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Trade Mark Directive Transposition Consultation 2018
Trade Marks and Designs Directorate
Intellectual Property Office
Room 2G05 Concept House
Cardiff Road
Newport
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Dear Sir/Madam

Response to IPO Consultation on Implementation of the EU Trade Mark Directive 2015

This response to the Government consultation on the Implementation of the Trade Mark Directive (EU) 2015/2436 is submitted by Wiggin LLP, a law firm which focuses on media, technology and intellectual property.

Wiggin has a particularly strong practice in relation to trade marks, having been joined a few months ago by all of the lawyers from well-known IP boutique, Redd Solicitors LLP. Our combined team has a highly regarded 'one-stop' brands practice, covering all aspects of brand protection, exploitation and enforcement, with several of our partners being recognised as leaders in the field.

Our lawyers are thought leaders, contributing significantly to the wider IP world and involved in many IP associations with roles on relevant boards and committees, including INTA, AIPPI, LES, UNION-IP, CLA and MARQUES to name a few. We are also heavily involved in teaching and examining on Oxford University's 'Post Graduate Diploma in IP law and Practice' – a qualification obtained by junior IP practitioners in all major IP departments in this jurisdiction.

We advise many household brands, as well as smaller trade mark owners and licensees, providing strategic trade mark advice, which enables them to generate, preserve, exploit and expand value in their brands.

In order to put together this response, we canvassed the opinions of several of our trade mark clients. We have taken account of their views and mentioned these where relevant in our responses to the individual questions, albeit without identifying individual clients. Otherwise, the views expressed are our own and we stress that this is not submitted on behalf of any particular client or clients and has not been funded by any client(s) or other third party.

1. How do you think the removal of the graphical representation requirement will change the demand for unusual mark types? Would you or your clients be more likely to register an unusual mark? If so how will you/they benefit from this?

Before addressing the substance of this question, we would first like to make a point about the reference to 'unusual' mark types. For the reason set out below, we interpret the use of the word 'unusual' to mean "non-traditional" as that term is used in the Max Planck Institute's Study on the "*Overall Functioning of the European Trade Mark System*" dated 15 February 2011 that was requested by the European Commission. However, we and many of our clients would object to the characterisation of such marks as 'unusual' on the basis that to do so perpetuates the outdated legal fiction that in all but very exceptional cases consumers are not accustomed to perceive anything other than text or static graphic marks as operating as trade marks. The reality in 2018 is that branding is found in very many different aspects of the world around us and consumers are fully attuned to many different forms of trade mark. As the consultation document recognises, non-traditional marks include sounds, movements (animation), holograms, 3D marks, colours, patterns, shapes and smells. Further, non-traditional marks include taste and touch marks.

Sound marks

Wiggin's view is that the removal of the graphical representation requirement would probably lead to a modest increase in the demand for both musical and non-musical sound marks and combinations of sound marks with other marks. Sounds, especially jingles, have performed the function of a trade mark for some time; but before the advent of the internet, it has been difficult to represent sound marks on a public register in a clear, precise and easily accessible way. It has been possible to register musical sound marks for some time by using musical notation, but they are not as easily accessible or immediately intelligible to the general public as a sound file. Non-musical sounds have hitherto been very difficult to represent graphically in a precise, easily accessible and intelligible manner and they are likely to see the greatest increase in demand (along with combinations of such marks with others, such as motion marks).

Motion marks

Motion marks are likely to see a modest increase in demand initially, although probably more as a result of would-be applicants testing the new boundaries and a relaxation of acceptable format requirements than because they are obviously legally more permissible. It is not obvious why a pure motion mark would not have fulfilled the 'graphical representation' requirement, although the position is different for combinations of motion and sound, and such combinations may now be registrable as a result of the amendment. Motion marks will still have to fulfil the *Sieckmann* criteria, and this is likely to remain a greater barrier to registrability than "*graphical representation*" ever was.

Other graphical marks

It does not seem likely that holograms, 3D marks, colours, patterns and shapes will be more in demand in response to the amendment. There is no obvious reason why the position would change for such marks, unless it is caused by the UKIPO expanding the range of file formats that it is willing to accept alongside this change. The *Sieckmann* criteria and the statutory limitations, e.g., on adding substantial value, are more likely to remain barriers to the widespread registration of such marks. Case law on the registrability of such marks, e.g., *Libertel/Benelux Merkenbureau* for colours and *Heidelberger Bauchemie/DPMA* for pattern marks, will also remain relevant and limit the demand for such marks.

Smell, touch and taste marks

We agree that smell, touch and taste marks have theoretically become more registrable following the removal of the graphical representation requirement. But, in practice, we consider that it will be very difficult for such a mark to fulfil the *Sieckmann* criteria under the present state of technology. Such marks tend to be inherently subjective, imprecise, not generally recognised as indicating trade origin and difficult to represent on a searchable trade mark register. The proposed amendment does mean, however, that if technology and trade practices do change in this respect, the Trade Marks Act 1994 will be much more ready for such changes. There may be a few applicants who test the boundaries and attempt filing of such marks following the statutory change, but we expect that such attempts will be met with considerable hurdles before they can succeed.

2. Are there any other mark types, other than those identified, which may benefit from the ability to file representations in a digital format? Which formats (apart from .mp3, .mp4, .jpg mentioned above), do you think applicants would like to be able to use to file their trade mark applications?

As noted in the response to question 1 above, taste and touch marks are theoretically more registrable, but we are not aware of any specific digital format that currently exists that would assist with such marks. We suggest that the UKIPO keeps this under review.

File formats

Our view, and that of our clients who provided feedback, is that the UKIPO should keep this under constant review as technology evolves. We do have the following suggestions as it relates to today's technology.

Images – our view is that it would be too restrictive and outdated to allow only JPEG files (if that is the intention). We suggest the inclusion of the following:

- .pdf, which is a widely used file format that allows the easy combination of text and image files for figurative marks.
- .png / .gif, which are widely used file formats for non-video moving image files. .PNG is also a superior file format in many respects to JPEG.

Shapes – we note that the EUIPO permits the use of PEG, OBJ, STL, X3D for shape marks and we suggest that the UKIPO follows suit.

Sounds – .mp3 is the most widely used and compatible audio file format, although it is lossy and old. We note that development has ceased on the .mp3 file format since the Fraunhofer Institute's patents expired in May 2017 and it ceased its licensing programme. We suggest that the UKIPO keeps this under review and may contemplate switching to .FLAC or another technologically superior format in future, if it becomes widely adopted. The UKIPO could also consider adopting .wav or .aiff lossless files (up to a file size limit) to permit more precise sound file marks with no data loss.

