**SUMMARY QUESTIONS**

**ESSAY QUESTIONS**

1. Identify the ways in which the Trade Marks Act 1994 has liberalized obtaining a registered trademark? Are there any problems that remain?

**Indicative content outline answer:**

* A trade mark may be registered in the UK through the completion of form TM3 from the UK-IPO, along with the required fee, and submitting these to the UK-IPO Trade Marks Registry.
* The applicant should conduct a search to ensure that the trade mark is not registered or that another person has applied for the same or similar mark. Since 1st October 2007, all new trade mark applications are subject to new regulations with the effect that there will no longer be an automatic block of the registration of the mark if there is an earlier conflicting trade mark.
* The application will result in an examination of the existing UK, EU and international trade marks protected in the UK and the EU, and on the basis that the UK-IPO discovers a conflict with an earlier trade mark, the applicant will be informed of this finding and given the choice to:
1. Continue with the application and the UK-IPO will inform the owner of the previously registered trade mark of the new application, enabling them to oppose the application based on specific times and procedures. (Note that licensees will not be given the right to object to an application).
2. Change the application so that it is sufficiently different from a current trade mark.
3. Liaise with the owner of the existing trade mark to allow the application to continue unopposed; or
4. Withdraw the application.
	* Where the nature of the product requires protection beyond the territory of the UK, the registration process will have to be performed with the various international bodies. The process has been somewhat simplified in that rather than having to seek an application (individually) to each country, the applicant can register a Community Trade Mark (CTM) through the Office for Harmonization in the Internal Market to have effectiveness throughout the EU.
	* The CTM applies to any person resident in a Member State or a business that is based in a Member State, and includes any distinctive sign capable of graphical representation.
	* The benefit of an EU wide system of registration is that its application is throughout the EU and any injunctions used to enforce a right and prevent infringement has force in each of the Member States. It also has the advantage of lower costs and administrative burdens than applying to each country individually, but due to the size and composition of the EU, a single system of registration may be difficult to enforce and apply.
	* A further registration system applicable to the entire world was developed through the Madrid System, and following registration in the UK, an application can be made to WIPO.

# *Rights Provided through Registration*

* Registration is recommended in most cases as it provides access to the TMA 1994 and enables the injured party to seek remedies provided under that Act.
* Infringement occurs where the identical sign is used in relation to goods and services similar to those for which the trade mark is registered and there exists the likelihood of confusion on the part of the public, or where the identical sign is used not for similar goods and services, but the trade mark has a reputation in the UK and its use takes advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.
* The TMA 1994 further identifies that a sign, for the purposes of the Act, is used where it is fixed to goods or the packaging; exposes or offers the good for sale; imports or exports goods under the sign; or uses the sign on business papers and on advertising literature.
* There are limits placed on the rights of a registered trade mark, and as such s. 11 states that there will be no infringement where:
1. The person uses their own name and address;
2. The use of indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, or other characteristics of goods and services;
3. The use of the trade mark is necessary to indicate the intended purpose of a product or service;
4. In the course of trade in a particular locality of an earlier right which applies only in that locality.

# *Enforcing a Registered Trade Mark*

* There exists an automatic right to enforce the trade mark against a person infringing the owner’s rights and the courts are empowered, as with the common law, to award damages and grant injunctive relief to the claimant. Where the trade mark breach has involved a criminal offence, beyond the loss to the owner where a common law remedy is available, such as dealing in counterfeit goods, Trading Standards may initiate an action that could lead to imprisonment for a period of 10 years and / or an unlimited fine.
1. Has the Patents Act 1977 and 2004 effectively balanced the rights of the employer and employee in the ownership of inventions created by the employee?

