TaylorWessing

On your marks, get set... Europe!

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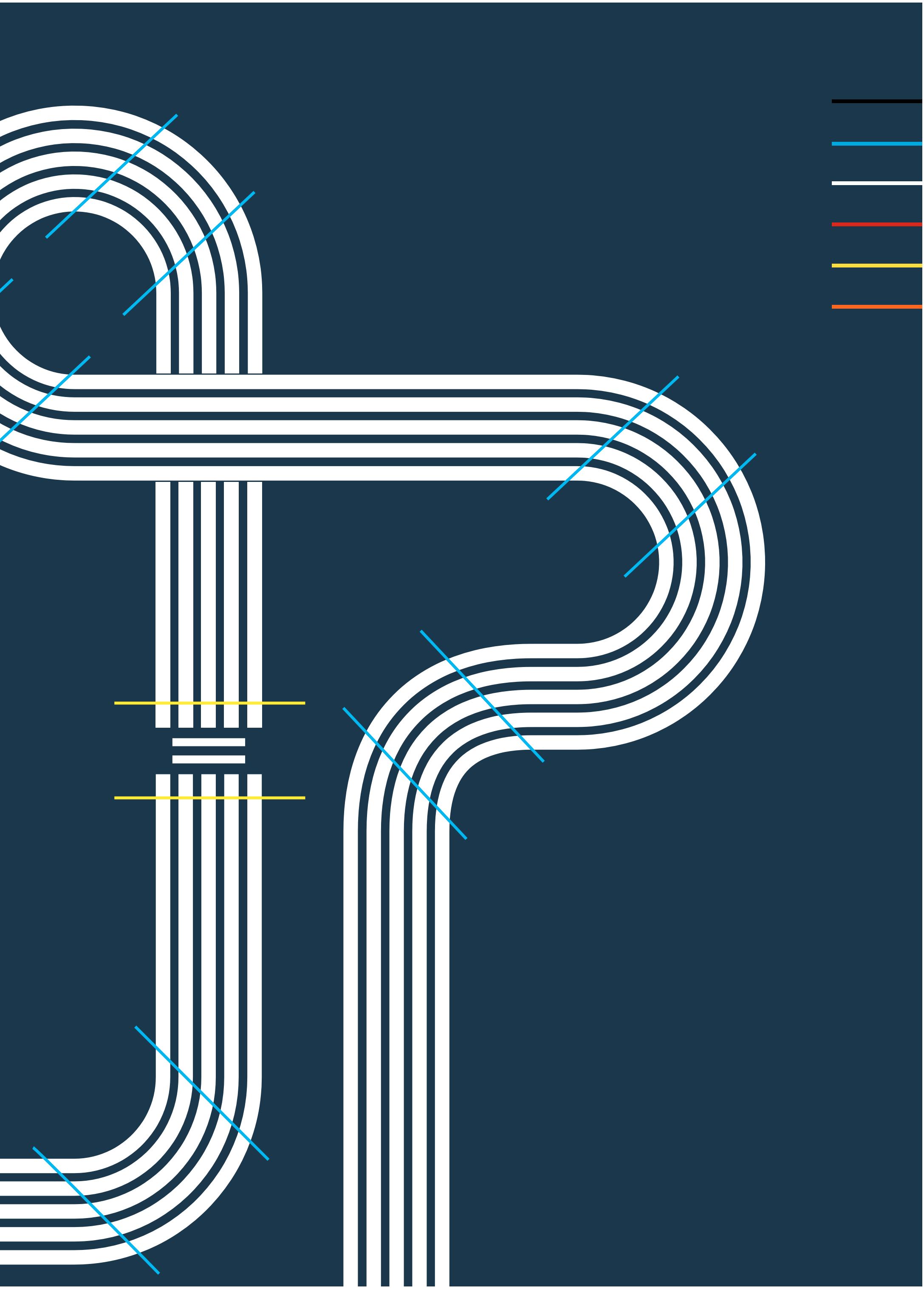


Introduction

This guide helps brand owners navigate the trade mark systems of Europe so that they can properly protect their brands and build their businesses without undue threats. It'll be of interest to any business with ambitions – now or in the future – to expand in or into European markets. In this third edition, we've included a chapter on trade mark protection in the UK post-Brexit.

Despite the availability of a pan-EU trade mark registration and apparently harmonised laws, taking your brand into the EU isn't like entering a single market. The plethora of legal systems, processes, languages and cultures can make it challenging. Navigating these differences successfully requires a different approach to brand protection than you would take elsewhere in the world. Local expertise can be key to avoiding expensive mistakes and missed opportunities.

Your brand is one of your most valuable assets and Europe is a key market. It currently has a population of nearly 450 million people and, taken as a whole, is the world's largest economy. Getting your European brand protection right merits forward planning and appropriate investment of time and money. This applies to all businesses, large and small.

For start-ups, the consequences can be more serious and there can be considerable savings in putting a cost-efficient strategy in place, well before expansion within or into Europe. It can be easy, quick and relatively cheap for third parties to obtain injunctions against you in some European courts, so addressing brand issues too late in the day can have disastrous results.

By highlighting the risks and opportunities that European expansion can have for your brand, we hope this guide will help you avoid any bet-the-company disputes and secure your competitive advantage in Europe.

The guide explains:

- How the different trade mark systems work in the EU and UK.
- How to decide which system fits your business needs.
- How they differ from other systems and the benefits and threats this can pose.
- The risks you can face and how to mitigate them when protecting or rolling out your brand in Europe.
- The best ways to deal with threats to your brand and your reputation.
- What to do in the face of opposition proceedings and injunctions.
- The effect of EU and UK legal systems on advertising and marketing.

If you do nothing else...

Protecting your brand in Europe can be a complicated business. Below is a list of ten key points to take on board:

1. Register now. Don't wait until your expansion plans are more concrete. You don't need to use your mark or have proof of your intention to do so before protecting it and it can help provide you with a defence in the future.
2. Check for prior rights – and not just on the EU trade mark register, but also (post-Brexit) the UK register. If budgets allow, conduct proper clearance searches. This also allows you to better align your protection to your needs and risks.
3. If there appears to be a prior right blocking you, get local advice. With time and a careful strategy, solutions can often be found that enable your plans for the mark to proceed.
4. Make an informed choice about protection. Don't assume that registering an EU trade mark (or a EUTM) is right for you. There can be good reasons to seek other or parallel protection, eg national trade marks, or registered designs or just relying on unregistered rights.

5. Take into account industry-specific EU issues, eg the requirement for a single pan-EU brand for pharmaceuticals, regulations to stop co-branding with tobacco products, geographical indicators for regional wines and the labelling of non-EU packaged goods differently from those destined for the EU.
6. Take a European view about the scope of goods and services for which you protect your brand. Don't automatically align it with the protection you have elsewhere, eg in the US.
7. Use the centralised EU system for recording rights with customs. Put in place the infrastructure (in-house or with outside counsel) to support local interceptions of infringing goods where you trade.
8. Enforce your rights strategically through a careful choice of forum, whether in court or a registry. Suing in the right jurisdiction can secure you an injunction from a single court in all 27 EU Member States and not just against the primary infringer.
9. Keep good evidence relating to the use and reputation of your brand on a country-by-country basis. Even if protection is on a pan-EU basis, enforcement can be nationally focused. Keep evidence of post-Brexit UK use and reputation separate from such evidence for the EU.
10. When managing a brand portfolio, look at seniority and merger options to save money on future 10-yearly renewal costs.

Overview of Europe's trade mark systems

There is the usual national trade mark system operating in virtually all European countries. The main exception is that there's no such thing as a Dutch, Belgian or Luxembourgish registered trade mark. Instead those countries operate a regional system with a single Benelux registered trade mark.

Within the European Union, these national/Benelux systems operate in parallel with the uniform or harmonised EU trade mark (EUTM) system. Overlaid on each of these systems is the Madrid 'international' system, which essentially provides an umbrella under which EUTMs or national/Benelux trade marks are bundled for ease of administration.

As with any country that is a signatory to the Madrid system (most major trading countries are), you can apply to register trade mark rights at a national or regional level or centrally with an international application that seeks protection in nominated countries or nominated regions (such as Benelux or the EU).

This means that if you're seeking trade mark protection somewhere within the EU, you can do so in one or more of four different ways:

1

A national/ regional registered trade mark,
eg an application filed at the French registry for a French national trade mark or filed at the Benelux registry (in The Hague) for a Benelux regional trade mark.

2

A EUTM,
filed at the European Union Intellectual Property Office (EUIPO, based in Alicante, Spain).

3

An International Registration designating the relevant country
(perhaps among many others).

4

An International Registration designating the EUTM system
(perhaps alongside other non-EU country designations).

Only the first and third options are available for non-EU European countries, such as the UK, Switzerland and Norway. The fact that Switzerland, Norway and Liechtenstein are members of the European Economic Area (EEA) doesn't mean that the EUTMs provide protection in those countries. So, options two and four aren't available there.

In addition, there are options for registering designs on a national or pan-EU basis and various unregistered rights can arise. Portugal also offers national protection for logotypes.

Each of these systems share features common with most trade mark systems:

- Applications are filed to protect a particular sign (perhaps a word or a logo) in respect of various listed goods or services, which are categorised into 45 'classes'.
- The application is checked ('examined') by the registry and objections may be raised by the 'examiner'.
- If any objections from the registry are overcome, the application is 'accepted' and published for opposition purposes.
- Third parties have a set period to object ('file an opposition') to the application.
- Once any registry or third-party objections are resolved, the application is granted and this fact is often published, with the registration status reflected in an online register.

Despite these common features, each system has advantages and disadvantages.

The EUTM system

This is a uniform trade mark that gives you protection across the EU

Advantages

- Coverage in 27 Member States.
- Protection automatically extends to any country joining the EU.
- Pan-EU injuctions/compensation obtained from one court.
- No need to use your mark in all EU Member States (use in one might possibly even suffice).
- Cheaper than national registrations if protection sought in more than two EU countries.
- Can rely on pan-EU customs watch service.

Disadvantages

- Unregistrable if descriptive in any EU language.
- No protection in the UK, Norway and Switzerland.
- At risk of opposition/cancellation from earlier national rights anywhere within the EU.
- Liable to cancellation not just by the EUIPO but also from other courts, many of which don't have specialist IP judges.
- Extremely hard to prove acquired distinctiveness to get non-distinctive/descriptive marks registered as EUTMs.
- Registry decisions potentially liable to three levels of appeal up to Court of Justice of the EU (CJEU) with no final decision for five years or more.

National/regional trade mark systems

Applications are filed at each national IP office or to the Benelux IP office for regional Benelux marks.

Advantages

- Avoids blocks posed by prior rights in other countries.
- Overcomes issues of non-distinctiveness/descriptiveness in another EU language.
- Appropriate where use to be only in one or two EU countries.
- Easier to prove acquired distinctiveness.
- Can be used to block third parties seeking to register conflicting EUTMs.

Disadvantages

- Injunction/compensation for one country only.
- More expensive than EUTM if seeking protection in more than two countries.
- Need to engage local counsel with prosecution and disputes in that local language.
- Evidence (sales figures, marketing spend, etc) must relate only to that country, so pan-EU data won't help.
- Requires use in that country after five years.

The Madrid International System

An administrative umbrella or wrapper that allows for centralised handling of trade mark applications and registrations using either or both of the above systems.

Advantages

- One application form in one language.
- Material cost saving on filing fees (local attorneys don't need to be hired in each country).
- Can designate any or all EU Member States, Benelux and/or the EUTM system.
- Can add extra countries in future.
- Renewals and assignments/ changes of records done centrally with one form.

Disadvantages

- Need a home or 'base' application to start with.
- Owner must be national of/domiciled in or have business in a signatory country (NB many IP 'tax haven' countries aren't signatories).
- A successful attack against the home application can invalidate those based on it covering other countries (known as 'central attack').
- Goods/services of application can only cover what home application covers.
- Protection in all designated countries cut back if home application cut back.

