needed
- the Keeper should build in the time required to obtain the results, which will usually range from 24 hours for online identical searches, to up to four weeks to obtain a response from, eg countries in Africa, such as Kenya, and islands in the Pacific. There are still countries that do not have online registries, so local attorneys still have to search manually. However, when speed is of the essence for a particular project it is even possible to conduct a top line check while on a conference call with the business
- as running all searches simultaneously (particularly if there are, for example, ten candidate marks) is ferociously expensive, the Keeper should adopt a staggered approach to minimise searching costs
- it is recommended that the Keeper first conducts online identical searches to reveal immediate serious obstacles, followed by full availability searches for remaining first preference trade mark candidates in primary markets, and then when these are cleared, secondary markets

### *References:*

*WIPO Romarin search*

*EUIPO search*

*UKIPO search*

- in some countries, registration still does not exist, and the Keeper may have to rely on the cautionary notice procedure (publication of notices in local press of these jurisdictions to inform the public of the ownerships of the trade mark). This includes countries such as Eritrea, Comoro Islands, Maldives, Myanmar, Palau, Nauru, and East Timor
- UK Court of Appeal and High Court cases have highlighted the importance of trade mark clearance searches, even if the mark is well established in the original jurisdiction of use and registration, particularly if businesses want to steer clear of infringement actions (as illustrated by cases of *Comic Enterprises Ltd v Twentieth Century Fox* and *Thomas Pink Ltd v Victoria's Secret*). For more information, see News Analysis: [No glee for Twentieth Century Fox](#)

A Keeper will get buy-in from the management team if the process is made clear and both sides understand the aims of the other. There will be marks barred from adoption due to third party rights and possibly, changing management preferences.

To make the process as efficient as possible, it is helpful to set up simple precedent forms to be used by the business for the brand selection process. See Precedent: [Trade mark search sheet](#).

### Sharks in the water

Following an analysis of the search results, the Keeper will need to consider the nature and level of risk that any revealed marks pose. Examples of such risks are set out below:

- an earlier EU filing will block not merely the registration of EUTMs, but arguably all national filings in Member States
- a national registered right can undermine an EUTM filing. A registered trade mark in a country of little importance to the company's commercial strategy, for example Greece/Portugal, can be used as an 'earlier trade mark right' to successfully oppose an EUTM application. This may therefore lead to a decision to use instead the Madrid Protocol, to try to secure an international registration designating the 'rogue' countries (Greece, Portugal) to lure an opposition to be filed. This lets the business determine whether the risk is real or a chimera
- the biggest 'iceberg' is where a third party has use of an earlier right in the relevant territory, but no registration. In circumstances such as this, a search of the trade mark register will not reveal the third party's earlier rights. Sometimes a common law search may pick this up. Other times, it will be the local agent for a country that can advise on what products actually appear in their market place
- earlier unregistered rights can be difficult rights to assess because their strength will depend upon evidence of length and breadth of use
- in addition to being used to block later applications, earlier registered and unregistered trade marks can also potentially be asserted against those who use later conflicting marks in the territory. Registered trade marks can form the basis of a trade mark infringement action and unregistered trade marks can form the basis of an action such as passing off (in the UK) or unfair competition (in certain European territories). If there is a risk of action by a third party, local legal advice should be sought
- if earlier use is raised, one practical strategy is to conduct a company search on the rights holder to determine if they have the financial ability to bring proceedings

### References:

*Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41  
*Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch)

For searches covering multiple marks and/or territories, it can be very effective for the Keeper to use a 'traffic light' system to indicate those marks which are available (green), those which may have potential issues (yellow), and those which face serious obstacles (red). This analysis will facilitate the understanding of the availability to use each mark and the likely success of applications, enabling the business to decide whether it is commercially viable to proceed.

### **File strategically**

For each brand, it is recommended that a filing sheet be set up and saved, in order to document the filing strategy and set out comprehensive details of all of the trade mark filings and registrations associated with that brand. See Precedent: [Trade mark filing sheet](#).