Motion – we cannot see any sensible alternative to .mp4 for video marks, which is the most widely used video file format. Permitting uncompressed video files would not be sensible in the current state of technology, as they would simply be too large and not fulfil the criterion of "*easily accessible*". As noted above, .png and/or .gif files should be permitted for non-sound motion marks.

3. What is your view on how we should treat the term ‘competent authorities’? Please explain your answer.

Our view is that 'competent authorities' must include, at a minimum, the courts and the appointed person as well as the registrar. Otherwise, as the UKIPO notes, the proposed limitation to the 'registrar' only could result in a limitation to the ability of the courts and the appointed person to make determinations on the validity of a trade mark. This is clearly not the purpose of Article 3, which is directed towards setting out what type of signs are capable of performing the function of a trade mark and the requirement that the general public and any authority called upon to make a determination on such marks can do so with sufficient certainty.

We have considered the Joint Committee report to which the UKIPO refers, but this appears to be quite a different situation, namely a requirement by importers to give notice to a competent authority before bringing certain foods into the UK. This is clearly a procedural requirement analogous to the provisions in the Trade Marks Act 1994 relating to the proper authority to which an application may be made to register a trade mark or invalidate a trade mark. By contrast, Article 2 does not relate to any such procedural question.

Our suggestion is to adopt the term "*competent authorities*" from Article 2. New section 1(1) should therefore be amended as follows:

“(1) In this Act “trade mark” means any sign which is capable—

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

If the UKIPO remains concerned that a definition of competent authorities is required, a definition could be added into s.103(1) of the Trade Marks Act 1994 as follows:

“competent authorities” under section 1 include the registrar, the court and the appointed person.

4. If you support implementation of this optional article, please explain why and provide evidence of the advantage that implementation would provide.

We strongly agree with the UKIPO that implementing this optional Article would be undesirable for the reasons given.

We note that, in the Max Planck study, the UK was a relatively fast jurisdiction for its trade mark registration procedure with an average time of 4 to 5 months (without opposition). This optional provision might be more relevant in jurisdictions where the average time is longer, for example, Italy (average 2.5 years) or Cyprus (average 4 to 5 years) (see paragraph 1.31 of Part II of the Max Planck study).

Furthermore, we consider that implementing the optional provision would encourage slow prosecution by applicants hoping to improve their chances of registration by carrying out marketing during the course of such slow prosecution. The result would be uncertainty in the system that would not be outweighed by the benefit to those trade mark applicants who might be able to take advantage of such a change. This would be especially true in situations where there is an appeal process.

5. Do you agree with our conclusion that section 6(3) is contrary to the Directive? Please explain your answer.

We agree with the opinion of the UKIPO that section 6(3) is contrary to the Directive.

As a starting point, we note that the Directive's intention is to harmonise trade mark law in each Member State of the European Union. Deviation from the substantive law of the Directive is only permitted where this is expressly stated. It would reduce harmonisation if proprietors of expired earlier marks are permitted to rely on such rights to oppose trade mark applications or apply to cancel trade marks in some Member States, but not others.

Given that (1) this was permitted as an optional provision in the 2008 Trade Mark Directive, but not the 2015 Trade Mark Directive, and (2) other optional provisions remain in the 2015 Trade Mark Directive, but not this one, the only conclusion can be that this deviation is no longer permitted and should be repealed.

To check this position, we surveyed the *travaux préparatoires* relating to the 2015 Trade Mark Directive, which confirms that the above position was the intention of the legislators. The history of the provision in those *travaux* can be summarised as follows:

- 6 April 2011

The European Council publishes a synopsis of what would become the 2015 Trade Mark Directive compared against the existing 2008 Trade Mark Directive. Against existing Article 4(4)(f), which was the source of section 6(3), it is stated: "*no provision*", which indicates that the provision (and thus the permitted derivation) has been deleted. This may be compared with elsewhere in that document where amendments are proposed or "*no change*" is indicated.

- 19 November 2013

Following trialogues between the European Council, Commission and Parliament, the Lithuanian Presidency publishes a compromise proposal, that reinstates Article 4(4)(f) as Article 5(4)(e). A mark-up is shown against the original proposal.

- 21 March 2014

The Association of European Trade Mark Owners (MARQUES) provides comments on the compromise proposal, including the following comments on Article 5(4)(e):

"MARQUES is strongly opposed to the proposal put forward in the Lithuanian Presidency compromise proposal (Article 5(4)(e) TMD). It is being proposed that a trademark can be refused if it is identical or similar to an earlier trademark, which was registered for identical or similar goods/services, even after the registration has expired for failure to renew for a period as long as up to two years. We do not understand the purpose of this practice, and we must object to it in strong terms. We view it as an obstacle for businesses to get on the market, and we can think of no good reason to keep such practice in place."

- 18 July 2014

The Lithuanian Presidency publishes a further compromise proposal for the text of the Directive. Following the comments from MARQUES and others, Article 5(4)(e) is deleted.

In the light of the above, we conclude that what was the permitted derivation from harmonisation under what was Article 4(4)(f) is not permitted under the 2015 Trade Mark Directive.

As we are mindful of the United Kingdom's expected forthcoming departure from the European Union and the single market, we have considered if this provision is useful and should be kept even if it is not permitted by the Directive. Our conclusion is that the provision is unhelpful and we agree with the comments provided by MARQUES on 21 March 2014 (see above). We think that the Government should take this opportunity to repeal section 6(3).

6. Do you agree with our approach to dealing with the potential gap left by the repeal of section 6(3)? Please explain your answer.

We agree with the UKIPO's proposed approach to amend the requirement of being "*just to do so*" to align with the requirement for "*unintentional*" under patent and design law, for the reasons given.

It is not clear from the consultation document whether it is proposed that the new provisions will be the same as Article 104(6) of the EUTM Regulation, which are very brief, or more akin to the provisions under section 28A of the Patents Act 1977, which are more detailed. The inclusion of more detailed provisions along the lines of those in section 28A would give greater legal certainty, provided that care was taken to ensure that any detail remained consistent with the provisions under Article 104(6).

7. Do you consider that the reference to "industrial property right" in this context might include rights other than a design right or registered designs? Please explain your answer.

While it is hard to envisage any relevant "*industrial property right*" other than design right or registered designs falling within the ambit of Article 5.4(b)(iv), we consider that the term "*industrial property right*" should be used as in the Directive, rather than setting out a more specific list of rights such as design right or registered designs to ensure that there is no risk of excluding a prior right that was intended to be covered.

The reference to "*in particular*" in the introduction to Article 5.4(b) indicates that the wording is meant to be non-exhaustive, leaving open the possibility of other rights being covered. We note that "*industrial property*" has a broad definition in Article 1 of the Paris Convention, and believe that the Directive similarly intends such broad definition to apply.

