



CHAPTER 6

TRADEMARK

6.1 Introduction to Trademarks

6.2 Registerable Trademarks

- 6.2.1 Types of Trademark
- 6.2.2 Using a Trademark
- 6.2.3 Classification of goods and services
- 6.2.4 How to register a trademark
- 6.2.5 Infringement of a registered trade mark
- 6.2.6 Comparative advertising
- 6.2.7 Keeping a registration in force

6.3 Unregistered Trademarks

6.4 'get-up' and 'passing-off'

- 6.4.1 Get-up
- 6.4.2 Passing-off
- 6.4.3 Examples of passing-off
- 6.4.4 Remedies for passing-off
- 6.4.5 Trade libel

6.5 Criminal Provisions and Counterfeiting

6.6 Avoid being sued

6.7 Trademarks in other countries

- 6.7.1 National systems
- 6.7.2 TRIPS and trade marks
- 6.7.3 International trade mark systems

6.8 Domain names

- 6.8.1 Introduction
- 6.8.2 Early problems
- 6.8.3 Introduction of international controls
- 6.8.4 Recent developments
- 6.8.5 The future





TRADEMARK

6.1 INTRODUCTION TO TRADEMARKS

The aim of a trade mark is to encourage purchasers to buy your company's product or your company's service by using the mark when they place an order. It follows that trade marks should be easy to remember and sufficiently different from marks used by competitors to avoid confusion.

Trade marks are most important for consumer goods or services supplied to the public, but they can also be used for high-technology products or in heavy engineering. This chapter describes briefly the principles and, it is hoped, the benefits of good trade marks for engineering businesses.

In the UK, trade marks need not be registered, but there are many advantages in having a registration, so this chapter considers first the requirements of registrability. The principles are sensible ones, so they should be used when selecting a trade mark even if there is no plan to register it.

6.2 REGISTERABLE TRADEMARKS

6.2.1 Types of Trademark

6.2.2 Using a Trademark

6.2.3 Classification of goods and services

6.2.4 How to register a trademark

6.2.5 Infringement of a registered trade mark

6.2.6 Comparative advertising

6.2.7 Keeping a registration in force

A trade mark can be 'any sign capable of being represented graphically'. Most marks are words or two-dimensional symbols, or a combination of the two, but it is possible to have marks which are three dimensional, or consist of a sound or a smell.

There are two basic requirements. The first is that the mark must be distinctive, That is, it must be capable of indicating goods or services originating from a particular source and of distinguishing those products from the products of competitors. The second requirement is that the mark does not indicate the type, quality, purpose or geographical origin of the goods or otherwise describe the goods or service, and it is not a word which the trade is likely to use in normal business. Such a word would be taken to mean a product from any source, and not one from a particular company.





Additionally, the mark must not be deceptive in any way. If the name of the goods is included in the mark, then others cannot be stopped from using that name, thus 'Coca-Cola' and 'Pepsi-Cola' are both registered for cola drinks. When a trade mark is a word, it is commonly one of two basic types; either a normal word taken out of context or an 'invented' word. Any word mark can be used alone or with a symbol.

Registration can be handled by the company wanting the trade mark or by a professional trade mark agent, who is often also a patent attorney. A professional is not only familiar with UK law and able to give initial advice on the possibility of Registering a particular mark, but is also generally familiar with trade mark law in Europe and other countries, and capable of giving early warning of difficulties abroad if exports are planned.

6.2.1 Types of Trademark

Invented words

The concept of an 'invented word' is taken from early trade mark law and not the current Trade Marks Act 1994, but the idea is a good one and is frequently used in generating new marks. An invented word is a word which has been made up especially for use as a trade mark, a word which has no meaning in the English language. Preferably, the word is short and pronounceable. Good examples are 'Xerox' for photocopiers, 'Kodak' for cameras and 'Dulux' for paints.