### **File quickly?**

A key factor in determining the point at which a company should expend the money to file applications for registration is whether the country is a 'first to file' or 'first to use' jurisdiction.

'First to file' means that the first party to file a trade mark obtains the earliest right, whereas 'first to use' means that such rights are obtained by the first party to use it.

In the UK, the EU and in countries such as China, trade marks are registered on a first to file basis. It is therefore important to seek the registration of trade marks as part of a product or service launch, and preferably as early as possible during this process. In China, it is difficult for even globally famous brands to prove their fame over local manufacturers, and companies cannot rely on the widespread knowledge of their trade mark outside China when expanding into this market. The Keeper should be wary of trade mark trolls that are having some success in first-to-file markets.

On the other hand, the USA and Canada are 'first to use' countries, and therefore rights acquired through use in commerce in these jurisdictions can be asserted against later trade mark applications. The challenge for the Keeper in these jurisdictions is to ensure that their records provide sufficient evidence in terms of invoices, shipping documentation and advertising to prove the first use dates.

### **File smartly**

The Keeper is advised to take advantage of priority dates and Madrid Protocol filing where possible (see above).

In addition, if the Keeper owns a national trade mark in any EU Member State it can enter seniority from this earlier national mark in any subsequent EUTM application/ registration, or an EU designation of an International registration, where there is 'triple identity', ie where the later EUTM is:

- filed in the same name as the national mark
- the trade marks are identical, and
- the EUTM is sought for protection of goods or services which are identical with, or contained within, the specification of the earlier national trade mark

In this way, the Keeper can alert third parties to its earlier national trade mark rights in a Member State which could be brought into play if the EUTM application or subsequent registration was to be challenged, and therefore give additional weight to the EUTM registration.

Furthermore, if the Keeper surrenders the earlier national trade mark or allows it to lapse, the Keeper will be deemed to continue to have the same rights and the earlier filing date as they would have had if the earlier national trade mark had subsequently been nationally renewed. Seniority can either be filed together with the EUTM application or within two months of the filing date of the application.

### **Maintain a trade mark portfolio**

Once the trade mark portfolio has been set up it needs to be effectively and efficiently maintained.

### **Manage deadlines and renewals**

In the UK, EU, and most other jurisdictions, trade marks are registered for an initial period of ten years from the date of filing the application, and can then be renewed indefinitely for subsequent ten-year periods, on payment of the requisite fees. A failure to renew a trade mark will result in its permanent removal from the register. It is essential therefore that the Keeper has effective systems in place for docketing the details of the registrations, and logging any deadlines in order to ensure timely renewals of its trade mark portfolio.

In addition, if the portfolio includes registered trade marks in countries such as the USA and Philippines, where the renewal applications must be accompanied by a declaration of use and/or excusable non-use of the trade marks, the Keeper needs to ensure that this information is to hand. In the US, this declaration must also be filed between the fifth and sixth year after registration. It is usual for trade mark attorneys or third party renewals services to provide this docketing/renewal service.

### **Use it or lose it**

As it is only through use that trade marks can fulfil their essential function of communicating information to consumers, they are only afforded full legal protection if they are put to use within a reasonable period of registration. In the UK and the EU, the period is within five years of registration, but in other countries the period may be shorter, for example China, where it is three years.

Otherwise the marks may be challenged, revoked and removed from the register, allowing another trader to adopt the marks. To leave unused marks on the register would also be highly inefficient as it would clog up the system.

A critical aspect of managing a trade mark portfolio is for the Keeper to ensure that the trade marks are being 'used' in order that they do not become vulnerable to revocation for non-use. If put to proof, the Keeper must be able to establish that genuine, commercial, non-token use has been made of the trade marks (use of a company or trading name may not suffice) on the market for the relevant goods and services protected by the marks and that there are no proper reasons for non-use.

The use does not need to be extensive, as long as it is not de minimis, and all relevant factors will be taken into account, such as the nature of the goods and services and the scale and the frequency of use.

