

April 16, 2018

Trade Marks and Designs Directorate
Intellectual Property Office
Room 2G05 Concept House
Cardiff Road
Newport
NP10 8QQ

Via email to TMDirective@ipo.gov.uk

RE: INTA comments on the United Kingdom's Public Consultation on the Implementation of the EU Trade Marks Directive 2015/2436

The International Trademark Association (INTA) wishes to thank the United Kingdom's Intellectual Property Office for the opportunity to provide comments on the public consultation regarding the UK implementation of the European Union (EU) Trade Marks Directive 2015/2436. We commend the Office for its pragmatic and users-orientated approach, and the clarity of the consultation supporting documents.

INTA is a global association of trade mark owners and professionals dedicated to supporting trade marks and related intellectual property in order to protect consumers and to promote fair and effective commerce. INTA's members are more than 7,200 organizations from 191 countries, including 311 in the UK. The Association's member organizations represent some 31,000 trade mark professionals and include brand owners from major corporations as well as small- and medium-sized enterprises, law firms and nonprofits. There are also government agency members as well as individual professor and student members. Further information about our Association can be found at www.inta.org.

INTA has been engaged from the very beginning on the reform of the EU trade mark system at EU level and has already provided comments on similar draft implementing national legislations. INTA respectfully submits the following comments via answers to the questions respecting the structure of the public consultation in the table below.

INTA remains at your disposal should you have any question or need for further clarifications. For further information, please contact H el ene Nicora, Chief Representative Officer - Europe at hnicora@inta.org / +32 2 880 37 22.

Sincerely yours,



Etienne Sanz de Acedo
CEO

Table with INTA comments on relevant questions

QUESTION	INTA's COMMENTS
<p>1. How do you think the removal of the graphical representation requirement will change the demand for unusual mark types? Would you or your clients be more likely to register an unusual mark? If so how will you/they benefit from this?</p>	<p>INTA has long encouraged the recognition, registration and protection of non-traditional marks (NTMs) or “unusual” marks, including color, touch, sound and 3D marks. As such, INTA strongly welcomed the elimination of the graphical representation requirement in the EU trade mark reform, as a way to facilitate the registration of nontraditional marks. This will also ensure the modernization of the trade mark system in the UK, in view of advances in technology.</p> <p>It is important to note that this was a priority for our members, both EU and international trade mark owners, using EUTMs and national trade marks. Therefore, we can anticipate a change in demand for unusual marks. Removal of the graphical representation requirement can only serve to increase the demand for nontraditional marks, but the scope of such demand is uncertain. Following an initial spike, demand may increase slowly over time.</p> <p>We believe that the demand will be impacted by a series of factors. Much will depend on the equipment and technology the UKIPO will be able to use to manage different kinds of nontraditional filings and provide for search mechanisms. Much will also depend on the interpretation of Article 4(1)(e) EU TMD, especially the reference to “signs which consist exclusively of (iii) the shape, or another characteristic, which gives substantial value to the goods”, which creates a new absolute grounds for refusal or invalidity. This may impact certain shape and 3D marks but also potentially all trade marks on the basis that they give substantial value to the goods. If registration of NTMs proves to be impossible in view of Article</p>

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	<p>4 (1) (e) (iii), owners might stop investing in creation and use of NTMs and the number of NTMs filing is likely to drop significantly.</p> <p>INTA advocates for the reference to graphical representation to remain an alternative to new forms of representation. This alternative would still allow the filing of trade marks with common audio and video file formats.</p> <p>The elimination of the graphical representation requirement will allow brand owners to explore applying to register an unusual mark and it will grant them the opportunity to protect unusual marks, which they have not been able to protect through registration up until now.</p>
<p>2. Are there any other mark types, other than those identified, which may benefit from the ability to file representations in a digital format? Which formats (apart from .mp3, .mp4, .jpg mentioned above), do you think applicants would like to be able to use to file their trade mark applications?</p>	<p>In order to fulfil the objectives of the registration system for nontraditional trade marks, namely to ensure legal certainty and sound administration, a sign should be permitted to be represented in any appropriate form using generally available technology, and thus not necessarily by graphical means, as long as the representation offers satisfactory guarantees and that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.</p> <p>A non-exhaustive list of nontraditional trade marks and adequate form of representation include:</p> <p>Three-Dimensional marks</p> <ul style="list-style-type: none"> ○ A verbal description alone of a three-dimensional article to be protected is insufficient to meet the representation requirements. ○ Such marks may be represented by a picture, or pictures, and words describing the subject matter of the proposed registration. ○ Unless the subject matter can be demonstrated by a single perspective view encapsulating all essential particulars of the shape in question, multiple views of the shape will be necessary (up to 6 in total). The more complex the shape,

