

TRADE MARKS AND BRANDING UPDATE

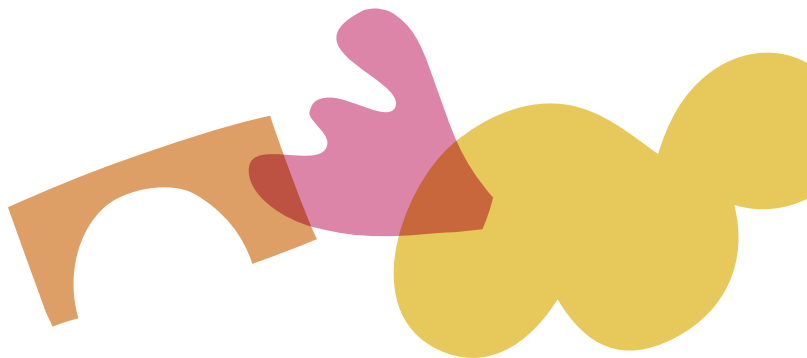
SPRING 2020

Certified



Corporation

In brief



In our first ever Branding and Trade Marks update we draw on our own recent experience of managing our own rebrand to share some of what we've learned with you.

Catharina Waller looks at our rebranding experience with a lawyer's eye view, and emphasises the vital importance of establishing our purpose and values before the rebranding could begin (*page 8*).

In this issue we discuss working with design agencies and some of the critical legal issues to have in place before any design work begins (*page 10*).

Of course, we can't escape talking about Brexit – **Mathew Healey** outlines some of the complex issues around trade marks and copyright during the transition period and beyond (*page 12*).


We also take a look at the business of trade marking the untrademarkable: well-known place names and other commonplace expressions, with an interesting example from the world of sport (*page 14*).

We also include a round up of recent IP news (*page 4*); and there's a warning that infringements can be both costly and potentially result in a criminal conviction (*page 7*).


Inside

| | |
|--------------------------------|----|
| Introduction | 3 |
| IP in the news | 4 |
| Criminal proceedings | 7 |
| Anatomy of a rebrand | 8 |
| Working with design agencies | 10 |
| Brexit and trade marks | 12 |
| Trademarking descriptive names | 14 |

Follow us on:

 **@BatesWellsTweet**

@BatesWellsChSE

 **<https://www.linkedin.com/company/bates-wells-linkedin>**

Previous updates are available at:
www.bateswells.co.uk/insights

To update your contact details or mailing list preferences please contact the Marketing Department at:
BDM@bateswells.co.uk

Welcome to the first ever edition of Bates Wells' Branding and Trade Marks update



Mathew Healey
Head of Trade Marks

T: 020 7551 7637
m.healey@bateswells.co.uk

I head up Bates Wells' in-house team of specialist trade mark lawyers.

Brand is key for non-profits and responsible businesses alike. My team and I aim to help you look after these precious assets in the best way that you can.

My work encompasses checking new names and brands are available to use, and protecting new brands via trade mark registration. We also specialise in dispute resolution – if someone treads on your toes, we'll do all we can to fix things without incurring the cost, and possible adverse publicity, of formal legal action.

Bates Wells has been helping charities and non-profits protect their trade marks since the law was changed to allow this in 1994. But over the last decade we've seen (and, we hope, helped to drive) a step change in the way the sector has recognised the importance of names and brands.

Our specialist team of Chartered Trade Mark Attorneys and dedicated solicitors is the only one of its kind in the UK that concentrates on helping charities and non-profit organisations.

We firmly believe that your name and brand – your identity – is one of your most important and valuable assets. We believe it's essential that charities have specialist advice in this area from people who understand and care about our world. As well as our trade mark expertise, our team has in-depth knowledge of other areas of intellectual property – both online and offline – covering copyright, designs, database rights and IP licensing.

Last year, Bates Wells carried out a full brand refresh: 'BWB' and 'Bates Wells Braithwaite' were replaced by the shortened form, and we also introduced the logo and associated branding that you can see front, centre and throughout this update. As you'd expect, our Branding and Trade Marks people were at the very heart of this process, and we share our experiences in the piece on page 6. Of course we'd be very happy to help you with your next rebrand or brand refresh, if and when the time comes.

We've also recently entered into a strategic relationship with a design and branding agency, Ragged Edge (<https://raggededge.com>), which will be available to assist our clients with the creative aspects of your rebrand, just as we can help you with the legal and the practical. We set out a few tips for dealing with branding and design agencies in the article on page 10 of this update.

We hope you will enjoy reading our update as much as we have enjoyed putting it together (it makes a nice break from the heavy stuff), and that you will find it useful. If you have any questions about any of the content, or if there is anything at all we can help you with, don't hesitate to drop us a line. We love what we do, are happy to talk about it, and the first conversation is always free.

