

# Different but the same

**With a large, relatively wealthy population, the United Kingdom is a European jurisdiction that no trademark owner can afford to ignore**

The United Kingdom is one of Europe's biggest and most sophisticated consumer markets, with high internet penetration and strong levels of brand awareness. Although a member of the European Union, the United Kingdom differs from most other EU countries by being a common law country; and while these days there is a fair degree of harmonization with other member states with regards to trademark law, the litigation system itself remains distinct and the courts can look at issues differently from their counterparts on the continent.

In this roundtable three UK-based trademark experts – Vanessa Marsland, a partner at Clifford Chance LLP in London; Guy Heath, a partner at Nabarro in London; and Ian Buchan, a partner at Eric Potter Clarkson in Nottingham – talk through some of the major issues currently facing trademark owners in the United Kingdom.

## **What do you see as the most significant developments in UK trademark law and practice over the last 12 months?**

**Vanessa Marsland:** The UK Intellectual Property Office's (UKIPO) announcement of its practice change concerning examination on relative grounds.

This should help to bring more commercial reality into impact of prior rights on new applications. There will be some cost savings all round by doing away with the need to obtain technical consents. For practitioners, there will be greater focus on dealing with potential commercial conflicts. For brand owners, the changes will increase the importance of monitoring third-party applications and may lead to increases in the number of oppositions they file.

Owners of Community trademarks (CTMs) and international registration

designating the European Union should now consider whether to opt in to receive notification when their rights are cited during examination of a third-party mark. Opting in costs £50 per mark to be notified for the next three years if that mark is cited. To the extent there are parallel UK and CTM rights, or where brand owners are satisfied they have adequate watch services in place, they may conclude that opt-in is unnecessary. We expect some divergence of view on this issue.

Brand owners should also think about how active they should be in opposing in more marginal cases of potential conflict. Failure to oppose should not of itself give rise to deemed consent or acquiescence. However, later applicants will be aware that owners of cited prior UK rights will be automatically notified (subject to the possibility of opt-out) and it will be public record if an owner of CTM rights has opted in. This may encourage some applicants to run arguments based on delay in acting or reliance on inaction.

**Ian Buchan:** This change of practice brings the United Kingdom into line with the majority of EU states and with the Office for Harmonization in the Internal Market.

Potentially it will make obtaining applications easier, but it will inevitably increase the number of oppositions filed. Where oppositions are filed then costs will increase both for applicants and for the owners of prior rights. Where no oppositions are filed then the cost of obtaining UK trademark registrations is likely to be less than at present overall because there will be no need to seek letters of consent or argue against citations.

The second significant UKIPO development stems from the European Court of Justice (EC) *Dyson Case* (C/321/03).

This has resulted in the issuance of new examination guidance.

The change in practice, which relates to objections raised under Section 3(1)(a) of the Trademarks Act 1994, is designed to prevent applicants seeking to cover, by ambiguous wording linked to a drawing, improperly broad rights. Thus, unless there is clear linkage between the description and the drawing, and the drawing represents a clear fixed expression of the mark, then objections are going to be raised under Section 3(1)(a).

**Guy Heath:** The decision to abandon relative grounds objections is already having an impact – with some problematic cases being suspended pending the change in practice – and we are seeing an increased amount of interest in UK national applications by those who might otherwise be favouring the CTM system because they will no longer have the potential headache of the relative grounds objections.

But for me the most significant development over the last 12 months has been the debate over comparative advertising – particularly the *O2 bubbles Case*. At the time of the Court of Appeal judgment, we had two cases pending that hung on the result – one for a defendant and one for a potential claimant – and both were resolved in light of that judgment. Obviously the ECJ has the final word here, but it seems to me that the whole area is important because comparative advertising has growing significance in marketing and we still need more guidance on what is and is not permissible (and why).

## **Are there any important differences between England and Wales as a jurisdiction on the one hand and Scotland on the other when it comes to trademarks?**

**GH:** Nothing significant. There are the usual procedural variations as well as differences in terminology and definitions – in Scotland the search and seizure order is known simply as a dawn raid – but the law governing trademarks is the same as in

England and Wales, governed by the Trademarks Act 1994 and EU provisions. There is also no question of Scottish trademark litigators being bound by the constraints of any pre-action protocol.

**VM:** My UK work is all in England. We generally view the United Kingdom as a single market for trademark purposes, and marks are registered for the whole of the United Kingdom and, as Guy says, substantive trademark law is the same. The Scottish litigation system, and other areas of law such as contract which can touch on trademarks, are different. Most civil trademark disputes are fought in England. Criminal enforcement differs.