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	<p>the more likely it is that multiple views will be necessary. When multiple views are shown, each view should be named, for example, front view, side view, etc.</p> <ul style="list-style-type: none"> ○ If the subject matter consists of only part of a shape (such as a lid for a container), or the position of something (such as a label) attached to a three-dimensional object, it will not usually be necessary for the representation of the mark to show more of the shape than is necessary to disclose the subject matter, in these examples, the shape of the lid or the position of the label. ○ If a three-dimensional mark is represented by a perspective or other view(s) which discloses the essential particulars of the shape in question, it will not usually be necessary to confirm that the shape appears the same from other views. The same applies to three-dimensional marks incorporating labels. It is assumed that only those features visible from the representation form part of the subject matter; whether a container has another label on the back is irrelevant. ○ The rules should be clear as to whether or not detail views, submitted for clarification of particularly important elements of the 3D mark, are acceptable – we submit that they should be and that the use of shading and dotted lines should also be acceptable. ○ The photographic representations or images may be submitted in one single JPEG file in the case of e-filed applications or on one single A4 sheet in the case of paper-filed applications. ○ The inclusion of an image file such as an MP4 file or equivalent may also be beneficial to show the 3D mark to be registered. Size constraints will apply. <p>Color marks</p> <ul style="list-style-type: none"> ○ Color per se means that trade mark protection is sought for one or several colors, regardless of any specific shape or configuration. What is protected is the shade of color(s) and, in the case of more than one color, the ratio and position of the various colors, which must be systematically arranged by associating them in a predetermined and uniform way. ○ When applying for a color per se mark, the provision of a mere sample of the color on its own is not sufficient; the color or colors that are the subject of the

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	<p>mark must be described in words. For example, dark blue and light green, or by stating what those colors are, using an internationally recognized colour identification system, such as Pantone®, Focoltone®, Munsell Colour® or Toyo®.</p> <ul style="list-style-type: none"> ○ Where marks consist of a color or colors applied to the goods or their packaging, or to other commercial items, an appropriate description should be included as part of the representation of the mark. Where color is applied to the whole, or substantially the whole, surface of the item in question, a statement to this effect should be included. In other cases a picture or diagram may be necessary to identify the area(s) of the item to which the color or colors are applied. ○ Where marks consist of a combination of colors in the abstract, without contours, the representation must also include 'a systematic arrangement associating the colors in a predetermined and uniform way' (see Heidelberger Bauchemie GmbH, ECJ case C-49/02). For example, where a mark consists of colors used in various applications, but always as stripes, the representation of the mark should indicate that the colors (as properly defined) are used as stripes and must indicate the order in which the colors appear in the stripes, that is, blue, then red, then green. <p>Figurative marks (i.e. a pattern)</p> <ul style="list-style-type: none"> ○ Marks without text (such as the Burberry pattern and the like) may be considered to be a subset of color marks due to the specific arrangement of the colors in question. Previous comments apply. ○ If color is a feature of the mark this should be included within the representation. <p>Hologram marks</p> <ul style="list-style-type: none"> ○ Representations of each of the various views depicted in the hologram will be required to denote all of the material features of the mark. For a very simple image, where the essential features do not change according to the angle at which it is viewed, multiple views may not be necessary and a single representation may be acceptable.

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	<ul style="list-style-type: none"> ○ More than one mark representation can be filed, provided all different views are on a single A4 sheet in the case of paper filings or in a single JPEG file in the case of e-filing. <ul style="list-style-type: none"> ● See comments below relating to eligible file types for e-filings and file size restrictions. ○ The addition of a verbal description is also advisable in order to meet the Sieckmann criteria. ○ Electronic recording could be submitted as a file. A series of still screen shots could also be accepted. <p>Movement or moving images marks</p> <ul style="list-style-type: none"> ○ Movement marks can be represented by a series of still images and each case may have its own individual requirements, but the representation of the mark should include with such images words which describe the subject matter of the proposed registration, e.g.: <ul style="list-style-type: none"> ● that the mark is a moving image; ● what the image depicts, that is, what the change in appearance is; ● how many images are involved in the complete sequence of movement; ● what the sequential order is of the images; and ● that there is a single sequence of movement (not variable). ○ Submission of an MP4 file or equivalent plus verbal description may be sufficient to meet the representation requirement. ○ It is assumed that like audio files, image files will be attached to an application at filing and will be directly accessible from the Register. ○ The image file type needs to be revisited and amended - the expectation being that the major industry standard formats available on all operating systems, file size permitting, should be permissible (i.e. JPEGs, MP4 files, animated GIFs for shorter animations, .mov files for compressed longer animations, etc.).