Which to choose?

Some industries (eg the pharmaceutical industry) require you to use just one brand throughout the EU for the same product. In that case, it's vital to have a clear understanding of the systems you're dealing with and how they can affect uniform trade mark protection.

In most sectors, which system works best for your brand depends on your circumstances. There are sometimes reasons for using both the EUTM and national/Benelux systems, and perhaps also an international filing.

The tables identify some factors to consider in making your choices. Relying on a mix of rights can help avoid the disadvantages of using a single system. This can be particularly important in disputes in markets where your main commercial interests lie.

Examples of points for applicants with particular interest

Applicants from the US	Beware of using your US rights as the home or 'base' application/registration for international filings into Europe. The US Patent and Trademark Office's strict approach to specification drafting means your European rights may be unnecessarily narrower than those actually available to you.
Applicants with a commercial base in the EU	The 'central' attack mechanism (see page 13) makes it risky to use a recently filed EUTM as the base application for an international filing programme. The EUTM could face multiple oppositions, including based on unregistered rights in the EU that you're unaware of. It may be preferable to use a national mark for the base.
Brands that only work in the local language (eg advertising slogans)	A EUTM in one language doesn't automatically give protection for translations in other EU languages. For such marks, national registrations are preferable.
Brands that are currently, or will in future be, only used in the UK or only in the rest of the EU	Remember that the UK is no longer an EU Member State so separate protection is needed in the two areas. See our chapter on the UK for more details.
IP owning entities based in low tax jurisdictions	A number of the countries often used for tax efficient corporate structures aren't party to the Madrid system. Companies based in these countries may not be able to own International Registrations. However, they could own directly filed EUTMs and national EU marks.

Benelux

As noted previously, the national systems of the EU Member States include one regionalised system. Belgium, the Netherlands and Luxembourg operate as one territory, with one IP office in The Hague issuing a single registration covering all three countries. It's like a mini-EUTM for those three countries. All is not entirely centralised there, however, since a Benelux registration can presently only be cancelled with an application to the court of the registrant's country, ie in either the Belgian, Dutch or Luxembourg courts.

Multiple legal systems

The EU isn't one country with one legal system. Some aspects of EU trade mark law are consistent across all 27 Member States, but differences remain. Mainly these relate to the procedures for enforcing your trade mark rights in the courts, the remedies available if you win and the processes for objecting to new applications (whether pre– or post-registration) and the forum for dealing with cancellation or non-use revocation actions. There are also some key differences in the scope of protection and in the defences available, especially for an interim period as some of the newly introduced changes are being implemented at different times in different countries.

First to file systems

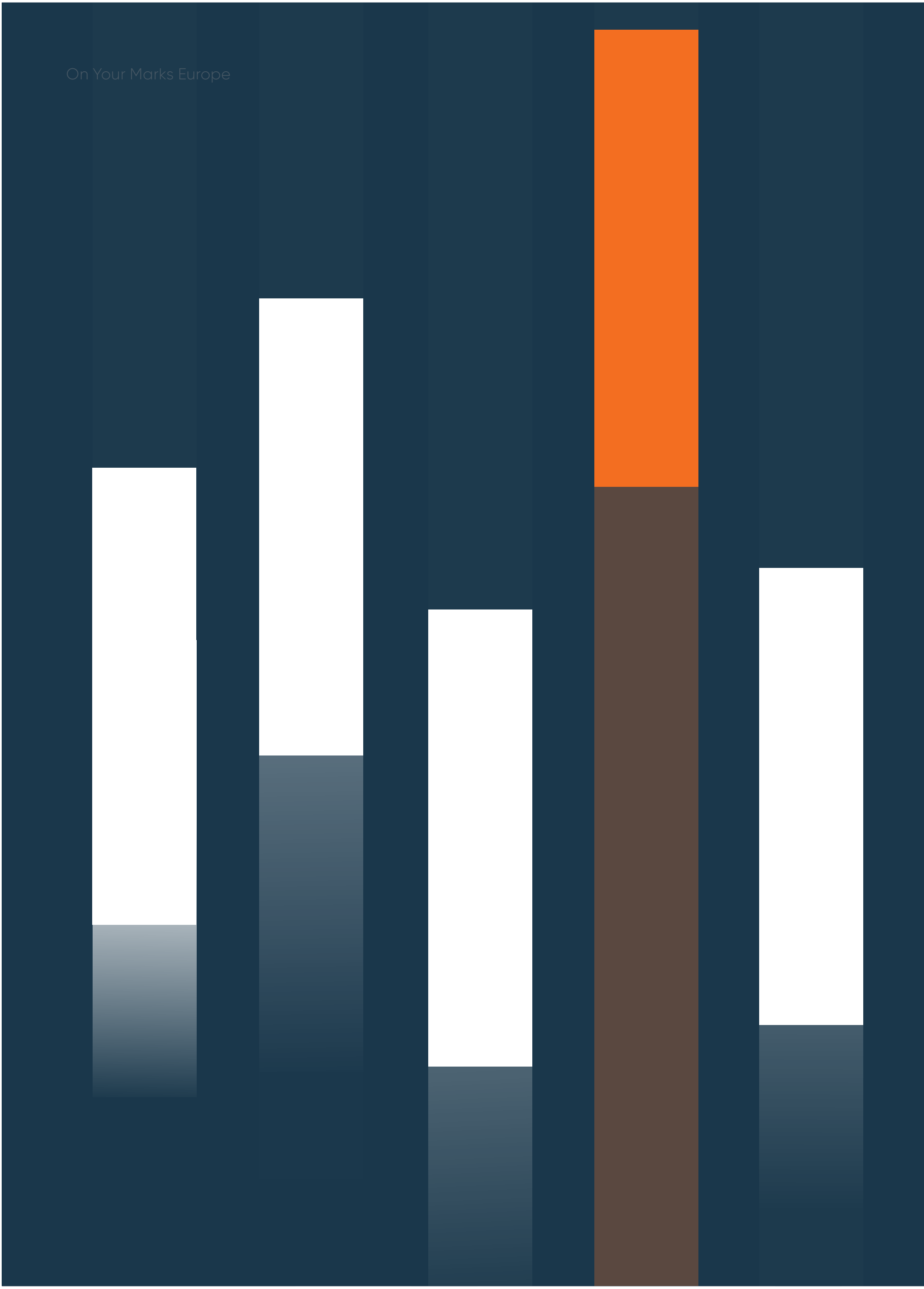
All European systems operate on a first-to-file system. This means priority isn't given by default to the first person to use a brand. There are two issues with this:

1. Your ability to use and protect your brand is vulnerable to a competitor who files for a registration before you. Even if you've been using a mark for a number of years, by delaying to file you risk losing your exclusivity in Europe. You can even find yourself unable to use your brand – or at least be prevented from expanding your business, either geographically or into different products or services.
2. You – or a competitor – can take advantage of the five-year post-registration 'grace period' to block out brands of potential interest within Europe. This applies even if there's no immediate intention to use the brand. Genuine commercial use needs to have started somewhere within the relevant territory by the end of the fifth year after registration.

Timing

Whatever you decide to do, registering your trade mark early – well before launching in Europe – is vital if you're to protect your brand properly and avoid potential costs further down the line. Even if you don't need it to stop use by others, it could provide you with a useful defensive 'shield' against someone threatening to sue you in the future.

Whatever you decide to do, registering your trade mark early – well before launching in Europe is vital if you're to protect your brand properly and avoid potential costs further down the line. Even if you don't need it to stop use by others, it could provide you with a useful defensive 'shield' against someone threatening to sue you in the future.



Geographical anomalies

Registering an EU trade mark doesn't protect your brand in every European country and yet will provide protection in additional countries not within geographic Europe. The map and table on the following pages show the extent of trade mark protection a EUTM can provide.

Non-EU European countries not covered by a EUTM

While most major European countries are part of the EU, there are notable exceptions:

- Sizable markets such as **the UK**, **Switzerland**, **Iceland**, **Norway** and **Turkey**.
- Smaller states or Territories that affect businesses for which financial services are important, such as **Guernsey**, **Andorra**, **Monaco** and **Liechtenstein**.
- Eastern European countries, such as **Ukraine** and **Belarus**.
- Balkan countries, such as **Serbia**, **Albania**, **Bosnia** and **Herzegovina**.

Coverage of a EUTM within geographic Europe

The EUTM provides protection across the 27 current Member States of the EU.

It also covers some related islands within or close to Europe, **eg** the **Canary Islands** and the **Åland Islands**.

However, it does not give protection in the **Faroe Islands** and the **northern part of Cyprus**. If you want protection in those territories, you need national trade mark protection.


27 EU member states
Faroe Islan
(Denmark)
Greenland
(Denmark)
St. Pierre et
Miqurlon (France)
Isle of Ma
Guernse
Jersey (
Madeira
(Portugal)
Azores
(Portugal)
Turks and Caicos
Islands (UK)
Bermuda (UK)
British Virgin Islands (UK)
Melilla
Ceuta (S
Gibraltar
Anguilla (UK)
Canary Islands
Cayman Islands (UK)
French Guiana (France)
Suriname (The Netherlands)
Bonaire, Curaçao,
Saba, Saint
Eustatius, Saint
Martin (The
Netherlands)
Montserrat (UK)
Guadeloupe,
Martinique (France)
Saint Helena
French Polynesia (France)
Austral Lands (France)
Pitcairn (UK)
Falkland Islands (UK)
South Georgia and the S
Sandwich Islands (UK)
British Antarctic Territory (UK)

Coverage of a EUTM beyond geographic Europe

As can be seen from the map above and table below, a EUTM provides trade mark protection in a number of countries outside geographical Europe. Mostly these arise from a relevant Member State's colonial history, eg the **Azores** and **Martinique**.

Territories of EU member states that are protected by an EUTM	Territories of EU member states that are not protected by an EUTM

EU territories covered by a EUTM and territories excluded from the EUTM

Current Member States	Territories covered by a EUTM
Cyprus	Åland Islands
Denmark	Guadeloupe (included St Barthélémy and French part of Saint-Martin)
Finland	French Guiana
France	Martinique
The Netherlands	Réunion
Portugal	Azores
Spain	Madeira
	Canary Islands
	Ceuta and Melilla

Changes to the EU

Since 1996, when the EUTM (formerly CTM) system was established, whenever a new Member State joined the EU, existing EUTMs/CTMs were automatically extended to cover it. Provisions clarified what would happen in the case of an earlier conflicting right. This occurred in 2004 when 10 eastern European countries joined the EU, again in 2007 when Romania and Bulgaria joined and, most recently, in 2013 with the accession of Croatia.

With the UK having left the EU on 31 January 2020, newly filed EUTMs won't cover the UK. Nor will they cover some of the other countries related to the UK that had previously been automatically covered by EUTMs, namely Gibraltar, the Falkland Islands and the Isle of Man. The UK Channel Islands weren't all swept up in that arrangement: Guernsey was never covered by a EUTM and EUTMs continue to automatically cover Jersey despite Brexit. The following were also never covered by a EUTM and so the position remains unchanged: Turks and Caicos Islands, the British Virgin Islands, Bermuda, the Cayman Islands, Anguilla, South Georgia, the South Sandwich Islands, Montserrat, Pitcairn, Saint Helena and Dependencies, British Antarctic Territory or the British Indian Ocean Territory.

Territories not covered by a EUTM

- Northern part of Cyprus
- Greenland
- Faroe Islands
- French Polynesia
- New Caledonia and Dependencies
- Wallis and Futuna Islands
- Austral and Antarctic Lands
- Saint Pierre et Miquelon
- Mayotte
- The former Dutch Antilles (Bonaire, Saba, Saint Eustatius, Curaçao, Saint Martin)
- Suriname

Expansion could one day include countries such as Albania, Bosnia and Herzegovina, and Turkey. Moldova, Ukraine and Georgia have expressed interest in joining.