<https://bateswells.co.uk/services/intellectual-property-and-trade-marks/>



IP in the news

Recent actions to protect trade marks demonstrate the value of protecting your brand, and the potential reputational damage of too heavy-handed an approach to enforcement.

By the **Bates Wells trade marks team.**

Greta Thunberg trade marks her name

Climate change activist Greta Thunberg has taken the (in our judgement, entirely wise) step of registering her name as a trade mark. We can't find a form of words for describing the rationale better than her own Instagram post, which explained that her name and that of the #FridaysForFuture movement:

'are constantly being used for commercial purposes without any consent whatsoever....It happens for instance in marketing, selling of products and people collecting money in my and the movement's name.'

'This action is to protect the movement and its activities,' the activist continued. 'It is also needed to enable my pro bono legal help to take necessary action against people or corporations etc who are trying to use me and the movement in purposes not in line with what the movement stands for. I assure you, I and the other school strikers have absolutely no interests in trademarks.'

But unfortunately it needs to be done.'

We can forgive her avowed non-interest in trade marks given all the unqualified good that she is doing. It's really depressing that even someone like Ms. Thunberg finds that unscrupulous types are taking advantage of her good name and reputation. Unfortunately, in our work with charities, we do sometimes see commercial parties borrow our clients' brands in ways that amount to blatant abuse. Trade mark registration is probably the single most important thing you can do to help ward off this kind of behaviour. Even if you are unlikely ever to sue a third party (and one hopes that Ms Thunberg's 'pro bono legal help' doesn't get over-excited on her behalf), the mere fact that your name or brand is registered will function as a 'hands off' to potential wrongdoers.

Ms Thunberg's actions also help to underline that there are all kinds of things that are potentially eligible for trade mark registration. These include not just conventional 'brand names' but also logos,

Trade marks team



Mathew Healey
Head of Trade Marks
 T: 020 7551 7637
 m.healey@bateswells.co.uk

I help businesses and charities of all kinds, from start-ups to world-famous institutions. We have a super-specialisation in working with INGOs to secure control of their brand in their 'field' territories, and work with networks of local contacts throughout Africa, China and the Indian sub-continent. I've been at Bates Wells for more than a decade and know the non-profit world – and the challenges you face – inside-out.



Catharina Waller
Senior Trade Mark and Patent Attorney
 T: 020 7551 7701
 c.waller@bateswells.co.uk

I'm a dual-qualified Chartered Trade Mark Attorney and European Patent Attorney. That means that I clear, register and enforce many different types of interesting Intellectual Property (IP).

From big charity names to fashion designs. From cancer campaign logos to social media use. From financial business brands to surgical instrument inventions. The team and I advise charities, membership organisations and socially responsible businesses.

personal names, and in some cases, slogans, shapes and even colours: in short, anything that the public will recognise as being distinctive of you or your organisation.

Non-profit owner bosses big corporate

Every so often, big business, in conjunction with the media, reminds us of the folly – and potential PR consequences – of taking too-strong legal action against charities.

Khadijah Ward set up a non-profit organisation called Dark Girl Boss (<https://darkgirlboss.com>), which aims to encourage women and girls to be economically independent and start their own businesses. She applied to register the word and logo trade mark below, covering, among other things, printed publications and clothing.

She was surprised to receive a threatening letter from lawyers acting

for Hugo Boss, who by her account, asked her within seven days not only to withdraw her trade mark application, but also to cease all use of the name 'Dark Girl Boss', including deletion of Twitter accounts and other social media pages.



Not deterred by the threat of litigation by a major corporate, Ms Ward took her complaint public, talking to major media outlets including the BBC about what she perceived as a heavy-handed approach with no merit.

It seems to us that Hugo Boss saw a potential PR storm brewing and (in our view, wisely) backed away, issuing

a relatively bland statement that they had 'reviewed' the matter and 'elected not to pursue it'. However this did not come soon enough to stop allegations of Hugo Boss' 'intimidation and bullying' making it into the press. We won't offer a view on whether or not these accusations are fair; we will say that there are ways of dealing with a potential dispute with a small charity that don't involve the threat of imminent court proceedings. The irony here, of course, is that Hugo Boss, in seeking to protect its brand, may have done its image a lot more harm than good.

STOP PRESS

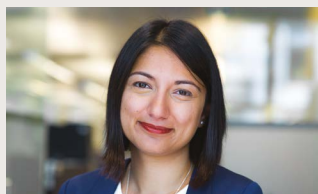
After this piece was written, comedian Joe Lycett changed his name by deed poll to 'Hugo Boss' in protest at the fashion brand's heavy-handedness. We think an opportunity for an 'I am Sparatacus' moment may have been missed.