**Indicative content outline answer**

* A business may be involved in creating products and works that may be commercially valuable (stories for a publishing company/drugs for the pharmaceutical industry and so on).
* There may be IP rights being created even when the employee is not hired in such a capacity. It must be identified to whom IP rights belong.
* Based on the ‘general’ rules of an employee’s contract of employment, the creation by the employee of IP rights at work, clearly having benefited from, and had access to, the resources that the employer has made available, belongs to the employer (the contract may also state that the employee will be acknowledged in relation to the creation–the moral rights).
* An employer may wish to use a restraint of trade clause to restrict the employee’s exploitation of such sensitive (and possibly lucrative) information. However, contract terms in contravention of the Patents Act (PA) 2004, regarding patents and their ownership, will be considered unenforceable.
* The PA 1977 provides at s. 39(1) that inventions created by employees will belong to an employer where they were created during the normal course of employment and relating to the employee’s duties at work (and as such would be reasonably considered to be the result of carrying out those tasks).
* This is considered in light of the implied terms in employees’ contracts, and the fact that provision for the ownership of IP rights has not been drafted to include, for example, an obligation or expectation that inventions will be created, does not restrict the duty of fidelity providing the employer with a means to secure the ownership of the IP.
* The courts will look towards what tasks/duties are being undertaken in the course of employment that will establish the obligations on the employee, rather than simply reviewing a contract of employment and using the terms therein to determine ownership of IP (*Re Harris’ Patent*).
* There has been a development to the law in this area and the PA 2004 provides that in situations where an employee has created an invention for the employer and a patent has been granted, the employee is entitled to be compensated (determined by a court or the Comptroller-General).
* When determining whether compensation is to be payable and its amount (if any), the following will be taken into consideration: the size of the organization; whether the invention or its patent is of outstanding value to the employer; the nature of the employer’s business and so on, and then whether it is just and reasonable to award the employee compensation.
* The compensation awarded will reflect the employee’s share of the benefit received (or be expected to be received) by the employer.
* As such, the legislation may have successfully balanced the rights of the worker and employer in the ownership of exploitable IP.

**PROBLEM QUESTIONS**

* + - 1. Sundeep has developed a new football boot that he considers to be a radical development and will improve players’ performance. He seeks to protect his invention through a patent and seeks your advice on the registration process, the rights that registration will provide him, and how he may enforce the patent against transgressors.

**Indicative content outline answer:**

* A business may seek to protect its inventions, such as a new product, or through its new way of making the product (a new process) that has an industrial application.
* An invention would constitute an inventive step where it would not have been obvious to someone with skill and experience in the area.
* To be considered as new, the invention must not form part of the state of prior art (this includes all factors that were publicly available prior to the invention).
* To be considered having an industrial application, it must be capable of being used or made in any form of industry (with exceptions regarding medical treatment, diagnosis and so on identified in s. 1(3) of the Patents Act (PA) 1977).
* It is important to recognise that a patent need not be a completely new item, but rather it could include a new way in which an item already in existence is produced (or other such examples).
* By registering the patent, it prevents others from using or selling the same product without permission, the registration period lasts for five-year periods and may be renewed (up to a maximum of 20 years in total). The law in this jurisdiction is governed by the PA 1977 and s. 1(1) provides that a patent may be granted if the following criteria are satisfied:

(a) That the invention to be patented is new;

(b) That there is an inventive step involved (not obvious to a person with knowledge and experience in the area);

(c) That it is capable of industrial application (as such it is capable of being made or used); and

(d) That the granting of the patent is not to be excluded by ss. 1(2), 1 (3), or 4A of the PA 1977.

* Section 1(2) identifies that the following will not satisfy the requirements of ‘inventions’ and hence are incapable of patents being applied:
* Scientific and mathematical discoveries, theories or methods;
* Works of an artistic, literary, dramatic or musical nature;
* Ways of performing a mental act, playing a game or doing business;
* Certain computer programs; or
* The presentation of information.
* Section 1(3) continues that in certain circumstances, a patent should not be provided on the basis of it being contrary to public policy (against the law) or morality.

***Exploitation of a Patent***

* The power of a patent is that it provides the owner with a monopoly right to control it, even where another person, acting independently of the owner of the patent, could have developed the same invention.
* With the monopoly control, the owner may exploit the invention for commercial gain, and as this form of IP is identified as personal property, it is capable of being sold, licensed, used to raise finance (such as through a charge over it), or it may be transferred to another party (through inheritance and so on).
* The patent provides the monopoly right, but this is subject to competition rules and the Comptroller-General may issue a compulsory licence where relevant. They will also determine the level of payment for the licence. Three years after the patent had been granted, any person may apply to the Comptroller for a licence under the patent if:

(a) The invention is capable of being commercially worked in the UK, but is not being so worked (or not worked to the fullest extent that is reasonably practicable);

(b) Where the patent is a product, the demand for it is not being met on reasonable grounds, or is being met through importation from countries outside of the EU;

(c) Where the invention is capable of being commercially worked in the UK, it is being prevented or hindered from being worked through imports;

(d) By reason of the refusal of the proprietor of the patent to grant a licence(s) on reasonable terms: the market for the export of the patented product is not being supplied; the working or efficient working in the UK of other patented invention which makes a substantial contribution to the art is prevented or hindered; or the establishment or development of commercial or industrial activities in the UK is unfairly prejudiced.