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	<ul style="list-style-type: none"> ○ The image file size needs to be revisited and amended as the allowable file size should be sufficiently large as to not compromise quality of the mark once registered. ○ UKIPO e-filings for applications where the representation is an acceptable image file includes a step which confirms an acceptable file size is being submitted and if too large the image is compressed and only if the filer is happy with the compression will the application continue. Inference being, if unhappy with the compressed image the filer should upload an alternative one. ○ While there may be an expectation that paper filings may be underutilized in relation to moving marks and the like when compared to e-filings it is still a viable filing option as an applicant's technical abilities vary and some may prefer to file images of the individual frames of the animation rather than the animation itself. <p>Animated marks (movement marks)</p> <ul style="list-style-type: none"> ○ The number of mark representations is practically unlimited as long as they are all on a single A4 sheet in the case of paper filings, or in a single JPEG document in the case of e-filing. <ul style="list-style-type: none"> ● See comments above relating to eligible file types for e-filings and file size restrictions and paper filings. ○ The aim is to protect the specific movement of the mark, a mark description indicating that it is a 'movement mark' will be required. ○ The representations together with the mark description must clearly explain the movement that is to be protected and the sequence of the representations and the mark description must match. ○ Where the representations include color, the color(s) used must be indicated in words. ○ The inclusion of an image file such as an MP4 file or equivalent may also be beneficial to show the movement to be registered. Size constraints will apply. See above related comments.

Scent, smell, odor or olfactory marks

- The perception of an odor is a two-step process: the detection of stimuli by receptors in the nose and the processing of the stimuli by the brain. An objective and analytical measure of odor is considered by many as being impossible especially as individual perceptions relate to gender, age, state of health and personal history/experience.
- A written description of the scent or sensory aroma in question is insufficient as it is considered too vague and open to ambiguity as highlighted by the Sieckmann criteria.
- Use of a chemical notation showing composition alone is likely to be insufficient.
- Depositing a sample is a possibility although this alone is likely to be insufficient. The format of and access to such samples will need to be agreed. It may also be necessary to refresh the sample on deposit to ensure that the odor does not diminish over time to a level where it is no longer possible to detect the scent in question.
- The suitability of gas chromatography and high performance liquid chromatography which analyze the volatiles given off by a scent, aroma or perfume need to be considered for representation purposes. These separation methods provide good qualitative and quantitative information about the structural mixtures under test. Such results provide technical information. Therefore their acceptance is dependent upon whether results obtained from such devices are readily intelligible.
- The suitability of mass spectrometry needs to be considered for representation purposes. As per chromatography based analysis such results provide technical information and their acceptance is dependent upon whether results obtained from such devices are readily intelligible.
- The combination of a written description, olfactometer readings or gas chromatography or liquid chromatography readings or mass spectrometer readings, a chemical composition and a sample to be deposited may be considered to be a sufficient representation subject to a suitable refresh mechanism being utilized and subject to access considerations - as long as the combination meets the Sieckmann criteria.
- Developing technology may be the answer, in time:
 - Use of digital scent technology involves technology to sense, transmit and receive scent via a digital media, which in time may

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	<p>provide an adequate solution for representation of such marks. This technology works by mixing olfactometers and electronic noses.</p> <ul style="list-style-type: none"> • Researchers are also developing a “smelling screen” which allows the individual or individuals to perceive the smell as coming directly out of the screen. • Scent samples resulting from such scent devices, if the digital instructions are given correctly, will provide precise and stable odors. If the scent then evaporates, the process can be repeated to replenish the sample. The principle of easy accessibility is dependent on access to such devices which will improve over time. <p>Sound marks</p> <ul style="list-style-type: none"> ○ Sound marks, like smell marks, are not in themselves capable of being perceived visually, unless via sufficient musical notation. ○ Substitutes to musical notation must be capable of interpretation by the relevant Office and the public. ○ Representation of the sign by a musical stave divided into measures and showing, in particular, a clef, musical notes and rests, indicating relative value, and sharps, flats and naturals (accidentals) renders the timing and pitch intelligible. ○ A description of the sound in words, for example, that the sign comprises a particular piece of music, or a list of the notes of which it is comprised, or the sound an animal makes is insufficient (TARZAN YELL). ○ Simple sequential musical notation without indications as to timing and pitch, will also not meet the necessary requirements. ○ The lyrics of a song combined with musical notations and the tempo is presently acceptable. ○ If the musical instrument used to produce the sound forms part of the mark this should be stated. ○ Submission of a sonogram or sonograph alone is insufficient (TARZAN YELL). The addition of an electronic sound file is mandatory and should be