When new, such trademarks are often disliked by marketing departments, for the very reason that they do not relate to the goods or product. However, the wide reputation of the three examples just given should show readers how powerful this type of mark can be after advertising and use have generated a reputation in the word.

The word must meet the test of being distinctive. 'Miniclaw' for gardening implements was refused as not being distinctive, and so was 'TCS' for sheet metal, because it is a common abbreviation for terne coated steel.

Further, the word must not indicate the nature of the goods, so 'XpressLink' for telecommunications equipment was refused. The word 'Orlwoola', if used on 100 per cent woolen goods would also indicate the nature of the goods, while if the goods were not 100 per cent woolen it would be deceptive, which is not allowed either, so the word loses the right to registration both ways.

For intended trade in countries where the language is not English it is essential to check the meaning of the invented word in the local language so as to avoid offence or embarrassment.

Words used out of context

These are normal English words but used in a different way. Good examples are 'Apple' for computers and 'Jaguar' for cars.

Again, a very important requirement is that the word should not directly refer to a characteristic of the goods or service it is being used to promote. 'Supreme' for photography products was refused and so was 'Optima' for patient membrane oxygenators; both words imply a high quality. But a little ingenuity can help; 'P.R.E.P.A.R.E' for revision guides was accepted; it did not describe the goods because it did not consist exclusively of the word 'prepare'. The word





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must be out of context. Calling a telephone apparatus 'One TouchView' describes one of its features and is unregistrable.

Symbols and shapes

A trade mark can be in the form of a shape or a picture, either alone or combined with a word or words. While the legal term is 'device marks', they are commonly referred to as logos, although strictly that name applies only to a combination of words and symbols.

The symbol can be simple in style, such as the silhouette of an apple with a bite out of it as used for 'Apple' computers. Alternatively, the symbol can be extremely complex and include pictures of flowers, animals or whatever the owner thinks appropriate. The symbol can be varied over time as graphic fashions change.

Symbols without an associated word are excellent for visual recognition (as with ties indicating club membership), but they are impossible to use in speech – think of the former British Rail symbol. They are often used in association with a name of the product or the name of the company.

A symbol which is to be used as a trade mark should not be a shape which results from the nature of the goods or services, such as the shape of a lemon or a banana for trade marks for those fruits, or a spanner for garage services. Other businesses should be allowed to use those shapes if they wish to do so. Nor should it be a shape which is necessary to achieve a technical result; readers may be familiar with the Philips' rotary shaver with three heads, one at each corner of an equilateral triangle. Philips tried to register this arrangement as a trade mark but failed because the shape is functional. The fact that the heads could be arranged as an isosceles triangle or along a straight or curved line did not overcome the objection.

Most device marks are two-dimensional, but three-dimensional marks are allowed, provided the shape is not determined by the product or its packaging. A good example is the shape of the bottles used by the Coca Cola company. The bottle can be graphically represented by line drawings or by photographs.

Other permitted types of mark

A trade mark can consist of a single color, but combinations of colors are more likely to be distinctive. However, registration of a particular shade of green by British Petroleum for the livery of petrol service stations was the basis of a successful infringement action in Northern Ireland. It is advisable to specify colors by Pantone numbers or the like.

A mark can be a smell. The essential graphical representation consists of an appropriate word, such as 'the smell of fresh cut grass' in an application in which the goods were tennis balls. Sound can also be registered, for example, by using musical notation.

6.2.2 Using a Trademark

When a mark relates to goods, it can be used on the goods themselves, either as a label attached to the article or, if appropriate, embossed on or moulded into the goods themselves. The mark can be used on packaging, on invoices or in advertisements for the goods. For small items, the



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trade mark can be on a card to which the goods are attached for sale. For services, the mark can be used in adverts and on order forms at or near the place where the service is made available or where the service is actually performed.