In relation to UK trade mark registrations, the relevant use must take place in the UK.

#### **References:**

***Declaration of use and/or excusable non-use and an application for renewal under sections 8 and 9***

#### **References:**

***TMA 1994, s 46(1)***  
***Article 58 of Regulation (EU) 2017/1001***

#### **References:**

***Ansul BV v Ajax Brandbeveiliging BV, Case C-40/01***  
***La Mer Technology, Inc v Laboratoires Goemar SA, Case C-259/02, [2005] All ER (D) 493 (Jul)***  
***Stichting BDO v BDO Unibank Inc [2013] EWHC 418 (Ch)***



In relation to an EUTM, the relevant use must be in the EU, although it is not necessary to show use in the whole of the EU. In addition, the extent of the territorial use is only one factor that will be taken into account in establishing genuine use. Whether the scale of use is regarded as sufficient will depend on the characteristics of the products or services and the size and nature of the Keeper's business.

For more information on the scope of genuine use, see Practice Notes: [Removal of trade marks from the register](#) and [European Union Trade Mark registration—opposition, registration, renewal and cancellation](#).

The Keeper therefore needs to adopt a pro-active approach to encouraging and monitoring the appropriate use of the registered trade marks and maintaining evidence of this use. This can be achieved both by the creation of a diary system, as a reminder for the commercial, marketing and business development teams of the necessity to put trade marks to such use, as well as by the formation and maintenance of 'use files' in relation to the individual trade marks within the portfolio. Examples of use of the marks (as applied to goods, packaging or documents, in advertising, business papers etc) can be placed in these files in a form in which they can be readily accessed and used evidentially.

In addition, it is prudent for the Keeper to review the use of the trade marks within the portfolio with the relevant teams on a regular basis. This is in order to ascertain if there are trade marks that they are no longer keen on using, as these can then be actively phased out, and whether there are any older trade marks that can be used for new products.

#### **Do you need to use trade marks as registered?**

The Keeper does have an element of freedom (albeit small) to agree some variations in the mark as registered to suit the marketing and promotional requirements of the goods or services concerned, or to adapt it to the realities of a changing market. Use of the mark which is not exactly in the form in which it is registered is allowed. This is as long as it differs only in elements which do not alter the distinctive character of the mark. Such use is therefore considered to be sufficient to maintain the trade mark. The EUIPO in its 'Guidelines for Examination of European Union Trade Marks' outlines the office's practice in relation to what is considered to be acceptable altered use, based on the criteria developed by the General Court in its case law.

Therefore, any decisions to alter the use of the trade marks as registered require consultation with trade mark attorney advisers, and should not be left to the marketing and business development teams.

In addition, clear internal guidelines should be created, and education provided to the internal teams, as well as to third party users of trade mark such as distributors, advertising agencies, retailers etc as to the correct usage of trade marks.

For a summary of the issues to be covered in such guidelines, see: [Guidance on the correct use of trade marks in a business—checklist](#).

For more information on the scope of genuine use, see Practice Notes: [Removal of trade marks from the register](#) and [European Union Trade Mark registration—opposition, registration, renewal and cancellation](#).

#### **References:**

*Leno Merken BV v Hagelkruis BV*  
[2013] All ER (D) 53 (Jan)  
*The London Taxi Corporation Ltd v Frazer-Nash Research Ltd*  
[2015] EWHC 1840 (Ch)  
*EUIPO Guidelines*  
*UKIPO Manual of Trade Mark Practice*

#### **References:**

*TMA 1994, s 46(2)*  
*Article 18 of Regulation (EU) 2017/1001*  
*Guidelines for Examination of European Union Trade Marks, Part C, Opposition, Section 6, Proof of Use*



## Use by licensees

The company's business model may be based on or involve the licensing of some or all the trade marks within the portfolio, or indeed on in-licensing a third party's trade marks.

The marks may be licensed for some or all the goods or services for which they are registered, and for the whole or for part of the territory of the country concerned, on an exclusive, sole or non-exclusive basis.