8. If you support implementation of this optional article, please provide evidence of the advantage that implementation would provide.

We agree with the UKIPO that, because the UK has implemented the bad faith provisions in full by section 3(6) already, there is no need to implement this narrower optional Article.

9. Do you agree with our view that section 10(6) would serve no apparent purpose and can therefore be repealed? If not, please explain your answer.

We agree with the UKIPO that section 10(6) should be repealed; however, we do have some comments on section 10(6) and comparative advertising in the context of the UK's expected forthcoming departure from the European Union.

Section 10(6) is generally treated as having two functions. Adopting the description of Kerly, section 10(6) provides: "[...] *first of all, a saving in respect of the use by a person of a trade mark for the purpose of identifying goods or services as those of the proprietor or a licensee. But then it continues to create a further*

*category of infringement by providing that any such use, other than in accordance with honest practices in industrial or commercial matters, shall be treated as infringing the registered trade mark if the use, without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.*¹

The second function, the separate infringement category, has been superseded by Article 10(3)(f) and we support the UKIPO's proposed implementation of this Article by reference to the UK's own domestic implementing regulations.

With regard to section 10(6) more generally, Jacob LJ said in *O2 Holdings Ltd v Hutchison 3G Ltd*: "It is a pointless provision [...] It should be repealed as an unnecessary distraction in an already complicated branch of the law". We agree with Jacob LJ as at the date of that decision and all the more so in the light of the CJEU decision in the same case and *L'Oréal v Bellure* (C-487/07).²

In respect of the first function of section 10(6), (the saving in respect of certain forms of comparative advertising), we do question whether it would remain clear that such comparative advertising is permitted after 'Brexit', particularly in the light of the possibility that decisions of the CJEU (including in *O2 v Hutchinson* and *L'Oréal v Bellure*) will cease to be binding on UK courts, depending on what is decided by the UK government as part of the UK's withdrawal from the European Union.

We therefore suggest that the UKIPO considers whether an express defence should be added to section 11(2) that effectively inverts the suggested wording for the implementation of Article 10(3)(f), e.g., "A registered trade mark is not infringed by the use of a sign in comparative advertising in a manner that is in compliance with all the requirements of [Directive 2006/114/EC]".

10. Do you agree with our view that new section 10A should apply to goods originating outside the EU (rather than outside the EEA)? Please explain your answer.

We disagree with the UKIPO. The correct interpretation in our view is that "third countries" refers not to countries outside the EU or the EEA, but to countries outside the customs territory of the Union.

First, the term "third countries", as used in Article 10(4), is not a defined term and the meaning depends somewhat on the context. Generally speaking, in EU legislation that is marked as having "EEA relevance" (as is the case for the 2015 Trade Mark Directive), the term refers to countries outside the EEA (not just the EU). Such texts are marked for incorporation in the EEA Agreement and implementation in the three EEA members of EFTA, as the 2008 Trade Mark Directive was. A list of such instruments can be found on the EFTA website at the following link and it will be noted that the 2015 Trade Mark Directive is so marked at item 209: http://www.efta.int/media/documents/legal-texts/eea/other-legal-documents/list-eu-acquis-marked-or-considered-eea-relevant/weekly_list.pdf. In other Directives, where the text is marked as being "EEA relevant", the term "third countries" in such Directives refers to countries outside both the EU and EEA states, including the relevant provisions of the Markets in Financial Instruments Directive (2004/39/EC), the Data Protection Directive (95/46/EC), the Anti-Money Laundering Directive (2015/849/EU) and, indeed, the 2008 Trade Mark Directive (2008/95/EC).

Secondly, the *travaux préparatoires* for the 2015 Trade Mark Directive indicate that the reason for Article 10(4) was to remedy the lacuna in the law demonstrated by the *Philips/Nokia*³ combined decision of the CJEU.

¹ *Kerly's Law of Trade Marks and Trade Names*, 16th Ed. at [16-008].

² [2006] EWCA Civ 1656 at [58].

³ Judgment of 1 December 2011, Cases C-446/09 *Philips* and C-495/09 *Nokia*.

This is confirmed by point 6 of the European Commission's proposal for the 2015 Trade Mark Directive dated 27 March 2013, which provides:

"According to the Court of Justice in the Philips/Nokia judgment, the entry, presence and movement of non-EU goods in the customs territory of the EU under a suspensive procedure does, under the existing acquis, not infringe intellectual property rights as conferred by substantive law of the Union and its Member States. Such goods can only be classified as counterfeit once there is proof that they are subject of a commercial act directed at EU consumers, such as sale, offer for sale or advertising. The implications of the Philips/Nokia judgment have met with strong criticism from stakeholders as placing an inappropriately high burden of proof on rights holders, and hindering the fight against counterfeiting. It is evident that there is an urgent need to have in place a European legal framework enabling a more effective fight against the counterfeiting of goods as a fast-growing activity. It is therefore proposed to fill the existing gap by entitling right holders to prevent third parties from bringing goods, from third countries, bearing without authorisation a trade mark which is essentially identical to the trade mark registered in respect of those goods, into the customs territory of the Union, regardless of whether they are released for free circulation." [our emphasis]

It is clear from the above that "third countries" in this context and the context of the *Philips/Nokia* case means outside the customs union. The CJEU held as follows in the *Philips/Nokia* case itself at paragraph 78:

"Having regard to all the foregoing considerations, the answer to the questions referred is that Regulations No 3295/94 and No 1383/2003 must be interpreted as meaning that:

– goods coming from a non-member State which are imitations of goods protected in the European Union by a trade mark right or copies of goods protected in the European Union by copyright, a related right or a design cannot be classified as 'counterfeit goods' or 'pirated goods' within the meaning of those regulations merely on the basis of the fact that they are brought into the customs territory of the European Union under a suspensive procedure;"

It is clear that the purpose of Article 10(4) is to enable action to be taken when counterfeit goods are seized by customs authorities, who are acting where goods are coming in from "third countries", which in this context means goods outside the customs union. The customs union includes both the EU and the EEA, but also a number of further countries, e.g., the Isle of Man and Guernsey. Certain areas of the EU and EEA are also expressly excluded, e.g., Livigno and Campione d'Italia in Italy. We refer to Article 4(1) of recast Regulation 952/2013 laying down the Union Customs Code, which provides as follows:

"The customs territory of the Union shall comprise the following territories, including their territorial waters, internal waters and airspace:

