

TRADE MARKS AND BRAND PROTECTION FOR CHARITIES: A GUIDE



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What is a trade mark?

There are two different answers to this question. One is the legal definition and the other is the real world practical definition. The latter is probably the more useful for a day-to-day understanding of what a trade mark is.

The legal definition

The law in the UK says that a trade mark may consist of any of the following:

Words, including personal names – names such as CHRISTIAN AID, OXFAM, SIGHTSAVERS or ANTHONY NOLAN. This can include distinctive slogans and straplines.

Designs – logos or other distinctive graphics.

Letters and numerals – such as NSPCC, WWF and RSPCA.

The shape of goods or their packaging – occasionally, the well-known shapes of certain products can be trade marks.

The law also says that a trade mark must be ‘capable of distinguishing the goods and services of one undertaking from those of other undertakings’. This means it must be capable of allowing people to tell one business, charity, or whatever else, apart from others.

This ties neatly with what we mean by a ‘brand’. It is the name, the logo, the whatever else, that an organisation is known by. It is its **identity**.

Remember also that many organisations have ‘sub-brands’. These are the names of particular campaigns, projects or services they provide. In these instances, brands or trade marks help distinguish those activities from others’.

Why do you need a trade mark?

Every organisation already has a trade mark in the sense that it has a name by which people can identify it. Here, we are really talking about why you need a registered trade mark.

A registered trade mark is a Government certification that says that your name, logo, or whatever else, is protected. Applications to register trade marks in the UK are filed at the Intellectual Property Office (the IPO). Other countries have their own trade mark authorities.

If the IPO considers what you have applied to register is inherently eligible for protection as a trade mark, and no one objects to its registration, your trade mark application will be granted.

A trade mark registration gives its holder the power to stop other parties registering and using other trade marks which are the same as, or confusingly similar to the registered trade mark, in relation to the same or similar goods or services. The main test for whether a trade mark is infringed is whether there is a likelihood of confusion.

The value of this is that the people who matter to the trade mark holder – those who benefit from their services, potential donors, etc – are less likely to be confused between what the trade mark holder is doing and what others are doing. This kind of confusion can seriously damage your reputation and divert donors, or users of your services away from you.

The corollary of the above – and we think this is the clearest answer to the question “why do you need a trade mark?” – is that it means it’s safe to use the trade mark. It means that the trade mark holder is protected against the above scenarios, and is therefore free to go ahead and build up recognition, reputation and goodwill in its brand.



Passing off

Passing off is a law that may protect your name, logo and other aspects of your identity irrespective of whether you have a registered trade mark. Passing off applies in the UK and a number of Commonwealth countries (such as Australia, Canada and New Zealand). Other territories may have different laws protecting non-registered trade marks.

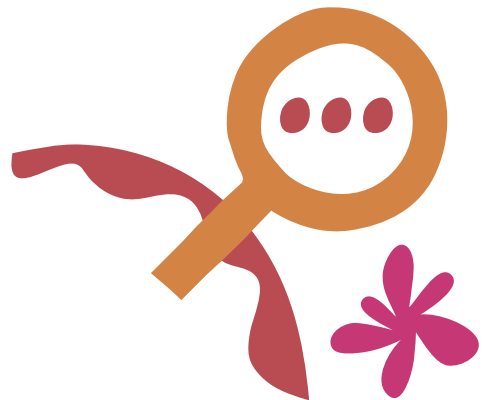
There are three things that you would need to show if you wanted to stop someone using your trade mark under the law of passing off:

Goodwill – this is defined in law as ‘the attractive force that brings in custom’. If you have a substantial and established base of customers, users, donors etc., then you may have goodwill.

Misrepresentation – you would need to show that the other party was (accidentally or deliberately) misrepresenting itself as being connected with you. This may in practice be harder to show than a ‘likelihood of confusion’, which is the relevant test for infringement of a registered trade mark.

Damage – the party claiming passing off has to show that it has incurred damage by virtue of that misrepresentation.

‘Passing off’ rights are generally less useful than registered trade mark rights. The most significant problem with taking action based on such rights is the need to demonstrate goodwill. This makes it more difficult to show that you have any rights at all than if there was a registered trade mark.



Is my mark free to use?

Because a trade mark right provides its owner with the power to stop another using the same or a similar mark, **it is possible that your own adoption of new names and brands could be blocked by other parties' rights.**

The way to minimise the risk of stepping on another's toes is to carry out **trade mark searches** before applying to register, or using, a new trade mark. **It's important to do this in sufficient time before the proposed launch** for you to be able to change tack, if need be – too many charities leave these checks until the last moment, and often find themselves in a bind when they discover there are problems.