**IB:** Because few trademark cases are litigated in Scotland it tends to be the case that there are few, if any, advocates in Scotland who have extensive experience of IP matters. Therefore, when litigating in Scotland it may be necessary to use an English barrister, who is experienced in intellectual property, to advise a Scottish advocate during the course of proceedings before the Court of Sessions in Edinburgh. This obviously increases costs.

#### How distinct does the United Kingdom remain compared to other EU countries in the way the courts view trademarks?

**IB:** The main area of distinction between the UK courts compared to courts in other EU countries is that the UK courts closely follow appropriate precedents either from the courts in the United Kingdom or from the ECJ. They will not tend to follow decisions of courts of other EU countries. In contrast, while the courts in EU countries will tend to follow ECJ rulings they may not always follow rulings on similar facts from other courts in the same country.

**GH:** There are fewer and fewer differences, in my view. I think the English courts have always made conspicuous efforts to interpret and apply trademark law in a realistic way, but sometimes the results looked a little challenging when views were exchanged with the ECJ. It seems to me that the English courts are now more in sync with the approach of the ECJ – to the extent that that is possible, given the inconsistency there – and I think it is now less and less likely that an English court would reach a decision that would be alien to the civil law courts. I think all the EU courts now are in the same boat – trying to make sense of a

set of ECJ judgments, on some of the most important issues, that do not hang together very well.

**VM:** My perception and that of many clients is that the United Kingdom is less trademark friendly than many other EU jurisdictions when you go beyond straightforward counterfeiting issues.

In many respects, the English courts adopt a European approach to interpreting the law relating to registered marks. For example, courts often cite and rely on the provisions of the EU Trademarks Directive rather than the Trademarks Act and they frequently cite ECJ decisions (rarely citing pre-1994 act English cases). In a recent case (*O2 bubbles*), to give another example, the Court of Appeal criticized Parliament in relation to Section 10(6) of the Trademarks Act, saying it had no basis in the directive and should not have been included in the act.

On the other hand, the legacy of the pre-1994 jurisprudence is still strong and in many situations long-held views (which are often borne out of the provisions of the 1938 act) find their way into the court's interpretation of the current law. Examples include:

- the reluctance of the courts to accept fully the ramifications of the *Silhouette/Davidoff* rule on international exhaustion;
- the view (that has little to support it in the directive) that use of a competitor's mark in comparative advertising should not be regarded as an infringement (see the *O2 bubbles Case*);
- the general view (which may be gaining ground at the ECJ) that trademark law is concerned with use of marks as trademarks and that the owner's exclusive right should be limited in that way (eg, *Arsenal*); and
- a traditionally hostile approach to character merchandizing and the use of trademarks to protect image or personality rights.

An important factor in the United Kingdom is that trademark infringement cases are usually also concerned with passing off, with the two causes of action giving rise to similar issues. Although courts deal with each cause of action separately, the passing off jurisprudence continues to influence the thinking in trademark matters.

This passing off influence has made it particularly difficult for the UK courts to embrace protection of marks with reputation against taking unfair advantage or causing undue detriment by use or registration of similar marks, a concept

which seems to give other countries with a tradition of unfair competition laws less difficulty. It will be particularly interesting to see how the ECJ approaches the reference from the Court of Appeal of England and Wales in Intel's dispute over INTEL MARK.

#### How much of a difference is there between trademark litigation in the United Kingdom and in the civil law countries of Europe?

**VM:** I have already mentioned the perception that the UK courts are less trademark friendly in terms of their substantive interpretation of the law. On the more positive side, the quality of the judiciary handling trademark cases is generally high.

The English courts are very demanding in respect of evidence and the burden of proof. The more complex trademark cases typically turn on detailed assessment of facts. This is particularly significant in relation to the issue of likelihood of confusion/association but also in regard to proof of use, reputation for Article 5(2) protection, acquired distinctiveness etc. Except in very clear-cut cases, a claimant in England is unlikely to meet the requirement to prove likelihood of confusion without presenting substantial hard evidence to the court, most importantly the evidence of witnesses from the public and the trade. In reviewing this type of evidence, the English courts are typically sceptical of surveys and opinion polls, rarely find them determinative and easily discard their results.

From working with colleagues in other jurisdictions, I believe that relatively established protocols have been developed for survey evidence in at least some continental jurisdictions and that the courts are comparatively more accepting of survey evidence in familiar form if it establishes certain thresholds of confusion/association. This makes outcomes somewhat more predictable and helps reduce cost by providing a higher degree of certainty as to the appropriate approach to preparation of the case.