Licensing models can include franchising, merchandising, brand extension, co-branding (eg Toyota and Coach in relation to the Lexus 'Coach' edition cars) and component or ingredient branding (eg diet soft drinks with NutraSweet). There can of course be huge business benefits in trade mark licensing, such as additional revenue streams, territorial expansion and new channels of distribution, the creation of strategic partnerships and of course increased consumer recognition and advertising.

However, in all these instances, as the use by the licensee will be deemed to be use by the proprietor of the trade mark, it is of real importance for the Keeper to ensure that any such use by the licensee of the trade marks within the portfolio does not damage the goodwill of the marks, or their ability to remain on the register. This can be achieved by ensuring that all licences are carefully drafted, enabling the Keeper to exert control over the use of the mark, and crucially to put a stop to any unlicensed or inappropriate use within a fairly short period. In addition, it will be necessary for the Keeper to police the standards set in a licence.

In the wake of Brexit, it is also necessary to ensure that where the territories of the licences extend to the EU, the UK is included/excluded as appropriate. For more information, see Practice Note: [Brexit—the likely impact on IP rights](#).

If the company's business model is to license, then the Keeper should ensure that these licences are registered, as failure to do so can result in adverse consequences such as an inability to obtain damages in infringement proceedings.

For more information about trade mark licensing and assignment, see Practice Note: [Trade mark assignment and licensing](#).

See also the following Precedents:

- [Trade mark licence—pro-licensee](#)
- [Trade mark licence—pro-licensor](#)
- [Trade mark coexistence agreement](#)
- [Trade mark assignment—pro-assignor](#), and
- [Trade mark assignment—pro-assignee](#)

## Monitoring legal developments

The fast pace of technological and industry developments means that trade mark law is constantly evolving. It is therefore judicious for the Keeper to carefully monitor major legal development in relevant jurisdictions, as these may affect both existing registrations and the possibility of registering new trade marks, as well as requiring the Keeper to adapt their portfolio management strategies accordingly.

### *References:*

*TMA 1994, ss 28–31*

*Article 25 of Regulation (EU) 2017/1001*

### *References:*

*TMA 1994, ss 25–31*

Trade mark legislation has recently been significantly reformed in a number of countries, including in the EU. Here, a trade mark reform package was introduced in a bid to modernise juridical practice and bring it in line with commercial and technological development. This has culminated in the codified [Regulation \(EU\) 2017/1001](#) governing EUTMs which, together with the Implementing [Regulation \(EU\) 2017/1431](#) (the Implementing Regulation) and the Delegated [Regulation \(EU\) 2017/1430](#) (the Delegated Regulation), came into effect on 1 October 2017, and [Directive \(EU\) 2015/2436](#), which seeks to approximate the trade marks laws of the EU Member States. Member States have until 14 January 2019 to transpose the provisions of [Directive \(EU\) 2015/2436](#) into their national laws and the government has announced its proposals for implementation in the UK on that date (see: [LNB News 19/02/2018 114](#)).

For more information, see Practice Note: [Trade marks tracker](#) and News Analysis: [New EU trade mark reforms](#).

Two key changes afford the Keeper greater flexibility to grow the trade mark portfolio at EU level. The first is the potentially increased ease of registering non-traditional trade marks resulting from the express inclusion in [Regulation \(EU\) 2017/1001](#) of sound and colour marks, and the removal of the 'graphical representation' requirement for EUTM applications. The trade mark can now be represented in any appropriate form of generally available technology, in a manner which enables the authorities and the public to determine the clear and precise subject matter of the protection. Article 3(3) of the Implementing Regulation sets out specific rules and the technical requirements for the most popular types of non-traditional marks. There is now provision for the submission of audio files in relation to sound marks, video files for motion marks and holograms, and audio-visual files for multimedia marks, among other forms of representation. However, the representation of the sign will still need to be clear, precise, self-contained, easily accessible, intelligible, durable and objective. Criteria established by jurisprudence of the Court of Justice is therefore now codified.