- the territory of the Kingdom of Belgium,*
- the territory of the Republic of Bulgaria,*
- the territory of the Czech Republic,*
- the territory of the Kingdom of Denmark, except the Faroe Islands and Greenland,*
- the territory of the Federal Republic of Germany, except the Island of Heligoland and the territory of Büsingen (Treaty of 23 November 1964 between the Federal Republic of Germany and the Swiss Confederation),*
- the territory of the Republic of Estonia,*
- the territory of Ireland,*
- the territory of the Hellenic Republic,*
- the territory of the Kingdom of Spain, except Ceuta and Melilla,*
- the territory of the French Republic, except the French overseas countries and territories to which the provisions of Part Four of the TFEU apply,*

- *the territory of the Republic of Croatia,*
- *the territory of the Italian Republic, except the municipalities of Livigno and Campione d'Italia and the national waters of Lake Lugano which are between the bank and the political frontier of the area between Ponte Tresa and Porto Ceresio,*
- *the territory of the Republic of Cyprus, in accordance with the provisions of the 2003 Act of Accession,*
- *the territory of the Republic of Latvia,*
- *the territory of the Republic of Lithuania,*
- *the territory of the Grand Duchy of Luxembourg,*
- *the territory of Hungary,*
- *the territory of Malta,*
- *the territory of the Kingdom of the Netherlands in Europe,*
- *the territory of the Republic of Austria,*
- *the territory of the Republic of Poland,*
- *the territory of the Portuguese Republic,*
- *the territory of Romania,*
- *the territory of the Republic of Slovenia,*
- *the territory of the Slovak Republic,*
- *the territory of the Republic of Finland,*
- *the territory of the Kingdom of Sweden, and*
- *the territory of the United Kingdom of Great Britain and Northern Ireland and of the Channel Islands and the Isle of Man."*

Current draft Regulation 11 is therefore an incorrect proposed implementation of Article 10(4).

The correct approach, in our view, would be to do as follows:

- Refer to the "*customs territory of the European Union*", which would ensure that the UK correctly implements Article 10(4) for the remaining duration that the UK is a member of the customs union (or, if it never leaves, will continue to be in compliance).
- If the UK leaves the EU's customs union, amend the provision at that point to refer to the customs union of which the UK is a member (if any), or simply the UK, if the UK is not a member of any customs union. (It might be possible to provide for this in advance, though it is going to be hard to get the drafting right in advance of the terms of withdrawal being agreed.)

11. Do you agree with our proposal to implement Article 11 by, in effect, replacing section 10(5) with new provisions? Please explain your answer.

We agree, in principle, with the UKIPO's proposed replacement of section 10(5) with a new provision that reflects Article 11. But we are not convinced that the structure of new sections 10(B), (C) and (D) in the UKIPO's draft is the best way of implementing this provision. There is a risk of unintended consequences by the current draft. For example, it is clear in Article 11 that there is only infringement where the rights of a proprietor under Articles 10(2) and (3) would be infringed by the preparatory act. This is not clear from the looser wording of draft section 10(3C), which provides: "*that use would constitute an infringement of the rights of the proprietor of the trade mark*".

UK trade mark legislation has often been criticised for deviating from the text of the Directives without good cause, to the extent that many judges presently effectively ignore the UK legislation and turn straight to the Directives. This could be avoided here by keeping the UK provisions as close as possible to the language and structure of Article 11, with the minimal necessary changes.

12. Will the changes made by Articles 10.4 (goods in transit) and 11 (preparatory acts), which are intended to help tackle counterfeit goods, allow your business or that of your clients to more effectively protect its products? If so, can you explain or quantify these benefits in more detail? Are there any associated costs? If so, can you explain or quantify these?

Yes, we believe that the changes made by Articles 10.4 and 11 will assist our clients with tackling counterfeit goods, but time will tell. It is not possible to conduct a meaningful survey of our clients, but we are certain that these measures will be supported by all of our clients who are proprietors of trade marks. We do not, of course, act for those involved in the business of counterfeit goods. Such provisions will enable our clients to take action against preparatory acts or warehoused goods in the UK that are intended for destinations in jurisdictions that do not properly protect intellectual property rights.

13. What, if any, impact has the change in the 'goods in transit' rules for EU trade marks already had on the transit of legitimate goods to third countries?

We are not in a position to answer this question in a meaningful way. It is too early to say and we have not been involved in such action as a firm, but we would be surprised if it had not had some impact already.

14. Do you agree that a specific enforcement mechanism is required, and that the mechanism proposed is the correct approach? Please explain your answer.

We represent several clients whose brands are well-known to the point that they are sometimes misused as if they have become generic, and in particular have appeared in dictionaries in a way which gives that wrong impression. We and those clients support the implementation of Article 12 / section 99A and agree with the UKIPO that a specific enforcement mechanism would be useful in ensuring that trade mark proprietors can benefit from this provision, which will go some way towards mitigating the effect of reproduction in dictionaries on the value of trade marks.

The UKIPO should consider making the nature of the request under new section 99A(2) more specific, to improve certainty and avoid disputes, although we appreciate that this would go beyond the strict text of the Directive. For example, it should perhaps be specified as a "*written request*" and one that is accompanied by the name of the proprietor and a copy of the certificate for the trade mark concerned. Some of the service provisions of the Civil Procedure Rules could be adopted. This would seem fair, as the enforcement mechanism is potentially quite severe with destruction of all copies, etc., as a possible remedy and if the notice were somehow missed or given in a less than clear way by the proprietor, this could lead to injustice or inconsistent approaches being taken by the courts until binding authority is established.

We suggest that, in addition to the remedies provided by new section 99A(4)(a) and (b), a publication order akin to those ordered under the IP Enforcement Directive is specifically provided for.

15. What are the a. cost implications and b. consequences (negative or positive) for taking this approach in implementing Article 13?

There are a number of consequences of adopting the approach described in the consultation document, i.e. repealing section 60 and introducing the proposed new section 10B to implement Article 13.

Section 60 and proposed new section 10B differ in scope, but we do not consider that this gives rise to any concerns about loss of rights. This is because section 10B is wider in scope than section 60 in that section 10B applies where "*a person*" is the proprietor of a mark, whereas section 60 only applies where the person is the proprietor of a mark in a Convention country, which excludes the UK. Further, although sections 60(2) and

60(3)(a) are not reproduced in section 10B, the proprietor would still be able to pursue the same actions as are provided for under those section under sections 5 and 47, respectively.

We consider that the retention of the language of section 60(3)(b): "*apply for the rectification of the register so as to substitute [his] name as the proprietor of the registered trade mark*" in section 10B(2)(b), instead of adopting the language of Article 13: "*demand the assignment of the trade mark in his favour*" is appropriate for the reasons set out in the consultation document. Further, we note that providing for a right to apply for rectification of the register would not prevent a proprietor from asking a court to order the assignment or transfer the registered trade mark in question as part of the relief requested in court proceedings concerning the mark.

