

Brands

Brands are valuable business assets

This guide aims to help you to think about the legal aspects you need to consider when choosing and using brand names and brand identities.

Choosing a brand name or identity

There are a variety of different things to consider when choosing a new brand name or identity. Often the 'legal' aspects get overlooked.

At Ashfords, we recommend to our clients that before they adopt a new brand name or identity they should think about at least the following two legal issues:

- If I use this new brand name or identity will I infringe someone else's earlier legal rights (e.g. their registered trade mark)?

(This issue can be addressed through conducting pre-use clearance searches)

- Will I be able to get a registered trade mark for my new brand name or identity and thus be able to stop others using it or something confusingly similar?

(This issue can be addressed through conducting pre-use clearance searches and taking preliminary legal advice)

Clearance Searches – why are they important?

When choosing and adopting a new brand name or identity, many clients fail to appreciate that they need to carry out pre-use clearance and availability searches. You should conduct searches to:

1. Determine whether the use of your proposed brand name or identity would result in you infringing someone else's legal rights in an identical or similar name or identity.

Holders of registered and unregistered trade marks can take legal proceedings against anyone who uses an identical or confusingly similar trade mark.

Such proceedings can be extremely serious for a client's business and

expensive to defend and/or resolve. If legal proceedings are successful, a defendant is normally prevented from continuing to use their trade mark and may have to pay large sums in damages to compensate the earlier trade mark owner. A defendant would normally also have to bear the earlier trade mark owner's legal costs, together with its own legal costs.

If you do not carry out searches you run the risk of choosing a name or identity that someone else has an earlier right to use and to prevent you from using your name or identity.

There is nothing worse than having to go to the cost and effort of a re-brand, a mere month or two after a new brand was first launched to the public and to the trade. In addition to the cost of re-branding and changing all the materials that you have produced, a re-brand could easily result in a major loss of customer goodwill and provide your competitors with an advantage. This is on top of any damages that you might end up having to pay the person who owns the earlier right to use.

Businesses often put a great deal of time and money into their production and marketing plans, before they realise that there is another business with an identical or similar brand name or identity that can prevent them using their proposed brand name or identity. Conducting clearance searches at the outset can avoid this possibility.

Usually this will involve carrying out (as a minimum) a UK registered trade mark search, to see whether a mark (or a confusingly similar mark) is already registered for the particular goods/services (and/or any similar goods/services) for which you intend to use your brand name or identity.

In addition, "on-the-ground" investigations can be carried out in the UK marketplace to see what marks are being (and have been) used in practice in the UK. This is because it is possible that a third party may have earlier "unregistered" trade mark rights in a particular mark in the UK, which would not be revealed by a search of the UK registered trade marks register. Only "on-the-ground investigations" will reveal whether such unregistered trade mark rights exist. Even then, it is never possible to be 100% sure that using a particular mark in a particular territory will not give rise to potential legal problems.

2. Assess the chances of your name or identity achieving registration as a trade mark.

No business wants to incur the cost of filing trade mark applications that they subsequently have to abandon. Whilst pre-filing searches are never 100% conclusive, they do go a long way towards avoiding such wasted costs, as they should reveal whether someone else has an earlier trade mark right, which they can rely on to prevent the registration of your mark.

The owners of earlier registered and unregistered trade marks can rely on these rights in order to oppose applications to register identical or confusingly similar trade marks. If the opposition proceedings are successful, the applicant will not be able to register their trade mark and will normally also have to bear a proportion of the earlier trade mark owner's legal costs, together with all of its own legal costs.

What is a registered trade mark?

Registered trade marks are essentially negative, monopoly rights. They prevent another trader from being able to use the same trade mark in relation to goods or services which are identical to those for which it is registered.

They can also stop another trader from using either the same or a similar trade mark in relation to similar or identical goods or services if such use is likely to lead to confusion. In some circumstances, if the trade mark has enough built up reputation, it can also be used to prevent the use of an identical or similar trade mark in relation to non-similar goods or services.

However, a registered trade mark is also a positive asset. A trade mark gives assurance and tells the world that goods or services bearing the trade mark originate from the owner of the trade mark and will therefore be made or provided to a certain quality and standard. A trade mark enables a consumer to identify goods or services as originating from a particular business. It is a 'badge of origin'. A trade mark enables a consumer to repeat their purchases with confidence, by recognising the goods or services of a particular trader.

What can you register as a trade mark?

A trade mark can consist of, amongst other things, a word or words, letters, numerals, a logo, a device, a musical tune, a colour or colours, the shape of goods or their packaging, or a combination of any of these. The most common trade marks are words and logos.

