

What is and What isn't a trade mark?

For this topic, we will look at:

1. Explanations of IP rights: Trade Marks, Patents, Designs, Copyright, Domain names and Company names
2. Passing off including Common Law Protection and Reputation
3. Legal Jargon
4. Definitions vs global definitions
5. "Trade Mark" or "Trademark" and the use of TM, ® and ©
6. What qualifies as acceptable subject matter for a trade mark?
7. What does not qualify as a trade mark?
8. What are we trying to protect?

Explanations of IP rights

Intellectual Property (IP) can be broken down into two basic categories:

- IP rights that require registration, such as patents, trade marks and registered designs¹; and
- IP rights that do not require registration, such as copyright, unregistered design rights, common law trade marks and know-how / confidential information.

Registered protection provides strong evidence of your IP rights. Basically, you have a Registration Certificate to put before a third party for reasons of enforcement or monetisation.

An unregistered right requires proof and evidence that an unregistered or reputational right exists. So, here, you do not have a Registration Certificate to put before a third party. It can be very expensive and difficult to prove such a right, hence why, registrable rights are so valuable.

A review the different types of IP rights and what they protect is provided below.

Trade marks

Trade marks are signs (like words and logos) that distinguish the goods and services of one business from another. Trade marks relate to branding; they guarantee origin and identify a product. It allows consumers to repeat transactions.

Trade marks can exist in a registered and unregistered form. If a trade mark is registered, there is no need to prove you own it. This prevents confusion in the marketplace and gives you a strong tool to use against others who might use something similar.

¹ Domain names also require registration although they are not IP rights as such

Registered trade mark protection can last indefinitely, subject to the renewal of the trade mark registration on a regular basis (usually every 10 years). Registered trade mark rights are easier to transfer because they are clearly defined so they can be co-owned, assigned and licenced which can generate revenue and be a valuable business asset.

Patents

A patent is a legal right enabling the owner of the patent to stop someone else making use of an invention. Patents are generally associated with technical inventions but if something is developed that solves a problem then it may be a patentable invention. It should also be noted that to be enforced, a patent needs to have been granted.

It is extremely important not to publicly disclose an invention before a patent application is filed. Any disclosures that are made become part of the “prior art” and could be cited against an application when the patent application is examined. So, in a worst-case scenario, your own disclosures could preclude you from getting a patent through to grant.

A confidentiality arrangement is vital if you need to disclose information to someone outside of your company (e.g. an investor) but, if possible, file a patent application before you make the disclosure. Any discussions with a patent attorney regarding your invention prior to the filing of the patent application are confidential and do not count as ‘disclosure’.

The idea behind patents is to encourage innovation and reward the inventor with a monopoly right for (up to) 20 years. The owner of the patent can exclusively benefit financially from their invention, in exchange for public disclosure of the invention. Presuming all renewal fees are paid, after 20 years the patent expires, and competitors can begin selling the product.

Designs

Designs can attract both registered and unregistered protection. Designs protect the overall shape and visual appearance of a product and can cover both three-dimensional products (such as an item of jewellery) and two-dimensional designs (such as the pattern applied to a garment).

The protection afforded by design registration is more comprehensive and enables the holder of a registration to take action against third parties without having to prove copying (proof of copying is necessary to establish infringement of an unregistered design right).

In the UK and EU, it can be very quick to register a design and application fees are low and cost-effective as you can include multiple designs. Once you obtain a design registration, you have a monopoly that can last up to 25 years.

Like with unregistered trade marks, unregistered designs are free, but you must prove they exist before you can take action against third parties. The term of protection is shorter for unregistered designs than registered designs.

Copyright

Copyright protects original literary, dramatic, musical and artistic works. Copyright exists automatically upon creation in any tangible expression of your idea, such as artwork, 2D drawings and designs.

For the copyright to be created it must be accompanied by a date of creation. You do not have to post something to yourself to own the copyright, which is a misconception still used today.

The rights sit with the creator, unless a work is created by an employee in the course of employment in which case, the copyright will be owned by the employer. However, if a piece of work has been commissioned (for example, a new logo) the copyright will be owned by the designer or artist and will need to be assigned to you formally as part of a commission agreement.

Once a right and date has been established, the owner can use the © symbol to put third parties on notice that a copyright is present.

It generally expires 70 years after the death of the author, but this can vary depending on the nature of the work.

Domain Names and Company Names

Domain names are often the incorrect place for businesses to start as they provide a web address but do not provide an IP right. "I have a business, therefore, I need a domain" is the mantra associated with domains that IP professionals attempt to dismiss.

A domain name is only a directional tool formed of a name. The "www" and the "com" are address elements; it is the brand in the middle that is key. That brand will hopefully be protected by a trade mark and so all the rights associated with a trade mark apply here. However, a domain does not provide any trade mark rights unless accompanied by a reputation and unregistered right.

The same applies to company names registered before Companies House. These are just administrative tools for legal entities to be formed.

A registered trade mark can remove a company name under the Company Names Tribunal, but a company name in itself is not an IP right and cannot remove a trade mark – unless that name has a substantial reputation and therefore, becomes an unregistered trade mark.

Passing off - Common Law Protection

In the UK, unregistered trade mark rights rely on common law rights, known as passing off. These exist where you have been using a name or sign and have become well-known.

However, it can be difficult to show that a particular mark is recognised as being your trade mark. You need to provide evidence of an established consumer base and significant levels of goodwill and, in spite of this, it can always be disproven. Therefore, in many cases this is an unsatisfactory and uncertain method of protection simply because it can be difficult to prove goodwill in a mark by use alone.

Unfair Competition

Laws against Unfair Competition exist in Civil Law countries (such as in continental Europe), with this being their closest equivalent to our law of passing off. Unfair Competition is broadly defined as, "Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition."