Wendy Grey
Chartered Trade Mark Attorney
T: 020 7551 7938
w.grey@bateswells.co.uk

Prior to joining Bates Wells, I gained extensive experience with more than 18 years in private practice working across a breadth of market sectors from business and technology through to fashion, pharmaceuticals and media, as well as those in the biotechnology and oil and gas sectors.

I also have particular knowledge of conducting IP audits, and management of complex disputes.



Mindy Jhittay
Senior Associate
T: 020 7551 7853
m.jhittay@bateswells.co.uk

I advise on what to do if someone is using your name, brand or copyright work, or if there's a dispute over a contract, grant or another legal relationship.

I'm also the joint lead on our counter-fraud work. So, I advise charities, social enterprises and businesses on how to prevent fraud, and what to do if someone does take their money or data.



Georgia Brigden
Trade Marks Executive
T: 020 7551 7725
g.brigden@bateswells.co.uk

I am a CITMA-qualified Trade Marks Paralegal and assist with all aspects of brand protection, including the filing and prosecuting of trade mark applications in the UK, Europe and around the world, and the management of domain name registrations. I also conduct legal and commercial research on intellectual property matters.

IPO rules theirs is nothing like a dame

On a slightly lighter note, centenarian Dame Vera Lynn may just have become the oldest successful trade mark claimant in history.

Drinks company Halewood International Brands Limited applied to register the name VERA LYNN as a trade mark for 'alcoholic beverages'. Dame Vera, 102, lodged an opposition at the Intellectual Property Office, and was successful in blocking registration. Dame Vera was able to persuade the IPO that use of her name in this way amounted to a 'misrepresentation' that there was a business connection, leading to a finding of 'passing off' – infringement of an unregistered trade mark right. This was despite the fact that she had no background in 'endorsing' products for

commercial benefit. The IPO also found that Halewood had acted in 'bad faith' when filing its application.

Halewood ran the novel argument that its choice of brand was derived from Cockney rhyming slang: 'Vera Lynn', or more correctly simply 'Vera', is used to denote 'gin'. But it provided little evidence to back up this claim, and more importantly was not able to persuade the IPO that the choice of name would be recognised by consumers as a reference to the beverage rather than the singer.

Aside from the novelty value, this outcome goes to show that well-known people (including those in the charity sphere) should stand a good chance of protecting use of their names where that use would be obviously misleading or otherwise unfair.

BRANDWARE TRAINING FOR CHARITIES

Bates Wells' BrandAware training is provided by our sector-leading trade mark lawyers. It explores the key elements of legal brand awareness for charities:

- What counts as 'brand' from a legal viewpoint.
- When your people need to think legal.
- Common pitfalls for your charity in the branding sphere, and how to avoid them.

Our BrandAware training draws on real-life examples (anonymised of course – confidentiality is important to us) and tailor-made fictional case studies based on your own branding and trade marks.

The cost is £350 (plus vat) for a 90-minute session.

We can either come to your offices or we can host – there is no extra charge either way.

Contact:

Mathew Healey
m.healey@bateswells.co.uk

Doing time for trade mark infringements

The threat of litigation is not the only way of enforcing rights in your brand: Trading Standards and the courts can sometimes help too.

Wendy Grey explores different ways of enforcing your brand.



Wendy Grey Chartered Trade Mark Attorney

T: 020 7551 7938
w.grey@bateswells.co.uk

I specialise in brand clearance, trade mark registration and the management of complex disputes.

It is an all too common assumption that when it comes to trade mark law there are unlikely to be severe penalties: that the worst that can happen is that you are forced to stop using the name and brand, and, if you're really unlucky, that you'll have to pay some money to the wronged party.

However, the criminal courts are, in exceptional cases, willing and able to give out unlimited financial penalties, and even have the power to imprison people. Two previous cases highlight the potential serious consequences of failing to comply with court orders or infringing another party's rights.

The first case involved a party failing to comply with a court order in a trade mark case before the High Court. This was trade mark infringement and passing off proceedings brought by the claimants, Juul Labs Inc and Juul Labs UK Ltd against the defendants, Mr Wilson and co-defendants Quickjuul Ltd and others (all parties involved were in the 'vape' business – almost as far away from many of your activities as it's possible to get – but the legal principles are the same). The proceedings were found in favour of the claimants, and a court order was issued directing Mr Wilson to take down an offending website and transfer ownership of the domain to the claimants.