Trade marks in the UK post-Brexit

Although the UK is no longer part of the EU, there are a number of legacy effects of the UK having been in the EUTM system. The main one is that trade mark law in the UK is aligned with EU trade mark law, at least as it was on 31 December 2020. That was the end of the 11 month 'implementation' (or transitional) period, that started when the UK officially left the EU on 31 January 2020. During that period EU laws and rights continued to apply in the UK.

Despite that, the essential point to note is that, if you're now seeking trade mark protection in the UK (eg for a new brand), you need to apply either for a national UK trade mark or designate the UK with an international trade mark application. Filing for a EUTM (or designating the EU within an international application) now won't provide protection in the UK.

In terms of transitional arrangements, the UK government largely heeded the requests of industry to deliver the maximum continuity of rights, with the minimum administrative disruption and cost.

Continuity of protection

Those outcomes were primarily delivered by creating on 1 January 2021 new UK 'comparable' rights out of all EUTMs that had been registered on or before 31 December 2020. These new rights were created automatically and without any official fee. It applied not just to EUTMs but also to Madrid international registrations that designated the EU.

The newly created UK comparable rights share all the characteristics of the 'parent' EUTMs (or the EU designation of an international right) from which they derive, namely owner details, mark, class, specification, application date, priority date and renewal date. Over 1.3million new UK comparable rights were created in consequence. They can be identified from their registration numbers, either starting UK009 or UK008.

Because these UK comparable rights are separate rights to the 'parent' EU rights, they need to be renewed separately too. As a result, Brexit has, in fact, led to some additional administrative cost since, where previously your EUTM renewal costs would extend the duration of protection in 28 Member States, it now only does so in 27 Member States; additional costs now have to be incurred to renew the comparable protection in the UK.

If the EU right was fortuitously due for renewal and was renewed during the 2020 implementation period, then the new UK comparable right came into being with a 2032 renewal date. But if the renewal was due any time in 2021 onwards, then the two (EU + UK) renewal fees have to be incurred.

Applications pending on Brexit

One part of the transitional arrangements did unfortunately lead to additional cost. For those whose EUTM applications (or EU designations) hadn't attained registration status by 31 December 2020, there was no automatic and free new comparable UK right created. Instead, applicants had the option to re-apply in the UK (thereby incurring additional application fees) but they were permitted to backdate it to the priority date of the equivalent EUTM (or EU designation). All the application details had to mirror the original EU application.

That option remained open for nine months until 30 September 2021. In some cases where the EU 'parent' application had been pending a long time, eg was the subject of one or more long-running (perhaps appealed) oppositions, the priority claim went back considerably more than the normal six-month priority that can be claimed under the Paris Convention (we filed one application claiming priority back to 2010).

Professional representation

The United Kingdom Intellectual Property Office (UKIPO) requires all UK trade marks to have an address for service within the UK. However, until 31 December 2023, the newly created UK comparable rights have been allowed to retain the same address for service as was in place for the parent EUTM. That might be an attorney firm based in the EU. However, if any step requiring representation before the UKIPO is needed, eg to defend a cancellation action or record an assignment, the EU attorney would need to be replaced with a UK attorney.

Other than in relation to registry proceedings that were pending on 31 December 2020, UK attorneys were likewise unable to be representatives for EUTMs post-Brexit.

Since Taylor Wessing has offices straddling the UK and EU, these changes of the rules can be readily accommodated. Our Amsterdam office has become the address for service of EUTMs previously with our UK office as the address. It's widely expected that there will be cases, either in the UK or EU, where representatives will be held in breach of these new rules, with the risk that their submissions would be deemed ineffective. It's important to ensure that your EUTMs and UK trade marks don't fall foul of these rules.

Registry disputes

Registry proceedings that were pending at the EUIPO on 31 December 2020, continued (and may still be continuing) with varying impact on rights in the UK depending on whether they concerned a pending EUTM application or an already registered EUTM.

- In the former scenario, the EUIPO's decisions (and subsequent appeals) rendered on or after 1 January 2021 have no impact on any UK rights. If a new UK application had been filed claiming priority from the EUTM, an opponent seeking to block it had to oppose it in new proceedings before the UKIPO. The EUIPO's decision in the EU opposition isn't binding on the UKIPO's decision in the UK opposition.
- In the latter scenario, a decision rendered after 1 January 2021 by the EUIPO (or any appeal) to cancel the 'parent' EUTM will have the effect, once notified to the UKIPO, of the UK comparable registration also being cancelled. The exception is if the registrant can persuade the UKIPO that the grounds for the cancellation don't apply in the UK (for example, if it was based only on national rights outside the UK or the mark is descriptive in another EU language but wouldn't be descriptive to English-speaking consumers in the UK). If the opponent then wants to contest that conclusion, it has the option of applying to cancel the UK comparable right in new cancellation proceedings before the UKIPO.

In contrast to the reasonably clear consequences of Brexit in the UK, there remains considerable uncertainty over the ability of opponents or cancellation applications to rely on UK-only rights to challenge EUTMs that were applied for before 1 January 2021.

- During the Brexit negotiations, the European Commission and the EUIPO had both put out statements, announcing that UK prior rights would, immediately after 31 December 2020, effectively be ignored in future decisions. Applying what was claimed to be analogous scenarios (where the challenger was relying on earlier rights which ceased to exist by the time of the decision), it was asserted that all oppositions or cancellation actions would be dismissed to the extent they were based on UK prior rights. This has happened in a number of cases.
- However, the General Court has now twice held that this shouldn't happen, and yet it still does. By pointing to the priority date of the later application (and not the date of the decision) as the critical date on which to assess the conflict, the General Court has required the EUIPO to revise its approach. The final position on this won't be known until the Court of Justice has ruled on the point.
- In the meantime, this issue is having decreasing relevance to oppositions, since pre-Brexit oppositions are now largely concluded. However, it continues to have an impact on cancellation actions. If the General Court's view is upheld by the CJEU, it means a EUTM with a pre-Brexit priority date could potentially be cancelled many years (or even decades) after Brexit if it were to be challenged on the basis of an earlier registered or unregistered UK right. It means the EUIPO, General Court, CJEU or a national court in an EU Member State may be surprised to find itself in years to come having to rule on the validity of a EUTM whilst applying the judge-made rules of the English common law tort of passing off.

Litigation

From 1 January 2021, the UK courts were no longer able to rule upon the infringement of EU rights within the remaining EU or on their validity. They could no longer grant pan-EU injunctions or award compensation for infringing acts outside the UK. The same applied in reverse for courts in EU countries; their pan-EU injunctions no longer cover the UK. However, pan-EU injunctions granted by either sets of courts before 1 January 2021 remain in full force and effect in both territories.

Particular consequences of Brexit on litigation include the following:

- A non-UK and non-EU defendant can no longer be sued by a UK claimant in the UK courts and face a threat of a pan-EU injunction or pan-EU financial remedy. To seek such a remedy now, the UK claimant must sue in Spain, the domicile of the EUIPO. Proceedings would be in Spanish. That might put off some UK claimants and/or provide potential defendants with some leverage to negotiate a settlement.
- A UK company now faces being sued and having a pan-EU injunction and pan-EU financial remedy granted against it in the national court of an EU-based claimant, whereas previously such remedies would only have been available in UK courts (being the EU domicile of the defendant).
- The process of issuing court proceedings, serving them and enforcing judgments as between the UK and EU is considerably more complicated, slower and more costly than it used to be, at least until the UK signs up to one of more of the relevant conventions covering such matters. In the meantime, a defendant may expect to see its national subsidiary, branch office and/or local distributor becoming the target of such litigation in the claimant's home courts, if only to exert tactical pressure.

- Contractual and drafting Issues - contracts, licences and co-existence agreements that were drafted before Brexit was contemplated should be read with care to consider whether references to the EU continue to apply to the UK. By default, in an English law contract, the reference to the EU is likely to be taken as still including the UK. However, where there's doubt, an addendum or variation may need to be put in place to clarify the position.
- Recorded transactions - whatever licences or security interests were recorded at the EUIPO in respect of a EUTM from which a new comparable UK right was created weren't automatically transposed into the UKIPO's records for the new comparable right. As a result, licensees and holders of security interests should be re-recording those interests to the extent they apply to the new UK comparable right. Whether they do isn't automatic – see above.

The impact of language on trade marks in Europe

Around 200 languages are spoken across Europe, about 40 by more than one million people. The EU alone has 27 Member States (currently) and recognises 24 official languages that use three different scripts.

This multiplicity of languages adds a layer of complexity to EU trade mark law, in particular, that isn't present in other systems. What may be registrable or confusing in one EU Member State is often not in another.

The quirks of European languages

- A number of languages (eg Greek and Bulgarian) don't use the Latin alphabet.
- The languages using the Latin alphabet aren't confined to 26 letters. Danish and Swedish have 29 letters and Polish has 32.
- Most European languages combine accents with letters. These can change how a string of letters are pronounced or the meaning of a word.
- The same letters or letter combinations can be pronounced very differently around Europe due to accents or dialects (eg a 'v' might sound like a 'b' in Spanish).
- Major languages are treated as understood widely in several EU Member States, for example:
    - English in Ireland, Malta, Cyprus and the Nordic region (plus others only for more basic words).
    - German in Germany and Austria.
    - French in France, Luxembourg and Belgium.

A country can have two languages, for example English is treated as an official language alongside Maltese in Malta and Gaelic in Ireland. This is why English remains one of the official languages of the EU, notwithstanding the UK having left the EU.

Several languages enjoy official status in a Member State, but not at EU level, such as Turkish in Cyprus.

Dialects are spoken in some Member States. They include words that, despite being widely understood, aren't found in a dictionary.

The consequences for trade marks in the EU

You can't generally protect a mark with a EUTM registration if it merely describes the goods or services in question in any of the official languages in the EU.

Example: a new brand of body wash

- 'SAVON' (French for soap) couldn't be registered as a EUTM. The same applies to 'canyH' (Bulgarian) and 'σαπούνι' (Greek). This is because the EUTM covers the whole EU, including Bulgaria and Greece where the words are descriptive.
- The Bulgarian, Greek and, say, Slovak ('MYDLO') words for soap may be registrable as national trade marks in Spain. This is because the words wouldn't be understood by Spanish consumers without an assumed knowledge of Bulgarian, Greek or Slovak (which they don't have in practice).
- You couldn't register 'ENRICHING' as a EUTM for soap (it describes a characteristic in one EU language). It might be registrable in Italy or Portugal, where the word isn't generally understood.

Language differences can also have a bearing on conflicts and disputes.

- Two marks may appear closer or further apart visually, orally or conceptually depending on the language and national perspective. For example, consumers in Bulgaria or Greece may have difficulty reading or pronouncing marks written in Latin script. Consumers elsewhere in the EU will have difficulty with a word in Cyrillic or Greek script.
- In the 'ENRICHING' example, the owner of the national Italian or Portuguese registrations for ENRICHING covering soap could disrupt a pan-EU launch by a competitor of a body wash called 'ENRICHING SUMMER'. The competitor could face enforcement action in Italy and Portugal and find any EUTM it files being successfully opposed.

The variety of languages and pronunciations makes it important to verify that your name has no negative meaning or connotation anywhere in the EU. This applies equally to fanciful, arbitrary or invented words. One recent applicant for a EUTM was surprised to learn that its application for the word CURVE was refused for being contrary to accepted principles of morality. It means 'whore' in Bulgarian.

Non-EU languages

The high incidence of first and subsequent generations of immigrants, especially in larger European cities, means many languages are spoken by European consumers (eg Arabic, Hindi and Cantonese). This can have a bearing on trade mark issues within Europe, both for EUTMs and national/regional rights.

Search and clearance

You may have already used your trade mark outside Europe, for example in Asia or North America, and perhaps even co-existed there with brands that also exist in Europe. However, before launching or applying to register your brand in Europe, it's advisable to carry out a thorough search to establish what risks you may face. Doing so has many advantages. Innocence and being unaware of earlier rights is no defence to an infringement claim in Europe.