6.2.3 Classification of goods and services

Since the object of a trade mark is to indicate the goods or services of one firm as opposed to another, the risk of confusion is usually limited to those particular goods or services. For trade mark registration purposes, goods are divided into 34 different classes, and there are also 8 classes of services. The classes have a practical benefit: since there is only a finite number of distinctive words and symbols available, use of identical marks in different classes is recognised as not causing a problem. Readers will be familiar with 'Penguin' books and 'Penguin' biscuits and are unlikely to confuse the two.

6.2.4 How to register a trademark

Registration of trade marks is handled by the Trade Marks Registry, a part of the UK Patent Office. The application must be filed by someone who is already trading or who intends to trade in the goods or supply.

The applicant fills in a form giving an address in the UK, either of the company, or in the case of overseas applicants an address for service, that is, for correspondence with the Trade Marks Registry. The application should also include the required 'graphical representation' of the trade mark. If this is a word without limitation on the script, the word is simply typed on the application form and the word will be protected in any script or font. For words in special scripts or for device marks, the application form must show exactly what is to be registered, such as line drawings from several angles of a three-dimensional mark.

The applicant must list the goods or services for which the mark is to be used. If the same mark is to be used on goods which fall into two or more classes then both or all need to be listed. It is usual to specify the goods in some detail. This makes it easier to bring an action relating to what is specifically listed rather than having to argue similarity to the registration.

The application is filed at the Trade Marks Registry with the application fee (currently £200 for the first class and £50 for each additional class). The application is date stamped and given an official number. Within a few months, a search is carried out to check for conflicting marks. The search is quite wide. It covers current registrations in the relevant class of goods or services, and also applications for marks not yet registered and marks which have previously been refused registration.

Sometimes, the application is accepted and registered, but often the trade mark examiner writes to the applicant setting out objections to the registration. If objections are raised, the applicant has 6 months to reply. Arguments would be that the mark really is distinctive, is not likely to cause confusion or is not similar to an existing registration, with supporting detail. A written decision is given shortly afterwards.

A frequently used way of overcoming an objection that the mark is not distinctive is to file evidence to show that the mark has been used for some time and is in fact well known and does



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indicate the applicant's goods or services. If use has been sufficient, for example, for several years, the examiner will often allow the application to proceed.

If the applicant's arguments are accepted, or if the application goes through without objection, the mark is advertised in a publication known as the *Official Journal (Trade Marks)*. Within 3 months of the advertisement, anyone can object to the registration, using any of the grounds of argument previously available plus some new ones.

If there is no opposition, the mark is registered. The registration takes the same number as the application, and a Certificate of Registration is issued. The initial registration lasts for 10 years from the application date and must then be renewed by paying a fee which at the time of writing is £200. The registration can then be renewed indefinitely at 10 year intervals. In general, it costs about £600 to register a mark in the UK, when using a professional trade mark agent and encountering no substantial objections, and takes 1 or 2 years to reach registration.

6.2.5 Infringement of a registered trade mark

After registration the owner has the legal right to stop anyone using the registered mark in relation to the goods or services specified in the registration. The owner can also stop the use of the registered mark on similar goods or services, or the use of a similar mark on the registered or similar goods or services, provided the public is likely to be confused.

Use must be in the UK. Use on goods manufactured in the UK for export counts as infringement and so does import of such goods, subject to EU requirements for the free movement of goods. Oral use is infringement, and the owner can control any sort of written or printed use, and can even stop labels or packaging bearing the trade mark from being printed if they are not for use in the UK on genuine goods.

However, the goods must be 'similar'. Putting 'Kodak' on a tee shirt did not count as infringement. A trade mark owner cannot stop the use of a person's own name or address, or the use of geographical or other indications of characteristics of the goods or service. The use of one registered trade mark in a proper manner is not an infringement of another registered trade mark. Similarly, a trade mark owner cannot stop what is known as 'parallel' or 'grey' imports; when the goods have been put on the market in another country legitimately, the owner cannot prevent them from being imported into another country and resold.