Mr Wilson failed to comply with the order and actively took steps to obstruct its implementation. Following several hearings, the court found Mr Wilson was in contempt and 'guilty of serious, flagrant and contumacious breaches of the order'. It considered a fine was not a sufficient sanction in line with the seriousness of Mr Wilson's failure to comply and obstructive behaviour. Despite Mr Wilson's age (66), ill health, and eventual compliance with the court order, the court felt it was more than justified to sentence Mr Wilson to two months in prison.

Another example of the courts intervening with strong penalties was seen in a case of two individuals who were producing

counterfeit clothing and accessories, all of which were imitation products bearing Cancer Research UK's well known 'Race for Life' branding.

While at the point of Trading Standards' intervention the stock found had a street value of £10,000, in all other aspects it was a small-time operation run by the two individuals simply producing the goods with a screen printing machine in a garden shed. However, the courts saw fit in this instance to give out a hefty confiscation order of £75,000. This scale of penalty should serve as a deterrent to others, including those that may see a charity as an easy target for such crimes.

One frustration is that the relevant provisions around counterfeiting – to be found at s.92 of the Trade Marks Act 1994 – focus on the production and sale of goods. There is no direct equivalent that criminalises the delivery of 'counterfeit' services. However, in the cases of blatant 'offending' behaviour, Trading Standards and the CPS will often find a legal 'peg' on which to hang the case. For example there are provisions in the Charities Act around 'false' fundraising and, in some instances, the law around ordinary commercial fraud may be relevant.

The above two cases show the courts are willing to address serious flagrant acts that are contrary to law, including breaches of court orders or infringement through producing or selling counterfeit goods. It also serves as a handy reminder that simply ignoring an order or failing to act will not see a matter go away. If you should ever be on the receiving end of a claim of infringement it should always be addressed and appropriate legal advice sought from your usual Bates Wells contact.

Anatomy of a rebrand – from BWB to Bates Wells

In June 2019, we stopped being Bates Wells Braithwaite, or BWB, and became simply ‘Bates Wells’.

Catharina Waller gives the lawyer’s inside track on our recent brand refresh.



Catharina Waller
Senior Trade Mark and
Patent Attorney

T: 020 7551 7701
c.waller@bateswells.co.uk

I’m a dual-qualified Chartered Trade Mark Attorney and European Patent Attorney. That means that I clear, register and enforce many different types of interesting Intellectual Property (IP).

You may have noticed that our logo and the ‘look and feel’ of our branding have changed. These changes bring a breath of fresh air to our brand, and aim to reflect our values as a modern firm that faces forward, puts people first, and does purposeful work for clients we respect.

This was a bold step for us: as well as considering carefully the creative and communications side of what we were doing, it was crucial – as a firm that prides itself on its work in the sphere of IP and branding – that the legal and practical aspects of the process ran like clockwork.

We learned a lot by going through the rebranding process, and organised a learning session for clients for us to share our expertise on aspects of the process, whilst using first-hand examples of our own lived experiences.

We were pleased to be joined by Max Ottignon, co-founder of leading branding agency Ragged Edge. Max has worked on countless rebrand projects for other responsible businesses and B-Corps, and provided his insights from the ‘other side of the fence’. In a fascinating and very entertaining talk, we learned how purpose and values are at the very heart of any rebrand.

Indeed, our own experience showed that starting a rebranding exercise without having pinned down our purpose and values can result in a brand that does not truly communicate what its owner is about, or set it apart from its competitors. It was only when we took the time to go through the full exercise of identifying and articulating our set of values that our branding agency was able to then create a new brand for us that encapsulates our values and helps set us apart.

We will not pretend that this was an easy or quick process, as it involved many months of full engagement from the entire firm via workshops and discussions, led by a steering group of representatives from across the firm, but the result has helped

In with the new

Bates Wells and Braithwaite was founded in 1970. We celebrate our 50th year with a new look and feel, and a new name – Bates Wells.



us put into words what we previously only felt, and were not particularly adept at communicating to the outside world. It also helped foster a sense of ownership and buy-in for the new branding from across the firm.

In the seminar we talked through all the practical aspects of the rebranding process – timing, geographical scope of the rebrand, cost considerations, the legalities and practicalities of working with creative agencies, name and logo clearance, domain names and social media, and how to ensure rights in the new brand are fully protected. There’s not space to cover all of these in detail here – though we’d be more than happy to talk you through them, and my colleague Mathew Healey’s piece on page 10 of this update gives some useful advice on how to engage with designers and the like.

We will say that one key consideration from a legal viewpoint, and one that is often forgotten, is the absolute necessity of conducting trade mark clearance searches, preferably before a name has won people’s hearts. If this isn’t done properly, the new branding runs the serious risk of treading on another’s toes, which could lead to an allegation of trade mark infringement, and an embarrassing and costly volte face.