Reputation

Having a reputation is the most desirable trait to a brand owner. This allows consumers to repeat the transaction with a brand owner AND also encourages that interaction based on a brand's reputation.

Legal jargon

The definition of a trade mark under the UK Trade Marks Act 1994:

any sign which is capable—

(a) of being represented in the register in a manner which enables the registrar and other competent authorities and the public to determine the clear and precise subject matter of the protection afforded to the proprietor, and

(b) of distinguishing goods or services of one undertaking from those of other undertakings.

The key points to remember are:

- That a trade mark can be represented on the register in a way that allows the subject matter of that mark to be determined clearly and precisely
- That is capable of distinguishing the goods and services of one undertaking from those of another

This law was updated quite recently to remove the need for a trade mark to be represented in “graphical form” to allow for movement, hologram and sound marks to be defined more clearly.

For information purposes, the relevant definition is provided under Section 1 (1)(a) and (b) of the Trade Marks Act 1994. <https://www.legislation.gov.uk/ukpga/1994/26/section/1>

Definitions vs Global Definitions

The function of a trade mark is generally the same everywhere around the world i.e. it protects a rights holder and identifies the source or origin of the goods and services provided under that mark.

However, in some territories, there is still a need to be able to represent a trade mark in “graphical form”. This can be an important consideration, particularly if a trade mark is of a less-common form such as a sound, smell or movement mark.

“Trade Mark” or “Trademark”?

This is just a matter of grammar in different countries. It is good practice to use the correct term consistently when using the term in letters and emails and you may even have a company policy to determine consistent use.

- UK: British spelling is “trade mark”
- USA: American spelling is “trademark”

Canada used to hyphenate it (i.e. “trade-mark”) but has now adopted the US spelling.

Other countries will use any of these, with “trademark” being the most commonly used internationally.

Use of ™, ® and ©

The TM symbol (™) is the sign of an unregistered trade mark. It is simply stating that you recognise the mark as an unregistered right and make no claim to be it being a registered trade mark. It is good practice to use this if your mark is not registered because consumers often do not know the difference between ™ and ® symbols. The use of the ™ symbol can also be a very good deterrent against any potential third party infringers looking to take advantage of unregistered trade marks. Using ™ can also be helpful if a mark has been refused registration and you are attempting to build up acquired distinctiveness rights through use.

The registered trade mark symbol ® denotes that a mark is registered. This is the strongest point of reference and is a key method of ensuring third parties do not take advantage of a trade mark owner’s rights.

You can use a registered trade mark symbol ® to deter others from using your mark, but it is a criminal offence in the UK to use the ® symbol if your trade mark is not registered.

The copyright symbol © denotes that the user considers the work to be copyright protected and that they are the owner of the work. It is probably the mostly commonly used IP right identifier.

What qualifies as acceptable subject matter for a trade mark?

The following are examples of acceptable subject matter for registration as a trade mark:

Word – STARBUCKS

Device (logo) – Starbucks logo

Shape – Coca-Cola bottle – this mark took nearly three years to register and required Coca-Cola to prove “acquired distinctiveness” (that consumers saw the shape as identifying them)

Smell – PLAY-DOH smell

Sound – MGM’s Lion Roar

Colour – Cadbury’s Purple

Number – 1881

Pattern – Burberry check

Position (specific way a mark is placed on a product) – Louboutin Red shoe

Hologram – PLANETE SYSTEM FRANCE

Motion – 3D BODY YOGA mark

What does **not** qualify as a trade mark?

On this course, you are not expected to make assessments as to the inherent registrability of trade marks and if a specific trade mark qualify or not qualify for registration.

Any mark that falls foul of Sections 1, 3 and 4 of the Trade Marks Act 1994 will not be deemed acceptable for trade mark registration in the UK.

It is not uncommon for multiple objections to be raised against an application. For example, SHEFFIELD for “steel”, should be refused on the basis of Section 1 and 3.

Section 1 as outlined above covers marks that cannot satisfy the below:

- That a trade mark can be represented on the Register in a way that allows the subject matter of that mark to be determined clearly and precisely
- That is capable of distinguishing the goods and services of one undertaking from those of another

Section 3 Trade Marks Act 1994

Section 3 sets out that any marks that are descriptive or non-distinctive should not be registered as trade marks.

The wording of the Act prevents the registration of marks that are:

- Non-distinctive, such as ENDURANCE for sports clothing
- Descriptive, i.e. signs that consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services, such as CENTRAL HOTEL for a hotel
- Signs that have become customary such as TRAMPOLINE (this was originally a trade mark)
- Signs that exist on the basis of the shape of the goods themselves, such as an ornamental lamp
- Signs which are offensive or against public morality will also be refused

Section 4 Trade Marks Act 1994

Section 4 includes special legislation to prevent the registration of marks that would infringe upon flags, Royal names or words associated with the Royal family and includes specific legislation to prevent infringement of trade marks associated with the Olympics.

What are we trying to protect?

A trade mark is a key asset. It is probably the most valuable asset a business can have as it is the “name above the door” of any goods or services that are provided under a mark.

As such a good trade mark should be distinctive and not possess a descriptive meaning to avoid any challenge.

It is recommended that a mark is cleared before use to ensure it does not infringe any third party rights. This avoids risks of ending up in litigation before the Courts or where a trade mark application could fall foul of oppositions. Damages can be awarded against third parties using marks found to infringe on the rights of a trade mark holder. However, sometimes, the cost implications of a re-brand without the relevant due diligence can be far higher.

Activities

1. This is a start to training your brain and memory as we begin this course. Try to remember and be able to recite the highlighted points above relating to the definition of a trade mark.