

The costs of trade mark ownership in UK

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Trade mark owners get less and less from the Registry. Not long ago, applications would be examined to ensure that they did not conflict with anything already on the register and would be refused if they did. In other words, the Registry took responsibility for keeping the register clean. But that wasn't how the Community trade mark system worked, and the UK system was competing for business with it, so by the application of a variation on Gresham's Law the UK diluted the protection it gave to registered trade marks.

Consequently, there has been a steep increase in the costs of ownership of a trade mark.

The result of the changes has been that the burden of policing conflicts between trade marks and later applications passed to the trade mark owner – with no concomitant reduction in fees, incidentally. For people who had registered trade marks under the previous rules, this amounted to a serious moving of the goalposts – one might even say a repudiation of the bargain struck between the applicant and the Crown when registration was originally granted.

The shift can be rationalised, I suppose, by distinguishing the public and

private functions of trade marks. Our trade mark law in the UK (and Ireland too, I imagine, though I am not qualified to comment) used to emphasise the public benefits of trade marks – the reduction, to something close to nothing, of consumer search costs. The Register reflected what signs traders were actually using, what the public recognised, and what identified trade reputation and goodwill. In that context, the two-part register was entirely logical, giving stronger protection to more powerful trade marks while allowing emerging trade marks some protection pending the acquisition of a secondary meaning, or acquired distinctiveness. Rights came into existence only when the danger of confusion among consumers had become a possibility.

The approximation of trade mark law in the European Community, and the introduction of the Community trade mark, drew on a different philosophy, and now it is the act of registering a trade mark that brings it into existence. The register is no longer a mere record, it is part of the process of creating rights. The private aspect of trade mark protection is, if not paramount, at least emphasised more than the consumer protection aspect.

Not only do trade mark owners have to bear the cost of opposition proceedings when they wish to stop someone else's application, they might well feel it necessary to pay for a watching service. The Registry would still tip off earlier trade mark owners about later applications, but it might take a different view about whether a conflict existed from that of the owner of the prior rights. Over in Alicante, OHIM had been dealing in the same way with CTM applications for some years, although with the added problem that prior national rights could trump a later CTM but searches were not carried out in all the national registries. Now, for an extra €144, you can have national searches carried out, but only in 12 countries – not including the UK, Germany, France or Italy, the omission of which makes the exercise of doubtful value.

Now, owners of CTMs and International trade marks designating the UK are invited to pay an additional £50 to opt-in to receive information about conflicting UK applications. The fee covers three years, so you'll end up paying three of these fees before your trade mark comes up for renewal. Another periodic payment to worry about. And a watching service will start

from around £100 a year – though few trade mark owners are going to find themselves paying the minimum, and getting information from the service only opens the door to further expenditure. And trade mark owners must nowadays be alert to the possibility that someone is registering a design that conflicts with their rights.

Trade marks might be getting cheaper to register, and are certainly important for virtually all businesses – but they are becoming high-maintenance assets.

The costs of trade mark ownership in UK <http://www.ketencilaw.com/the-cost-of-trademark-ownership-in-england.html>