A design agency will often produce a list of names or logos from which to choose, and sometimes clearance checks indicate

that a preferred name or logo is not available for use, so having a clear understanding upfront of the process will help set a timeframe and cost expectations.

In addition to checking for any conflicting registered and unregistered trade mark rights, when selecting a new name it is important to consider the suitability and availability of the new name on social media (Twitter handles, Instagram user names etc), availability as a domain name (or options for 'recovery' from their party owners), its meaning in other languages, whether the name is available for registration with Companies House or the Charity Commission, and last but by no means least the inherent 'trademarkability' of the new name or logo.

This led us on to discuss protection for the new name or logo, including trade mark registration, and (preferable) timing relative to the launch of the new branding. Lastly, we touched on updating any existing licences, other agreements, brand guidelines and communicating the rebrand to customers, supporters, donors, suppliers, branches, and members.

While helping a client with a rebrand process is, from one point of view, a trade mark lawyer's bread and butter, we feel lucky to have been through the process ourselves. We feel that the experience has helped us appreciate better some of the more practical challenges and considerations that a rebrand can pose.

'One key consideration from a legal viewpoint, and one that is often forgotten, is the absolute necessity of conducting trade mark clearance searches, preferably before a name has won people's hearts.'

IP SPRING CLEAN

Are your brand names a bit dusty?

Could your publications do with a polish?

Having trouble getting the crumbs from underneath your website?

Contact:

Mathew Healey
m.healey@bateswells.co.uk

Catharina Waller
c.waller@bateswells.co.uk

If the answer to any of these questions is 'yes', then it sounds like your charity or social enterprise could use an IP Spring Clean.

Bates Wells' trade mark and copyright experts would love to get their brooms out and help you sweep all those IP cobwebs out from underneath your organisation.

For a fixed fee of £1250, we will give a thorough-going over to your registered trade marks and brand protection, your key marketing and operational material, your website and online content, and anything else you require.

The IP Spring Clean provides a review of your trade mark and copyright protection, including:

- Registered and unregistered trade mark searches on your key brands.
- What the gaps in your trade marks are and how these can be better plugged.
- Advice on protection of potential copyright works – logos, reports, websites, and other valuable materials.
- Information on best practice for dealing with potential infringements, including preventative measures.

Working with design agencies

Creative agencies can give your brand and content a real boost, and we work with them regularly on rebranding and other projects. But your relationship with them is fundamentally legal in character, and you need to make sure you are not exposed.

Mathew Healey looks at the key issues you need to know about.



Mathew Healey
Head of Trade Marks

T: 020 7551 7637
m.healey@bateswells.co.uk

I head up Bates Wells' in-house team of specialist trade mark lawyers.

My work encompasses checking new names and brands are available to use, and protecting new brands via trade mark registration. We also specialise in dispute resolution – if someone treads on your toes, we'll do all we can to fix things without incurring the cost, and possible adverse publicity, of formal legal action.

Many organisations will work with branding and creative agencies, in all kinds of contexts: designing promotional materials, devising new campaigns, or working on a brand 'refresh' or even a full rebrand.

This will often make good sense: how things look and feel is important, and it may be uneconomical for all but the biggest charities and non-profits to retain their own in-house teams. Of course, when outsourcing work, all kinds of contractual considerations apply, and where the subject matter is the generation of creative content, intellectual property considerations are extra important. Some of the key things you'll need to remember are covered below.

Ownership of copyright

Always try to ensure any rights in any work created by the agency are transferred to you. The default setting is that any copyright work (which may include graphical works such as logos and website layouts, as well as any significant text) will belong to their creator, unless they are created by an employee in the course of their employment. This helps you when content is created in-house, but where designers are involved, they (either the individual or their employer) will be the first owner, not you.

What does that mean in practice? There are two main consequences. The first is the alarming possibility that, at some future point, the agency may seek to use those rights to block your use of the content or, more likely, to hold you to ransom. A claim for compensation is also a possibility.

In this kind of situation, the law provides you with some protection, but it is incomplete. As the client you would usually be seen to have an 'implied licence' to use the material in question – the court would usually infer that the parties obviously intended for the client to be able to use the design work in its

campaigning or whatever else. However, this gives only limited permission; and we are aware of cases where agencies have made viable threats against former clients where the use of the content has extended beyond the activities originally discussed. This could include use in new countries, or new kinds of campaigns. We are even aware of a situation where a designer sought redress because its work had seen a 'new' use on the internet – a medium that was not on anyone's radar when the content was designed several decades ago. We don't know where this claim ended up, but it helps underline the kinds of risks you could face here.

The second consequence is simply that, if you do not own the copyright, you probably will not be able to rely on it to block others from imitating your branding (trade mark registration will often be able to help here, but not always). The law around licensees taking action to enforce copyright against infringers is complex and it makes things much more difficult. A claimant certainly would not be helped by the absence of a written agreement with the creator.