You would need to consider the following possible sources of problems:

Registered trade marks – A basic check can be carried out of UK-registered marks on the **Intellectual Property Office's website** but this only stands a reasonable chance of picking up obvious problems.

A more secure option is to instruct a lawyer to carry out a full search of registered marks. **You should certainly seek legal advice if you need to consider whether a brand is free to use outside the UK.**

Passing-off rights – Because these are acquired through use, we need to focus on others' commercial and charitable activities. We would consider making the following checks:

- Searching on Google (if your name has more than one word, putting it in quotation marks – will restrict the 'hits' to instances of that exact string)
- Checks of the **Companies Register**
- Searches on the **Register of charities**
- Looking at who owns, and what is displayed at, obvious domain names/urls.

Note however, that having a registered company or charity name, or a domain name, gives you only limited rights in that name as such. The only ways to acquire rights that can be widely enforced against another party are to make extensive use of the name (thereby acquiring passing off rights) or (preferably) to register it as a trade mark.

What qualifies as a registrable trade mark?

This is best understood negatively – what *can't* you register? These are the main categories:

- **Words that describe the goods and services in question.** The law says that no-one should be allowed to monopolise these.
- **Very simple 'trade marks'** such as the word YES! Or a plain blue circle.
- **Slogans** cannot be registered unless there is something unusual or inventive about them. WE BELIEVE IN LIFE BEFORE DEATH is a good example of the kind of slogan that may be 'trademarkeable'.

However, this rule may not apply to names that describe the organisation as opposed to its activities. So, SAVE THE PANDAS would be refused but SAVE THE PANDAS FOUNDATION could probably be trade marked (subject to no-one having a conflicting right), in the UK at least.

Almost anything can be registered if you can show that it has acquired recognition as a brand name through use (e.g. SAVE THE CHILDREN). This is known as showing 'acquired distinctiveness'.



Basics of applying to register a trade mark

Firstly, note that trade mark rights are territorial, meaning that they are registered on a country by country basis. The protection you get only extends as far as you have in fact registered it. There is no contradiction, for example, in one organisation possessing a trade mark in the UK, and a different organisation having the same mark in relation to the same goods and services in the US.

There is a partial exception in the form of the EU Trade Mark, or EUTM. This allows protection to be sought in all 27 countries of the EU by a single application. This is better value for money than seeking national registrations in every country independently.

There is also something called the 'International Registration' system. That can be used to file in over 100 territories more easily and cheaply than via separate national filings (not all countries are automatically covered; you pick and choose and the cost is adjusted accordingly). The list looks somewhat random but 'major' territories are increasingly becoming members (for example the US, Australia, Japan, India, China and many others).

'International Registration' is a bit of a misnomer as this is really just a bundle of national filings obtained by a centralised filing system.



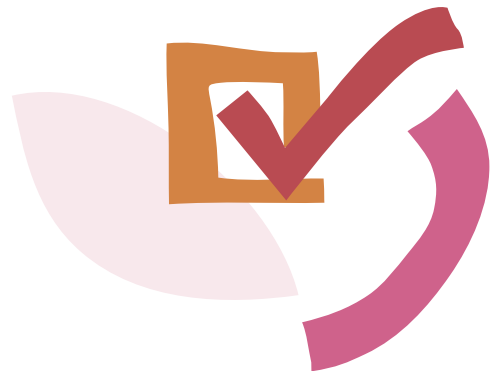
Filing a trade mark application

In most instances, the information required is as follows:

- **The trade mark itself.** If you write the words in block capitals this means that you want to claim rights in the words per se, irrespective of font, stylisation etc.
- **A specification of goods and services** that describes what the trade mark will be used for. This defines the scope of protection provided by the trade mark (e.g. the areas of activity in which the trade mark holder may be able to stop other parties using conflicting trade marks). Goods and services are divided into 'classes', and the more classes you cover, the more the application fees.
- **The owner of the trade mark.** This needs to be someone or something that can own property – nearly always an individual or a registered company. Note that an unincorporated association does not qualify as it cannot own property of its own accord.
- In the UK, **a declaration** that you are using the mark, or have a bona fide intention to use it – you can't register a trade mark just to block others.

This bit looks disarmingly straightforward, and is really easy to get wrong. We often see charities whose rights in their brands are compromised because they have not accurately or adequately described

their current and likely future interests. Professional help could prove invaluable here.