**IB:** The costs of trademark litigation in the United Kingdom are significantly higher than in civil law countries in Europe. For example, significant emphasis is placed upon oral evidence and cross-examination of evidence, whether it be by witnesses or experts, whereas in civil law countries there is no cross-examination. Instead, evidence is usually in writing and is invariably accepted without question. There is also extensive discovery in the United Kingdom, while there

are no similar provisions in the civil law countries of Europe, so no costs are incurred.

Something else that makes litigation here different is that only qualified trademark attorneys with litigation rights have rights of audience in the Patents County Court and limited rights in the High Court. This means that for most trademark litigation in the United Kingdom one still needs to use a firm of solicitors and a barrister in addition to a trademark attorney. In civil law jurisdictions, trademark attorneys in some countries and advocates in others, acting without a lawyer, can represent clients in court. This reduction in the multiplicity of advisers helps to reduce costs.

In the United Kingdom the arguments in support of any submission are normally presented orally, which can take a considerable period of time. In civil law countries in Europe the arguments in support of a submission are in writing. Thus, in civil law countries in Europe the time taken up by presentations of arguments in the court is minimized, thus again reducing costs.

**GH:** Two other points also spring to mind. The first is that elsewhere there is a very limited costs recovery by the successful party, with costs being based on a very modest standard scale or simply the court costs. The other is the absence in general of an account of profits as an alternative measure of damages for infringement. We have very little authority in the United Kingdom as to the proper approach to an account of profits in the IP field. The process is undoubtedly expensive and almost all cases settle without having to go to a lengthy determination. Nevertheless, I think it is a very useful counterpoint in any negotiations as to damages, particularly in the case of parallel imports. The civil law jurisdictions elsewhere in Europe focus much more on the actual damage that a trademark owner can establish it has suffered. Having said that, there is some flexibility in that if you can show that the proprietor must have suffered some damage but it is difficult to prove how much, then the other European courts will take some account of the profits made by the infringer to estimate the likely losses by the trademark owner.

**The United Kingdom is seen as a comparatively expensive European venue in which to litigate. How can you best keep costs down?**



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After a spell in private practice in Scotland, Mr Buchan joined Eric Potter Clarkson in 1991 and became a partner in 1992. He joined the board of management in 2000.

Mr Buchan was elected as a fellow of the Institute of Trademark Attorneys in 1995 and served as its president from 2002 to 2004.

**GH:** It is fair to say that UK rates tend to be higher. That might be a reason for litigating in a country other than the United Kingdom, if there were a genuine choice and all other things were equal. Obviously, though, most trademark disputes are handled without getting anywhere near proceedings, and I think that UK lawyers are, on the whole, very pragmatic in looking for solutions (I suspect it is partly the awareness of the costs that has allowed these skills to develop).

I believe that the United Kingdom is a good place to come if you are looking for a pragmatic and cost-effective overall solution. I also think that when non-EU clients choose to use UK lawyers they often do so because there are some cultural factors, or the way we approach litigation, or simply the way we liaise with clients, that differ to some extent from the civil law jurisdictions and make some overseas clients feel more comfortable. In other words, there are a number of factors in the balance.

**IB:** To try to keep costs down one can

consider the use of mediation, which is being actively promulgated by the UKIPO and by the courts. In addition, one can contemplate using the Patents County Court (which deals with trademarks). Any trademark attorney who is a qualified litigator may conduct trademark litigation in the Patents County Court. Costs can also be kept down by ensuring that the case is presented fully and properly, and is analysed before any proceedings commence, so that when and if proceedings do commence they are run efficiently, thus minimizing the risk of the cost of appeals arising.

**VM:** Costs of litigation vary significantly across Europe, with the United Kingdom undoubtedly at the high end of the range.

Our disclosure-based system and the courts' rigorous approach to evidence are probably the single most important contributions to the high cost of trademark cases in England and the main difference between the United Kingdom and the civil law countries in continental Europe. And as Ian has already explained, the split profession and our tradition of oral advocacy also add to the cost.

**Under what circumstances should a non-UK business seek to secure a trademark registration specifically in the United Kingdom as opposed to following the CTM route?**

**IB:** It is likely to be quicker, assuming no objections are raised, to obtain a UK registration than a CTM registration. A UK trademark registration can be obtained within six months, whereas it is unlikely a CTM registration can be obtained in anything less than 12 to 18 months. In these circumstances, a UK registration, having been obtained earlier, can be used against third parties earlier in, for example, infringement proceedings.