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	<p>sufficient, since the Office and third parties cannot deduce the sound from the sonograph alone.</p> <ul style="list-style-type: none"> ○ Submission of an MP3 sound file, or equivalent, to which size restrictions will need to apply (e.g. no greater than two megabytes is the present requirement) may now be sufficient for representation purposes especially as they can be attached to the application at “filing” and are accessible via direct access to the Register itself (or eSearch Plus) <p>Taste marks</p> <ul style="list-style-type: none"> ○ The previous comments in relation to Sound and Smell marks apply. ○ A verbal description alone will be insufficient due to the subjective nature of an individual's perception of a particular taste. The combination of a verbal description and an analytical representation of the taste to be protected may suffice, in time. <p>Position marks</p> <ul style="list-style-type: none"> ○ A position mark is a sign positioned on a particular part of a product in a constant size or particular proportion to the product. ○ The aim is to protect the placement or ‘position’ of the mark. ○ A mark description detailing its positioning is essential. The mark description must indicate that it is a ‘position mark’ and, where a representation in color is submitted, the color(s) used must be indicated in words. ○ Position marks will not be acceptable if the description shows that the position may vary. ○ The position of the mark must be clearly defined and evident from the representation and description. <ul style="list-style-type: none"> ● The inclusion of an image file may assist confirming the placement or ‘position’ of the mark. See relevant comments above relating to eligible image files and size restrictions.

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	<p>Tracer marks</p> <ul style="list-style-type: none"> ○ Tracer marks are colored lines or threads applied to certain products. These marks are popular in the textile industry. Other examples are colored lines on hoses or cables. ○ The mark description should indicate that the mark is a 'tracer mark' and any colors must be indicated in words. ○ The inclusion of an image file may assist confirming the placement or 'position' of the mark. See relevant comments above relating to eligible image files and size restrictions. <p>Texture marks</p> <ul style="list-style-type: none"> ○ In respect of textures, a picture of the texture as well as a written description of the texture could be accepted. <p>In summary, INTA is in favor of the acceptance of as many easily available and widely used formats as technically possible.</p> <p>The following are commonly used formats: BMP, GIF, MOV.</p> <p>Applicants may also wish to use any of the following: PNG, TIF, TIFF, MKV, M4V, M4A, WAV, WMA, MPG, MPEG, WMV.</p>
<p>3. What is your view on how we should treat the term 'competent authorities'? Please explain your answer.</p>	<p>INTA agrees that replacing 'competent authorities' with 'registrar' seems acceptable. INTA accepts, as set out in the consultation, that there may be an argument that the registrar would need to be called as a witness in appellate or court proceedings.</p> <p>However, given that the provision also refers to 'the public,' there is in INTA's view sufficient scope for the court or an appointed person to be free to take a view of the position of the public and rule without such involvement by the registrar.</p> <p>An alternative would be to revise the term to read "Registrar and other relevant authorities."</p>

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<p>5. Do you agree with our conclusion that section 6(3) is contrary to the Directive? Please explain your answer.</p>	<p>Yes. In view of the removal of lapsed trade marks from the definition of 'earlier trade marks,' it would seem that section 6(3) would extend protection beyond those trade marks and rights envisaged by the Directive.</p> <p>Since the Directive's intention is to harmonize trade mark law in each Member State of the European Union, deviation from the substantive law of the Directive is only permitted where this is expressly stated. It would reduce harmonization if proprietors of expired earlier marks are permitted to rely on such rights to oppose trade mark applications or apply to cancel trade marks in some Member States, but not others.</p> <p>Given that (1) this was permitted as an optional provision in the 2008 Trade Mark Directive, but not the 2015 Trade Mark Directive, and (2) other optional provisions remain in the 2015 Trade Mark Directive, but not this one, INTA concludes that this deviation is no longer permitted and should be repealed.</p> <p>It is noted that the lapsed trade mark provision under the old Directive was implemented only by a minority of Member States (seven in total).</p>
<p>6. Do you agree with our approach to dealing with the potential gap left by the repeal of section 6(3)? Please explain your answer.</p>	<p>Yes. INTA considers the proposed approach to fairly protect legitimate use by third parties and to align the IPO's approach to restoration across the various intellectual property rights.</p>
<p>7. Do you consider that the reference to "industrial property right" in this context might</p>	<p>Although the reference to "in particular" indicates that the wording is not exhaustive, INTA would like to stress that Article 1 of the Paris Convention defines 'industrial property' in a much broader manner, including patents. Although the majority of</p>