What can be especially surprising to those more familiar with US trade mark law is that earlier trade marks can block you in Europe whether or not they're being used there. And the consequences – both financially and for your brand's health – can be serious if you enter a market and later discover that someone else has pre-existing rights.

What trade marks can block you?

- Prior national trade marks.
- Prior EUTMs if you're extending into the EU.
- Prior international marks designating the relevant country or, if extending into the EU, any EU countries or EUTMs.
- Certain earlier use (even without trade mark registration).
- Existing company names (in some countries, eg Sweden, Denmark, Spain).

It may be equally surprising for some to learn that a pre-existing national trade mark in a single EU country can block an entire EU trade mark application. This is even if that national right is unused (provided it hasn't been registered for more than five years). Such a block in one Member State still leaves the applicant with the option of 'converting' the EUTM application into separate national applications in countries other than where the blocking right exists. So protection can still be obtained but the benefits of EUTM protection are lost (and it adds to the costs).

When is a prior mark relevant?

An earlier mark (registered or unregistered) can block your registration or give rise to an infringement claim against you. It doesn't have to be identical to the one you want to use. Nor does it need to be registered or used for identical goods or services. In fact, it doesn't have to have been used at all.

A prior mark is relevant if it:

- is similar to your mark and has been registered or used for similar goods or services such that there is a risk of confusion.
- is a mark with an established reputation for different goods or services – if people are likely to link your mark with it, and your use would take unfair advantage or be detrimental.

Marks can be considered similar where words are not similar, but have the same or similar conceptual meaning in another EU language (eg FATHER and PAPA). It depends on how likely it is that the relevant consumer (as determined by the type of prior right) would know both meanings and make the association.

Scoping the search

First you need to identify the geographies relevant to your search. The examples below show the scope of the earlier rights you'd need to search if you were moving into specific countries (in this case, Spain and Italy) and for the whole EU.

Spain and Italy clearance search	EU-wide clearance search
■ EUTMs	■ EUTMs
■ Spanish national marks	■ National marks in all EU countries
■ Italian national marks	■ International marks designating the EU, Benelux or any other EU Member State
■ International marks designating Spain, Italy or the EU	■ Use in all EU countries
■ Use in Spain and Italy	■ Other qualifying national rights in all EU countries, eg company names in some countries

Stages of clearance

Two stages of search are normally best:

Stage 1

An identical-only (knockout) or 'screening' search:

a quick, basic (and low cost) check for identical earlier trade mark registrations or applications. Combine this with a basic online search (eg on Google) for identical names. This identifies clear-cut blocks but is unlikely to be sufficient without the second stage search. Such searches can help produce a shortlist from a longer list of proposed names or logos.

Stage 2

A full availability search:

a full search for all relevant earlier trade mark registrations or applications, including those that are similar. This is combined with a full search for unregistered use of identical and similar names. You can keep costs down by:

- Omitting searches for national marks in EU countries where you don't plan to trade (but remember that a pre-existing national trade mark will block an EU trade mark application)
- Staggering the search by focusing on key countries first, then secondary ones.

Managing or resolving risks in Europe

As with searches outside Europe, finding earlier marks doesn't necessarily mean that you need to abandon your original plan and choose a different trade mark. Searches usually disclose potential risks – it's a case of assessing their severity in light of the special circumstances that can apply in Europe.

There are numerous options to explore. These are the approaches you might take anywhere in the world (eg adding distinguishing features to your mark, limiting your range of goods/services and exploring co-existence or consent options).

There are some approaches that are peculiar to Europe, including the following:

- Trade marks in Europe, including EUTMs, that are more than five years old can often be vulnerable to at least partial revocation. This is partly due to the wide specifications that are permitted by their registries. For EUTMs, it's also because, until March 2016, it cost the same to file in three classes as it did in one, so applicants filed in three even when only planning use in one class. A full availability search should include some investigation (usually online) into how the earlier mark is being used and may reveal potential vulnerabilities.

Managing or resolving risks in Europe (continued)

- Threatening to file or filing a revocation action against the prior right owner's EUTM or national registrations. The costs for this are quite low (for a EUTM and some, but not all, national registrations) and it immediately puts the owner on the back foot (see also page 65).
- In certain EU countries there's a higher likelihood of prior right owners filing oppositions (even where their case is weak) and not responding to attempts to negotiate. This can be frustrating and it can make revocation counter-attacks more necessary.
- Relying on statutory defences to enable use, such as the own-name defence. (This is now, since reforms in March 2016, only available to individuals and no longer companies).
- You can acquire an earlier right to trump the blocking right. This doesn't need to be an earlier EUTM, it could be a national right. This approach can work but is fraught with risks, especially if the earlier right is itself unused.
- The decision depends on factors such as the level of risk you're prepared to take, the budget available and the time remaining before launch. For more on overcoming prior rights, see page 92.

The limitations of searches

Searches generally reveal the most significant potential risks but even full availability searches don't always give you the entire picture. Within Europe the position is as follows:

- The time lapse between filing an application and being able to find it online is around a week for a EUTM and in the UK and many EU Member States. So the risk of not picking up a recently filed conflicting application is low.
- Not all potential prior unregistered rights are identified from searches. If you only do a basic search on Google, you may miss names registered on business databases or in other languages. Assessing the risk fully usually requires local legal advice.
- Some applications can be back-dated (by means of a Convention priority claim) to a date before your search date.
- The specification of an earlier European right, including a EUTM or national right, may tell you little about the commercial interests of its owner. For EUTMs, this is the consequence of the old system of being able to register EUTMs in three classes for the same price as a one-class application. More can be learned from the specification of any US registration that the owner may have for the same mark due to the stricter use requirements there.

Registering your trade mark

Trade mark rights can be established either by use or registration. It's always advisable to register – you can establish broader rights and are better protected. This approach can also help you avoid unnecessary legal costs later on, for example, in having to rely on and prove your unregistered rights.

Registering is relatively straightforward, but it's worth knowing what it involves and being aware of the pitfalls peculiar to Europe before you get started. Filing early is a key strategy – if others are infringing your rights, you want your registration granted as soon as possible.

To register, you need to file an application. What kind of application is likely to depend on the countries in which you require protection. However, there may be strategic reasons to apply elsewhere. For example, for a descriptive English word that could not be registered as a EUTM, you might want to secure national registration by registering it in a non-English speaking EU Member State, eg in Spain. This could be useful for blocking applications for similar EUTMs filed by third parties.

Territory	Application	Authority	Location
National countries (other than those covered by a Benelux mark)	National trade mark application	National trade mark authority	National country
The Netherlands, Belgium and/or Luxembourg	Benelux trade mark application	Benelux Office for Intellectual Property (BOIP)	The Hague, the Netherlands
EU territory	EU trade mark application (previously the Community Trade mark (CTM))	European Union Intellectual Property Office (EUIPO) (previously Office for Harmonization in the Internal Market (OHIM))	Alicante, Spain
Internationally	International trade mark application	World Intellectual Property Organization (WIPO)	Geneva, Switzerland

Registering your trade mark

The following points are worth bearing in mind when filing applications in the EU or UK:

- **Who can file?**
  You can file the application yourself. You don't have to use an attorney or lawyer based in the country or region. However, if you're not in the EU and the application meets an objection, then you must appoint someone from within the EU to represent you. Having an EU-based contact/ representative on the record also helps local customs and law enforcement officers. There is no need for powers of attorney or notarisation or legalisation of any documentation.

- **How do you file?**
  Applications can be submitted electronically, by fax or by post. Filing electronically costs a bit less and is quicker and more reliable. This is especially true if you're filing for a long list of goods or services, or if it's important to have a clear representation of a logo or colour mark.

- **What are the specifications?**
  You need to list the goods and services in detail. From March 2016, a fee per class has been payable for a EUTM (no longer one fee for up to three classes). Avoid using the international class headings alone – especially for EUTMs – as their interpretation varies across the EU. EU and UK specifications can be much broader than elsewhere (the US in particular). Due to the need to translate the specification for EUTMs, using the pre-approved standard terminology can considerably speed up the process.

- **Which languages?**
  You can file for a EUTM in any of the 24 official EU languages and then indicate a second language. The latter must be one of the five languages of the EUIPO: English, German, French, Italian or Spanish. These are the only ones that can be used for opposition or cancellation proceedings. When filing via the international Madrid system you must use only English, French or Spanish. The application process can be speeded up if your specification uses only certain standard descriptions. This is because the specification ultimately has to be translated into all EU official languages.

The post-application process in the EU and UK

- A filing receipt, with the application number, is issued. This happens within a matter of days – immediately, if filed electronically.
- After receipt of the application, the examiner at the registry either raises no objections and the application is published or raises objections by correspondence.
- The EUIPO, the UKIPO and the majority of the national registries within the EU don't examine on relative grounds. That means they won't check for and cite prior conflicting rights as a reason to block the application.
- In contrast (in line with US practice), nine Member States do block on this basis, (eg Ireland, Portugal and Sweden). Poland does so after the mark has been published. Consent from a prior right owner means that these registries must let the application proceed.
- An application (including all EUTMs and most nationals) may be subject to opposition filed by a third party within three months of it being published. In the UK and some other EU member states, the period is two months (extendable in the UK by a month).
- A few countries (including Germany, Austria, Denmark, Finland, Sweden and Poland) grant the application first and only allow oppositions post-registration.
- Subject to those countries, registration follows once all registry objections and third-party oppositions are concluded. A UK application facing no objections could be registered within nine weeks. A EUTM can take as little as 14 weeks but the average is 10 to 13 months. A Polish application can take 18 months.

Facing third party oppositions

The opposition process in most EU countries, the UK and the EUIPO is similar to elsewhere. Exchanges of legal argument take place, supporting evidence is provided in writing, decisions are put in writing, published and are subject to appeal.

Despite supposed harmonisation of trade mark law, the grounds upon which oppositions can be filed around the EU aren't exactly the same. In addition, bad faith can be relied upon in a UK opposition but not at the EUIPO.

There is strong protection for geographical indicators (especially in the wine and cheese markets). These names can now be the basis of an opposition. US applicants, in particular, can be caught by surprise at the protection given to terms considered generic in their home market.

The EUTM opposition procedure can allow for a third party to put in a weak case for opposing your application and then have little or no further engagement in the process. There's no mechanism for quickly disposing of the opposition. This means your application can be held up for the duration of a fully contested opposition.

The defendant 'torpedo' within the EU

Some registries have more efficient procedures than others so oppositions can materially hold up your ability to enforce your rights (except in countries with only post-grant opposition periods, such as Germany).

- While oppositions at the EUIPO can be decided in about 12 months, every decision can be appealed to the EUIPO Board of Appeal, then the General Court (and very exceptionally now on to the Court of Justice of the EU).
- A determined opponent, even with a bad case, can hold up grant of your EUTM for many years.
- This has become a litigation tactic for defendants anticipating an infringement claim, known as the EUIPO torpedo.
- It means there can be merit in not raising a claim in correspondence until the end of the three-month opposition period and your EUTM mark is registered.

Protecting special marks

As well as being able to register a company's trading name, brand name or logo within Europe, you can also register non-traditional or special marks – such as slogans, colours, shapes, and position marks.

There are many such marks registered in the EU and UK but it's rare to see decided litigation cases relying on them. This makes the scope of the protection they offer hard to gauge. Most case law focuses on registrability issues. Once such a registration has survived one challenge, it can have real value, deterring would-be infringers to secure early out-of-court settlements.

With certain types of trade mark, you may find registration more difficult than in your home country. The rules in the EU can be stricter and different requirements apply with different types of mark. You can save time and costs – and much improve your chances of success – by being aware of what difficulties each type of mark faces and being ready with the appropriate arguments or evidence.

Proving acquired distinctiveness in Europe

The EUTM, UK and national registers in the EU feature many non-traditional marks. However, many will initially have faced objection and, where argument failed to overcome that, evidence will have been submitted to prove that they've become distinctive over time. This can be an expensive and long-drawn out process, especially for EUTMs, which can be a good reason to apply only for national registrations.

