

## UK REGISTRY PRACTICE - COSTS AWARDS IN OPPOSITIONS

May 2002

It is the usual practice of the UK Trade Marks Registry to award costs to the successful party in opposition proceedings. These are assessed based on a published scale of costs.

Therefore a party which succeeds in an opposition is able to expect some contribution to their costs from the other side.

In the past, costs awards have generally been low and not intended to compensate a party for the expense incurred in conducting a trade mark opposition.

There has however been a revision to the scale used by the Trade Marks Registry in assessing awards of costs (and decisions based on this new scale are now being made). Furthermore, a number of decisions have confirmed that the Registry can (and in appropriate circumstances will) award costs "off the scale".

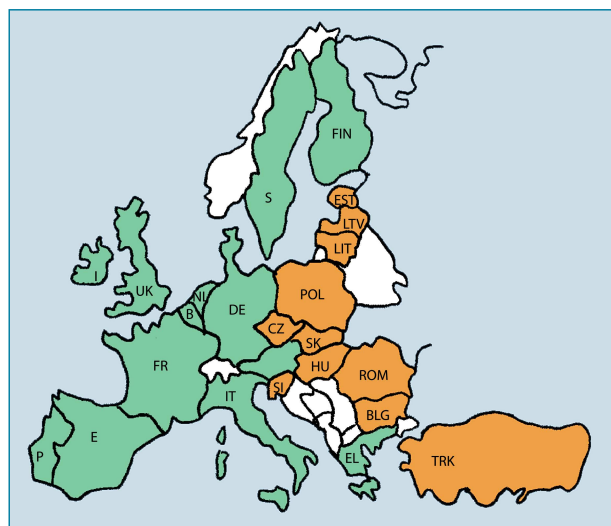
Previously a successful party in a UK opposition matter could expect to be awarded costs averaging £700 (which was far from a complete contribution to the actual costs involved). Following the Trade Marks Registry's revision to its scale in May 2000 a successful party can now expect to receive costs (and a losing party expect to pay costs) averaging £2,000 and up to £4,250. This figure will still not cover the full cost of the proceedings but is seen as a more realistic contribution to the costs involved.

In addition various cases have confirmed that use of the new scale by the Registry in deciding the level of costs to be awarded is not mandatory and the Registrar can award costs "off the scale" i.e. compensatory costs (even up to an amount equating to full compensation).

The Registry is taking the view that it will consider applications for costs to be awarded "off the scale" in exceptional circumstances only but may be willing to do so in cases for example where a party has used deliberate delaying tactics, has included grounds which are not pursued/not sustainable, has unreasonably refused settlement proposals etc.

Furthermore in the past it was the usual practice of the Registry to defer any costs award arising from an Interlocutory Hearing until the final decision. The Registry will now more frequently make costs awards in respect of preliminary Hearings.

All of the above are issues which clients will now need to take into account with regard to the future conduct of opposition matters in the United Kingdom.



## EXTENDED RIGHTS FOR COMMUNITY TRADE MARK HOLDERS

The European Union is due to grow from 15 current members to up to 28 in future. Potential new Member States of the EU are Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Romania, Bulgaria, Turkey, Malta and Cyprus, all of whom have applied to join (see countries highlighted in red on map shown).

It is hoped that those countries where accession negotiations are progressing well could become members as early as 2004. To preserve the Community Trade Mark as a single right having effect throughout the Community, new Member States must accept existing Community legislation and Community rights on their accession to the EU. Thus, all Community Trade Marks registered or pending at the date of enlargement will be extended automatically to cover the new Member State. This extension of rights is good news for holders of Community marks, particularly as no fees will be charged for it! Clearly, however, there is the potential for conflict between

the extended CTM and national rights already existing in the new Member State, such as existing trade mark registrations. It is provided that the owners of existing national rights may not use them to prevent a Community registration or application being extended to their country (unless the Community registration/application was applied for in the six months immediately preceding enlargement). However, owners of existing national rights *may* be able to prevent *use* of the Community mark in the new Member State.

Trade mark owners should consider;

-- registering marks at CTM level to take advantage of automatic extension of rights

-- checking for conflicting national rights in candidate countries that will become important markets on accession to the EU

## IMPORTANCE OF TRADE MARK WATCHING



Owners of registered trade marks in Europe should give serious consideration to putting their important marks on to a trade mark watch. This will provide advance warning of later filings for marks which conflict with the owner's rights. There is no examination for conflicts in the Community Trade Mark system so it is possible for identical marks to be accepted at Community level.

Even in countries where there is still an official examination for conflicts, of which the United Kingdom is one, the official conflict search has become less strict. In our experience, very similar marks are frequently accepted by the UK Registry. It is not safe to assume that conflicting UK marks will be cited against new applications and that official rejection will follow.

The idea that it is the responsibility of the trade mark owner to police and enforce his/her rights is gaining popularity in this field; the consequence is that when a mark has been examined and accepted by a trade mark registry there may still be potential conflicts. Trade mark owners are strongly recommended therefore to consider which of their more important marks should be the subject of a watching service entry.

Any member of D Young & Co's trade mark practice would be happy to advise further on this matter.

## SEVEN UP v. CHERRY UP

A recent decision from the High Court dismissed an appeal by Silver Spring Limited to overturn the successful opposition by Pepsi to the registration of their mark CHERRY UP. Despite Silver Spring claiming several years' use prior to the date of application, Pepsi persuaded the Registrar that an opposition based upon their SEVEN UP trade up mark, should succeed.

For a time Pepsi had also sold CHERRY SEVEN UP; however, on appeal to the High Court Silver Spring admitted that CHERRY UP was too close to both SEVEN UP and CHERRY SEVEN UP.

Unusually, the judge issued his decision on the day of the hearing, upholding the Registrar's decision, stating that there exists a likelihood of confusion between the marks.

The lesson to be learnt from the case is that both before the Registrar and the Court, it is imperative for full evidence to be provided where prior use exists. The Court cannot be asked to assume the existence of any notoriety or substantial use without supporting evidence.

## JAPAN



We are pleased to announce the recent appointment to D Young & Co of Mr Philip Fujii as Marketing Manager for Asia Pacific.

The Trade Marks Group look forward to working with Philip who is already providing us with valuable support both in our representation of UK clients' trade mark interests in Japan and also our representation of Japanese trade mark interests in the United Kingdom and Europe.

Philip can be contacted at [phf@ma.kew.net](mailto:phf@ma.kew.net) (Japanese language clients only) or [phf@dyoung.co.uk](mailto:phf@dyoung.co.uk) (all others).

## FORTHCOMING D YOUNG & CO TRADE MARK EVENTS

INTA ANNUAL MEETING, 18 - 22 MAY 2002

Penny Nicholls, Jeremy Pennant and Jill Matchett will be attending the 124th annual INTA meeting to be held in Washington DC. The meeting is entitled "The Politics of Trade Marks: A Global Dialogue". More information regarding the conference can be found at the INTA website ([www.inta.org/annual/2002/index.html](http://www.inta.org/annual/2002/index.html))

ITMA EVENING MEETING - OHIM DECISIONS, 29 OCTOBER 2002

Jeremy Pennant will be speaking about Community Trade Mark Decisions during the previous 12 months at the ITMA Meeting, to be held at IEE, London.

For up to date information about D Young & Co events please visit our website: [www.dyoung.com](http://www.dyoung.com)

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