What can't you register as a trade mark?

There are many things you cannot register as a trade mark. In particular, you cannot register a descriptive term or expression and you cannot register a non-distinctive sign. A sign cannot be registered as a trade mark unless it can distinguish one trader's goods or services from those of other businesses.

In basic terms, unless a consumer is able to identify your goods or services by looking out for and recognising your unique and distinctive trade mark, he or she will find it difficult to purchase your goods or services on a repeat basis.

If your mark is a descriptive term or expression, or is otherwise non-distinctive, it will be 'origin neutral' and will not enable a consumer to identify your goods or services as originating from you (and thus cannot be registered as a trade mark), unless through use it has become distinctive of your goods or services (i.e. through use you have 'educated' the public that your descriptive term or expression, or your otherwise non-distinctive sign, is your trade mark and thus it has adopted a secondary meaning as a 'badge of origin' and operates in practice as your trade mark).

By way of example, in the past a company tried to register the sign 'STRATEGIC REAL ESTATE ADVISORS' as a UK trade mark for, amongst other things, real estate affairs and the provision of information in relation to real estate affairs. The application was rejected, on the basis that the sign contained a descriptive expression and was a non-distinctive sign. The trade mark could not distinguish the services of the company from those of other businesses. The sign was held to be "wholly descriptive of the activity of providing goods or services of the kind specified, by real estate advisors who pride themselves on having the ability to act strategically". Further, the use of the sign to date had not been sufficient to educate the relevant public that the descriptive expression was the company's trade mark and thus had not adopted a secondary meaning as a 'badge of origin'.

Thus, when you are deciding what brand name or identity to use for your goods and services you need to consider whether you will be able to get a trade mark registration for that brand name or identity - and thus be able to prevent other traders from using the same, or a confusingly similar, mark for their goods and services. Every day, ordinary descriptive words and expressions are very difficult to register as trade marks – so try not to choose them.

Trade mark registration – why is this important?

By registering your brand name or identity as a registered trade mark you are able to tell the world at large of your legal rights in it. Trade mark registers are open to public inspection. This enables businesses to check to see if a trade mark they plan to use is owned by someone else and 'warns them off'.

Registration also helps to raise awareness of your brand and is an 'asset' which you can sell to a purchaser of your brand, or your business.

More significantly, if you do not register your brand names and identities as trade marks there is often little to deter another person from trading under the same or similar names and identities. It is surprising how often this actually happens in practice. If your brand names and identities are not registered it can be much more difficult to prevent others from using the same or similar names and identities, unless your brand name or identity becomes well-known amongst the relevant public and trade.

There is also the possibility that somebody else might decide to register your brand names and identities, or confusingly similar ones, and then accuse you of infringing their trade mark rights.

At Ashfords, we advise our clients to protect their brand names and identities by registering them as trade marks. Registration works as prima facie evidence of your rights. A trade mark registration will be revealed by someone conducting a search for an identical or similar trade mark and should therefore deter third parties from adopting such a mark for their businesses. A trade mark registration can also be used to prevent the registration and use of an identical or similar mark by a third party.

The trade mark registration system works on a class basis. There are 44 classes in total. Each class covers different types of goods and services. When filing an application the goods, services and classes covered by the application must be specified.

On average, it costs under £1000 plus VAT in total, including all official fees and our fees, to obtain a UK registered trade mark. This is based on a straightforward application in one class only, with no objections being raised by the UK Trade Marks Registry and no third party oppositions being filed against the application. This equates to no more than £100 plus VAT per year for the first 10 years of the registration. After 10 years, renewal fees have to be paid and at current prices, you are looking at a cost of about £400 plus VAT, including our fees, to renew the mark for another 10 years (i.e. £40 plus VAT per year). Provided your registration is renewed every 10 years and you use your trade mark in trade, it can, in theory, last forever.

When you consider the likely cost and damage to your business were someone else to start trading under your brand names or identities, or confusingly similar ones, registration at these prices offers excellent value for money insurance against such a possibility.

The difference between company names and trade marks – dispelling a common myth

In the UK it is possible to incorporate a company with a name of your choice, provided that name, or a highly similar name, has not already been registered, or does not fall within certain legal restrictions.

However, the mere fact that you are able to register a company name for a particular name does not necessarily mean that the company is free to trade under that name, either in the UK or in other territories around the world, without

the possibility of legal proceedings being brought against the company. Nor does it automatically mean that you can prevent others from trading under that name.

Each country of the EU (e.g. the UK, France, Germany etc.) allows persons, companies and other legal entities to prevent third parties from trading under, or trading using, a particular name or mark if that person, company or other entity has prior legal rights in respect of that name or mark in a particular territory.