We would recommend ensuring that the terms of engagement with the agency include transferring all rights in any content they create to you. This can be arranged pre-emptively (a contract clause that basically says 'anything we create in the course of our arrangement will belong to you' should be effective and sufficient). In our view, it's a completely reasonable thing to expect, and if a designer or agency is not willing to agree, then that should be a cause for concern. Sometimes they will want to retain ownership to showcase their work on websites and in portfolios: the best thing would be for this to be allowed via a (free, perpetual) licence granted from you to them, and not the reverse.

Warranty of originality

You should also seek a warranty of originality from the creative agency. This

'If you do not own the copyright, you probably will not be able to rely on it to block others from imitating your branding.'

is a legal assurance by the design agency that the work has not been copied from elsewhere and empowers you to bring legal action if this turns out to be untrue. As with the transfer of copyright clause mentioned above, this is not likely to be included in the agency's standard terms and conditions: again, if you encounter strong resistance then this should set alarm bells ringing.

Relatedly, you may also want to insist on an assurance that any work the agency creates for you is not 'recycled' and offered to another client in future.

It's worth emphasising that these are not just theoretical considerations. In recent years, we've unfortunately had to deal with situations where (i) a logo created by an agency turned out to be directly lifted from a third party's webpage and (ii) a campaign and brand devised for one agency client had been 'redeployed' with another client. Each of these situations may create all kinds of liabilities for the later user, first, for infringement of copyright in the copied design, but where the work in question is used by the relevant parties as a 'brand', for trade mark infringement and/or 'passing off'. In our view, this kind of thing should never happen, and there are clear steps you can take to safeguard against it.

Trade mark clearance

A third thing to be careful of where 'brand' is concerned – names, logos and slogans – is whether adequate brand clearance has been carried out. Catharina Waller talks elsewhere in this update about searching (the 'Anatomy of a Rebrand' article on page 6) and I will not labour the point here. I will point out that trade mark infringement differs from copyright infringement in that it can occur accidentally and innocently.

You should also bear in mind that design agencies will often carry out basic checks to help ensure that names and brands do not fall foul of the law. These are likely to be well-intentioned and useful, but may be deficient in at least three areas. First, brand clearance is fundamentally a legal as well as a commercial analysis, and most agencies simply do not have this expertise in house. Second, a full clearance search is an involved process that may simply be unfeasible within the design budget. Last, with the best will in the world, the searcher is unlikely to be a neutral observer with regard to his creation: it's simply not in an agency's interest to create something exciting and 'original' only to find that its use could be blocked by a third party.

You should always check with your legal advisors whether any checks carried out are sufficient; they will be able to advise whether further searches should be conducted, and help you carry these out.

One final, important, overarching point: be very wary of agreeing to the designer starting work before these contractual points have been ironed out. Once you've told the designer to begin, the law is likely to consider that a contract exists, irrespective of whether anything has been signed. For the various contractual points discussed above, the 'default settings' are likely to be in the designer's favour, and you may find it difficult to persuade the other party to agree to a different position once work has started.

For modern charities competing in a crowded marketplace, your creative content – and your relationship with your design agency or agencies – is key. But it's also crucial that the relationship works for you from a legal standpoint.



Brexit and your trade marks – what now?

Now that we are in the ‘transitional period’ many uncertainties about the post-Brexit future remain. The good news is that dramatic changes in trade marks rights are unlikely – at least for now.

Mathew Healey explains that this particular cloud may have a silver lining for brand-owners.



Mathew Healey
Head of Trade Marks

T: 020 7551 7637
m.healey@bateswells.co.uk

I head up Bates Wells' in-house team of specialist trade mark lawyers.

Brand is key for non-profits and responsible businesses alike. My team and I aim to help you look after these precious assets in the best way that you can.

You may be aware that the UK left the European Union on 31 January 2020. The one question that is gripping UK businesses and charities is: 'what has happened to our EU Trade Mark rights?!'

You will be pleased to learn that, for many, the short-term answer is 'not a lot'. As with anything Brexit-related, the long answer is slightly more complicated. The key thing to know is that existing EU Trade Mark registrations will split into two separate rights – not immediately upon Brexit, but at the end of the transitional period (as things stand, 31 December 2020). One of these will cover the UK, and the other what remains of the EU. These will pleasingly be known as 'child' and 'parent' rights respectively. No administrative steps will be needed to effect this division, and (happily, given the potential economic downturn) no fees will be payable.

Do bear in mind that EU (and UK, and almost all other) trade marks are subject to 'use it or lose it' provisions. If you currently have an EU Trade Mark that is mainly or predominantly used in the UK, then bear in mind that the post-Brexit 'parent' registration could, over time, become vulnerable to third-party attack on the basis of non-use.