We also agree that the use of the language "*prevent the use*" in section 10B(2)(a) instead of "*oppose the use*" in Article 13 is desirable for the reasons given.

We are not aware of any reason that the costs of bringing an action under new section 10B should be any different from those of bringing an equivalent action under section 60, so we consider this change to be cost neutral. We also agree, and some of our clients have commented specifically on this, that the ability to apply for rectification of the register will provide a more cost effective route to procuring the substitution of one name for another on the register than having to demand the assignment of a mark from an unwilling third party in court proceedings.

16. Do you agree that a specific enforcement mechanism is required, and that the mechanism proposed is the correct approach? Please explain your answer.

Article 13 and section 10B are drafted in mandatory terms, i.e. the proprietor must have the option to obtain the specific relief provided for: to prevent the use of the mark by the agent or representative, or to apply for rectification of the register to substitute the proprietor's name for that of the agent or representative. Whether or not a specific enforcement mechanism is required in order to enable the proprietor to do so depends on whether it would be possible for the proprietor to obtain the same relief by other means.

The UKIPO does not have jurisdiction to grant injunctions to prevent use of a trade mark. Accordingly, in order to obtain this relief, the proprietor would need to bring an action against the agent or representative before the court, in order to establish its superior entitlement to register the trade mark in question. In the absence of section 10B, such an action would have to take the form of an action for passing off, an action for trade mark infringement, or an action for breach of director's or other fiduciary duties. As part of the relief requested in any such action, it would be usual for the proprietor to ask the court to grant an injunction to prevent further use of the mark by the agent or representative.

So far as the ability to apply for rectification of the register is concerned, if the proprietor were to bring one of the actions discussed above, or an action based on equitable principles that the trade mark in question was held on trust for the proprietor, as part of the relief requested, the proprietor could also ask for the trade mark register to be rectified by substituting his name for that of the agent or representative. However, although the inherent jurisdiction of the court is very wide and flexible, there is some doubt about whether it would extend to making an order to require the UKIPO to rectify the register. This is because the UKIPO has jurisdiction in relation to the requirements for the registration of trade marks and for maintaining the register of trade marks, and such an order of the court would impinge on that jurisdiction.

In relation to the rectification of the register, the only alternative would be for the proprietor to apply for rectification of the register under section 64. However, rectification of the register under that provision is only possible if the rectification requested would not affect the validity of the registration of the trade mark in

question. There is recent case law which suggests that an application to rectify the register by substituting the name of the proprietor for another name would constitute a matter which affected the validity of the trade mark, because it would require the UKIPO to determine which of the competing parties had the superior right to apply for the mark which is properly dealt with in cancellation proceedings and would involve the displacement of the presumption of validity of the trade mark set out in section 72. Further, even if the objection was well-founded, it would not follow that there had been an error or omission that could be corrected by substitution of the name of the proprietor for that of the agent or representative, as that is not a remedy provided for in cancellation proceedings.

Accordingly, we consider that a specific enforcement mechanism is required in order to fully implement Article 13.

For the reasons set out above and in response to question 15, i.e. that: (i) the substitution of section 60 with section 10B does not involve a loss of rights; (ii) section 10B provides a cost effective mechanism for obtaining the substitution of the name of the proprietor for that of the agent or representative; (iii) section 10B is worded more appropriately than Article 13; and (iv) section 10B will not increase costs for proprietors, we consider that the mechanism set out in section 10B is the correct approach.

17. The introduction of the non-use as a defence has been discussed in the impact assessment as having beneficial effects, by preventing trade mark owners from using old unused rights in infringement cases, and removing the need for use to be challenged by way of separate proceedings. Does this benefit yourself/your business? If so, can you explain and/or quantify further?

We consider that the introduction of non-use as a defence to infringement will have some benefits for our clients, but there are some issues with the way in which section 11A (and the Directive) has been drafted, which may give rise to some unintended consequences.

The current position is that, if a registered trade mark which is vulnerable to revocation is relied on for the purpose of bringing infringement proceedings before the court, in order to take advantage of the vulnerability of the mark, the defendant would have to bring a counterclaim for revocation on the basis of non-use as part of the infringement proceedings. However, it is not correct to state that the counterclaim constitutes 'separate' proceedings from the infringement proceedings. If a counterclaim is brought, the claimant would have to either prove that it has used the mark in the relevant five year period or demonstrate that it had proper reasons for not using the mark in that period. If the claimant fails to do so, the registered trade mark would be revoked and the claimant's claim for infringement would fail.

The introduction of section 11A would enable a defendant to require the claimant to prove use or demonstrate proper reasons for non-use without having to bring a counterclaim for revocation. If the claimant fails to prove use or to demonstrate proper reasons for non-use, the claimant's claim for infringement would still fail, but the claimant's registered trade mark would not be revoked.

From the defendant's point of view, the two benefits of relying on section 11A instead of bringing a counterclaim for revocation are that (a) the proceedings would be simplified, streamlined and cost less, and (b) the defendant would not have to pay the court fee which is applicable to a counterclaim for revocation. Some of our clients have suggested that the ability to raise non-use in infringement proceedings without having to bring a formal counterclaim would be beneficial from a cost perspective and would dissuade proprietors from relying on vulnerable rights in infringement proceedings. They also supported the harmonisation of the procedures for opposition and infringement proceedings in this respect.

In court proceedings for registered trade mark infringement with a counterclaim for revocation, the procedure is as follows: the claimant files a claim and particulars of claim; the defendant files a defence and counterclaim (for revocation); the claimant then files a defence to the counterclaim and also has the option (but not the obligation) to file a reply to the defence; and finally, the defendant has the option (but not the obligation) to file a reply to the defence to counterclaim. In contrast, in court proceedings for registered trade mark infringement without a counterclaim for revocation: the claimant would file a claim and particulars of claim; the defendant would file a defence; and then the claimant would have the option (but not the obligation) to file a reply. Accordingly, the 'pleading' stage of proceedings would be shorter and less costly.

From the claimant's point of view, the advantage of a defendant relying on section 11A is that its registered trade mark is not at risk of being revoked in those proceedings, even if the court finds that the claimant has failed to prove use or to demonstrate proper reasons for non-use. (Of course, if the court does make such a finding, it will be a matter of public record that, as of the date on which the claim for trade mark infringement was made, the proprietor was unable to establish genuine use in the preceding 5 year period.) However, the burden of proof which the claimant will have to meet will be the same, regardless of whether the request for proof of use was made as a counterclaim or pursuant to section 11A.