What happens after you file the application?

The below procedure applies before the IPO in the UK. There are variations overseas but many local IPOs adhere to this basic format, or a similar one:

Examination

There are two main elements to the Examination process:

- **The application is examined on absolute grounds.** The trade marks office will consider whether the mark applied for is the sort of thing that can be registered as a trade mark. If the Examiner thinks it is not, then the application will be refused. The applicant will however be given an opportunity to argue its case.
- **The application is examined on relative grounds.** The trade marks office will conduct a search of existing registered trade marks to see if there are any that it considers too close to the mark applied for. If relevant marks are located by the search, this will not prevent the application proceeding, but the Office will tell the holders of the other trade marks about the application.

This means that those parties find out not only about your trade mark application, but also (indirectly) any use of that name. Therefore, in some cases, filing a trade mark application can lead to someone else objecting to any use as well as registration of that trade mark.

Publication

Following examination, and assuming any absolute grounds objections are overcome, the details of the application will be published in an official journal. A period of time is set following that publication for third parties to object to the application based on earlier rights that they own. In the UK this period runs for two months (but is extendable on application by one month).

The opposition procedure resembles a miniature court case – both parties file evidence and a hearing or written arguments are filed before a decision is issued. Fortunately, trade mark oppositions are (in the general run of things) less expensive than going to court.

Registration and renewal

Assuming no oppositions are filed, or all are overcome, the mark will be registered and we will receive a certificate. The mark then needs to be used or others may be able to cancel the registration. The registration also needs to be renewed every ten years.

Timescale for registration

Assuming the application does not encounter serious objections, it currently takes around four to six months to obtain a UK trade mark registration. Some overseas IPOs are much slower.

However, the length of time taken to obtain registration is generally not that significant, as rights in the trade mark flow from the date that the application is filed, subject to registration being granted.

Our view is that, provided the applicant has completed the trade mark clearance process properly, and there is not e.g. a potential descriptiveness problem, you can probably be relatively confident that the application will be accepted, and

registered fairly quickly. Therefore, often, you will not need to wait until the trade mark is registered before you can feel confident enough to start using it.

Timing of the trade mark application

We are often asked ‘when should we file our trade mark application?’ The short answer is, as soon as reasonably possible. This will often be once the trade mark selection and clearance process is completed, and you are comfortable that the selected brand is the right one for you.

If you are considering filing trade mark applications in a number of countries, something called “convention priority” is available. Once you have filed your first application for a particular mark, any overseas applications filed within six months of that application can claim the same filing date. Therefore, there is only significant time pressure to file the first application; subsequent applications can wait a little while. This is helpful in a number of ways, including allowing costs to be spread.

Enforcement of trade mark rights

A problem for charities looking to enforce rights in their trade marks is **cost**. The ultimate sanction is court action seeking an injunction stopping use of the offending brand. But even a straightforward action of this kind is likely to cost in the five-figure range.

Another area of potential concern is **reputation**. The optics of a charity becoming embroiled in legal action are not good, and donors of funds may well ask why charity funds are not being spent on something more productive.

There are effective ways of taking action far more cheaply, if the trade mark owner takes positive early action, and is prepared to apply creative solutions.

However, the key to effective (and economical) resolution of disputes is not novel solutions, but doing the basic things well.

There is a golden rule - you should take action as soon as you become aware of any infringement of your rights. Your first step should not be court action, but might well be a strongly-worded lawyer's letter. Writing a letter is cheaper than suing someone, and depending on the strength of your case, the other party may well give in without a fight.

Of course, if a strongly-worded allegation of infringement is not sufficient to resolve the matter, you need to look at alternatives. Court is one option, but there are others that may work better, and are cheaper.



The Internet has its own rules

The laws governing trade marks extend to the Internet – material published on a website can infringe a trade mark owner’s rights in the same way as printed publications, television advertising etc. And, there are a number of internet-specific rules that can be used to your advantage.

A more general-purpose option may be to write to the other party’s Internet Service Provider (ISP) pointing out that they are hosting material that infringes your trade mark rights, and insisting that they remove the relevant pages.

The law provides that ISPs may be liable for infringement of trade mark rights if, having been made aware of the issue, they do not act expeditiously to remove the offending material. Many ISPs will happily oblige rather than risk being sued.

If the ISP removes the website, you will have achieved a significant success by writing a single, uncomplicated, letter. One problem is that the infringer can simply move its website to another ISP (perhaps in a jurisdiction with more accommodating law in this area). However, this tends not to happen – the infringer will recognise that you are willing and able to enforce your rights, and will often back down.