You're not required to prove acquired distinctiveness in all EU Member States but you still need to prove it across the whole EU as it may be sub-divided by commercial regions in practice. That means evidence relating to Spain (perhaps a survey) could potentially be taken to support acquired distinctiveness in Portugal, provided it can be asserted and shown that the markets are similar and the applicant's use and promotion in both countries is similar.

The same might apply to the Nordic region. In any event, it remains very rare that acquired distinctiveness is proven across the EU. The brand needs to be used in all EU countries and essentially be a mega brand in its sector.

Rejection and the 'have a go' approach

Some marks are successfully registered with legal argument alone, having overcome the initial objection, or on appeal. The case law can be very nuanced and examination practice around the EU, and even within the EUIPO, can be inconsistent. This can mean it's sometimes worth 'having a go' for the cost of an application.

A UK application can be withdrawn after an initial rejection without the reasons being open to public inspection (third parties can see an application was filed then withdrawn – they may guess it was refused, but that's not publicly stated). The same isn't necessarily true for national applications in the EU and (following a recent change of practice) is no longer true for EUTMs (for which initial rejections are now published) so this approach needs to be tailored on a country-by-country basis.

Issues within Europe for different types of marks

Shapes and 3D marks

- Exceptionally unusual shapes for a particular industry can be accepted for registration but typically national registries and the EUIPO assume a shape doesn't function as a trade mark and they're likely to insist on proof of acquired distinctiveness or secondary meaning.
- Largely to preclude perpetual monopolies for shapes protectable with copyright, designs or patents (that have finite lives), certain shapes cannot be registered, namely:
    - where the whole shape is dictated by the inherent nature of the goods
    - where all its features are functional
    - where it is the shape that gives substantial value to the goods.
- The courts have struggled to understand and consistently apply these concepts so it can be hard to predict outcomes. These exceptions now also apply to all types of marks, not just shapes.

Colour marks

- Single colours and two-colour combination per se marks are likely to face objection and need evidence of acquired distinctiveness.
- Care is needed with the representation and any description used for colour combination marks – EU and UK law on this is in a state of flux.
- Colour marks are typically identified by reference to a Pantone® or similar code.
- Functional or standard colours cannot be registered (eg the colours on electric wiring, red for a fire extinguisher or bright yellows and oranges for dangerous parts).

Issues within Europe for different types of marks

Slogans

- A slogan is likely to face objections from most EU registries and the UKIPO unless it's an original, surprising play on words with multiple meanings.
- If the slogan is in English and it's a EUTM application, evidence of acquired distinctiveness may be required for Ireland, Malta, Cyprus and, unless it's a complex phrase, the Netherlands and some Nordic countries.
- Protection won't automatically be given against use of translations into other EU languages, even if you secure a EUTM registration.

Smell and taste marks

- Attempts to register smell marks have been thwarted by the need for the mark to be 'capable of graphical representation' but that requirement has now gone.
- Such marks are still likely to face initial refusal by examiners.
- There are likely to be more attempts to register smells in the future but it seems probable that only a few will succeed and it'll require further case law to help clarify the scope of their protection.

Sound marks, movement and hologram marks

- A limited number have been registered so far.
- More such marks are likely to be registered since the removal of the requirement for graphical representation. Sound, moving image and hologram computer files can be submitted to accompany descriptions and/or musical notation.
- The scope of protection for such marks remains to be fully tested.

Unregistered trade mark rights

It's possible to acquire and rely on unregistered trade mark rights in many European countries. But it's rarely sensible to rely on them alone. Enforcing unregistered trade marks in the EU and UK can be straightforward in some cases but it tends to require more evidence and cost more than enforcing registered rights. It can also be harder to predict outcomes, with less consistent protection (and possibly none at all) in some Member States.

Registration prevents others from registering your mark or a similar mark, can provide you with a defensive 'shield' and will deter those conducting searches from adopting use of your mark.

A registered mark can also be a pan-EU right, whereas unregistered rights arise and (with the exception of the unregistered Community design right) can only be enforced on a country-by-country basis.

The law on unregistered rights in Europe

Despite the EU first-to-file regime, unregistered trade marks can prevent the registration of a later mark which conflicts with those rights. These rights can be based on:

- company or business name registers
- the law of unfair competition
- the law of passing off (in the UK)
- copyright or unregistered design right laws.

The law relating to unregistered rights differs substantially in the different jurisdictions.

Example: UK

Copyright and unregistered design rights can give an owner a prior right in respect of figurative marks (and copyright for long slogans).

Passing off rights can give rise to a prior right. This requires the owner to have used and promoted the mark so as to have built up business goodwill in the UK.

Proving you have goodwill in the UK requires more than being known there and generally you need to have actual customers based in the UK.

- Registration of a UK company name or .co.uk domain name alone isn't proof that you own goodwill in the UK.
- There needs to be a risk that a reasonable number of relevant UK consumers could be deceived.

Unlike in Germany, there's no set percentage from a consumer survey that will persuade a court that there is such a risk.

If later use is combined with a distinctive sign clearly denoting the user's different business, then it may reduce, and perhaps remove, the risk of deception. This means passing off rights sometimes offer only limited protection.

Example: Germany

Unregistered rights can arise in relation to:

- signs that have acquired prominence or notoriety as a trade mark
- trade designations such as company names, titles of films or books, and domain names.

The sign generally needs to be recognised by a significant proportion of the relevant public, which in practice means brand awareness of over 20%. Proving this in court can be difficult and expensive.

Distinctive trade designations (eg company names and domain names) are protected without the need to demonstrate brand awareness. Protection is established through mere use.

Maintaining your trade marks

Maintaining your trade marks

Maintaining your trade marks in Europe is easy. Both EUTMs and national registrations, including UKTMs, fall due for renewal every ten years. Renewal is generally done within the six-month period before protection ends. It can be done within a six-month grace period afterwards – for a small extra fee.

How do you renew?

You or your representative pays the appropriate fee to the relevant registry – usually online. EUTMs are renewed at the EUIPO and national registrations at the relevant registry. International Registrations are renewed at WIPO in Geneva.

Use it or lose it?

Unlike in the US, there's no requirement to prove use of a registration in the EU or UK in order to renew it.

- Registrations of long-unused brands are often renewed. Maybe they have sentimental or legacy value to the owner or represent the oldest registration of a logo that has been modified.
- Such a registration is open to challenge with a revocation action until usage starts. After that, it's not revocable.
- The appetite of European consumers for 'retro' brands gives brand owners the opportunity to revive use of older marks, even if only on a temporary basis. This might happen, for example, to coincide with a major anniversary of a company's foundation.

Options to reduce EU renewal costs

For those maintaining national registrations in a number of EU Member States (for now, up to 27 countries), the cost of renewals can be high, especially if protection is in multiple classes. There are two options that could help reduce your spend on renewals: claiming seniority and mergers.

Claiming seniority

This is a mechanism peculiar to the EUTM system.

- You can secure protection for your mark as a EUTM and then subsume each of your national and International Registrations into that EUTM by claiming seniority for them.
- You can then let the national and International Registrations lapse on next renewal. They remain enforceable as a national right running in parallel with the EUTM right.
- The original priority date of your older registration is retained for national protection.
- After that you only have to renew the EUTM.
- To claim seniority, the following must be identical in the earlier right and the EUTM:
    - The signs protected (applying a strict test of identity).
    - The goods or services of the EUTM must include those of the earlier right.
    - The identity of the owner.

Merging registrations

Mergers arise in countries such as the UK and Ireland that, with the implementation in the 1990s of the first EU Trade Mark Directive, started to accept multi-class registrations. Before, you had to file on a class-by-class basis in these countries and large portfolios built up. If you have expanded into the EU by acquiring such a portfolio, merging your trade mark registrations could help reduce your spend on renewals.

- You apply to the relevant registry to merge your older single-class national registrations into one multi-class registration.
- While the initial merger incurs a small fee, the costs of renewing the multiple national registrations would've been considerably greater than the costs of renewing the single multi-class registration. This can create considerable cost savings.

The rules of merger may vary. In the UK, all the registrations must have the following as identical:

- The signs protected (applying a strict test of identity).
- The identity of the owner.
- The filing date of each registration being merged.

Mergers may not be appropriate if you have protection elsewhere that's reliant on the UK registration (eg in certain Commonwealth countries).

Warning! Fraudulent invoices

Owners of registrations in the EU, including EUTMs, are frequently subject to fraudsters issuing scam invoices relating to pending applications or registrations.

It's very easy for non-specialists (eg in your procurement department) to mistake these official-looking demands as genuine. DO NOT PAY THEM! Many have fallen for this. The safest approach is to pay only invoices you receive from your own trade mark representatives.

The EUIPO is taking action to tackle the problem. Its website provides more information and images of sample invoices.

https://oami.europa.eu/ohimportal/en/misleading-invoices

Maintaining your trade marks

Policing your trade mark

Successful brands attract copyists and free-riders in Europe as much as elsewhere. If your brand is not properly policed, this can undermine brand value and lose you your competitive advantage. Protection is also needed against traders whose motives may be innocent but whose branding risks causing confusion or dilution.

Policing your brand in Europe involves keeping the EUTM and relevant national trade mark registers clear and enforcing your rights against infringers. Neither should be overlooked at the expense of the other.

Many aspects to policing your brand elsewhere apply equally to doing so within Europe but there are some aspects worth highlighting.

Trade mark registers

- Applications can be filed by third parties using the EUTM or national systems, and through the Madrid international system. It's important to keep a watch on all registries where you trade or may want to do so in future.
- Having a worldwide watch in place can pick up a priority filing that may be used by the third party for a later filing in Europe. You can then be ready for this.
- EU and UK trade mark law provides a specific defence of acquiescence. Failing to act against a third-party trade mark registration for more than five years can mean you're denied the ability to sue the owners (whether a national or a EUTM) and therefore stop their use or to have their registration removed.
- In a few countries (eg Romania), a trade mark registration becomes incontestable after five years' registration. This is not typical of the EU. Even longstanding registrations have been cancelled due to a conflict with an earlier right. It's never too late to try to do something.
- Keeping 'clear blue water' around your brand on the registers in Europe helps with enforcement and opposition work. If you own a EUTM, keep the EUIPO and all the national registers in the EU clear. Otherwise third parties can cite the existence of apparently conflicting rights and claim little or no likelihood of confusion.

Other early warning signs

- Interim injunctions to stop infringing third-party use need to be sought before or shortly after use starts. Only in a minority of countries can you obtain a preliminary injunction where a third party has been using a mark for some time. It's preferable to try to identify infringing uses as early as possible.
- Trade mark watches usually identify recent or imminent use by a third party. It can be helpful to do regular checks of company name, business name and domain name registers. The latter is often the first thing that traders register once they have decided on their branding.
- More rigorous and independently commissioned business in-use searches can be undertaken on a regular or one-off basis.
- As you expand your workforce, especially if it becomes multi-lingual, it can be helpful to put a reporting hotline in place.

Oppositions

- Oppositions against EUTMs and many national applications can be filed pre-registration. The opposition deadlines vary between two months (eg Benelux, France, UK) and three months (eg EUTMs). Some EU countries (eg Germany) have post-registration opposition only.
- Filing an opposition at the EUIPO or the UKIPO need not incur material upfront costs – the substantive arguments and evidence can be filed later. However, work is required to identify which prior rights you own and want to rely on. Much can depend on whether you've used one or more of your national registrations in the country of protection within the last five years, and whether the mark has a reputation – and, if so, where.
- The grounds for opposition can vary between countries so your case may be better in one country than another, meriting some forum shopping.

- In the UK, for many EU Member States and EU trade marks, the rules allow cooling-off periods or suspensions while negotiations take place. If the opposition is withdrawn during that time, the opposition fee gets refunded.
- All submissions made in an opposition filed at the EUIPO can be instantly accessed on the EUIPO website. Arguments and evidence submitted in a EUTM opposition should be consistent with the arguments and evidence you use elsewhere – and not just for current and future trade mark disputes. For example, statements about market share could be relied upon by competition/anti-trust authorities.