The two most common ways in which such actions are brought are by way of registered trade mark infringement proceedings and unregistered trade mark infringement proceedings (otherwise known as "passing off", or "unfair competition" proceedings).

By way of clarification, "trading under", or "trading using" a name or mark includes acts such as fixing the name or mark to goods or the packaging thereof, offering or exposing goods for sale under the name or mark (e.g. by promoting and advertising such goods on a website or at a trade show), putting them on the market or stocking them for these purposes under the name or mark and/or offering or supplying services under the name or mark. It also includes acts such as importing or exporting goods under the name or mark and/or using the name or mark on business papers, or in advertising.

By way of example, if you were to incorporate a company in the UK by the name of Joe Bloggs Limited and that company was to sell goods in the UK under the brand name "BLOGGS", it could be faced with a third party claim for registered or unregistered trade mark infringement if someone else has prior legal rights in that mark in the UK

The difference between registered trade marks and unregistered trade marks

Broadly speaking, a registered trade mark gives you a much easier legal right to enforce than an unregistered trade mark.

In order to obtain a registered trade mark you have to file an application at a national trade marks registry (or at OHIM, if it is a Community trade mark you wish to obtain). You also have to pay a filing fee and sometimes a further fee on the registration of the mark. Once granted, the mark needs to be used if it is not to be revoked on grounds of non-use. Also, usually after ten years, sometimes less, you have to pay a renewal fee, in order to renew your registration.

In the UK, unregistered trade marks are commonly protected through the law of "passing off". In summary, you have to prove that you have used a name, mark or get-up in the UK to such an extent that the relevant public/trade has become aware of that name, mark or get-up, such that the name, mark or get-up has a protected goodwill and reputation. The acquired reputation and goodwill must be such that, if anyone were to come into the marketplace and to use your name, mark or get-up (or anything confusingly similar) in relation to certain types of goods/services then there would be a misrepresentation and confusion on the part of the public (i.e. as they would wrongly and misleadingly associate the latter's goods/services with your goods/services, causing damage and loss to you).

Passing off cases are not easy to win, and can prove expensive to bring. It is much easier to succeed with such a claim where a party is using an identical name, mark or get-up for identical goods/services to those for which another person has an earlier goodwill and reputation.

In other countries in Europe, unregistered trade marks are protected by different rules and laws, and not through the bringing of "passing off" proceedings. For example, in Germany unregistered trade marks are protected through laws on unfair competition.

Using trade marks outside of the UK

Unfortunately, when a business trades outside the UK (e.g. in other countries forming part of the EU) it has to treat each country in which it trades as a separate potential legal problem.

For example, if you wanted to use the mark 'JOE BLOGGS', in order to promote and sell goods in France, Germany and Italy, you would need to ensure that in each of those separate markets you were entitled to use that mark and would not infringe an existing third party's rights in that mark in any of those countries.

Usually this will involve carrying out (as a minimum) a national (and sometimes state) registered trade mark search in each country, to see whether a mark (or a confusingly similar mark) is already registered for the particular goods/services (and/or any similar goods/services) for which you intend to use that mark.

In addition, often "on-the-ground" investigations are carried out in the local marketplace to see what marks are being (and have been) used in practice in that country. This is because it is possible that a third party may have earlier "unregistered" trade mark rights in a particular mark in a particular territory, which would not be revealed by a search of a national trade marks register. Only "on-the-ground investigations" will reveal whether such unregistered trade mark rights exist. Even then, it is never possible to be 100% sure that using a particular mark in a particular territory will not give rise to potential legal problems.

Obviously carrying out clearance investigations in each territory has costs implications and can be time consuming. However, it is the only way of ensuring you have sufficient comfort that trading in a particular country of the EU under a particular mark will not result in you being sued by a third party who has prior legal rights in that territory.

In addition to carrying out country-by-country investigations, it is also often necessary to conduct a Community trade mark search and/or an International trade mark search (a "Madrid" search).

A Community trade mark is a supranational legal right, which covers all the countries in the EU. We advise clients who wish to trade in Europe to carry out a search of the register of Community trade marks and International trade marks before commencing trade under a particular mark, in order to check that no-one has registered a Community or International trade mark for the same or a similar mark to the mark (or marks) they intend to use.

We also advise clients who intend to trade in the EU to consider obtaining registered trade mark protection for their trade marks and brand names. Usually we advise that national trade mark filings should be made in the key territories of interest to the client (e.g. a separate trade mark filing in each of France, Germany and the UK, if those are the key territories in which the client intends to trade). We also advise that it would be worth filing a Community trade mark application if the client intends to trade in at least two or more territories of the EU. Further, if the client intends to trade in countries that are not part of the EU (e.g. Switzerland), we recommend a national filing in those territories.