In the event that a non-UK business is aware of a prior right in an EU country other than the United Kingdom which might prevent registration of a CTM, or that the mark might be considered to be unregistrable in an EU country other than the United Kingdom, then in those circumstances it would be well advised to seek a UK registration as opposed to a CTM registration which might well fail.

Given that the opposition rate against CTM applications is about 20%, whereas the opposition rate against UK applications is currently 3% to 4%, a non-UK business may wish to consider the possibility of obtaining

a UK registration rather than a CTM registration.

A UK registration gives a defence to trademark infringement, by way of the provisions of Section 11 of the Trademarks Act 1994, whereby use of a mark which is the subject of a UK registration cannot be found to infringe another UK registration. No such saving is afforded to a CTM registration.

**VM:** There could be a number of reasons – for example:

- the mark is only intended for use in the United Kingdom;
- there are contractual restrictions against use or registration affecting other EU markets; or
- there are prior rights in other EU jurisdictions.

With regard to the latter point, although there is the option to convert CTMs to national rights in available markets when you encounter a problem with prior national rights in some EU markets, conversion increases cost and time to registration. If there is a significant risk of conflict, going the national route is likely to be quicker and cheaper for those markets where the conflict does not exist.

**GH:** Well, anyone registering via the UKIPO would have to have an intention to use the mark in the United Kingdom. But on that assumption, if the United Kingdom is the only intended EU market or (as it usually is) a pretty significant part of the business's overall EU market, then I would certainly advocate using the UK national system. In the latter case, it would be alongside a CTM, rather than as an alternative. Now that you can get so many countries covered for a very reasonable fee through the CTM, you could not say that the UK system is particularly cheap in relative terms. But in absolute terms it is very good value: as Ian says, we are getting UK registrations through within six months – still a good bit quicker than the CTM system. The UK registration is generally much less attackable than its CTM counterpart and I think everyone knows that the UK examination process is rigorous; so – even when relative grounds objections are dropped – there will still be a good aura about the UK national registration.

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**What are the most productive ways to protect brands in the United Kingdom outside of using straight trademark law?**

**VM:** Sophisticated brand owners understand the need to have best practice in choosing and using brands. Best practice includes considering protectability when developing and selecting new brands, and consistency in use of brand elements to encourage consumers to recognize them as being distinctive of that brand. Some brand owners go beyond that in making active use of non-traditional brand elements in advertising to help promote consumer awareness of their brand significance – the UKIPO currently places significant weight on this type of teaching use when considering applications for registration of non-traditional trademarks such as colours and shapes.

Outside of trademark registration, best practice in brand protection includes ensuring that designers provide clear assignments of copyrights in logo, packaging and advertising designs – over the years we have seen a consistent trickle of cases arising from failure to get this right.

Currently, I am watching with interest how brand owners are also making use of the new registered designs law to try to protect elements which might historically have been thought of as within the province of trademark law. It is particularly interesting to monitor Community design filings in Class 99, which is the class used for media properties, logos and symbols and packaging designs. It is fascinating to see both the kinds of thing people are registering and also how they are doing that; for example, in terms of protection of packaging design elements.

Of course, the Community design system does not involve comprehensive examination and many things that people are registering, if tested, may be found invalid or of extremely narrow scope. Definitely watch this space.

**GH:** The question seems to suggest that there might be something unproductive about using the UK trademark system and I would not say that is fair. If you are asking what exists, in the way of protection, outside straight trademark law, then two things could be mentioned: first, that the UK jurisdictions offer protection for unregistered marks through our laws on passing off; and, second, that the new Community designs regime, mentioned by Vanessa, means that new trademarks with a graphical element can be protected through design registration. I think the jury is still out on the level of alternative trademark protection that the design system can provide, but it is certainly very inexpensive

and should, I think, be used in appropriate cases (in addition to, rather than as an alternative to, the trademark system).

**IB:** As Guy and Vanessa both say, it may be possible, if the brand comprises a stylized word, a logo or get-up of the packaging, to obtain rights in the stylized word, logo or the get-up of the packaging by way of copyright and registered design rights, provided that the novelty requirements are met.

In addition, use of a trademark in the United Kingdom gives rise to passing off rights which can be enforced against third parties, provided that the owner of the passing off rights can establish that it has reputation, through use in the United Kingdom, of the brand, trade dress or appearance of the products which it is seeking to protect, and that the use of the conflicting mark by the third party is likely to lead to confusion and that economic damage to the rights holder will, or is likely to, result.