Cancellation and revocation actions

- These can be filed at the EUIPO against EUTMs and at registries in the UK and a number of EU countries relatively quickly and cheaply. Initial submissions can be limited and are substantiated later. As a result, it can be a cost-effective tactic to apply pressure in trade mark disputes.
- In some countries such actions involve greater upfront costs since they have to be filed at court (eg in the Benelux, Italy and, if an initial registry claim is defended, Germany). They are being required to change this by January 2023 but, for now, tactical attacks are less likely in such higher cost countries.
- All submissions filed at the EUIPO can be instantly accessed on the EUIPO website.

Litigation

- In the UK, anyone who is threatened with a trade mark infringement claim that is unjustified might be entitled to sue the accuser and seek compensation. Care needs to be taken before sending cease and desist letters.
- The costs and the amount of management time needed to litigate a dispute vary considerably around the EU and in the UK, and need careful consideration.
- The Enforcement Directive means that the choice of remedies available around the EU is largely the same. The level of damages awarded and the court procedural rules vary materially.
- Cases in common law countries (eg the UK and Ireland), can involve disclosure and cross-examination of witnesses. This is different to, but reminiscent of, the discovery and deposition processes in US litigation. It can be helpful to start actions in such countries in cases where you are alleging bad faith and brand hijacking.
- The option of securing pan-EU injunctions in one EU court makes the ownership of EUTMs particularly advantageous.
- Your policing should include not just confusingly similar branding, free-riding, lookalikes and counterfeits, but also genuine goods that you didn't authorise for sale in the European Economic Area (the EU plus Norway, Iceland and Liechtenstein). Such goods are illegal 'grey goods' or parallel imports and infringe EU trade mark rights. They are to be distinguished from parallel imports from elsewhere in the EU, where the first sale in the EEA was with your consent (see page 89).

Exploiting your trade mark

Once you've registered your national or EUTM, you can use it yourself, sell or transfer it to another party, or license it to one or more third parties.

However you decide to use or profit from it, there are some legal issues that arise that are particularly pertinent to the EU.

EUTMs

- If you wish to sell rights to one country only, you can convert your EUTM into national rights. It's treated like a new application in each country where you want protection, but you keep the original priority date of the EUTM. You pay a new application fee and then you can sell the rights off by country.
- While EUTMs cover the whole EU, you can grant licences for part of the EU without having to convert it.

EU competition/ anti-trust law

- A licence or sale agreement needs careful checking for compliance with EU competition law.
- You can split the countries between licensees, but any attempt to artificially partition the EU market with a licensing regime can fall foul of EU competition law.
- You cannot stop your licensees responding to unsolicited sales enquiries and fulfilling orders placed from an EU country that is outside of their licensed territory. You can stop them actively promoting in that country.
- Care needs to be taken with restrictions on volume of goods traded, setting onward sale prices, non-challenge clauses, exclusivity, choice of suppliers and restrictions on conducting online sales without a 'bricks & mortar' establishment.

Recordal of licences and rights of licensees

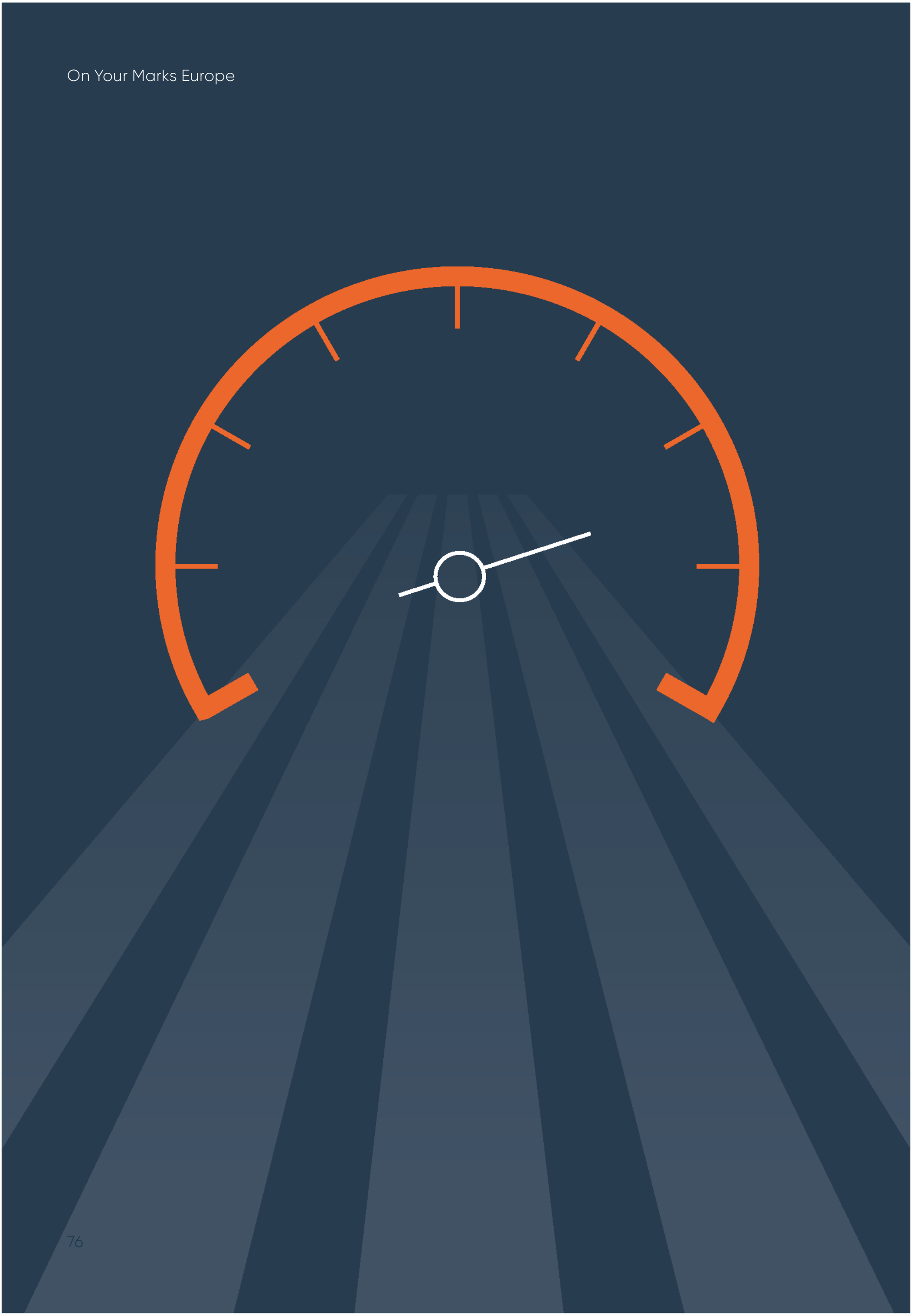
European jurisdictions differ on whether licences must, can, or should be recorded. It's important to carefully check the legislation for each market you plan to enter.

- In some countries it's not possible to record a licence in the trade mark register (eg Germany).
- In others, it's advisable to record the licence (eg in the UK, failure to do so can result in disadvantages with enforcement activities).
- For UK trade marks and EUTMs, it's strongly advisable to record the licence (eg in the UK, failure to do so can result in disadvantages with enforcement activities and can mean that a third party purchaser of the mark without knowledge of the licence is not bound by it).
- Licensees that are likely to want to enforce rights under the trade marks against third parties should probably record their licence. Note that exclusive licensees can have rights of enforcement by default. The position can vary around the EU, including as to whether the licence agreement can remove this entitlement.

Licensing and tax law

Conformity with tax law is important.

- This is especially true when the parties to the agreement are in different jurisdictions which are subject to different tax systems.
- The question can arise as to which party has to pay which kind of tax on the basis of any licence fees.
- Different countries have different tax breaks relating to IP licensing and anti-avoidance regimes, as well as different positions on withholding tax due to differing participation in double-taxation treaties.



Using your trade mark

Proving use

There is no default requirement in EU or UK law to file declarations and/or specimens of goods with the trade mark offices in order to maintain your trade mark. You may be required to prove your use of a registration which is more than five years old in the following circumstances:

- A third party applies to revoke it for non-use.
- You want to rely on it to support an opposition against a later-filed mark.
- You want to rely on it to support a cancellation action against a later-filed mark.
- You want to rely on it in an infringement action against a third party.

If you fail to prove genuine use without proper reasons for non-use, your registration will be vulnerable to someone applying to revoke it. You may also not be able to rely on it to oppose or cancel third party conflicting marks or to sue third parties for infringing use. If you fail to prove use for only part of what your registration covers, then these consequences apply only to that part. You can still rely on and defend the rest of your registration.

The costs of defending your right

Especially for large trade mark portfolios, it can be costly if a third party starts to attack unused trade marks with revocation requests – for example, in the context of another dispute with the trade mark owner. Usually the costs of successful revocation requests are borne by the trade mark owner.

Documenting use of your trade mark

The burden of proof lies with you, the trade mark owner. It's therefore advisable to carefully document the use of the trade mark at the time it's being used. Proving use retrospectively can be difficult. Make sure you collect the documents that are acceptable to the trade mark offices/courts as proof of use. For example, invoices that only contain a reference to a specific product but doesn't name the trade mark may not be sufficient or can make your case difficult to prove.

It's essential to capture the evidence separately from use elsewhere in the world. For national registrations in the EU, it's needed on a country-by-country basis. Post-Brexit, any evidence for the UK needs to be separated from use relating to the EU.

Packaging get-up and lookalikes

Certain parts of Europe are particularly susceptible to certain types of infringement. A typical one seen in UK and Dutch supermarkets is where the get-up or trade dress – the packaging 'cue' or characteristic visual features of the product or its packaging – has been copied.

As a brand owner, you put considerable time and money into developing features that allow consumers to visually distinguish your goods from those of your competitors. The rising number of disputes and lawsuits throughout all jurisdictions make strategic protection of the get-up and enforcement an increasing necessity.

What is get-up and how can you protect it?

There is no statutory definition in EU or UK law of the get-up of a product or its packaging. Usually, it refers to features such as shape, size, colour, texture, ornaments or fonts. It can potentially extend to the layout of a shop. You can base legal action against lookalikes on a number of different laws. All of the EU legal regimes provide protection against lookalikes in one way or another, and with even more varying effectiveness.

Design law

To be protected under EU or UK design right law, the get-up must:

- be new (ie there's no prior design that's identical or similar)
- have individual character (ie the overall impression must differ from earlier designs).

Protection against being copied arises automatically through Unregistered Community Design Rights (a right covering the whole of the EU) or the supplementary unregistered design right in the UK. A new and individual get-up is protected for three years after the design was first made available. Some EU countries and the UK also provide – under specific conditions – additional national protection for unregistered designs.

If registration is sought, it becomes a monopoly right, without the need to prove copying, and it can last up to 25 years. The process is straightforward. You can benefit from a grace period (ie an application can be filed within one year of the design first being made public). If you apply later than that, the registration is liable to cancellation by anyone.

The Registered Community Design provides:

- a straightforward and cost-efficient means of obtaining design protection with a single application across all 27 EU Member States
- completion of registration within a few days – novelty and individual character are not examined at this stage
- exclusive rights to the owner to use the design on the market and to prevent third parties from manufacturing, offering, putting on the market, importing and exporting a product leaving the same overall visual impression as the protected design.

Trade mark law

In some jurisdictions, the get-up of a product or its packaging can be protected as:

- a two-dimensional trade mark (eg a photograph of the pack shown front-on, as seen on the shelves)
- a three-dimensional trade mark, showing the whole pack from various angles, that's either inherently distinctive or has become so through promotion or use.

Consumers are more used to distinguishing between products by their names or figurative marks than by the shape or colour alone. In some jurisdictions, this makes it difficult to obtain trade mark protection for a get-up that has no other distinguishing word or device elements. In such cases, the mark must depart significantly from the norm or customs of the relevant market sector.