Although comments were not specifically sought on the drafting of section 11A, we have the following additional observations:

Section 11A provides that the period in which a claimant must prove genuine use of its mark is the five year period which ends on the date that the proceedings for infringement were brought. If the approach set out in section 11A as currently drafted is adopted, there are two possible unintended consequences:

- (1) if the defendant commences use whilst the mark was not vulnerable to revocation for non-use, such that the defendant's use is infringing use, but the mark becomes vulnerable to revocation in the period in between the infringing use commencing and the proceedings being issued, the defendant would have a defence to infringement, including for the period in which it was using an infringing sign and the claimant would not have a remedy; and
- (2) if the defendant commences use whilst the mark is vulnerable to revocation, but the claimant subsequently recommences use of the mark such that it is no longer vulnerable to revocation by the time the proceedings are issued, the claimant would be entitled to damages and an injunction, despite the fact that, when the defendant commenced use, the claimant did not have a valid mark.

In order to avoid these problems, the relevant period in which the vulnerability of the claimant's mark should be assessed should be the five year period which ends on the date on which the defendant commenced use of the infringing sign. We acknowledge that this suggested alternative approach lacks the certainty of the approach as drafted, as the claimant will not necessarily be aware of the date on which the defendant's use commenced, but we consider that this could be remedied by amendment of the Civil Procedure Rules, to require that the defendant, if it chooses to rely on section 11A, discloses the date on which it first used the allegedly infringing sign.

The requirement that the relevant five year period should be the period which ends on the date that the proceedings for infringement were brought set out in section 11A is in accordance with Article 17, and also reflects the position set out in Article 127(3) of the EUTM Regulation, and so the UKIPO may feel that it cannot deviate from the article in this respect. However, Recital 32 of the Directive is not so restricted. This narrowing of scope seems to unnecessarily favour legal certainty over enabling registered trade marks to enjoy their full scope of protection. Once the UK has ceased to be a member of the EU, this is one area in which, in our view, UK trade mark law could be improved.

In the meantime, the problem identified at (2) above could be remedied, in part, through restricting the relief which is granted to the claimant, by refusing to grant an injunction to restrain the defendant's use of the sign, and/or by curtailing the period in which damages are payable.

Finally, section 11A(4) refers to a semi-colon in section 46(3), but there is no semi-colon in this section. We assume that this should be a reference to the colon in this section.

18. Do you agree that our interpretation of this non-trade mark law means that we do not require specific reference in the TMA to levy of execution? Please explain your answer.

We do not have any comments on the UKIPO's interpretation of the law as set out in the consultation document, except to observe that, to the extent that the purpose of the levy of execution is to secure and liquidate assets, doing so against trade marks may not be particularly effective, as a trade mark often does not have a readily ascertainable market value, particularly if separated from other assets of the business, and will have a value of zero unless a third party is willing to purchase it.

19. Do you agree with our interpretation of the Directive which requires the removal of references in the TMA to proprietors being joined in infringement proceedings taken by licensees (and in the case of collective marks, authorised users)? Please explain your answer.

We do not agree with the UKIPO's interpretation of the Directive. To the extent that this is based on Recital 9, we consider that the statement that "*it is essential to approximate not only provisions of substantive law but also procedural rules*" has been taken out of context. Recital 9 expressly relates to "*making trade mark registrations throughout the Union easier to obtain and administer*"; in our view, it does not relate to the conditions which apply to rules of court procedure applicable to cases involving exclusive and non-exclusive licences. Therefore, we believe that it is incorrect to conclude that sections 30(4) and 30(5) should be repealed based on that Recital.

Although comments were not specifically sought on any other aspects of the proposed implementation of Article 25, we have the following observations:

It is unclear why the UKIPO has restricted the scope of section 30(2) to exclusive licensees. Section 30(2), as currently drafted, provides for all licensees, whether exclusive or non-exclusive, to be able to "*call on the proprietor*" to bring infringement proceedings. There is no equivalent provision in Article 25, so it is unclear why the UKIPO felt that it was necessary to restrict this section so that it applies only to exclusive licensees. We consider that it is appropriate to enable all licensees, as is currently the case, to "*call on*" the relevant proprietor to bring infringement proceedings where the licensee's interests are adversely affected.

The distinction between exclusive and non-exclusive licensees provided for in Article 25 is preserved by virtue of the suggested amendments to section 30(3), but we suggest that the reference to "*the exclusive licensee*" should be amended to "*an exclusive licensee*" in order to make it clear that, although both exclusive and non-exclusive licensees can "*call on*" the relevant proprietor to take action, only exclusive licensees can bring proceedings in their own name if the proprietor fails to do so.

The suggested amendments to section 30 do not align the requirement set out in Article 25 for an exclusive licensee to give "*formal notice*" to the proprietor to take action, instead retaining the existing language which provides that a licensee can "*call on*" the proprietor to do so. It is not clear whether retaining the reference "*call on*" properly implements Article 25, because it is uncertain what would be required for a licensee to effectively "*call on*" a proprietor, and if he did so, whether that action would also constitute "*formal notice*". Although both terms are imperfect, we consider that use of "*formal notice*" would be preferable, as it is the

more certain of the two and there can be no question about whether Article 25 has been properly implemented in this respect. However, it would be even better if the term used was "*notice in writing*", to make clear what step the licensee would have to take in order to give effective notice.

Having concluded that sections 30(4) and 30(5) are not required to be repealed, by the Directive, we have considered whether there is any other basis on which they should either be retained or deleted. There are no equivalent provisions in Article 25, but neither do sections 30(4) or 30(5) cut across the provisions of Article 25. Accordingly, it is our view that it is open to the UKIPO to decide whether there is any advantage to either retaining them or deleting them and proceed accordingly.

The advantage to retaining these sections is that it ensures that the proprietor and the licensee are both bound by the findings of the court in a single action. If the licensee was not obliged to join the proprietor to the proceedings, the proprietor would not be bound by the findings of the court, so there is a risk that the proprietor could initiate separate proceedings in respect of the same infringing use. This would be undesirable because it gives rise to the risk of conflicting judgments and would not represent an efficient use of court resources. Further, some of our (proprietor/licensor) clients have indicated that, as the exclusive licensee may acquire the right to bring infringement proceedings due to inaction on the part of the proprietor, they would want an additional safeguard to be built in to ensure that they have the option to be kept in the loop or to be a non-participating party to the proceedings.

On balance, for the above reasons, we consider that sections 30(4) and (5) should be retained.

20. What proportion of UK registered trade marks that you have, or deal with, are licensed to third parties on a non-exclusive basis? Of these, approximately how many have been subject to legal action?