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**Have the UK courts dealt with internet-related issues such as keywords, linking and metatags? If so, what conclusions have they reached?**

**GH:** What is really surprising is that there has been so much debate in this area but so little litigation in the United Kingdom. So far as metatags and keywords are concerned, I think this is down principally to the comments made by Lord Justice Jacob in the Court of Appeal in *Reed Executive v Reed Information*.

As the case was concerned only with similar marks, it was necessary to show that the use of the trademark REED as a metatag was likely to cause confusion. Jacob was very sceptical that this could be the case where the only result of the use of the metatag was promoting the website in question up the search results list. Similarly, he could see no confusion where a trademark was used as a keyword trigger to generate a banner advertisement that did not actually include the trademark. All sorts of things come up on a Google search and he couldn't see that an ad that did not then contain the trademark in question would make anyone think that there was a trade connection.

This is pretty much the approach followed in the United States, whereas in France, for example, the courts have been much more prepared to support the trademark owner's position and the perhaps instinctive view that this is unfair use of a competitor's mark.

What was left very much open in *Reed* was what the position might be if the marks (and products/services) were identical and there was therefore no need to show a likelihood of confusion. Jacob in fact doubted whether invisible use of a trademark as a keyword or as a metatag amounted to trademark use at all so that even in such a case there would be no infringement.

**IB:** Guy's analysis is one I agree with. In first instance in *Reed* the judge had actually held that use of a third party's trademarks as keywords and metatags was an infringement of a trademark. On appeal to the Court of Appeal in 2004, Jacob made comments to the effect that he felt that uses of third-party trademarks as keywords or metatags were not likely to be viewed as trademark infringements because they would not be seen by those visiting the website. On the facts in this particular case it was held that use of the mark REED BUSINESS INFORMATION on metatags and banner advertisements was not an infringement of the rights in the registered mark REED.

**VM:** For linking, the leading UK (Scottish) case is still *Shetland Times*, decided a decade ago in the relative infancy of the Internet. The case settled before full trial and the only decision was at the interim stage. Copyright law has since changed by reason of implementation of the Information Society Directive. So, this case is now of limited precedent value.

There have been more recent cases on the use of metatags and keywords, such as *Reed Executive v Reed Business Information*, discussed by Guy and Ian. Current law across the European Union on legality of metatagging varies significantly at this point.

**What are the most important issues to remember when devising an anti-counterfeiting strategy for the United Kingdom? How helpful are, say, the police, customs and other enforcement agencies?**

**IB:** There are a number of important issues to remember when devising an anti-counterfeiting strategy:

- Being able to detect the counterfeit products/packaging – possibly the easiest way of accomplishing this is by incorporating into the product or its packaging special features which will make copying more difficult. Ideally these special features should be visible



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so that counterfeits (which do not have these features) can be easily detected.

- Have a watch in place – brand owners might wish to consider placing some sort of watch on the marketplace (perhaps using private investigators) to try and detect counterfeit products/packaging.
- Monitoring the activities of known counterfeiters – if counterfeits originate from a particular known source then that company's activities could be closely monitored.
- Trading standards/customs assistance – trading standards authorities can be very helpful in notifying brand owners of counterfeit products such as those available in markets or car boot sales. It is possible to instruct Customs to monitor border controls for potential counterfeit products which are imported into the United Kingdom. Neither Customs nor trading standards make any charge for their activities.
- Company policy – brand owners should have efficient policies in place for

dealing with counterfeit products that are brought to their attention and should liaise closely with the relevant in-house departments and external advisers in order to tackle the anti-counterfeiting activity successfully.

**VM:** There are many essential elements in devising an anti-counterfeiting programme. I would suggest the following are key:

- strong protection through registered rights where possible;
- good intelligence;
- having an effective point of contact for speedy response;
- providing information/evidence to enforcement agencies (in some cases training programmes are appreciated, but this is not always necessary);
- clarity with regard to enforcement priorities and budgets; and
- understanding the possible, working with it, and always looking out for new ways of solving problems (from a UK perspective, the AntiCounterfeiting Group is a great place for staying up to date on changes and developments in enforcement).

In my experience, when it comes to counterfeiting issues, enforcement agencies generally are helpful, subject to resources, budget constraints and priorities.