The Keeper should consider whether new filings for non-traditional marks would be in line with, and enhance, its branding strategy. There are also implications for clearance searches, with the Keeper needing to consider a broader range of earlier marks which may pose a risk (see 'Clearance and searching' above).

For more information about the registration of such marks, and the changes introduced by [Directive \(EU\) 2015/2436](#), see Practice Note: [Unconventional trade marks](#).

The second key change is a widening of the categories of registered marks available at EU level, with the addition of the EU certification mark. This new form of trade mark acts as a badge of quality for consumers. The EU joins a number of countries that already apply specific regulation for the registration and use of certification marks, including Australia, Brazil, Canada, China, Egypt, India, the US and the UK. Certification marks can serve to designate: the quality composition of products (WOOLMARK); the nature of farming (the UK's SOIL ASSOCIATION ORGANIC symbol); the rearing of cattle and sheep (PASTURE FOR LIFE); or, even the ethical standards within the production chain (FAIRTRADE).

**References:**

***Regulation (EU) No 2015/2424***  
***Directive (EU) 2015/2436***  
***Regulation (EU) 2017/1001***  
***Regulation (EU) 2017/1431***  
***Regulation (EU) 2017/1430***

**References:**

***Article 3 of Directive (EU) 2015/2436***  
***Regulation (EU) 2017/1431***  
***Sieckmann v Deutsches Patent und Markenamt, Case C-273/00***

**References:**

***Article 83 of Regulation (EU) 2017/1001***

Natural or legal persons, including trade associations, governing bodies and standards authorities can apply for EU certification marks. They will need to submit regulations governing the use of the certification mark, and specifying the characteristics of the goods/services and the authorised suppliers of these goods/services (under licence). However, as in the UK and the US, certification marks cannot be owned by the commercial suppliers of the goods/services themselves. Furthermore, EU certification marks cannot designate the geographical origin of the goods/services being certified, in contrast for example with UK certification marks that permit geographical origin regulations, nor can they support genuine use of a trade mark as they do not identify the origin of the goods and services (see 'Use it or lose it' above).

The new EU certification mark provides a competitive advantage to authorised suppliers who can now show that their goods or services are certified across the EU. However, any Keeper considering these marks as an addition to their portfolio needs to bear in mind the potential commercial cost of properly controlling and managing the licensing and use of the certification marks in commerce by third parties (see 'Use by licensees' above).

### **Protect the brand**

Having established and nurtured a dynamic trade mark portfolio, the Keeper will wish to protect it against misuse and infringement. For this purpose, the Keeper at the outset needs to develop a pro-active protection and enforcement plan, ie standard position on when/how to pursue third party infringers of the trade marks, as well as defend marks against attack, in view of the company's commercial priorities and tolerances. Furthermore, the Keeper must bear in mind the company's public profile and be attuned to the dangers that social media can pose to brands when dealing with these matters. Disputes should always be dealt with proportionately, and appropriate strategies developed accordingly.

### **Defensive strategies—Watching competitor activity**

First and foremost, the Keeper needs to be vigilant; determining what would be unacceptable activity, and then taking active steps to watch for the advertisements of third party applications to register trade marks that conflict with registered and unregistered rights. This can be done by setting up an internal watching brief or subscribing to a third party watch service.

If a mark is identified that the Keeper deems to be conflicting with its earlier rights, it can contact the applicant in writing, putting them on notice of its registered rights, and providing them with an opportunity for a business-to-business settlement. Indeed, this is actively encouraged by the UK Intellectual Property Office (UKIPO), which even offers a mediation service for this purpose.

For more information, see Practice Note: [UK Intellectual Property Office—mediation scheme](#).

If there is no agreement, an opposition will need to be filed, in the UKIPO within two months (extendable by a further month) and in the EUIPO within a non-extendable three months of the date of publication of the conflicting mark.

For more information about filing an opposition, see Practice Notes: [Opposing a UK trade mark application](#) and [European Union Trade Mark registration—opposition, registration, renewal and cancellation](#).