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<p>include rights other than a design right or registered designs? Please explain your answer.</p>	<p>earlier rights invoked under this provision would likely be registered or unregistered designs, it would appear to be preferable to use the term 'industrial property right', as stated in the Directive, rather than merely referring to designs (to the exclusion of other potential rights), to ensure that there is no risk of excluding a prior right that was intended to be covered.</p>
<p>8. If you support implementation of this optional article, please provide evidence of the advantage that implementation would provide.</p>	<p>INTA agrees that this article is superfluous to, and covers a narrower set of circumstances than, the existing bad faith provision. INTA does not consider implementation of this provision to be necessary, in light of the existing Section (3) (6) of the Act.</p>
<p>9. Do you agree with our view that section 10(6) would serve no apparent purpose and can therefore be repealed? If not, please explain your answer.</p>	<p>INTA agrees that section 10(6) can be repealed. While this provision arguably goes further than just comparative advertising, there is the defense in section 11(2)(b) for referential use. In any event, this provision became somewhat obsolete following the Court of Appeal decision in the <u>O2 case (2006)</u> (at 56): <i>"I would only add that, insofar as part of my first instance decision in BA v Ryanair [2001] FSR 541 at [26]-[28] is at variance with my present conclusion, I reject it. By way of mitigation I would point out that the argument was different from that here, based as it was around the "home-grown" s.10(6) of the UK Trade Marks Act. The Judge held that this provision adds nothing to the CAD. Neither side relied upon it before us. It is a pointless provision (and could not apply to a Community TM). It should be repealed as an unnecessary distraction in an already complicated branch of the law."</i></p> <p>In practice, however, section 10 (6) is probably otiose as the "defense" it seeks to grant exists as a matter of implied license, custom and practice and or via the defense under 11(2)(b). For that reasons section 10(6) may not be ultra vires the Directive either (on the basis that non-compliance with the CAD means the proviso at 10(6) will not apply either).</p>

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	<p>Overall, in practice section 10(6) has limited value given that it has fallen out of everyday use.</p>
<p>10. Do you agree with our view that new section 10A should apply to goods originating outside the EU (rather than outside the EEA)? Please explain your answer.</p>	<p>Following Brexit the likelihood of further goods in transit cases will depend upon the EU-UK trade relationship.</p> <p>The equivalent provision of the EU Trade Mark Regulation (Article 9(4)) also refers to “third countries”. We had already stressed issues of interpretation on “third countries” during the trademark reform legislative process. The term “third countries” is not defined, and depends on the context. The provision should not have referred to “third countries” in plural since the goods would be shipped from ONE country. “Countries” should also have been replaced by “jurisdictions” to capture places such as Hong Kong.</p> <p>We note that some EU Member States have retained the reference to “third countries” in their national draft TMD implementing legislation, while Poland seems to refer to “outside Poland”.</p> <p>The interpretation of “third countries” in Section 10A lead to much debate among our membership, i.e. whether it refers to “outside the EU”, “outside the UK” or even “outside the customs territory of the EU” given that the 2015 Directive is listed as having “EEA relevance” (item 209 on http://www.efta.int/media/documents/legal-texts/eea/other-legal-documents/list-eu-acquis-marked-or-considered-eea-relevant/weekly_list.pdf)</p> <p>Since the implementation of the EU Trade Marks Directive will take place in the UK system, the reference to the “goods originating outside the European Union” should be maintained. It seems that the intention of the EU legislator was to capture counterfeit non-Community goods, i.e. coming from a non-EU jurisdiction.</p>

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	<p>We take note that following Brexit the provisions may change. If the UK leaves the EU customs union, INTA suggests amending the provision at that point to refer to the customs union of which the UK is a member (if any), or simply to the UK, if the UK is not a member of any customs union.</p> <p>However, as the UK will still be a member of the European Union in January 2019, the provisions should only refer to "outside the EU". Until the UK remains an EU member, UK law should not refer to "outside the UK" due to the fact that "Goods in Transit" provisions do not capture situations of internal transit within the EU.</p> <p>This approach would also be aligned to the provisions of Regulation 608/2013, which is directly applicable in the UK, as further explained in the Commission's notice on the customs enforcement of Intellectual Property Rights concerning goods brought into the customs territory of the Union without being released for free circulation including goods in transit of July 5, 2016.</p>
<p>11. Do you agree with our proposal to implement Article 11 by, in effect, replacing section 10(5) with new provisions? Please explain your answer.</p>	<p>INTA agrees that the present section 10(5) appears to be narrower than Article 11. Article 11 takes a wider range of "means", relating to both goods and services, providing a more modern approach to how a trade mark may be used: packaging, labels, tags, security or authenticity features or devices, or any other means to which the trade mark is affixed, and not requiring knowledge on the part of the defendant. INTA agrees therefore that the present section 10 (5) needs amending.</p> <p>INTA also agrees that the new paragraphs 10 (3A) to (3D) cover the amendments needed. However, we question if the structure of new sections 10(B), (C) and (D) in the UKIPO's draft is the best way of implementing this provision. The proposed language seems to deviate too much from the text of the Directive, without good cause.</p> <p>The current draft may have unintended consequences. INTA suggests that the language and structure of Article 11 is adopted as closely as possible with minimal necessary changes, e.g., by using the initial construction "a person infringes..." as the UKIPO has done.</p>