Going slightly off-subject, I am, however, very concerned about the prospect of leaving enforcement of those parts of the EU Unfair Commercial Practices Directive which impact on copycat packaging to public enforcement, as is currently proposed in the UK draft implementing legislation. I cannot presently see how these more subtle issues will be given priority or resources by the enforcement community. There is a vocal brand owner lobby for civil rights of action by affected competitors in order to provide effective enforcement of these aspects of the directive.

**GH:** For global brand owners, a strategy consistent to that adopted in other territories is important. It is generally easier for brand owners to take a pre-emptive approach by filing a UK or EU customs application, rather than relying on Customs to take their own initiative. This will also buy the trademark owner more time to assess any seized goods and to take informed decisions about whether to take any action. In filing an application it is important to provide as much information as possible about authentic goods and known patterns of counterfeiting. In all

cases, it is important to have technical expertise at hand to review samples and prepare necessary witness statements.

Our experience of UK customs officials is that they are very approachable and helpful. However, they currently seem overwhelmed with paperwork, having a backlog, for example, in processing application renewals. Communications often need to be followed up. There is a slight sense that the process is a little hit and miss. That said, this is accompanied (and perhaps caused) by a fairly relaxed and flexible approach.

**In general, would you say it is easier or harder to be a trademark owner in the United Kingdom than it was, say, five years ago?**

**VM:** The challenges facing brand owners evolve.

From a legal perspective, trademark law in the European Union is still bedding down following the Harmonization Directive and the introduction of the CTM. We have achieved greater clarity in some areas of law in the last five years – for example, on protectability of certain types of non-traditional trademark and how to approach acquired distinctiveness. Many aspects of the law remain unresolved, however, as is borne out by the continued number of references of points of law to the ECJ, from the courts in the United Kingdom and elsewhere. Experience on working across EU jurisdictions for clients shows that the law is still being applied differently in different countries.

From the branding perspective, there are numerous challenges, including changing consumer perceptions of brands, and new forms of use, in particular in the continuously evolving world of mobile devices. These concerns in turn feed into the legal debate, raising their own new questions for lawyers.

In some ways, things get easier. Brand owners have the benefit of massively increased availability of current information via the Internet. This includes the trend for registries to make their trademark databases publicly searchable and the ease with which information on brand usage can be found courtesy of search engines and internet archives. Data can now be collected and problems analyzed much more quickly and cost effectively than was possible in the past.

These trends also feed into the increasing range of options available for brand portfolio management. As Unilever's recent decision to outsource a large part of



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Vanessa Marsland heads the London IP group at Clifford Chance LLP. The group handles a substantial volume of brand-related work, including filing and portfolio management, registry conflicts, litigation in the national and EU courts, and licensing. As reported in *World Trademark Review* last year, Clifford Chance was among the top filers of Community trademark (CTM) applications in the first decade of the CTM system.

its portfolio management to an external law firm demonstrates, the model of a traditional in-house trademark department may need updating to remain cost effective and continue to add value.

**GH:** On balance, it is easier to be a trademark owner in the United Kingdom these days, in my opinion. The registration system is increasingly user friendly. The decision to abandon relative grounds objections will also make the registration process smoother for many, albeit that there will be a price to pay for this in the form of an increase in the burden and cost on trademark owners to keep the register clean.

I am afraid, though, that the underlying law is still in quite a mess. Successive ECJ judgments do not seem to have given the clarity hoped for. Admittedly, we now know that the new EU trademark law differs in many respects from what most people thought it meant back in 1994, but there are still huge problems in some major areas – which means more uncertainty and greater cost for business. I think trademark owners can be justifiably frustrated that despite all the money and effort thrown into litigating the big issues over the last few years, we still

do not have particular clarity about the extent of their rights.

**IB:** I agree that it is now easier to be an owner than it was five years ago. There are a number of reasons for that.

As Guy says, the changes in UK practice should make it easier to register trademarks in the United Kingdom because the UKIPO will not *ab initio* refuse applications on the basis of prior citations whereas five years ago it would have done. In addition, the test for inherent registrability of marks has, in general, a lower threshold now than it did previously.

The official fees for registering trademarks in the United Kingdom have stayed the same over five years and so, therefore, in relative terms they have decreased. The official fees for CTM registrations have actually decreased over the five years in both absolute and real terms. In addition, of course, because many more countries have joined the CTM system, the value of a CTM registration, in geographical reach, is much greater than it was.

Finally, trademark owners, if they wish to litigate in the United Kingdom, can now do so through the Patents County Court, which potentially offers a somewhat cheaper route for litigation than the High Court. This is as a result of the Patents County Court acquiring the right to hear trademark cases in 2005.