Once you have obtained a registered trade mark in a particular territory, you will have a certificate that you can show to any third party that subsequently proposes to, or starts to, use your mark or a similar mark in that territory.

However, it is important to bear in mind that holding a registered trade mark does not necessarily mean that you are not infringing a third party's prior legal rights in a mark in a particular territory. This is why it is still important to carry out both registered trade mark clearance searches and "on-the-ground" investigations, so as to ascertain what prior rights exist in a particular territory before you trade there or seek to register your trade marks in that territory.

Watching services

Many trade marks owners are concerned to ensure that third parties do not succeed in registering and using trade marks that are the same or confusingly similar to their own trade marks.

For these purposes, Ashfords is able to arrange 'watching services' on behalf of clients, in order to give them as much notice as possible of potentially problematic trade mark applications that have been filed by third parties.

Upon receiving notice of an application, a client can then decide whether to oppose the application or to allow the mark to co-exist with their mark. Thus, a client is able to react before the mark the subject of the application achieves registration and becomes a major concern.

Watching services can be set up on a national, EU-wide or worldwide basis. Price quotations are available on request.

Ashfords is regulated by the Solicitors Regulation Authority. The information in this guidance note is intended to be general information about English law only and not comprehensive. It is not to be relied on as legal advice or as an alternative to taking professional advice relating to specific circumstances.

Our Services

The Ashfords' Brand Protection team specialises in advising clients on securing, maintaining, exploiting and protecting their valuable brands and trade marks.

Brand and Trade Mark Clearance, Filing and Prosecution – we:

- Give advice as to what brands and trade marks to register and where to register them
- Conduct clearance searches to check that a brand or trade mark can be used and registered without infringing a third party's earlier legal rights
- File, prosecute and register UK and Community trade marks and co-ordinate and supervise the filing, prosecution and registration of trade marks in other countries around the world

Trade Mark Registry Proceedings – we:

- Conduct opposition, revocation and invalidity proceedings before the UK Trade Marks Registry and the Community Trade Mark Office ('OHIM')

Trade Mark Litigation, Brand Protection Proceedings and Dispute Resolution – we:

- Conduct registered trade mark infringement, revocation and invalidity proceedings and passing off and copyright proceedings before the Courts
- Co-ordinate and supervise trade mark litigation and other types of brand protection proceedings abroad
- Conduct all forms of alternative dispute resolution involving brands and trade marks
- Conduct ICANN and Nominet domain name dispute resolution proceedings

Trade Mark Maintenance, Renewal and Policing – we:

- Advise on best practices to adopt in order to prevent the revocation of a trade mark
- Conduct watching services to identify third parties who are proposing to register and use a confusingly similar trade mark
- Renew registered trade marks

Commercial and Corporate Transactions involving Brands and Trade Marks - we negotiate and draft:

- Merchandising, franchising and all other forms of commercial agreement that involve brands and trade marks
- Licences and assignments of brands and trade marks and conduct due diligence on target brand and trade mark portfolios

Key Contacts

“This group of lawyers ‘really know what they are doing’”

Research Quote from the Chambers Guide to the Legal Profession

“definitely a team to watch”

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“I haven’t found anyone better outside of London’ is one client’s appraisal”

Legal 500



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Mark is Head of Ashfords’ Intellectual Property and Technology Law Department. He specialises in the fields of intellectual property, information technology and commercial law. Mark has a background in commerce, having worked for ICI as a market analyst before qualifying as a solicitor. He has also worked in-house on secondment in the legal department of a large PLC.

“Delivering advice in plain English is compulsory in our team. We deliver legal expertise and common sense”



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Carl specialises in advising clients on all aspects of intellectual property law, and deals with both contentious and non-contentious matters. He also advises clients on the law of privacy and data protection, e-commerce, advertising, merchandising and sponsorship and general commercial contracts/commercial litigation. Carl previously worked for Taylor Wessing in London and has also been seconded to Blake Dawson in Sydney, Australia.

“We listen, we give constructive, commercial advice and we deliver what we promise on time and on budget”



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Gary specialises in the fields of intellectual property, information technology, e-commerce, data protection and commercial contracts. Before studying law Gary worked as a computer programmer and systems analyst, including in-house at the Alton Towers Theme Park. He was responsible for the design and implementation of the then largest Electronic Point of Sale Network in the country. He is also the Managing Partner of Ashfords’ Bristol Office.

“Our clients’ interests are our interests. This thread runs through everything we do”