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<p>12. Will the changes made by Articles 10.4 (goods in transit) and 11 (preparatory acts), which are intended to help tackle counterfeit goods, allow your business or that of your clients to more effectively protect its products? If so, can you explain or quantify these benefits in more detail? Are there any associated costs? If so, can you explain or quantify these?</p>	<p>Regarding new provisions on preparatory acts: INTA strongly supported that preparatory acts could constitute infringements of trade mark rights and could therefore be grounds for action by trade mark owners.</p> <p>The new provision also harmonizes the practice across Member States and will enable trade mark owners to fight counterfeiting more effectively. This new approach would better enable trade mark owners in face of the new realities, where more and more counterfeit parts of the same products are imported separately in the European Union and assembled here.</p> <p>INTA believes that the references to “<i>labels, tags, security or authenticity features or devices</i>” provides concrete examples of the scope of application of the provision and are sufficient to cover packaging as well as new trends in in using trade marks. The extension of infringements to preparatory acts will allow the right holder to prevent new potential acts in relation to counterfeiting, for example regarding unmarked goods shipped separately from the logos, trade marks, labels and security devices, as illustrated in the UKIPO’s impact assessment. This was a priority for our members.</p> <p>Regarding the provisions on counterfeit goods in transit: This was a top-priority for our members and INTA supported the provisions adopted as a means to strengthening trade mark protection and combating counterfeiting more effectively. The EU has in recent years – and in particular after the Philips/Nokia decision – became an increasingly exploited transit territory for the lucrative and dangerous international trade in counterfeit products. It is important that the UK implements this provision effectively, so as to avoid becoming a transit hub for counterfeit goods. The UK should not knowingly allow trade mark counterfeit goods to continue on to their final destination only because they are said to be in transit.</p>

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	<p>We understand that there might be costs associated to potential judicial proceedings, since the provision should work in practice as follows: customs will check if the goods bear a trade mark similar or identical to the trade mark protected in the UK. If the trade mark is counterfeit as confirmed by the trademark owner, Customs will seize the goods. If the holder of the goods contests this decision, the trade mark owner must initiate judicial proceedings. During the judicial proceeding, the holder of the goods would then have to prove that the owner of the trade mark protected in the UK cannot prohibit the placing of the goods in the country of final destination. If the holder of the goods does not contest the decision of Customs, the goods will be destroyed. The burden of proof is thus on the holder of the goods, which should ease the use of this provision by right holders.</p> <p>With an increase of the size of the size of counterfeit products industry, such provisions are welcomed. They may contain a significant firewall, which balances the rights of right holders and the international requirements of free transit trade, in line with GATT/TRIPS.</p>
<p>13. What, if any, impact has the change in the 'goods in transit' rules for EU trade marks already had on the transit of legitimate goods to third countries?</p>	<p>The trade mark reform has entered into force not so long ago. Accordingly, more time is needed to conduct a fair and complete assessment of the impact of the counterfeit goods in transit provisions. INTA is collecting evidence on the implementation and impact of the counterfeit goods in transit provisions in the EU, and would be happy to share the outcome when available.</p> <p>We have not heard so far of any impact on legitimate goods and believe that such impact, if any, should be very limited, given the balance and firewall described above. After all, the adopted counterfeit goods in transit provisions were designed to prevent legitimate trade from being impacted and a UK right holder from interfering with trade in countries where he has absolutely no right to intervene.</p> <p>Moreover, the provisions are clearly restricted to the most serious type of infringement, i.e. counterfeiting of trade marks. Generic medicines are also explicitly excluded (although we always thought that this was unnecessary given that generic</p>

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	<p>medicines do not infringe trade mark rights per se). It is also to be noted that there will be consequences for a right holder if the Court decides that he is not entitled to have the goods in transit seized and destroyed.</p>
<p>14. Do you agree that a specific enforcement mechanism is required, and that the mechanism proposed is the correct approach? Please explain your answer.</p>	<p>INTA agrees that the provision needs to be backed up by an enforcement mechanism, especially since it can be difficult to stop this type of use by publishers through ordinary infringement provisions, as publishers tend to argue that such use is not use in relation to the goods and services in question.</p> <p>We note that it is proposed to give the court the power to order the publisher to ensure that the reproduction of the trade mark is accompanied by an indication that it is a registered mark without delay etc. This is welcome.</p> <p>However, the proposed section 99A, in particular subsection (4), appears perhaps unduly draconian. INTA has concerns over fettering the court to a single remedy and would favour the alternative wording :</p> <p>(4) If the publisher fails to take any action required by subsection (2) the court <u>may</u>, on an application by the proprietor-</p> <p>(a) order the publisher to take the action concerned;</p> <p>(b) if the work is in printed form, order the publisher to proceed with the erasure, amendment or destruction of the relevant copies of the work in the publisher's possession, custody or control, or</p> <p>(c) grant other appropriate relief.</p>
<p>15. What are the a) cost implications and</p>	<p>INTA agrees with the wording of the proposed new section 10B and the mechanism for rectification of the register.</p>