Copyright law

Without a need for a formal registration, copyright protection arises with the creation of a qualifying work. Unlike with registered trade marks and design rights, copyright protection isn't fully harmonised across the EU. Brand owners have to deal with a large number of different legal requirements for get-up design to enjoy copyright protection.

For overall get-up to benefit from copyright protection, the shape of the product or its packaging must be a work of the designer's own intellectual creation. Some recent CJEU cases have lowered the threshold of artistic creativity and originality required of a three-dimensional shape to attract copyright protection. The (two-dimensional) designs featuring on the printed packaging will automatically benefit from copyright protection.

Passing off and unfair competition

There are various national laws under which product get-up may have protection. Many countries prohibit lookalikes on the basis of unfair competition rules. In the UK, brand owners can raise claims under the tort of passing off.

Mostly, such protection requires the imitation or replica to lead to deception regarding the origin of the goods, or it must be detrimental to, or take unfair advantage of the reputation of the products.

The greater the reputation and goodwill the product enjoys, the larger the scope of protection. To ensure you have the option of being able to rely on such rights, it's always helpful to gather and retain evidence that could support a claim to having a reputation in your product get-up (eg examples of past pack designs, marketing literature, advertising and website images, design awards, information on market share, sales figures, advertising activities and expenditures and, in particular, examples of consumers being deceived or confused).

Tackling brand hijacking

No brand is immune to hijacking. Even if you have no immediate plans for taking your operations into Europe, you may want to consider taking pre-emptive action to prevent your trade marks being registered or used by others before you. Failing to do so now can hinder your future development and market entry into Europe.

If your brand is already being hijacked by another business, there are measures you can take to prevent further damage.

Taking proactive measures

The first-to-file systems that operate for trade marks in Europe make it vital to take early action. Pre-emptive filing of applications for registration is a critical measure against misuse by third parties. The costs are relatively low and you're under no obligation to use the registered trade mark within the first five years.

Proactive measures against brand hijacking should include:

- pre-emptive acquisition of rights (EU trade mark and/or national trade marks, registered designs for logos), preferably before the announcing of any expansion plans into Europe.
- monitoring European markets and trade mark registers.
- fast reaction (eg oppositions, lawsuits, injunctive relief) to abusive registrations/use in order to prevent goodwill being acquired by third parties.
- collecting evidence suitable for documenting your own goodwill within Europe (eg contacts with European customers, orders/booking from Europe and press coverage in Europe).

Tackling abusive registrations

If someone else has got there first.

The national and EU trade mark regimes can provide some remedy against trade mark hijacking.

Bad faith

Registration of a trade mark in the knowledge that an identical or a confusingly similar trade mark has been used abroad can constitute bad faith and be a basis for challenging it. Although you don't have to prove fraudulent behaviour, it can still be hard to prove bad faith and all the facts are needed to assess the merits of a possible claim.

In general, knowledge that someone is already using an identical or similar trade mark abroad is not sufficient. Additional circumstances are required to support a finding of bad faith. For example, an expectation that the owner of that mark might intend to expand into the EU or the UK and an intention to prevent or disrupt that or to free-ride on the reputation of the prior mark.

Possible action includes:

- cancellation proceedings
- opposing the application or registration
- refusal of an application following examination by the relevant national office
- a defence plea against claims based on the abusive registration
- the bringing of a claim against the later user, eg on the basis of passing off in the UK

Unauthorised filing by agents

The EU and UK trade mark regimes also provide help against the registration of trade marks by agents or representatives without your consent – unless registration can be justified.

'Agent' or 'representative' are broadly defined and may include anybody who has acted in your interest in the course of trade (eg licensees, authorised distributors).

Possible action includes:

- opposing the application or registration.
- cancellation proceedings.
- requesting transfer of the agent's trade mark.

Well-known marks

The registration of trade marks liable to create confusion with another mark already well known in a country is not permitted. This is the case even where the well-known mark isn't protected with a registered right.

Well-known marks usually demand a high degree of recognition and renown amongst the public due to longstanding use, promotional activities and media coverage, for example.

Possible action includes:

- opposition proceedings
- invalidation proceedings
- refusals of an application

Other earlier rights

Other earlier rights, on a country-by-country basis, may be relied on to take action against abusive trade mark registrations. Examples include:

- foreign trade mark registrations combined with bad faith (see page 82)
- non-registered trade marks
- other signs used in the course of trade (eg trade names, corporate names and domain names)
- copyrights
- personality or image rights
- design rights

Special national legal institutions such as the common law doctrine of passing off in the UK or unfair competition protection can also be invoked.

Possible actions include:

- opposing an application for registration
- requesting cancellation of an abusive registration.

Action against misuse

Most of the rights also grant protection against the abusive use of your hijacked name.

This may include the possibility of obtaining injunctions, destruction of goods, getting compensation paid and forcing disclosure of turnover and profit figures, as well as supplier and customer details.

Anti-counterfeiting and parallel imports

While many brand owners may not like to admit it, they and their channel partners face considerable unfair competition from counterfeiters in Europe, like elsewhere. There are many equivalents to New York's Canal Street throughout the EU and its 82 free-trade-zones (FTZs) are as much a transit hub for counterfeits as other FTZs around the world.

It's not uncommon for non-EU brand owners to find counterfeits of their goods being sold in the EU or UK before they've even launched there. This can seriously disrupt an official launch and tarnish the brand before its European 'birth'.

Scale

The perceived wisdom is that the EU is a net importer of counterfeits. However, there are increasing signs that large-scale production by organised crime groups is taking place within the EU's borders too. They are happy to take advantage of the EU's free movement of goods principles and the inspection-free borders within the mainland Schengen area.

The true scale of the trade may never be known but an International Chamber of Commerce report in 2010 estimated that it resulted in:

- counterfeit sales in the EU of about €10 billion annually
- more than 185,000 lost jobs in the EU
- millions of euros being lost to tax revenue.

It affects all sectors: not just designer goods, but also cigarettes, alcohol, software, electronics, cosmetics and pharmaceuticals. We have had cases involving doctors' stethoscopes and false nails, to name just a few oddities. Many counterfeits can have an impact on health and some cause deaths.

In the face of porous borders (especially in the east) and growing online sales of counterfeits, there's considerable political buy-in for tackling the problem, especially within the EU Commission, EUIPO, national customs and Europol.

Criminal enforcement

- Knowingly importing and dealing in counterfeits is a crime throughout the EU and the UK. It carries severe penalties (eg up to 10 years' imprisonment in the UK and the potential to have a trader's entire assets confiscated).
- Even the act of a consumer buying counterfeits can be a crime (eg in Italy and France).
- While local criminal law enforcement can be patchy due to stretched resources, it's increasingly co-ordinated. Intelligence is shared between agencies, with ever-growing quantities of goods seized by customs at the EU's outer borders and points of entry, such as the major airports and sea ports.

Parallel trade

EU law distinguishes clearly between counterfeits and parallel imports. But the latter can still be illegal.

'Fortress Europe' policy

- If the genuine goods were first sold (perhaps at a lower price) outside the EU, brand owners can sue and stop traders bringing them into the EU without permission.
- Once the genuine goods have been sold with the brand owner's consent anywhere within the EU (in fact the EEA, which includes Iceland, Liechtenstein and Norway), they can be parallel traded on the grey market anywhere within the EEA. They can also be repackaged/ over-stickered to sell into the destination market in certain circumstances.
- It's the common refrain of dealers in counterfeits that they thought they were just dealing in grey goods. Because grey is often mixed in with fake, policing one market invariably means both need to be policed.
- Post-Brexit, the UK has opted to permit parallel import of genuine goods from the EU into the UK but this isn't reciprocated by the EU. As a result, genuine goods cannot be parallel imported from having been first sold in the UK and then re-sold in the EU without the brand owner's consent.

What can non-European brand owners do?

You can help yourself and law enforcement considerably (see our Top 10 anti-counterfeiting to do list on page 90-91). There is no one best practice. Depending on the scale and nature of the threat, a mix of criminal, civil and PR action is best.

It's always worth keeping the local and national law enforcement agencies happy to encourage publicly-funded action (giving them responsive contacts and sharing intelligence – although this isn't always reciprocated). You should also be willing to pursue a limited number of civil claims against carefully selected targets with assets.

Resources for, and so the degree of enthusiasm and specialist IP knowledge within, the criminal law enforcement agencies can vary enormously around the EU and UK. The legal arsenal available to brand owners in EU and UK civil enforcement actions is significant and more consistent due to harmonised trade mark and enforcement laws (see EU civil enforcement remedies on opposite page). See opposite page.

As everywhere, securing a hardening of consumer attitudes to counterfeits is equally key. In the EU, this is made more difficult by the multitude of languages and ethnic values. A single message or advertisement may not work well across the EU's polyglot and diverse population.

EU and UK civil enforcement remedies include the ability to:

- secure immediate pan-EU injunctions without notice
- have websites selling counterfeits blocked
- have evidence preserved, goods seized and assets frozen
- require disclosure of supplier sources and trading figures
- have cases publicised at the counterfeiter's cost
- follow the money and potentially pin liability on the facilitators (eg online trading platforms, landlords, couriers, credit card companies)
- force cross-examination of those involved (eg in the UK)
- secure material compensation with non-payment potentially leading to imprisonment
- recover legal costs
- enforce the sanctions ordered by one EU court with relative ease in another court, eg where a defendant is based.

Defending yourself against a prior right

If clearance searches aren't done, or aren't done properly, businesses entering European markets can find themselves on the wrong end of a complaint by someone with a prior right to a trade mark.

If you do find yourself the subject of opposition proceedings or an infringement action, there are certain ways you can defend yourself. It's important to consider the commercial impact as well as the legal consequences in making a decision on the route to follow.

Taking preventative action

Carrying out thorough searches is vital. Remember that the owner of a EUTM or a UKTM isn't obliged to use it during the first five years after registration. You also need to consider the fact that a EUTM covers all 27 Member States but the owner doesn't have to use it in every EU country (even after five years are up).

If someone owns a prior right which conflicts with yours, you could find yourself facing a genuine threat of an injunction to prevent the use of your mark in Europe. This can be the case even if the owner has little or no trading presence.

Defending yourself

Prior right owners usually send a 'letter before action' informing you of their prior rights and warning you not to use the conflicting mark. Such letters need to be taken seriously and you should seek specialist legal advice immediately as you may be liable for compensation and legal costs. It's possible their letter gives you a basis for making a claim against them as an unjustified threat, for which you can claim an injunction and damages.

If someone does take action against you, there are a number of routes open to you.

Descriptive or non-distinctive trade marks

If your mark is challenged, you may consider attacking your opponent's mark on the basis that it's not valid (ie that it is descriptive or non-distinctive).

It's burdensome and expensive for a rights owner to prove that their mark is valid, and they could face serious consequences if it's declared invalid.

Own-name defence

A trade mark owner cannot prevent you from using your own name or address, as long as your use is in accordance with honest practices in industrial or commercial matters. This defence previously also applied to companies but now applies only to people using their own name.

Top 10 anti-counterfeiting to do list

1.

For effective pan-EU relief, register EUTMs and Registered Community Designs (the latter being cost-effective and quick to obtain since there's no registry examination).

2.

Record your pan-EU rights with customs (there is one form and no official fee but, post-seizure, beware high storage and/or destruction costs in some EU countries). Note that, post-Brexit, separate recordal with UK customs is needed.

3.

Line up subsidiaries, channel partners or counsel in the right time zone and right language for quick inspection of goods and competent evidence giving.

4.

Maintain good intelligence data, feed into EUIPO's European Observatory on Infringements of IP Rights and beware of breaching Safe Harbour rules on exporting data to non-EU countries.

5.

Don't ignore and react quickly to parallel trader notifications about repackaged grey goods.

6.

Package goods so as to help with identification (eg use 'Not for sale in EEA' or 'For sale in US/Canada only' labels, EU instruction leaflets and 'CE' labels).