Use of trade marks for spare parts and accessories needs special care. Independent traders are allowed to supply such items in competition with the manufacturer of the original article, but the way these are advertised must be closely controlled. Thus, it is permissible for any trader to advertise 'film for Kodak cameras', but the term 'Kodak film' is an infringement unless it is used by the Kodak company.

If a trade mark owner believes a registered trade mark is being infringed, the first step should be to consider a polite letter asking the other party to stop. If a letter does not work, or if the owner is sure the other company is already fully aware of the position, action can be started in the High





Court. If the owner acts quickly after detecting a possible infringement, for example, within days, the courts can be persuaded to act quickly also.

Defences to the action are that the registration was invalid, or there has been no infringement or the alleged infringer has been using an unregistered mark for some time and has therefore established the right to continued use. If the trade mark owner wins the infringement action, the court may award an injunction against further misuse of the mark and erasure of the mark from the goods or, if that is not possible, destruction of the goods. These are the most important remedies, but damages and accounts of profits can also be awarded.

6.2.6 Comparative advertising

Companies often wish to use the registered trade marks of other companies in advertisements where two products are compared. This is permissible provided such use is honest. The companies Vodafone and Orange both run mobile phone networks. Orange advertised that 'On average, Orange users save £20 every month', by comparison with Vodafone's equivalent tariff. Vodafone objected, but the court held that the advert was not misleading.

6.2.7 Keeping a registration in force

After a mark is registered, the owner still needs to take great care over how it is used. If the use is careless, or there is no use at all, the owner risks the registration being struck off the register, or amended in some way.

Proper use of trademark

When the registered mark is a word, using it in quotation marks, in capitals, with a capital first letter, or with the symbols TM or ® or (RTM) all give emphasis to the special nature of the word. This type of use should occur in all written materials, not just in advertisements or labels, but also in company reports, even internal ones, and in business letters.

A trade mark is indicated as ® or RTM – this should only occur if the mark really is registered; it is a criminal offence in the UK to claim that a mark is registered when it is not. This applies in other countries also, and for goods traded internationally such a marking must be very closely controlled on a country-by-country basis.

In these days of wide international trade, a common practice is to use ® on the goods in all countries, provided the mark in question is registered in the home country.

Generic names

Word marks which have become generic include aspirin, nylon and formica. These were all originally trademarks, but came into general use as the name of the goods. As far as maintaining protection is concerned, it is use of the mark by the trade and not by the public that counts. If the general public starts to use a registered trade mark to describe the goods whatever the source, the





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proprietor must still make it clear to wholesalers and retailers that the word is a registered trade mark which will be protected by legal action if necessary.

Cancellation of registration

If a mark is registered but not used for 5 years, or if it was registered without a genuine intention to use it, then any person aggrieved (usually someone wanting to use that mark) can apply for the registration to be cancelled on the grounds of non-use. To avoid this, a proprietor must make real commercial use on a substantial scale within 5 years.

Amendment of the registration

If a registered trade mark is not used on the full range of goods or services in the specification the register may be rectified by deleting the unused parts. This is the only type of amendment which is allowed, other than changing the owner's address.

6.3 UNREGISTERED TRADEMARKS

Using a trade mark in the UK without registering it is not only permitted, it generates a valuable right as the mark's reputation is built up by advertising, and by sale of the goods or provision of the services. This applies both when the mark could have been registered but the owner decided not to register it, and when the mark is unregistrable because it does not meet the requirements of the Trade Marks Act 1994. In both cases, use of the mark generates what is known as goodwill. There is the additional benefit that a mark which in its early days is unregistrable may, after sufficient use, become registrable because its reputation can be used as proof that the mark has become distinctive for the goods or service for which it has been used.

6.4 'GET-UP' AND 'PASSING-OFF'

6.4.1 Get-up

6.4.2 Passing-off

6.4.3 Examples of passing-off

6.4.4 Remedies for passing-off

6.4.5 Trade libel

6.4.1 Get-up

Unregistered rights extend well beyond the word or device to which a registered trade mark is limited. The term 'get-up' includes the colour of packaging and the type of lettering used on a label. It includes a slogan used for broadcast or printed advertising. Get-up includes the visual impression of business premises, such as the style of fascia board and the colour of shop fittings.