## More pro-active/offensive strategies

The Keeper may wish to adopt a more assertive stance and file oppositions straight away, noting that the UKIPO and the EUIPO provide for 'cooling off' periods—a window of time post filing of the opposition within which the parties can try to negotiate a resolution to the dispute before entering the adversarial stage of the proceedings.

Of course, settlement can take place at any stage of the proceedings and the opposition withdrawn by mutual consent.

The Keeper should, however, be aware that in any opposition, it may be 'put to proof of use' of any marks that have been registered for five years; another scenario where the use evidence outlined above will come in handy.

Alternatively, the Keeper may need to clear a conflicting mark from the register that stands in the way of its own application, registration and use of its mark. A conflicting UK registration can be challenged in either the UKIPO, the High Court or the Intellectual Property Enterprise Court (IPEC).

However, if proceedings regarding the same registration have already been commenced in the High Court or IPEC, a challenge must be brought there by way of counterclaim. A conflicting EU registration needs to be challenged at the EUIPO, although the UK courts and the domestic courts of Member States are also entitled to revoke or declare a EUTM invalid when the action is brought as part of a counterclaim in an infringement action based on a EUTM.

For more information on jurisdictional issues, see Practice Note: [Court jurisdiction and intellectual property](#).

If the challenge is not successful, the Keeper will need to consider either acquiring the prior mark to clear the way to registration, obtaining a consent/licence or negotiating a co-existence agreement. It is also possible to wait and monitor whether third party objectionable marks are not renewed or vulnerable to non-use cancellation, and then apply for registration.

For more information, see Practice Note: [Removal of trade marks from the register](#).

## Strategic enforcement against infringements and counterfeits

Critical to maximising the value of the trade mark portfolio is taking swift and appropriate action when infringement occurs. Here too, the Keeper needs to be vigilant.

Internally, the Keeper should educate employees, distributors, sales and marketing teams to recognise and report infringements. For this purpose, there should be an effective reporting mechanism in place, to prompt strategic enforcement action.

In addition, and depending upon the sensitivity of the brand, the Keeper may wish to use an internet monitoring service/private investigator to identify infringements. The Keeper should be aware that use on the internet is considered use in the UK for infringement purposes, when it is directed or targeted at users in the UK (see News Analysis: [Court of Appeal interprets scope of coexistence agreement \(Merck v Merck\)](#)).

### References:

*Euromarket Designs v Peters*  
[2000] All ER (D) 1050  
*Richard Dearlove (t/a Diddy) v Sean Combs (t/a P.Diddy)*  
*Richard Dearlove (t/a Diddy) v Sean Combs (t/a P.Diddy)*  
[2007] All ER (D) 367 (Feb)  
*Merck KGaA v Merck Sharp & Dohme Corp*  
[2017] EWCA Civ 1834

## Civil enforcement action in the Trade Mark Courts

In the UK, based on UK and EUTMs, civil enforcement for trade mark infringement must be started in one of: the general Chancery Division of the High Court, the IPEC, or a County Court hearing centre where there is also a Chancery District Registry.

Both the High Court and the IPEC are able to award the following enforcement remedies:

- injunctions
- an inquiry as to damages or an account of profits
- orders for removal of the offending mark from the infringing goods
- orders for delivery up or destruction, and
- dissemination and publication of judgment

For more information, see Practice Note: [Remedies for trade mark infringement](#).

High Court proceedings can be lengthy and expensive. The losing party typically bears the main burden of the costs of the case (both their own costs and a proportion of the winning party's costs), and there is no cap on recoverability. Issues of liability are often dealt with separately from issues of quantum, which means that there may be a separate damages inquiry.

In contrast, the IPEC provides a relatively fast, simple and inexpensive means of litigating trade marks. The IPEC provides for a damages and costs cap—it can award a maximum of £500,000 of damages and/or account of profits (although this is waived if agreed by the parties), as well as award costs normally limited to £50,000 on the final determination of a claim in relation to liability. Proactive case management ensures limited trial lengths from half a day to two days, and limits the extent of disclosure and witness evidence.