As a law firm, we do not license out any of our trade marks. In respect of our clients, we are not able to answer this question in a representative way, but clearly some of our clients do license some of their trade marks on a non-exclusive basis.

21. Do you agree that the term 'legal persons governed by public law' cannot be meaningfully transposed into UK trade mark law? Please explain your answer.

We are not sure if the UKIPO's approach here is correct and consider it requires further consideration. While we are not public law experts, we would have considered that a number of entities that are creatures of statute and are granted public law powers and responsibilities by Parliament would constitute "*legal persons governed by public law*", especially regulatory bodies. Potential examples of the foregoing could include (without checking the legal basis for each organisation), local government authorities, the Civil Aviation Authority, the Financial Conduct Authority, the Law Society, the Panel on Takeovers and Mergers, et al. Each of the foregoing could be subject to judicial review, the Human Rights Act and other public law concepts, which private individuals and companies are not. We would therefore suggest that a suitable definition should be found and used in the draft Regulations. It seems at least plausible that such bodies might want to register collective marks.

22. Is the reference to 'association' incorporated within section 49 (as amended by Regulation 24) sufficiently broad to cover all those organisations for whom a collective mark may be appropriate? Please explain your answer.

For substantially the same reasons as given in the response to question 21, we consider that the current definition potentially does not cover certain bodies. For example, we note that the Civil Aviation Authority (CAA) has various registered trade marks and might want to create a collective mark, although we accept that

it may be more likely to want to introduce a certification mark. We would also consider it at least arguable that the example of the CAA would be none of an "*association of manufacturers, producers, suppliers of services or traders*". If this analysis is correct, this approach could lead to legal uncertainty and the UK being out of step with the rest of the EU.

23. Do you agree with our interpretation of the interplay between Articles 34.1 and 25.3, that an authorised user of a collective mark should be treated in the same way as a non-exclusive licensee, rather than an exclusive licensee? Please explain your answer.

We agree with the UKIPO's conclusion that there is no scope for an authorised user to have the 'exclusive' right to use a right. By their very nature, authorised users of collective marks are not able to prevent other members of the association from using the mark. If all authorised users are treated as equivalent to non-exclusive licensees of the mark, this means that no one other than the proprietor of the mark will be able to bring infringement proceedings against any third parties, unless they have the proprietor's consent. Accordingly, the proprietor has complete control over whether any infringement proceedings are brought.

The purpose of collective marks is to indicate to the public that the relevant goods and/or services derive from a member of the relevant organisation. Accordingly, one of their functions is that of the protection of the public. If the suggested amendments were made and the proprietor, for whatever reason, failed to proactively police the use of the collective mark by third parties, and refused to give consent to the authorised users of the mark to take action against third parties, there is a risk that the collective mark will become so diluted that it no longer functions to indicate that the relevant goods and/or services derive from a member of the relevant organisation. Accordingly, we consider that it would be more appropriate to provide that, if the proprietor of the mark fails to take action within a reasonable period, the relevant authorised user may do so.

Our comments in response to question 19 as to whether sections 30(4) and 30(5) would be repealed apply equally to the proposal to repeal paragraphs 12(4) & (5) of Schedule 1.

24. Do you agree with our proposed approach-

a. In relation to the treatment of licences, security interests, etc, and disclaimers for the new divisional registrations? (See paragraph 62)

We agree with the UKIPO's proposed treatment of licences, security interests, etc, and disclaimers set out in new rules 26A(4) and 26(5). However, there may be instances in which a licence has been granted in respect of a sub-set of the goods and services listed in the specification of the original registration, and a divisional registration may not include any of the licensed goods and services, but we expect that this scenario would occur relatively infrequently. Accordingly, whilst we agree with the UKIPO's proposal to record any existing licences against all divisional registrations, we consider that it should be possible for the proprietor to request the removal of the recordal of the licence against a divisional registration where the licence does not relate to any of the goods and services listed in the specification of that divisional registration.

b. That a division of a registration cannot split the contested goods and/or services? (See paragraphs 63 and 64)

We agree, as do some of our clients who commented, with the general principle that proprietors should not be able to divide registrations which are subject to proceedings for revocation or invalidity where such division would sub-divide the contested goods and services, but that a proprietor should be able to divide any goods and services which are not contested from those which are. However, we consider that the UKIPO's concerns that, if this were not the case, there is a risk that some of the contested goods and services may be transferred

to a third party are misplaced as it is highly unlikely that a third party would want to acquire a trade mark which is subject to revocation or invalidity proceedings (unless the transaction was not at arm's length). We think that the more pressing reason to prevent proprietors from dividing registrations which are subject to proceedings for revocation or invalidity, is to ensure procedural efficiency and the avoidance of increased costs.

We do not consider it to be necessary to include the words "*or in respect of which a counterclaim for its revocation or invalidation is brought*" in new rule 26A(3). Whilst we note that Article 56.2 of the EUTM Regulation refers to proceedings before the EUIPO and the EU Trade Mark court separately, existing rule 27 uses the word "*proceedings*" to encompass both revocation or invalidity proceedings before the UKIPO and counterclaims before the court, and we consider that using different wording in new rule 26A may suggest that existing rule 27 is limited to proceedings before the UKIPO when it is not.

c. that there is no need to specifically reference the division of international marks? (See paragraph 65)

We agree that there is no need to refer specifically to the division of international registrations (UK) for the reason given.

Please explain your answers.

25. Our approach to restricting the ability to divide registrations is based upon Article 56.2 of the EUTM Regulation and the treatment of mergers in Rule 27(3A)(a). Are there any other circumstances, e.g. when a trade mark is the subject of infringement proceedings, in which it would be appropriate to add similar restrictions?

Please see our comments above in relation to the restriction of the ability to divide registrations.

We are not aware of any other circumstances in which it would be appropriate to have a similar restriction. When a trade mark is the subject of infringement proceedings, it would be highly unusual for the proprietor to apply to divide its mark so that some of the goods and/or services on which it relies for the purposes of its action for infringement are no longer part of the trade mark registration, because the newly created divisional registration would not automatically form part of the proceedings. In order to add it into the proceedings, the proprietor would have to amend its claim, which would involve significant expense and, where the permission of the court is required, may not be permitted by the court. Further, if the defendant in the proceedings were to counterclaim for invalidity or revocation of the relevant mark, the proprietor would be prevented from applying to divide the registration under new rule 26A(3) in any event. Accordingly, we do not consider it to be necessary to include a similar restriction for trade marks which are the subject of infringement proceedings.