We will update our own database of the hundreds of EU Trade Marks we currently look after. But we also recommend that trade mark owners keep their own records, as longer-term, inevitably, there will be an administrative and costs penalty. Parent and child registrations will need to be renewed separately at the end of every 10-year cycle, with official fees being paid to both UK and EU governments.

The position is more fraught for pending EU Trade Mark applications. Any case that is still pending when the split happens will no longer cover the UK. In such instances, EU applicants will have nine months to submit corresponding UK applications – obviously, at additional cost – which, if and when registered, will be backdated

to the time of the parent EU application. Such 'child' applications will start from square one of the UK application process and there will inevitably be some trade marks that, having been provisionally accepted for EU registration, will be rejected by the UK office. The criteria for 'trademarkability' are largely subjective, and the UK and EU Offices are quite capable of taking opposing views on the same subject matter.

The situation for those dealing with pending complaints (to use and trade mark registration of others' brands) is even more complex. It is impossible to summarise the workings of what amounts to a gargantuan (and, in the final analysis, pointless) unpicking exercise, except to say that each case will depend on its particular circumstances. If you have a good trade mark lawyer, they will already be thinking strategically about what Brexit will mean for your case (possibly while quietly sobbing into their copy of the relevant statute).

Lastly, and very quickly, the position regarding some other IP-related issues is as follows:

- there are broadly equivalent provisions for EU registered designs;
- patents are largely unaffected – there is such thing as a European Patent but it is not a creature of EU law, and its geographical coverage is not contiguous with the EU;
- there are some difficult provisions about Database Rights. Database rights are a creature of EU law, and (predictably enough) protect databases created by individuals and businesses in the EEA from unauthorised copying or extraction, for 15 years from the year of creation. There will be no obligation for the EU to extend that protection to UK businesses after Brexit. This is pretty knotty stuff (and if you think it may affect you, you should certainly seek advice).



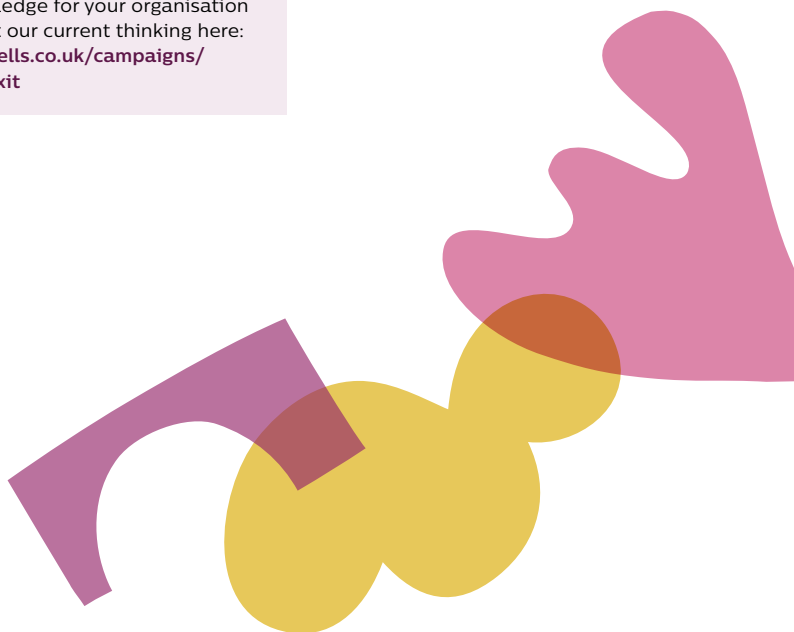
'The key thing to know is that existing EU Trade Mark registrations will split into two separate rights – not immediately upon Brexit, but at the end of the transitional period (as things stand, 31 December 2020).'

FIND OUT MORE

As the immediate and wider implications of Brexit gradually unfold, we'll keep you updated on the latest legal updates and essential knowledge for your organisation – take a look at our current thinking here: <https://bateswells.co.uk/campaigns/navigating-brexit>

The current position concerning 'exhaustion of rights' (the law around grey importation of goods, which relies on trade mark rights to block unauthorised sale of otherwise legitimate products intended for other markets) is, as far as the writer can discern, a mess. Some very smart people will make a lot of money from this.

To summarise, if there are things to fear from Brexit, we don't think the changes to brand protection are one of them. But these are changes nonetheless, and if you have concerns about how they are likely to affect you, don't hesitate to drop your usual Bates Wells contact (trade marks team or otherwise) a line.



Liverpool FC score an own goal

European football champions Liverpool FC came a cropper in a recent trade marks case – in quite an instructive way.