QUESTION	INTA's COMMENTS
<p>b) consequences (negative or positive) for taking this approach in implementing Article 13?</p>	<p>INTA considers that the retention of the language of section 60(3)(b): "<i>apply for the rectification of the register so as to substitute [his] name as the proprietor of the registered trade mark</i>" in section 10B(2)(b), instead of adopting the language of article 13: "<i>demand the assignment of the trade mark in his favour</i>" is appropriate for the reasons set out in the consultation document.</p> <p>INTA also agrees that the use of the language "prevent the use" in section 10B(2)(a) instead of "oppose the use" in article 13 is desirable for the reasons given.</p> <p>The costs of bringing an action under new section 10B ought not to be any different from those of bringing an action under section 60. Further, INTA agrees that the ability to apply for rectification of the register will provide a more cost effective route to procure the substitution of one name for another on the register than having to demand the assignment of a mark from an unwilling third party in court proceedings.</p>
<p>16. Do you agree that a specific enforcement mechanism is required, and that the mechanism proposed is the correct approach? Please explain your answer.</p>	<p>INTA considers that a specific enforcement mechanism is required in order to fully implement article 13.</p> <p>Given that: (i) the substitution of section 60 with section 10B does not involve a loss of rights; (ii) section 10B provides a cost effective mechanism for obtaining the substitution of the name of the proprietor for that of the agent or representative; (iii) section 10B is worded more appropriately than article 13; and (iv) section 10B will not increase costs for proprietors, INTA agrees that the mechanism set out in section 10B is the correct approach.</p>
<p>17. The introduction of the non-use as a defence has been discussed in the impact assessment as having beneficial effects, by preventing trade mark owners from using old unused rights in infringement cases, and</p>	<p>We agree with the UKIPO's assessment of potential benefits.</p> <p>This provision is a welcome clarification since the existing TMD does not have any mandatory rules comparable to the EUTMR with regard to the defense of non-use in opposition/cancellation/infringement proceedings; it only obliged Member States</p>

QUESTION	INTA's COMMENTS
<p>removing the need for use to be challenged by way of separate proceedings. Does this benefit yourself/ your business? If so, can you explain and/or quantify further?</p>	<p>to have provisions for the revocation on grounds of non-use and refusal of invalidation on grounds of unused earlier marks.</p>
<p>18. Do you agree that our interpretation of this non-trade mark law means that we do not require specific reference in the TMA to levy of execution? Please explain your answer</p>	<p>INTA agrees that the provisions cited, in conjunction with section 25, provide an adequate means of effecting and recording trade marks being levied in execution.</p>
<p>19. Do you agree with our interpretation of the Directive which requires the removal of references in the TMA to proprietors being joined in infringement proceedings taken by licensees (and in the case of collective marks, authorized users)? Please explain your answer.</p>	<p>INTA questions whether sections 30(4) and 30(5) must be repealed in order to comply with the Directive.</p> <p>The suggestion that it is essential to approximate "not only provisions of substantive law but also procedural rules", which is taken from recital 9, appears to have been taken out of context. This recital expressly relates to "the principal procedural rules in the area of trade mark registration" for the purpose of "making trade mark registrations throughout the Union easier to obtain and administer"; it does not relate to the conditions which apply to the enforcement of trade marks that are subject to exclusive and non-exclusive licenses.</p> <p>Furthermore, some licenses will have been entered into based on the current wording of the Act and repealing sections 30(4) and (5) may require parties to review and possibly renegotiate their licenses.</p>
<p>20. What proportion of UK registered trade marks that you have, or deal with, are licensed to third parties on a non-</p>	<p>We are not able to supply any data in the time frame provided.</p>

QUESTION	INTA's COMMENTS
<p>exclusive basis? Of these, approximately how many have been subject to legal action?</p>	
<p>21. Do you agree that the term 'legal persons governed by public law' cannot be meaningfully transposed into UK trade mark law? Please explain your answer.</p>	<p>INTA agrees. Given the meaning of "public law" in the UK, it could unnecessarily restrict the provision to Government entities and exclude natural persons, companies and unincorporated associations.</p> <p>It is not inconceivable that some of those bodies may wish to apply for a collective mark. Therefore, an attempt should be made to define these bodies, perhaps using the definition for public procurement purposes.</p> <p>The law on EU public procurement has a definition of body governed by public law (Article 1(9) of Directive 2004/18): 'A "body governed by public law" means anybody:</p> <ul style="list-style-type: none"> (a) established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character, and (b) having legal personality, and (c) financed, for the most part, by the State, regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law." <p>Annex III of that Directive includes a whole host of UK bodies, such as the Charities Commission, the Museums and Galleries Commission.</p>
	<p>INTA highlights a general concern over the use of "associations" in section 49 and the perceived limitation imposed. It appears particularly true in the UK given the</p>