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In other words, reputation can extend to all the peripherals around the goods or service that can in any way be associated with trading.

6.4.2 Passing-off

If a mark or get-up has been used long enough to have generated a reputation, the owner can stop a competitor from 'passing-off' goods or services as if they originated with the owner by use of identical or similar marks or get-ups. To do this the owner must show in a High Court action that

- there is a reputation in the mark or get-up
- there has been confusion in the market place
- the owner has suffered damage.

Proof of reputation

The owner needs to prove that the unregistered mark or the get-up is distinctive and is taken to show a trade connection with a particular business. This does not mean that the whole general public makes the connection, just the relevant section of it. Usually, a number of people such as wholesalers are asked to make Statutory Declarations, saying that they know the mark or get-up. There is no set period of time required to generate a reputation, the more extensive the advertising, the faster the recognition. As with registered trade marks, there is no need to prove that those knowing the mark or get-up can identify the owner; the aim of a trade mark is to generate 'same again' business by use of the mark itself, so precise knowledge of the owner is irrelevant.

Confusion

Confusion can be caused by a competitor using an identical or very similar trade mark or get-up. It is not necessary for the whole of the mark or get-up to have been used, use of the most memorable part will be sufficient. Again, Statutory Declarations are made by people who have been confused by use of the second mark or get-up. There is no need to show malicious intention.

Damage

The owner need not show actual loss of business, such as loss of orders to the competitor, but must demonstrate at least a high risk of loss of business arising from the confusion. In any case, the very existence of confusion puts the owner's goodwill at risk. Damage is not limited to cases where the goods supplied are of an inferior quality to those produced by the owner.

6.4.3 Examples of passing-off

Model numbers





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In the engineering field, it is quite often the practice to use a company name plus a model number or a type number as a trade mark. While most model numbers are not by themselves sufficiently well-known to form the basis of a passing-off action without use of the company name also, a few very well-known model numbers can reach that level.

Example

The company Hymac Limited made mechanical excavators and in one machine the capacity of the excavation bucket was five-eighths of a cubic yard. It was marketed as the 580, in a series of models known as 580 B, 580 BT, 580 CTS etc. which were very successful. Even when the bucket capacity was increased to six-eighths, the name 580 was still used. Another company began to sell very similar mechanical excavators under the name Mustang 580. They were unable to relate '580' to any physical property of their product and were restrained from using this indication in future. The use of 'Mustang' was not affected.

Secondhand goods

Sale of secondhand goods as if they were new can be passing-off, as the manufacturer's obligations to repair or service the goods may differ after the initial sale. This applies especially in the car trade. As soon as a motor car is registered and driven away, it becomes 'not new' and sale of cars even with very low mileage should indicate whether they are genuinely new or secondhand.

Business names

The name of a business almost always generates a reputation which can be protected from misuse by others. This also applies to the name of a professional association which is protected, as are the initials used to indicate membership of that association.

The protection does not apply to descriptive names because that would give an unfair monopoly in the words. Small differences between two descriptive names will be sufficient to avoid a passing-off action. For example, the names 'Office Cleaning Services' and 'Office Cleaning Association' were held by the court to be sufficiently different names for there to be no confusion and no passing-off.

It is quite possible for a registered trade mark and an identical registered company name to exist with different owners. The registrar of trade marks and the companies house registrar do not search each other's registers; it is left to the applicants to make their own checks. Companies House will register any company whose name is not identical to one already registered, and introduction or omission of a hyphen, or running two words together, is sometimes sufficient difference. The Trade Marks Office website at www.patent.gov.uk.tm has a helpful link to the Companies House website.

Books, journals etc.