Mathew Healey explores the world of trade marking names.



Mathew Healey
Head of Trade Marks

T: 020 7551 7637
m.healey@bateswells.co.uk

I head up Bates Wells' in-house team of specialist trade mark lawyers.

At Bates Wells, we have a wealth of experience in trademarking the untrademarkable, for businesses and charities alike. A lot of my work focusses on advising clients how they can best protect descriptive names and commonplace phrases.



Names of football clubs, like so many things we cherish – bands, authors, movie franchises – are also, unquestionably, trade marks. This is because, on a very basic level, they allow people to tell one club (artist, writer, film) from another – they function as 'badges of origin'. Most things in this category are naturally and inherently 'distinctive' (to use the trade marks language): names like Apple, Oxfam and Arsenal are all arbitrary as far as their owners' activities are concerned and are immediately recognised as brands.

There's a second way in which a word or expression can become a 'brand', even if it does not have this innate character. This is by building up appropriate recognition through use – lawyers call this state of affairs 'acquired distinctiveness'. Examples include names like Shredded Wheat and Save the Children. The net effect is that these apparently-ordinary words are, via trade mark registration, capable of being monopolised by their owners – at least as the names of products – even though

they form part of the everyday English lexicon. These are significant powers and the courts and tribunals are careful around granting them unduly.

It was against this background that 'Liverpool Football Club and Athletic Grounds Ltd' (as superb a registered company name as you'll encounter, and a constant since 1892) applied to trade mark the word LIVERPOOL for various goods and services including entertainment, clothing, retail, sports equipment and broadcasting. It already had registered marks for LIVERPOOL FOOTBALL CLUB and LIVERPOOL FC but was seeking a right, in the last analysis, to stop others using the name of the city per se, without the club's permission.

On the face of it, that would seem an extreme state of affairs, and it was not a popular one: Supporters union Spirit of Shankly encapsulated the feelings of many Liverpoolians when it went on record as saying: 'the word 'Liverpool' is not for FSG

[Fenway Sports Group, Liverpool's ultimate owners] or anybody else to own – it belongs to the city of Liverpool and its people. We should all be allowed to use it freely, however we see fit, without fear of legal letters dropping through our doors.'

However this is possibly to misunderstand the right that trade mark registration would provide. It would, in the last analysis, principally stop others using the name LIVERPOOL in a brand name sense, in respect of competing goods and services in the area of the trade mark. It would not, and never would, stop Everton or Tranmere Rovers (Merseyside's third club) describing themselves as being based in Liverpool. It would not stop a clothing manufacturer advertising its goods as being made or designed in Liverpool. It would of course, stop others selling Liverpool-branded t-shirts and footballs: but we tend to think this would be a fair outcome as, owing to the club's reputation, people would almost inevitably associate the brand with the football club.

As it goes, 'Spirit of Shankly' and others need not have been concerned: the trade mark application was refused by the IPO. Although the football club was able to show very significant recognition and reputation in its name, this was outweighed, in the IPO's view, by the sheer weight of recognition of 'Liverpool' as a place name. The dynamics at play are complex but, in brief, there is a balancing act to be done between the strength of the name's association with the trade mark owner, and the recognition of the place in question more generally. The IPO's decision said that the primary reason for rejecting the application relates to the 'geographical significance' of Liverpool as a city. We note that Crystal Palace FC's EU Trade Mark for simply CRYSTAL PALACE (a lovely but not necessarily

famous area of South London) fared rather better*, and with good reason: one of the primary links in consumers' minds formed by the name is with the football club, and this will obviously be especially so where sports-related activities are concerned.

The overarching point is a good one for charities, however, whose names often tend towards the 'ordinary English' end of the spectrum (think ActionAid, British Council, and many others). They should, under this rule, be able to fully protect their names – provided they can show the requisite goodwill and recognition in them. Also, in cases like these, where there are not whole cities (or other defined groups of people) liable to feel disenfranchised, a PR-related storm seems unlikely. That said, whenever a client of ours angles to trade mark a name, word or slogan which could be seen as 'contentious', we do tend to warn them of how it could be perceived in the outside world.

** We also noticed this registration, owned by a BVI company, dating to the 1890s and covering 'fireworks': <https://trademarks.ipo.gov.uk/ipo-tmcase/page/Results/1/UK00000155036>.*

This seems remarkably portentous given the fate of the actual Crystal Palace 40 years later.





10 Queen Street Place
London EC4R 1BE
Tel: +44 (0)20 7551 7777

www.bateswells.co.uk

© Copyright Bates Wells & Braithwaite London LLP April 2020

The information in this update is necessarily of a general nature. Specific advice should be sought for specific situations.

