

AA THORNTON

INTELLECTUAL PROPERTY LAW

Trade Mark Co-existence UK and Europe

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“As introduced in the initial programme, in the increasingly crowded global marketplace, the co-existence of similar trademarks is a fact of life. Trademark co-existence may be a deliberate choice, negotiated between parties, or may result from an oversight, where a senior trademark user fails to police use of similar trademarks. In many jurisdictions, trademark co-existence may have serious effects on the value and subsistence of trademark rights. Panelists will discuss how co-existence arises and the benefits of such co-existence, as well as its risks.”

- ❑ Examination of relative grounds
- ❑ Acceptance of letters of consent/co-existence agreements
- ❑ Legal interpretation of co-existence
- ❑ Practical implementation of co-existence agreements
- ❑ Benefits and risks

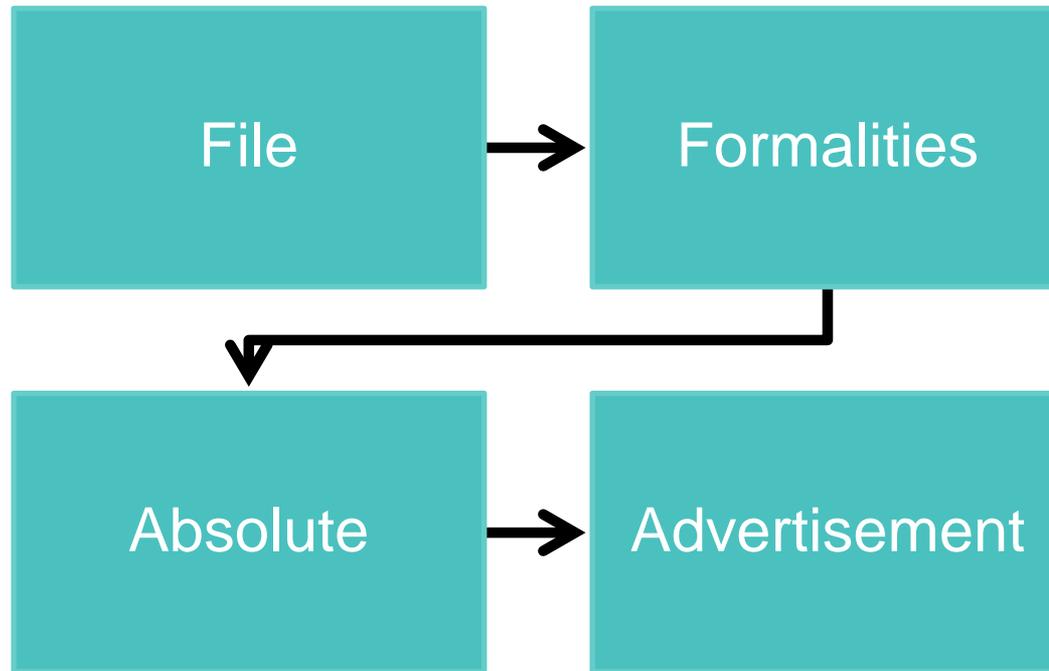
❑ Why does co-existence arise?

- ❑ Some marks are inherently more popular than others
- ❑ The geographic scope of use expands to bring existing usage into conflict
- ❑ The range of goods or services expands
- ❑ Use in a new country
- ❑ Use via the internet

❑ When does this co-existence come to light?

- ❑ Trade mark searches
- ❑ Examination during prosecution
- ❑ Infringement

□ EU IPO



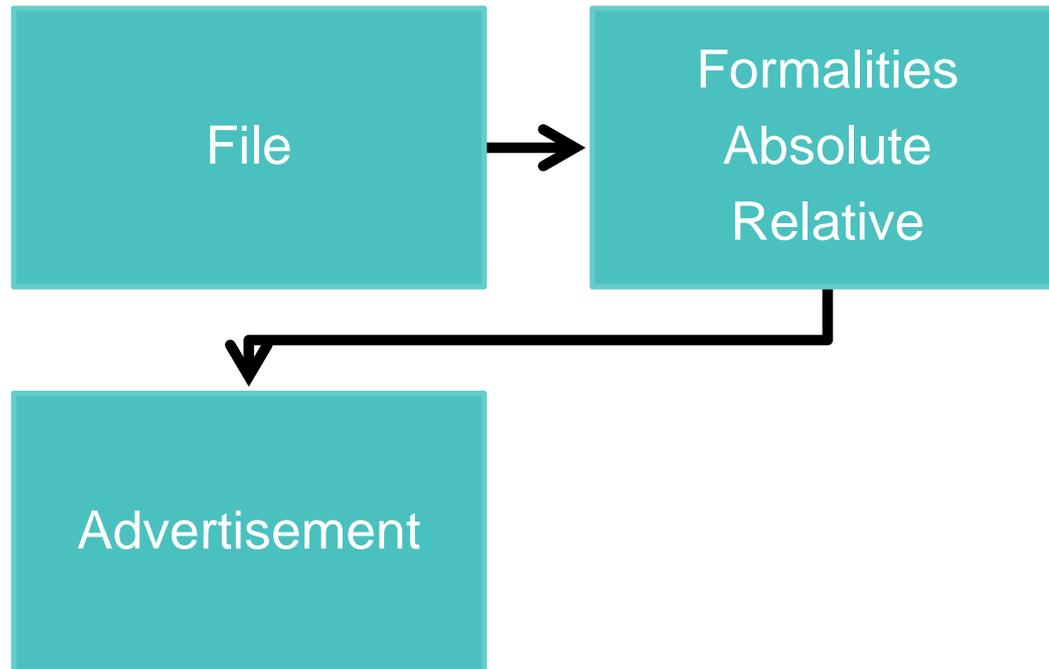
□ Examination on relative grounds – **NO, but ...**