The title of a book or a periodical is not protected by copyright and therefore passing off is the only possible way of stopping misuse. Usually, exact copying is necessary. The magazine titles



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'Rubber & Plastics Weekly' and 'Rubber & Plastics Age' were held to be not so similar as to cause confusion. For newspapers, the names 'Morning Star' and 'The Star' were considered not to conflict. Changing the name of a play from 'Sealed Orders' to 'Orders Under Seal' avoided conflict in the theatrical area.

Franchising

One area in which licensed use of get-up as well as trade marks is common in the consumer field is known as franchising. In chains, such as Benetton shops selling clothing and Wimpy fast food outlets, each establishment is independently owned, but the style of premises and the quality of the goods sold, and even the level of training of staff, are controlled by the franchisor. The franchisees benefit from central advertising and the wide reputation, and pay a fee for the rights granted to them.

6.4.4 Remedies for passing-off

The remedies available are an injunction against further use of the name or get-up, delivery-up of the offending goods for destruction or obliteration of the name etc., and payment of damages or an account of profits.

6.4.5 Trade libel

The wrongdoings which can be dealt with by a passing-off action shade into other areas of law, particularly that known as a trade libel. This relates to written or oral false statements, whether about goods or a business. An example might be a statement that the goods are worthless. The target of such statements can bring an action for trade libel if the statement was made with malice, but the details are outside the scope of this book.

Consumers are also protected by laws against misleading advertisements and false indications of the origin of goods and services; again these are outside the scope of this book.

6.5 CRIMINAL PROVISIONS AND COUNTERFEITING

Trade in counterfeit goods, that is, goods bearing a trade mark and purporting to be genuine, is well known in the area of luxury goods, such as 'Rolex' watches or 'Lacoste' sportswear, and in high-value goods, such as pharmaceuticals. It can also occur in the engineering field, and supply of counterfeit aircraft parts and vehicle brake pads is known. Usually the counterfeits are of inferior quality, sometimes to the extent of being highly dangerous.

It is a criminal offence to apply a mark identical to (or likely to be mistaken for) a registered trade mark to goods, labels, packaging or advertising materials intended for use in relation to goods without the proprietor's permission. It is also a criminal offence to sell, hire, offer for sale or hire, or to distribute the goods or the materials.



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The penalties are substantial. On conviction in a magistrates court an offender can receive a 6 month prison sentence or a fine up to £5000 or both. On conviction in a higher court, the penalties can be 10 years or an unlimited fine or both. Directors and other company officials may be personally liable if they have connived in or consented to the commission of the offence. It is also a criminal offence to claim that a trade mark is registered when it is not, but the maximum fine for this is £50.

6.6 AVOID BEING SUED

It should now be clear to the reader that the best time to minimise the risk of being sued for infringement of a registered trade mark, for passing-off or even misuse of someone else's company name, is when a trade mark is selected in the first place. This is the time to carry out searches of public records to locate similar marks in the same area of trade.

The register of trade marks is publicly available online at www.patent.gov.uk/tm. Marks in a particular class and for particular specifications of goods can be searched to see what is already registered. The search can be made for identical marks and those likely to cause difficulties because they might be confusingly similar. Information on unregistered trade marks is less easily available, but the Internet and trade and telephone directories can be searched, and some thought given to the names used by other companies offering similar goods and services.

The Register of Company Names can be searched for the same or similar words if a word mark is to be used, see www.companieshouse.gov.uk and go to WebCheck. If there is a possibility of major export trade, equivalent searches can be carried out in other countries; usually the USA will be first choice for engineering products.

All the searches are available through a trade mark agent, patent attorney or a commercial searching organisation, and the results can be available within a few days for the UK, and a little longer for overseas searches. The public records can also be used to keep an eye on other activities that might affect a trade mark owner. For example, another company might apply to register a similar mark for the same or similar goods, and watching services are available which will inform the owner and give the opportunity of objecting to registration. These services are available on a worldwide basis also.