Reputation and crisis management

Put a plan in place

There's often little warning of a crisis, so it's crucial to be prepared with a solid crisis management plan that can be immediately rolled out. This should detail:

- your areas of potential vulnerability
- the procedure to be followed
- the people responsible (for the appropriate language/jurisdiction)
- the contact details for the team including PR specialists and lawyers, in the relevant territory
- the relevant regulators and other organisations you may need to involve (eg laboratories in the case of food companies).

A good plan will significantly increase the efficiency and speed of your reaction and put you in a much better position to try to control communications and limit any damage. A quick legal or PR response following false or misleading allegations can sometimes convince a publisher that publication is not justified. Failing that, it can at least provide more balance to what's published.

Remedies

Legal remedies against the publication of allegations that negatively affect the image of a brand partly depend on the country. For example, in England, it's generally not possible to obtain a pre-publication injunction for defamation. In contrast, it's possible to obtain an injunction before publication for privacy or confidentiality.

In Germany, it's possible (but rare) to obtain a pre-publication injunction for defamation or privacy and not uncommon to obtain an ex parte injunction after publication to have an article taken down. Criminal defamation has been abolished in England. It still exists in Germany but is extremely rare. In Poland, it's possible for defamation to be a criminal law matter as well as a civil one.

In nearly all countries, it's crucial to distinguish between facts and opinions. Facts are sometimes defined as issues that can be proved wrong or right. Whereas opinions, which can be easier to defend, are sometimes defined as personal evaluations, value judgments and/or implications.

False facts

The dissemination of false and defamatory facts generally gives the claimant the right to sue for all legal remedies available in the jurisdiction.

True facts

The dissemination of true facts is usually permissible and you can only make claims where they violate a person's privacy. The information must be private, without there being a public interest justifying the intrusion.

What amounts to private information can vary according to the facts and the jurisdiction but can include:

- revelations about sex life
- details about illnesses
- publishing photographs revealing private information about a person.

Public interest defence

If journalistic care has been taken (see below), the publication of false or unproved facts may still be permitted if the allegations are in the public interest.

The law varies in different countries. Preconditions for the public interest defence succeeding can include:

- sufficient evidence showing that the facts are true
- a public interest in the publication of the information
- giving the affected person or company an opportunity to comment on the allegations prior to publication and balancing the story with both sides' version of events. A tone which is responsible and not sensational.

Opinions

The publication of honestly held opinions based on true facts is generally protected by freedom of expression.

Advertising and marketing issues

Conducting marketing and advertising campaigns across Europe or in individual countries can present major challenges for brand owners. With today's campaigns often being conducted through multiple media channels – including social media – they can touch upon a multitude of legal issues in more than one country.

Potential brand-related legal issues:

- Do conflicting trade marks exist in the country?
- Does the marketing campaign conflict with local unfair competition law?
- Have other intellectual property rights been cleared for everything in the marketing material (eg music library or artistic copyright)?
- Does the campaign comply with local advertising, marketing or broadcasting regulations?

EU and UK legislation on advertising and marketing

Local laws of the individual Member States and EU-wide legislation apply to all the main advertising and marketing issues you're likely to come up against. Local laws are often based on EU-wide legislation, as is the current UK law. As well as understanding EU trade mark law, it's important to be aware of the following legislation.

- The Unfair Business Practices Directive regulates advertising. Its purpose is to ensure consumers can make informed buying decisions about a product or service, free from constraints.
- The directive concerning misleading and comparative advertising prohibits advertisements that can mislead. It also sets out the boundaries for marketing statements that refer to competitors.
- The ecommerce directive establishes rules on issues such as the transparency and information requirements. It also provides 'country of origin' defence under certain circumstances, allowing operators of online services to defend themselves against claims brought in another Member State – they can argue that their services comply with the laws of the Member State in which they are based.
- There are laws relating to co-branding with tobacco products (where they have the effect, even if not intended, of promoting the consumption of tobacco), or to data protection, sponsorship and product placement in broadcasts.
- There is a series of regulatory regimes that need to be complied with before launching a campaign online or offline (eg broadcasting and advertising codes).
- Sanctions for infringements can differ greatly, especially where claims aren't based on the infringement of intellectual property rights. This is especially true of unfair competition law.
- In some jurisdictions competitors and consumer protection associations can assert direct claims against the entity running a campaign. These can be combined with immediate injunctions, including those obtained without notice being given to the defendants. This creates the risk that campaigns in which a brand owner has invested heavily may need to be stopped at short notice.
- In some Member States, public, semi-public or industry bodies are entrusted with enforcing advertising standards and competition laws. This generally leads to a significantly lower incidence of court cases. In particular, broadcasting codes regulate broadcast advertising, sponsorship and product placement.

Trade mark law

Brands are central to any advertising campaign. Only marks that distinguish your product or service from other companies can be protected. In addition to the traditional functions of trade marks, the Court of Justice of the EU (CJEU) and the UK courts recognise their 'advertising function', which, if adversely affected, can help justify an infringement.

Given the potentially harsh consequences of an infringement, you may want to carry out a thorough trade mark clearance before the start of major advertising campaigns and the launch of products. This should include a search for conflicting special marks.

A potential infringement of such marks may not be easy to identify. In a recent case, a trade mark owner tried to obtain an injunction against the packaging design of another entity. Although they were unsuccessful, it took three court instances until the dispute was settled. Another case saw brand logos being discontinued because they were held to infringe the trade mark rights of single-letter word marks.

Brands are often used as adwords when advertising on search engines. Case law has evolved in Europe about whether and when use of brands in adwords may amount to infringement.

Unfair competition law

Unfair competition law regulates the behaviour of competing companies. While a certain amount of harmonisation between Member States has been achieved, legal traditions still differ widely. The most relevant issues include the following.

Passing off: many jurisdictions prohibit the imitation of products or services under passing off or unfair competition laws. Generally, this requires the original product to possess a sufficient degree of originality and have a certain level of goodwill. Often, an element of bad faith on the part of the potential infringer is also required. For example, an attempt to exploit the goodwill vested in the original or to mislead the public about associations between the products and/or suppliers.

Misleading business practices: the general rule that advertisements must not mislead the consumer is fundamental to all advertising regulations. Every advertising campaign and marketing statement must be true, understandable and may not contain pieces of information that might mislead the consumer. The decisive factor in establishing whether an advertisement is misleading is consumer perception. This is assessed based on an average consumer who is reasonably well-informed and observant.

Comparative advertising: this is advertising that explicitly or by implication identifies a competitor or its goods or services. It's recognised as a legitimate means of informing consumers but it will constitute trade mark infringement unless certain conditions of the Comparative Advertising Directive are met. The most important include that:

- the statements made must not be misleading
- the goods or services meet the same need or are intended for the same purpose
- the statements make objective, relevant, verifiable comparisons of representative features
- they do not disparage or defame the competitor.

Social media marketing: many European countries have a strict requirement for separating advertisements and editorial. With statements on social media, you need to clearly mark any sponsored statements as advertisements. The use of user-generated content creates significant problems for the clearance of IP rights. Validly incorporating general terms for promotions and other interactions with consumers becomes a challenge. Specific forms of advertising such as 'like-gating' promotions on networks such as Facebook have been the subject of extensive court proceedings under unfair competition laws.

Facilitating your European expansion

European business practices and customs can be very different from those elsewhere in the world, particularly Asia. This can make it all the more important for a business to find the right partners to provide support and other specialist advice in parallel and conjunction with your legal advisors. These partners can help with introductions to existing networks that will save time and increase commercial options for a planned EU expansion. There are many areas where such support is often sought, including those detailed here.

Tax consultancy

- Any set-up of the business structure has far-reaching implications for tax liability, filing obligations and profitability of the wider group.
- It's important not to leave the tax implications until later. European businesses are often strongly tax driven. They work with different consultants in an integrated way from the outset.
- Businesses with the potential to save tax expenses require early, at least basic, information about the possibilities and risks of their intended business model. This can include the structuring of your IP ownership and intra-group licensing.
- Costs and time required for such planning are sometimes considerable, depending on your domicile, where revenue is or can be generated, the need for withholding tax, the existence of double-taxation treaties, anti-tax avoidance legislation and IP-related tax relief.

Visas and residency

- In the past, access to the European market has been relatively unchallenging. Recent developments have made it harder for non-EU citizens to enter some countries for work purposes (eg Germany), as well as the UK.
- Being unable to send team members on short notice or for long working periods can considerably delay projects. Resolving each case can absorb substantial resources.
- For reasons of cost-efficiency, it's important to identify suitable partners early on who can work with other professional advisors to handle these issues to save you from having to use highly paid consultants.

Office location

- Finding the best location for your business premises in Europe (or even a post box address) requires considerable analysis of the full context of an investment (including tax-related consequences).

Industrial association(s)

- To facilitate a quick start up in Europe, it can be helpful to secure introductions to other companies in the sector as well as the relevant trade association(s).
- While access to most of them is straightforward, identifying the 'establishment' trade association most relevant to the industry can be complex without the right advice.

Business partners

- Much business 'matchmaking' in Europe takes place at trade fairs and trade association events – whereas elsewhere ministries and other governmental organisations often facilitate these partnerships.
- Introductions to particular companies can be best achieved via intermediaries. Conflict issues should be considered.
- This support might extend to obtaining reliable information about potential business partners as part of a due diligence. This could include market research with a selected audience, followed by individual approaches either facilitated by consultants or other intermediaries (eg trade associations).

About Taylor Wessing

Taylor Wessing is a global law firm that serves the world's most innovative people and businesses. Deeply embedded within our sectors, we work closely together with our clients to crack complex problems, enabling ideas and aspirations to thrive. With more than 1,100 lawyers in 29 offices across 17 different jurisdictions, we're a truly international law firm, exceptionally placed to serve clients across the world's most dynamic economies.

With offices in Silicon Valley, New York, Dubai and China, we have a strong focus on supporting non-European clients seeking to set up their businesses in Europe. As part of this we advise on a range of areas including:

- initial visa and immigration advice
- real estate investment
- company formation
- tax
- employment
- pensions
- financing
- IP protection.

Having helped set up the initial European business arms of many of the world's biggest technology companies, we have a well-established European Inward Investment team. Our Trade Mark team is one of the largest and best rated practices of its type. It spans the UK and the key EU countries of Ireland, Germany, France, Belgium, the Netherlands and Austria, with additional specialist EU and national trade mark capability in Slovakia, the Czech Republic, Poland and Hungary.

The strength of our Trade Mark team is how we combine a holistic approach with sector expertise.

We weigh up a wealth of knowledge of all IP rights and risks that may come into play, while drawing on our wider team's in-depth knowledge of key industries.

Among others sectors covered are fashion and luxury brands, consumer goods, media and technology, automotive, pharmaceutical, healthcare, and financial services. We seek to add real strategic value to each aspect of protecting a client's brand: clearance, filing, prosecution, renewals, negotiating co-existence, oppositions and invalidity actions, enforcement, licensing, advertising and domain name disputes.

We have considerable strength and depth of experience in managing trade mark portfolios regionally and worldwide. The same team handles IP-related disputes and domain name issues, as well as commercial transactions, ensuring high-quality, rounded advice. Our international filing practice is large and strategically core to the firm. We manage over 75,000 live marks and 5,000 live designs worldwide, including for a number of the firm's key clients.

At any one time, we tend to be handling at least 2,700 live trade mark disputes (including oppositions and cancellation actions) and are filing about 1,000 - 2,000 trade mark applications worldwide annually.

At the heart of our success is a real passion for our work, and a genuine interest in our clients. We attract exceptionally smart and passionate people. People who are inspired to do more than just apply the law, even helping to review and shape it through industry bodies such as the Marques Brexit Taskforce and INTA. At Taylor Wessing, we sit between our clients and technical law – but we don't sit on the fence. You'll get timely, clear advice whenever you interact with us, from people who are easy to work with and fully committed to your brand's lasting success.

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