□ EU IPO

□ Examination on relative grounds – **No, but ...**

- If requested on filing a computer generated search is conducted on the EU Register and the owners of earlier rights mentioned in the search report are notified in a 'surveillance letter' of the advertisement of the application
- If requested on filing national search reports conducted on the national Registers in the Czech Republic, Denmark, Lithuania, Hungary, Romania and Slovakia.

□ UK IPO



□ Examination on relative grounds – **YES, but ...**

□ UK IPO

□ Examination on relative grounds – **YES, but ...**

- An opportunity is provided to overcome citations
- An application will **not** be refused on the basis of citations and will move forward to advertisement
- The owners of UK and IR designations covering the UK will be notified
- The owners of EU and IR designations covering the EU will **not** be notified

Examination on relative grounds

Relative Grounds

UK

No Relative Grounds

EU

Examination on relative grounds

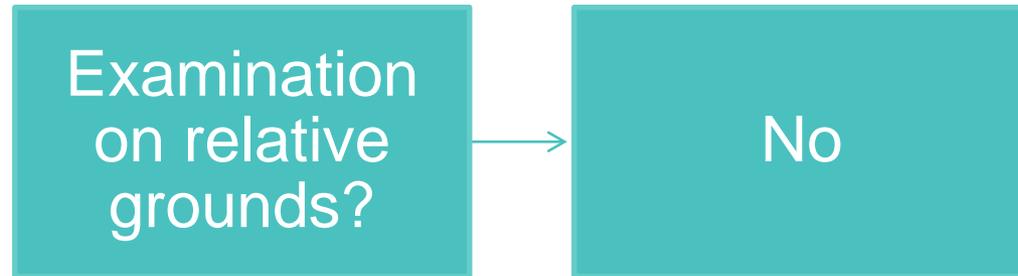
Relative Grounds
UK
Czech Republic
Estonia
Finland
Greece
Ireland
Malta
Portugal
Slovakia**

No Relative Grounds	
EU	Hungary
Austria	Italy
Benelux	Latvia
Bulgaria	Lithuania
Croatia	Poland*
Cyprus	Romania
Denmark	Slovenia
France	Spain
Germany	Sweden

* Poland – for applications filed on or after 15 May 2016

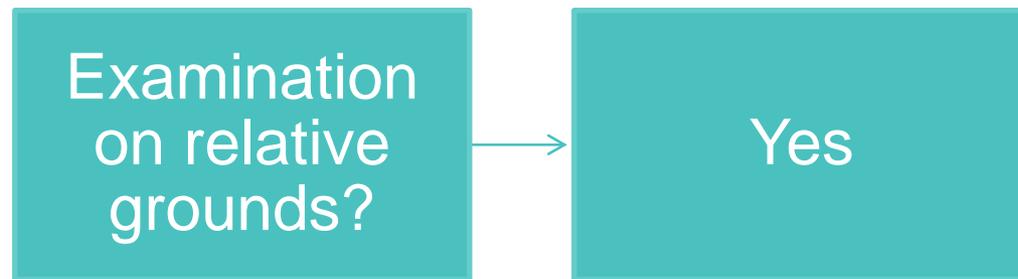
** The Slovak Office objects on the basis of earlier rights only to identical marks that are applied to identical and similar goods and services

□ During examination



Letters of consent and co-existence agreements are not generally relevant

□ During examination



Unconditional acceptance	
United Kingdom	Malta
Czech Republic	Portugal
Greece	Slovakia
Ireland	

Conditional acceptance
Estonia – unless identical marks and goods/services
Finland – must consent to registration and use

- During opposition or other proceedings
 - Not relevant – if consent is provided or a co-existence agreement is negotiated then the proceedings are normally withdrawn
 - There is provision for recordal in France, but this is rare and normally only done when the parties want the agreement to have effect against third parties

□ UK

- The European Limited v The Economist Newspaper Ltd [1998] FSR 283

"Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark."

