

Preparing a trade mark infringement or passing off case: practical considerations?



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Introduction

This checklist is aimed at rights owners and their advisers, including in-house lawyers, who are considering bringing a trade mark or passing off action in the UK. It provides a brief series of tips and pointers on things to consider when preparing a case.

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What do you want to achieve?

This is probably the most important question of all.

- What remedy are you looking for? Is it within the court's power to grant it or would it have to be achieved through a negotiated settlement?
- Are you seeking damages or is it more important to use PR generated by the action to act as a deterrent to other infringers? This will impact on:
 - your approach with the defendant;
 - the way you run the litigation;
 - the tone of your correspondence;
 - the amount you are prepared to spend (or lose); and
 - your choice of court.

What preliminary policy matters should you consider?

Several preliminary strategic or policy matters should be considered. These will often require input from the commercial teams who will need to carry out a risk analysis and input on the decision to launch legal action.

Relevant questions include:

- How important is this matter to the business?
- What are the implications if the allegedly infringing activity continues?
- What are the likely costs to the business? What resources does the business have to pursue a legal action? Remember that the cost in time and resources to manage litigation, to deal with disclosure, witness statements, and instructions, may be as important factors to consider when contemplating litigation, as external legal fees.
- Is there a dedicated trade mark officer within the organisation who will co-ordinate any action or will the matter be dealt with by in-house counsel?
- Does the allegedly infringing activity give rise to an infringement of any other intellectual property rights, for example, copyright or design rights?

What rights do you have?

It is fundamental to address this issue at an early stage. It is not unusual to find that a brand has trade mark protection for slightly different goods (or services) to those which the goods (or services) of the business actually offers.

Before launching any action, the following questions should be considered:

- What registered trade mark protection applies to the goods in question?
- In what jurisdiction are those trade marks registered?
- What goods (and services) are covered by the trade mark specifications?
- Are the rights at risk of invalidity actions? If they are over five years old, the rights could be put to proof of use. If the rights are potentially generic or descriptive then the rights owner may have to prove that the rights were validly registered, which is likely to be expensive.
- Have all the renewal fees been paid for the registered marks?
- Do any unregistered rights apply? How long and where have you been using the relevant trade name, packaging, logo or get up?
- Do you genuinely have an extant reputation and goodwill in the UK? It is important to be ruthless and honest about this when considering appropriate causes of action.
- Ensure that the person or company sending the letter before action, who will be named as claimant, is the rights owner or registered proprietor.

What evidence do you have of the infringer's activity?

What do you know about the alleged infringer's activity? Have you collected any evidence? It is important to collect as much evidence as possible before alerting the alleged infringer to a potential issue.

The more evidence the rights owner can obtain in advance the better, particularly in the Intellectual Property Enterprise Court (IPEC) where the claimant will need to plead the evidence in the particulars of the claim.



Relevant questions include:

- Who is the alleged infringer?
- Where is the alleged infringer based (inside or outside the jurisdiction)?
- What resources does the alleged infringer have?
- If the alleged infringing activity is online, take screen shots
- If the activity is offline, collect physical materials and take pictures as appropriate
- Should you carry out a trap purchase?
- Have you informed your staff to take notes of any calls and capture any emails where the caller has been confused between your business, goods, or services and the alleged infringer's?
- Have you considered using an investigator to obtain more evidence?
- Do you require a Norwich Pharmacal order to obtain evidence from any third parties?

What evidence do you have of your own rights?

- Unless you are bringing an action for "double identity" infringement (use of identical sign for identical goods or services), you will need to prove that your mark has a reputation in the relevant market for the goods and services covered by your mark.
- You may also need to provide proof of use or acquired distinctiveness. You may have been using your mark for ten years but do you have the evidence to demonstrate that? What documents do you have? Do you have sales and marketing figures? You should not assume that this information is readily available; it may need to be collected and collated from a number of internal and external sources.
- Where possible, ensure that your marketing team keeps a record of relevant advertising and any positive press, customer polls, feedback and so on. You should also keep a record of the trade mark's online presence for example, on websites and social-media pages, as well as details of changes to these pages.
- The sales team should keep sales figures and

examples of products sold under the mark over the years.

- The better the records, the easier it will be to prepare evidence for a trade mark or passing off action.
- The quality of evidence you can produce demonstrating your trade mark's reputation can significantly affect your chances of success.

How should you approach the infringer?

- Except in emergency cases, as part of the civil procedure rules you have a duty to approach potential defendants and set out the dispute clearly. You should also try to settle the matter if possible. However, there are several tactics that can be used when first writing to a potential defendant and a letter before action ("cease and desist" letter) should be used with care.
- What is the context of the dispute? Is the infringer a commercial partner, a sole trader, a competitor or someone who has unwittingly infringed your rights?
- You should be aware that increasingly infringers will publish "cease and desist" letters and other correspondence online therefore it is always best to consider the PR implications of any action taken.
- Consider whether a trade mark co-existence agreement may be a viable option to resolve the dispute with the defendant.

What is the most suitable jurisdiction for the action?

- Where is the infringement taking place? Sometimes this is obvious but in an online context this can be complex. Even if you have grounds to bring an action in the UK, would your chances of success be improved by taking action in a different European jurisdiction (assuming you have the applicable rights)?
- What kind of relief are you seeking? If you are seeking pan-European relief then carefully consider where the damage is taking place and how effective any injunction may be.

In which court should you bring an action?

- Assuming the UK is the best forum for your dispute, trade mark and passing off actions may be brought in the Chancery Division of the High Court or the IPEC. The IPEC has cost caps on recovery and the amount of damages it can award. It has a streamlined procedure designed to be quicker than the High Court, though this does lead to a frontloading of costs as more evidence must be pleaded upfront.
- If the value of the case is high and you are confident of success, the threat of a High Court action may prompt a quicker settlement. You should also remember that regardless as to where you issue your claim, it is always open to your opponent (or even the court) to challenge that decision and apply to have the case transferred.

Do you need interim injunctive relief?

If you think you may need an interim injunction to prevent further activity until trial, you will need to act quickly. That is not to say you should skip the above steps, you will still need to persuade a judge to grant the injunction. Ex-parte or on notice will depend on the facts, the potential damage, and the speed with which you can collate evidence referred to elsewhere above. Consider also that you will have to give cross undertakings in damages in relation to any loss suffered by the defendant, which can prove costly if it is found that the injunction was wrongly granted.

Who needs to sign claim forms, particulars of claim and witness statements?

Consider who in your business will need to sign particular documents such as witness statements. If you require a particular person to sign documents, make sure they are going to be around when you need them to avoid unnecessary stress.

How does this action fit in with a wider anti-counterfeiting strategy?

Consider whether the rights owner has an anti-counterfeiting strategy and how the action for trade mark infringement or passing off fits within this.

For further information on this subject please contact:

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