In a similar vein, where the infringement occurs on social media, it may again be possible to petition the service owner to ask for the offending Twitter account, Facebook, LinkedIn page or whatever else to be removed. The major social media sites all have recognised procedures for notifying infringements of IP, and provided these are followed carefully and correctly, these are often effective.

A note of caution – if you take steps to have material removed from the internet, based on an allegation that turns out to be unjustified, that your rights have been infringed, then the other parties involved may have a claim against you (e.g. for lost earnings or donations). This is, therefore, only an avenue you should consider if you are fairly confident of your ground.

Involve the Charity Commission

If your opponent is another charity, then the Charity Commission may be prepared to intervene. Charity law gives the Commission the power to force a charity to change its name in a number of situations, including where the name in question is the same as or ‘too like’ the name of another charity.

A direction to change its name on the register of charities may not in itself prevent a charity from using that name as a ‘trading’ name. However, such a direction may provide compelling reasons for a name change. Also, a finding of the Charity Commission that two names are ‘too like’ each other may assist the holder of the earlier name, should it then bring court action for

infringement of its rights. If the other party has resisted up to this point, this is the sensible time for it to back down.

Can Trading Standards help?

A final alternative to court action is using Trading Standards to help you enforce your rights. Trading Standards will usually only become involved where a criminal act has taken place. Frustratingly, whilst selling goods under another party’s registered trade mark can be a criminal offence, providing services, or fundraising, are not necessarily so.

Nonetheless, in more clear-cut cases, and particularly where there is an element of dishonesty involved, it is often possible to find a criminal ‘peg’ on which to hang the infringing acts. Also bear in mind that less scrupulous types may be unfazed by a threat of civil action, but are more likely to balk at the prospect of criminal prosecution.

Licensing

There will be times when you will want to allow someone else to use your trade mark.

It is important to be able to control how the other party uses your name. The best mechanism for doing this is a trade marks licence. This is a legal agreement that sets out the terms on which the other party can use your trade mark.

Examples of where you might grant a trade mark licence include:

- Outsourcing a particular service.
- Where you authorise a third party to sell merchandise on your behalf.
- Where you have a local member or overseas branch offices that use your trade marks.
- Working with professional fundraisers, or 'Commercial Participators' (e.g. '10% of the cost of each packet of crisps goes to charity x').

Examples of situations where you do not need to grant a licence include:

- Paying someone else to print an advertisement for your goods or services in their publication.
- Where you engage a print company or similar to print up brochures etc. on your behalf.
- Where a third party writes an article or similar that mentions your organisation's name.

The sort of things that would usually be included in a licence are:

Consideration – you granting the other party permission to use your trade mark will generally be exchanged for something else, often but not always money.

Goods and services – the licence may relate only to provision of certain products or services under your trade marks.

Territory – in the instance where, e.g. you were authorising an overseas entity to use your trade marks, you may want to clarify the geographical extent of that permission. It is also possible to restrict the scope of a licence by territory (e.g. if you have separate offices for England, Wales, Scotland and Northern Ireland).

The type of licence – an indication of whether the licence is a sole licence or an exclusive licence (or neither).

If you grant someone a **sole licence** this means that you cannot give a licence to anyone else to provide the same goods or services (in the territory to which the licence supplies).

If you grant an **exclusive licence**, this means that the party to whom you give the licence is the only party who is allowed to use the mark on the goods and services (even you can be excluded). Because of this, you should be very careful about signing any document that grants someone an “exclusive” licence.

Brand guidelines – a set of instructions that outline how your name, logo etc. should be deployed. They may include information on the format in which the name is used, whether abbreviated versions of the name are allowed, etc. Where logos are concerned, there may be provisions covering the colour of that logo, whether it can be modified, etc.

Other provisions protecting your name, reputation etc. It is often useful to include a clause obliging your licensee not to do anything likely to damage the licensor’s reputation, name, trade marks or goodwill” or similar. This guards against them acting in an inappropriate way and damaging your reputation, image, etc. Having this as part of the trade mark licence is a potentially powerful tool as it may allow you, for instance, to terminate the licence and claim damages in the event of a serious infraction.

Want to find out more?

This note can only touch the surface of the wonderful world of trade mark law and brand protection. Do remember that these rules are there to help protect you: but it is also easy to fall foul of them.

If you would like to discuss any of the points raised here, or anything else IP or brand-related, don't hesitate to contact one of Bates Wells' team of in-house chartered trade mark attorneys:



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