□ UK

□ Compass Publishing BV v Compass Logistics Ltd [2004]

“It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market place but no confusion has been caused, then there cannot exist a likelihood of confusion ... so, no confusion in the market place means no infringement of the registered trade mark. This is, however, no more than a rule of thumb.”

□ UK

- Compass Publishing BV v Compass Logistics Ltd [2004]

Examples of situations where co-existence is not possible and/or not relevant

- Registration without use
- Use on part of the width of a registration
- Use on a small scale in the industry

□ UK IPO

□ Tribunal Practice Note 4/2009

“... claims as to a lack of confusion in the market place will seldom have an effect on the outcome of a case under section 5(2) of the Act.”

□ EU IPO

□ Guidelines for Examination, Part C, Opposition

“The possibility cannot be ruled out that the co-existence of two marks on a particular market might, together with other elements, contribute to diminishing the likelihood of confusion between those marks on the part of the relevant public.”

□ EU IPO

□ Guidelines for Examination, Part C, Opposition

“However, the indicative value of co-existence should be treated with **caution**. There might be different reasons why the two signs coexist on a national level, e.g. a different legal or factual situation in the past or prior rights agreements between the parties involved.”

□ EU IPO

- Guidelines for Examination, Part C, Opposition
 - Comparable situation
 - Geographic overlap
 - Position in the marketplace, not the TM Register
 - Period of co-existence
 - Special circumstances – honest concurrent use

□ EU IPO

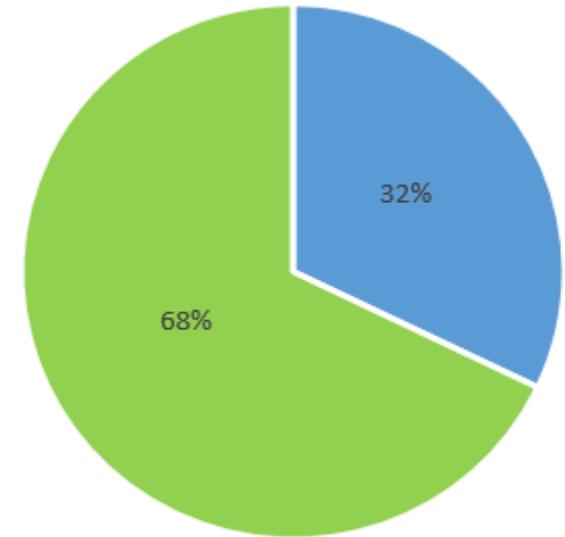
□ Guidelines for Examination, Part C, Opposition

“As regards co-existence agreements between the parties, when assessing likelihood of confusion the Office’s policy is that these agreements may be taken into account like any other relevant factor, but they are in no way binding for the Office.”

□ EU IPO

□ EU Settlement Statistics

- Oppositions filed : 272k
- Oppositions concluded : 247k
 - By decision : 79k
 - By not proceeding to judgement : 168k



Source: SSC009 - Statistics of European Union Trade Marks

□ Letter of consent

- A letter should at least:
 - be on the company headed paper of the owner
 - state the application number for which consent is given
 - agree to the registration of your mark, not just its use
 - be signed by a responsible person in the company
 - state that person's name and position in the company
- Can a consent be withdrawn?

- ❑ Each agreement is unique, but the general format is as follows:
 - ❑ Recitals relating to the background and prior rights
 - ❑ Operative provisions – what each party will/will not do
 - ❑ Restrictions on registration and use
 - ❑ Territory
 - ❑ Consent
 - ❑ Termination
 - ❑ Boilerplate clauses

□ Operative provisions

- Restrictions on use
 - Unilateral or reciprocal
- Restrictions on registration
 - Unilateral or reciprocal
- Territorial scope

□ Consent

- Cross-consent?
- What about territories where consent is not accepted?
- Who is getting consent?

□ Termination

- Is any form of termination clause needed?
- When the rights of one party cease to exist?
- When one party is in breach?

□ Boilerplate clauses

- Applicable law
- Jurisdiction
- Costs
- Related parties and successors in title

❑ Benefits

- ❑ Resolves the existing conflict
- ❑ Provides legal certainty going forwards

❑ Risks

- ❑ Consumer confusion or brand dilution
- ❑ May limit future opportunities

❑ Alternatives

- ❑ Licence
- ❑ Purchase

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Questions?