(e) By reason of conditions imposed by the proprietor of the patent on the grant of licences under the patent, or on the disposal or use of the patented product or on the use of the patented process, the manufacture, use or disposal of material not protected by the patent, or the establishment or development of commercial or industrial activities in the UK, is unfairly prejudiced.

***Application for a Patent***

* The Patent Office is the body that is responsible for granting Patents with effect in the UK and is headed by the Comptroller-General. The applicant will identify what the invention is, details regarding its specifications (blueprints / schematics and so on), an abstract explaining the nature of the patent being applied for, and the relevant fee.
* The documents must be filed on the prescribed form and submitted in the prescribed manner, it must contain sufficient detail to enable a person ‘skilled in the art’ to produce the invention and as such include details on the matter for which the applicant seeks protection; be clear and concise; be supported by the description; and relate to one invention (or a group) to form a single inventive step.

***Breach of a Patent***

* A patent protects the owner who has control and a monopoly right over the invention, however, a breach / infringement of the patent will not occur where the ‘breach’ is performed for research / experimentation, or where its use is for private rather than commercial purposes.
* Infringement of a patent is determined on a decision as to whether or not a very similar product comes within the scope of the exclusive right. Situations where a person infringes a patent in force in the UK includes:

(a) Where the invention is a product, the person makes, disposes of, offers to dispose of, uses or imports the product or keeps it whether for disposal or otherwise;

(b) Where the invention is a process, the person uses it, or offers it for use in the UK knowing (or reasonably ought to have known) that its use there without the consent of the proprietor would constitute an infringement; or

(c) Where the invention is a process, the person disposes of, offers to dispose of, uses or imports any product obtained directly by means of that process or keeps any such product whether for disposal or otherwise.

* Having established a breach, an injunction may be granted to prevent further infringements of the patent; damages may be awarded if the defendant knew (or ought reasonably have known) that the patent was in existence; there may be an order made to deliver any of the patented products; the defendant may have to account for any profits derived from their breach (but awards will not doubly compensate the claimant in respect of this head of claim and damages); and a declaration may be made that the patent is valid and had been infringed through the defendant’s actions.
* Describing a product / process as a patent where no such grant has been made constitutes a criminal offence.
	+ - 1. You are approached by the following two parties for advice on possible breach of trademarks.

a) Sweet Perfume Ltd wish to sell a new perfume which is aimed at the high-end of the market. To appeal to these customers it intends to use a distinctive, fancy bottle, in the shape of a pyramid and with the product name ‘Cleopatra’. Fearing imitators, Sweet Perfume Ltd has requested advice as to whether the chosen product name and bottle shape may be registered as trade marks.

b) Super Quick Plc operates a national chain of replacement car tyre and exhaust centres. It trades under the registered name ‘Super Quick’. Super Quick has noticed an announcement in the Trade Mark Journal that ‘Rubbery Products Ltd’ has applied to register the name ‘Super Quick’ for a new brand of sheath contraceptives it is launching. Super Quick Plc wish to know whether this new application can be defeated.

c) Advise both parties.

**Indicative content outline answer:**

***Design Rights Issues***

* A design right is established, and the period of protection begins when the work is first ‘fixed’ in design documents such as a drawing or when it is first made.
* The design must be original, and in demonstrating that it is not commonplace, the owner should maintain their records of the design’s development (such as in e-mail communications, plans, and files).
* The design right of the product is an automatic right (like copyright) and it prevents others from copying the design for a period of 15 years.
* There is also an EU-based recognition of unregistered design rights, and this protects the product’s shape and pattern for a three-year period (and throughout the EU).
* Where the creator of the design wishes to gain further protection, not just of preventing the design being copied without permission, but also of controlling the exploitation of the design in any manufacturing of products, it must be registered.
* Protection under the Registered Designs Act (RDA) 1949 exists for a period of 25 years.
* Design rights are applicable to three-dimensional works only, but the unregistered community designs procedure (under EU law) does protect two-dimensional products.
* The main drawback when compared with the registered method is that the unregistered method gives protection for a shorter period of time, it is less likely that the threat of legal action here will be a deterrent as the owner has to prove he/she held the design right, and then that the person infringing the right has deliberately copied it, and demonstrating the right to sell or licence the use of the rights is considerably more difficult.
* It is important to recognize that in the final five years of the design right’s period of protection, its owner is obliged to agree licensing terms with third parties who wish to use the design.