6.7 TRADEMARKS IN OTHER COUNTRIES

6.7.1 National systems

6.7.2 TRIPS and trade marks

6.7.3 International trade mark systems

6.7.1 National systems

In some countries, usually current or former British Commonwealth countries, the law relating to trade marks is very similar to that in the UK. For example, using a mark without registering it builds up legal rights which can be applied to stop the use of similar marks.



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In other countries, including many in the EU, only a registration gives any worthwhile rights. Trade mark laws are national laws, and a separate registration is required for each country except Belgium, the Netherlands and Luxembourg which have merged their trade mark systems.

To make filing abroad a little easier, there is an international convention; if a trade mark application is filed in the UK and an application is filed in another country within 6 months, then the UK date is effective in that country. On the other hand, a mark can be used before it is registered without invalidating the registration, so the priority system is not as important as it is for patents. A few countries, notably the USA and Canada, insist that a mark must be used in that country before registration is permitted, but an application can be filed before use, if the plan is for use to follow quite quickly. In many countries there is no examination to check for similar marks. If the correct fees are paid, the trade mark is registered. It is possible for identical marks to be registered for identical goods, and then the two trade mark owners must resort to the courts to sort out the position – a lengthy and expensive process.

6.7.2 TRIPS and trade marks

The TRIPS Agreement (TRIPS – Trade-Related aspects of Intellectual Property Rights) places on member countries, which have signed it, the obligation to make trade mark registration available for all visually perceptible signs that are capable of distinguishing the goods or services of one undertaking from those of another. Such signs must include personal names, letters, numerals, figurative elements and combinations of colours.

Countries may allow distinctiveness to be acquired through use of a mark, and can decide whether to allow registration of sounds or smells. A registered mark must give the owner the exclusive right to prevent use by a third party in the course of trade of an identical or similar sign for identical or similar goods, the aim being to prevent confusion.

TRIPS gives extra protection to well-known marks. After registration a mark must be used; if not, it can be cancelled after 3 years, unless there are mitigating conditions. The minimum provision is for the initial registrations, and for renewals, to be for a minimum of 7 years. Registrations must be renewable indefinitely.

6.7.3 International trade mark systems

The main international system likely to interest engineering companies is based on the objective of having harmonised laws in the EU. It is run by the Office for Harmonisation of the Internal Market (Trade Marks and Designs) and marks registered by it are called Community Trade Marks (CTMs). The office is in Alicante in Spain. A CTM is valid in all member countries of the EU. A single application is filed for a CTM via the UK trade mark office with an application fee of e975 for up to three classes, and is checked to see that it is capable of graphical representation, and is not inherently incapable of distinguishing. The CTM office does not check for conflicting marks, but trade mark offices of member states which have trade mark search facilities carry out searches for identical and similar marks, and the results are sent to the applicant without comment.



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If the mark is not rejected at this stage, it is advertised and any person can oppose the registration within 3 months. Usually an opposition is based on an existing mark registered in a national system. During the opposition, the CTM office takes an active view on whether the two marks are too similar or whether a CTM can be registered. If a prior right exists in one member country, then a CTM cannot be registered. When all differences have been resolved, the mark is registered, after payment of a substantial fee, currently e1100. The registration can be renewed every 10 years. If the owner already has one or more national registrations, they are held in abeyance while the CTM is in force.

A second international system is the **Madrid Agreement**. This allows anyone with a trade mark registration in one member country to make a single application covering all, or a selected number, of other member countries, currently 77 in number. The single application must be made within 6 months of the initial trade mark application and only if the mark has been registered. The filing is made in the International Office of the World Intellectual Property Organisation (WIPO) in Geneva, and results in a national trade mark in each designated country. The UK trade mark office keeps a special register of such marks.