However, trade mark infringement matters can be, and often are, settled after the granting of an interim injunction which, if successful, puts the alleged infringer under significant economic pressure. In the UK, interim injunctions are a discretionary remedy, and in order to obtain one, it is necessary to act swiftly on discovery of the infringement. Obtaining an interim injunction requires the granting of a cross-undertaking in damages to abide by any order of the court as to damages for the loss (if any) occasioned by it to the defendant should it turn out at trial that the interim injunction ought not to have been granted.

For more information, see Practice Note: [Trade mark infringement and interim injunctions](#).

Brand owners can also now seek 'blocking injunctions' against internet service providers (ISPs) that host websites advertising and selling counterfeit goods infringing their trade marks. In the case of *Cartier International AG v British Sky Broadcasting*, the Court of Appeal upheld the High Court decision and confirmed that this relief had to be necessary, effective, dissuasive, not unnecessarily complicated or costly, fair and equitable, proportionate, and avoid barriers to legitimate trade. The Court of Appeal also held that the cost of implementing the blocking orders was to be borne by the ISPs rather than the brand owners. The issue of liability relating to the costs of implementation are being considered by the Supreme Court.

**References:**  
*CPR 63.13 and CPR PD 63, para 16.1(14)–(15)*

**References:**  
*Cartier International AG v British Sky Broadcasting Ltd* [2014] EWHC 3915 (Ch), [2016] All ER (D) 30 (Jul)  
*Cartier International Ltd v British Telecommunications Plc* [2016] EWHC 339 (Ch)  
*Cartier International AG v British Sky Broadcasting Ltd* [2016] EWCA Civ 658

With the rise of e-commerce, and prevalence of counterfeiting online, the availability of blocking injunctions against ISPs can provide the Keeper with a very effective additional tool for trade mark enforcement in the UK. A global anti-counterfeiting strategy will require the Keeper to seek similar injunctions in other jurisdictions.

For more information, see Practice Note: [Website blocking orders](#).

Infringement proceedings relating to EUTMs may be brought in a number of fora: either in the EU Member State court where the harmful event occurred, or in the Member State court in which the defendant is domiciled or, if they are not domiciled in the Member State, in any Member State where they have an establishment.

The Court of Justice has held that ‘place of establishment’ should be interpreted widely and that a subsidiary of an international corporation with no seat in the EU, could be an establishment of the parent body if the subsidiary had a real and stable presence in the EU, from which commercial activity was pursued, as shown by the presence of personnel and material equipment, even if the subsidiary had not participated in the alleged infringement. The Keeper should be aware that this could potentially open up litigation forum shopping within the EU, as several Member States may host an ‘establishment’ of a commercial undertaking. For more, see News Analysis: Alert: [Court of Justice confirms that second tier subsidiary can be ‘establishment’ \(Hummel v Nike\)](#).

Although EU-wide injunctions can be granted on the basis of the infringed EUTM, in *combit Software*, the Court of Justice ruled that the territorial scope of the EU-wide injunctions may be limited to those EU countries where likelihood of confusion can be proved. The Keeper should therefore consider restricting the territorial scope of the injunction in Member State(s) where the most harm is done to its brand and the chances of success are favourable. For more, see News Analysis: [In brief: Infringed but not protected throughout the EU? \(combit Software GmbH v Commit Business Solutions Ltd\)](#).

For more information about trade mark infringement proceedings, see the following Practice Notes:

- [Trade mark infringement](#)
- [Introduction to passing off](#)
- [Summary of key stages of trade mark litigation](#)
- [Trade mark litigation—pre-litigation](#)
- [Trade mark litigation—starting proceedings and statements of case](#)
- [Trade mark litigation—case management, disclosure and inspection, evidence and trial](#), and
- [Trade mark litigation—costs and timetable](#)

### Criminal enforcement

The criminal sanctions under section 92 of the Trade Marks Act 1994 (TMA 1994), including fines and imprisonment, are most often used against parties involved in counterfeiting goods. The criminal court may also make confiscation orders, following convictions for offences, under TMA 1994, s 92 (*R v H Sheikh*).