***Enforcement***

* Where a possible infringement has taken place (such as the use of the design or the sale of designs belonging to the holder) it is typical to begin an informal route through communication with the other party, explaining the right and the consequences of further breaches.
* If both parties are still in dispute, and they agree, they may seek to use a mediator under a form of Alternative Dispute Resolution to avoid the necessity of court action.
* If unsuccessful, then the holder of the right may be forced to commence a civil action to recover damages and seek the granting of an injunction to compel the transgressor to cease his/her activities.
* Clearly where the case involves an unregistered design, the claimant will have to demonstrate that they own the design right and the defendant had copied it.
* Where the design has been registered, following the unsuccessful attempt at preventing the breach through the communications between the parties, the holder may claim damages due to the defendant’s work closely resembling the holder’s design (rather than having ‘copied’ it).
* If the situation arises where the alleged breach has occurred whilst in the process of registering the design, the UK-IPO may be contacted to request an urgent examination, and subsequent registration, of the design.

***Trade Marks Issues***

* This relates to the use of names in the problem question.
* A trade mark is defined under the Trade Marks Act (TMA) 1994.
* A trade mark (denoted by the ® symbol) identifies that the owner of the trade mark has been registered, and it prevents others from using the same image.
* A trade mark may be applied to a name or logo that identifies a product or service, or it could further include a slogan used by a brand or even some sound (Shield Mark BV v Joost Kist hodn Memex).
* As such, they are often associated with a business, product, or brand, and are of significant advantage in assisting customers to recognize the company – e.g. McDonald’s ‘golden arches’ and the Nike ‘swoosh’.
* Following registration, the trade mark provides the owner with exclusive use of the mark, and those who infringe the mark are subject to a civil action by the owner, but it also enables the police and/or Trading Standards to initiate criminal proceedings for breach (such as with counterfeiters).
* Once the registration process has been completed, infringement is committed where the trade mark and the other item are confusingly similar to make the consumer (for instance) buy one good believing it to belong to the trade mark holder (Arsenal Football Club Plc v Reed).

The TMA 1994 defines where an absolute refusal of registration will take place. Under s. 3 the following shall not be registered:

1 signs which do not satisfy the requirements of section 1(1);

2 trade marks which are devoid of any distinctive character;

3 trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services;

4 trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;

5 the shape which results from the nature of the goods themselves; or where it is necessary to obtain a technical result, or which gives substantial value to the goods;

6 marks which are contrary to public policy or to accepted principles of morality, or of such a nature as to deceive the public;

7 if or to the extent that its use is prohibited in the UK by any enactment or rule of law or by any provision of Community law; or

8 if the application is made in bad faith.

* Having registered the trade mark, it must be renewed every 10 years to remain effective (and may be renewed indefinitely), and where the owner has not registered it, the action to ensure protection against unauthorized use lies in the common law through an action under the tort of ‘passing-off’.
* A registered trade mark is enforceable throughout the UK, whereas unregistered marks may not be applicable to such an extent and may be confined to enforcement in restricted geographical areas.

*Registration of the Trade Mark*

* Since 1 October 2007, all trade mark applications are subject to regulations with the effect that there will no longer be an automatic block of the registration of the mark if there is an earlier conflicting trade mark.
* The application will result in an examination of the existing UK, EU, and international trade marks protected in the UK and the EU, and on the basis that the UK-IPO discovers a conflict with an earlier trade mark, the applicant will be informed of this finding and given the choice to:

1 continue with the application and the UK-IPO will inform the owner of the previously registered trade mark of this new application, enabling them to oppose the application based on specific times and procedures (note that licensees will not be given the right to object to an application);

2 change the application so that it is sufficiently different from a current trade mark;

3 liaise with the owner of the existing trade mark to allow the application to continue unopposed; or

4 withdraw the application.