6.8 DOMAIN NAMES

6.8.1 Introduction

6.8.2 Early problems

6.8.3 Introduction of international controls

6.8.4 Recent developments

6.8.5 The future

6.8.1 Introduction

Trade marks are registered in a specified way, for specified goods or services, in a particular country. Domain names can be used and viewed worldwide and are registered on a first-come first-served basis. Domain names are not really intellectual property as such, but the power of registered and unregistered trade marks to control misuse of company names and marks, and the enormous importance of domain names in today's world of e-commerce, make a short section on the subject essential to this chapter.

6.8.2 Early problems

In the 1990s, there was an explosion of names registered by US Network Solutions, the administrator of the top level domain (TLD) with the suffix .com. Two sorts of problems quickly arose: (a) owners of trade marks identical to the domain name objected to use of the domain name and (b) unscrupulous persons registered variations of famous company names and offered to sell them for large sums of money – this is called cyber-squatting.

In the UK at this time, a business 'One in a Million' registered many domain names including the company names of British Telecom, Marks and Spencer, Virgin etc. and offered them to the companies. Trade mark law came to the rescue. The Court of Appeal held that One in a Million



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had infringed the registered marks of the companies and had also been guilty of passing-off. At first, the suffix .com dominated, but then country code TLDs were introduced.

In the UK, the company Nominet controls .co.uk for companies; .net.uk for Internet service providers and .org.uk for non-commercial organisations. Similar companies in, for example, France and Germany control the equivalents for .fr and .de. Some countries insist on a business in that country before accepting a registration, others do not. There are now over 200 domain name registration organisations worldwide. A registration usually lasts for 2 years, and if not renewed, can be allocated to another owner.

6.8.3 Introduction of international controls

It quickly became clear that, whatever the philosophy of the Internet, controls were needed. In 1999, the non-profit organisation Internet Corporation for Assigned Names and Numbers (ICANN) agreed on a set of guidelines to approve new domain name registrars, and accreditation for registration of names with the suffixes .com, .net and .org. Several country code TLDs participated voluntarily. A Uniform Dispute Resolution Procedure (UDRP) was also agreed.

The UDRP is most often run by WIPO (the World Intellectual Property Organisation based in Geneva), which has dealt with the majority of disputes to date. The procedure is more like arbitration than litigation, with a case being heard by one or three experts. Fees are a modest US\$3000 for three experts, but the legal fees for advisors are at much higher levels. The procedure is quicker and cheaper than going to court and is international. Information is available at www.icann.org and www.arbiter.wipo.int.

There are three criteria for winning a transfer of a name; the domain name must be identical or confusingly similar to a registered or unregistered trade mark; the use complained of must be by someone having no legitimate interest in the name; and there must be bad faith, such as deliberately confusing use, an offer to sell the mark or a history of registering names based on third party trade marks. Under the UDRP a domain name can be cancelled or transferred, but there is no award of damages, and no power to stop another name from being registered.

6.8.4 Recent developments

In the USA there is a specific law, the US Anticybersquatting Protection Act, which is the basis for legal action against the registration of a domain name identical or similar to a US registered trade mark, and which gives some protection to personal names. Action can be successful even when the actual owner is well hidden by Internet tricks and cannot be traced.

At the time of writing this book, there is no plan for a similar law in the UK. In addition to .com, .org and .net, there are the suffixes .pro for professionals – for example, .pro.med for doctors – and .eu for Europe-based businesses. There is also .tm for trade marks, with the unusual and practical feature of a registration under it having a life of 10 years, in line with trade mark registrations, and not the usual 2 years.

6.8.5 The future



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Since the initial free-for-all, most businesses of any size have introduced a domain name policy and have registered their own names. The law continues to develop, for example, in the area of metatags, when a link is made to another website without showing the Home Page, causing confusion as to whose site is on view. With over 200 country code TLDs, and with an expanding number of suffixes, and the many variations of names when addition of a hyphen or underscore counts as a different name, it is just not possible for even the largest company to register all possible variations of its name and trade marks as domain names. The best option is to register trade marks in countries where unauthorised activity is likely to be most damaging.

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