Although the UKIPO has not specifically requested comments on the drafting of proposed new rule 26A, we suggest that the amendments (in addition to those suggested above) set out below are made, in order to ensure internal consistency, as well as consistency with existing rules 26 and 27:

"26A Division of registration; section 41 (Form [])

(1) The proprietor of a trade mark may send to request the registrar a request on Form [] to divide the specification of the registration (the original registration) into two or more separate trade marks (divisional registrations), indicating for each divisional registration the specification of the goods or services which are to be included in each of the divisional registrations into which the original registration will be divided.

(2) Each divisional registration ~~must~~ shall be treated as a separate registration with the same date of registration as the original registration.

(3) No ~~application request~~ under paragraph (1) may be granted in respect of the registration of a trade mark which is the subject of proceedings for its revocation or invalidation, or in respect of which a counterclaim for its revocation or invalidation is before the court brought, where the ~~application request~~ would introduce a division amongst the goods or services in respect of which the proceedings or counterclaim are directed.

(4) Where the original registration is subject to a disclaimer or limitation, the divisional registrations ~~must~~ shall also be restricted accordingly.

(5) Where the original registration has had registered in relation to it particulars relating to the grant of a licence or a security interest or any right in or under it, or of any memorandum or statement of the effect of a memorandum, the registrar ~~must~~ shall enter in the register the same particulars in relation to each of the divisional registrations into which the original registration has been divided."

26. Do you agree that the ability to disclaim or limit part of a trade mark is a useful mechanism, and that it should therefore be retained? Please explain your answer.

A number of our clients have commented that the ability to make trade marks subject to disclaimers and limitations is a useful mechanism and should be retained, because they enable a proprietor to obtain a trade mark registration, albeit one which is limited in scope, which is preferable to not being able to obtain trade mark registration at all. We also agree with the view expressed by the UKIPO that the ability to disclaim rights or apply other limitations to trade marks can assist with the resolution of disputes and thus fulfil a useful business function.

27. If disclaimers were removed what would be the impact of removing the ability to disclaim/limit the rights of a TM e.g. by restricting it to a particular locality?

The impact would be that fewer trade mark applications would be filed, and/or more trade mark applications would be subject to objection, and eventual refusal, by the UKIPO. This would lead to an increased number of trade mark proceedings and potentially appeals, because it would no longer be possible to meet the objection by filing a disclaimer or limitation, which would increase costs for both the UKIPO and proprietors.

General

28.

a. How would your business familiarise itself with the implications of these changes? Would you use in-house legal support, request legal advice or neither?

Some of our clients have indicated that, although in-house counsel would be primarily responsible for identifying any changes in law which will have an impact on the business, they would reach out to external legal counsel in relation to areas of particular interest or concern.

For our part, we have a core group of lawyers who have been following the progress of the drafting and implementation of the Directive and who have given and will continue to give regular updates to the rest of our IP Group at internal training sessions. We will also use our involvement in various IP professional associations, such as INTA, AIPPI, LES and CITMA to ensure that we remain on top of the proposals and

arrangements for implementation. And we are in regular contact with our clients about the impact that such changes will have on them.

- b. How much time would it take for you/your staff/trade mark owners to familiarise yourself with the legal implications of the changes required by the Directive? To give us an indication of likely costs, could you indicate the job title or level of job of the members of staff who will be involved in this?**

All of the partners and employees who work in the IP practice of our firm will need to familiarise themselves with the legal implications of the changes required by the Directive and are likely to spend time creating marketing materials aimed at clients to inform them about the changes. This will involve lawyers at all levels, from partners to paralegals, as well as members of our marketing, training and support staff. We are unable to quantify the amount of time that it will take for those people to familiarise themselves with those changes.

- c. Are there any costs to you/your business beyond staff time? For example, preparation of guidance or amending existing licence agreements. Can you quantify these in monetary terms?**

The cost to our firm will include staff time familiarising themselves with the changes made as a consequence of the implementation of the Directive and creating marketing materials. We are unable to quantify these costs in monetary terms.

- 29. Q29. The IA identified costs and benefits associated with implementing the Directive, including retaining closer alignment with the EU trade mark system. Can you explain and/or quantify the benefits/costs you foresee?**

In general, we consider that retaining close alignment between UK trade mark law and EU trade mark law is desirable. This is because UK trade mark law is currently harmonised with EU law, so there is an additional system which is interpreting and applying the same law, which means that the law can develop, and adapt and change more quickly. To the extent that UK trade mark law diverges from EU trade mark law, it will no longer be possible to look to the CJEU or the EUIPO in order to interpret the law.

Specific

- 30. For IP/legal advisors, given the changes in the Directive, do you envisage any increases in work as trade mark owners try to explore the extent to which the current boundaries may have shifted slightly? This may be generally, or relate to specific changes, such as the removal of the need to graphically represent a mark. How much staff time do you think this might equate to, and in which roles?**

As set out above, the implementation of the Directive may give rise to clients asking us to prepare memoranda of advice in relation to specific topics or changes which are of particular interest or concern to them. In the longer term, we expect to be advising our clients on a day-to-day basis in relation to the changes to the law brought about by the implementation of the Directive. However, many of our clients will already be familiar with the changes contained in the Directive, as they also use the European trade mark system, which has already incorporated many of the changes.

We are unable to quantify the additional work that we may become involved in due to the changes to be introduced pursuant to the Directive, but no doubt the lack of existing jurisprudence in relation to new provisions will mean that we will need to spend longer in discussing and developing our ideas as to how such provisions should be interpreted in a variety of situations that face our clients.

ADDITIONAL COMMENTS

Article 14.1(a): 'own name defence'

In addition to our responses to the specific questions asked by the UKIPO in the consultation document, we also have some comments in relation to the implementation of Article 14.1(a) the 'own name defence'. It is our view that the 'own name defence' should always have been available only to natural persons, and not to companies. Accordingly, we are broadly supportive of the change made by Article 14.1(a). However, we consider that it may be appropriate for this change to be subject to a transitional arrangement.

The Regulations contain limited transitional provisions in relation to the changes made to the EUTM Regulation (including the removal of the 'own name defence' in relation to EU trade marks), but there are no equivalent transitional provisions which apply to the repeal of the 'own name defence' in UK law. We consider that consideration should be given to including appropriate transitional provisions in two circumstances: (1) where a business is currently relying on the 'own name' defence, and (2) where a family business trades under the family name, but is incorporated. The 'own name' defence is only available to those whose use is in accordance with honest business practices in industrial or commercial matters, and would continue to be subject to this requirement. Accordingly, we do not consider that any transitional provisions which are enacted would be open to abuse.

We hope that these comments are helpful. If you have any questions on this response, please contact Anna Carboni in the first instance using her contact details found on our website.

Yours faithfully



WIGGIN LLP