For more information, see Practice Note: [Trade marks and criminal offences](#).

### References:

*Article 97(1) of Regulation (EC) 207/2009*  
*Regulation (EU) 1215/2012, Brussels I (recast)*  
*Hummel Holding A/S v Nike Inc Nike Retail BV, Case C-617/15*

### References:

*combit Software GmbH v Commit Business Solutions Ltd, Case C-223/15*

### References:

*R v H Sheikh [2004] EWCA Crim 492*



## Enforcement through Customs

The Keeper, as an owner of a registered trade mark, may apply to the Commissioners of Customs and Excise in the UK asking that infringing goods, materials or articles expected to arrive in the UK are treated as prohibited goods and their importation into the UK prohibited. Furthermore, [Regulation \(EU\) No 608/2013](#), which came into effect on 1 January 2014, is an effective tool against the importation of goods suspected of infringing intellectual property rights (IPRs) into the UK. IPRs under the regulation include national and EUTMs, geographical indications, and also a trade name so far as it is protected as an exclusive IPR by national or EU law. In the UK, customs intervention is not afforded to unregistered marks protected under the law of passing off.

For more information, see Practice Notes:

- [IP enforcement and the EU customs regime](#)
- [Creating an effective anti-counterfeiting strategy](#), and
- [Parallel imports](#)

## Strategic settlement

The Keeper can develop standard terms for settlement agreements, strengthening the portfolio by ensuring third parties acknowledge the prior rights in the Keeper's portfolio.

See Precedent: [Settlement agreement \(short form\)](#).

## Remain flexible—audit and review of a trade mark portfolio and re-assessing strategic trade mark policy

The Keeper needs periodically to review the trade mark portfolio in order to ensure that it remains fit for purpose with respect to the business' commercial needs. Some updating, re-calibration and fine tuning may be necessary, in order to cater for new product lines/services resulting in new sub-brands and trade marks. New legal developments may also call for changes.

Within this context, it will be necessary to review the scope of the specification. In addition, a review can help where there are efficiencies and cost savings to be made, or where there may be gaps in the portfolio. The frequency of the review will depend on the nature of the business, but should be carried out at least every three years.

Where the audit reveals marks that are no longer in use or required, practical strategies should be adopted to phase out these marks (unless they can be considered for re-use—see above). The Keeper should also consider whether these trade mark rights can be exploited through licensing or sold for a profit.

It is also important to check that the recordal of all the marks in the portfolio is up to date in all jurisdictions. Otherwise, the Keeper may find their own trade marks with incorrect, outdated, registered proprietor details which may be cited against them by national IPOs in applications to register new marks.

For more information about conducting an audit of IPRs, see Precedent: [Intellectual property internal audit questionnaire](#) and Checklist: [Intellectual property internal audit template—checklist](#).



# PROFILES



## Carrollanne Lindley

Carrollanne qualified as a barrister, then a Trade Mark Attorney, and is now a partner at Kilburn & Strode. Having been called as a barrister, Carrollanne spent a year in pupillage with a Queen's Counsel specialising in intellectual property. She moved then into industry, first in-house at Rothmans International working on both luxury goods and tobacco products, and later on to 'The Body Shop'. Finally she moved into private practice, and describes this transition as 'poacher turned gamekeeper'. She joined Kilburn & Strode in 2000 and heads the firm's prominent Trade Marks Group.



## Lorraine Lowell Neale

Lorraine is a solicitor with experience in contentious UK, EU and international intellectual property law across a broad range of industry sectors including Automotive, Broadcasting, Fashion, Food and drink, Pharmaceuticals, Publishing, Retail, and Telecoms. Lorraine joined Kilburn & Strode in September 2016 and is currently training to qualify as a UK and European Trade Mark Attorney. Lorraine assists in preparing, filing and prosecuting UK, European Union and International Trade Mark applications, with general portfolio management and clearance searches.



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