QUESTION	INTA's COMMENTS
<p>22. Is the reference to 'association' incorporated within section 49 (as amended by Regulation 24) sufficiently broad to cover all those organizations for whom a collective mark may be appropriate? Please explain your answer.</p>	<p>plethora of unincorporated associations owning collective marks and the potential impact of such changes on them.</p> <p>Accordingly, INTA suggests the following general definition instead:</p> <p><i>“A collective can be a cooperative, an association, or any other collective group or organization”.</i></p> <p>While the definition of a collective mark varies from one country to another, collective marks usually are defined as signs that distinguish the geographical origin, material, mode of manufacture, quality, or other common characteristics of goods or services of different enterprises using the collective mark. INTA's preferred general definition of a collective mark is as follows:</p> <p><i>“A collective mark is a form of trademark or service mark owned by a collective, whose members use the collective mark to identify their goods and services and to distinguish their goods and services from those of non-members, and to indicate membership in the group. They can also be used by the collective itself to promote the interests of the members.”</i></p> <p>Collective trade marks are exceptions to the underlying principle of trade marks in that most trade marks serve as "badges of origin": they indicate the individual source of the goods or services. A collective trade mark, however, can be used by a variety of traders, rather than just one individual concern, provided the trader belongs to the association that owns the collective mark. Collective marks as a category also include marks indicating membership in the collective. A collective mark can also be used by the collective itself to promote the interests of its members.</p> <p>There are two types of collective marks:</p> <ol style="list-style-type: none"> 1. Collective Mark – akin to a normal trade mark, but used by members of a “collective”. The “collective” itself typically does not sell goods under the mark, but instead advertises or promotes the goods of its members under the mark. In

QUESTION	INTA's COMMENTS
	<p>some instances, the collective may also use the mark as a trade mark to identify goods or services.</p> <p>2. Collective Membership Mark – used to indicate membership in the “collective.” Its sole function is to indicate membership and is only used by members of the collective</p> <p>The specific filing requirements and limitations regarding collective marks vary from jurisdiction to jurisdiction. Some countries require the filing of a list of all the members of the collective. Still others demand that the managing rules of the collective be included as part of the application. INTA has produced a “Geographical Indications, Certification Marks and Collective Marks International search guide, which provides basic and practical information on protection in numerous jurisdictions, which the Office might find helpful: https://www.inta.org/GeographicalIndications/Pages/GeographicalIndications.aspx</p>
<p>23. Do you agree with our interpretation of the interplay between Articles 34.1 and 25.3, that an authorized user of a collective mark should be treated in the same way as a non-exclusive licensee, rather than an exclusive licensee? Please explain your answer.</p>	<p>Yes. INTA considers it inappropriate to treat an authorised user of a collective mark as akin to an exclusive licensee. We agree that paragraph 12(3) of Schedule 1 should be repealed.</p>
<p>24. Do you agree with our proposed approach</p> <p>a) In relation to the treatment of licences, security interests, etc, and disclaimers for the new divisional registrations? (See paragraph 62)</p>	<p>In response:</p> <p>a) Yes – INTA agrees with the approach.</p> <p>b) The Directive simply states that the registration can be divided (and regardless of the scope of any challenge). This proposal risks being outside</p>

QUESTION	INTA's COMMENTS
<p>b) That a division of a registration cannot split the contested goods and/or services? (See paragraphs 63 and 64)</p> <p>c) That there is no need to specifically reference the division of international marks? (See paragraph 65)</p>	<p>the scope of the Directive (the fact that this rule applies in the EU TM Regulation is not directly relevant).</p> <p>INTA considers it correct that the division of a registration ought not to split the contested goods or services which are subject to cancellation proceedings or to a counterclaim. INTA does not consider that further restrictions outside of this would be appropriate.</p> <p>c) Yes: based on what is said at paragraph 65</p>
<p>25. Our approach to restricting the ability to divide registrations is based upon Article 56.2 of the EUTM Regulation and the treatment of mergers in Rule 27(3A)(a). Are there any other circumstances, e.g. when a trade mark is the subject of infringement proceedings, in which it would be appropriate to add similar restrictions?</p>	<p>INTA is not aware of other circumstances where it would be appropriate to add similar restrictions.</p>
<p>26. Do you agree that the ability to disclaim or limit part of a trade mark is a useful mechanism, and that it should therefore be retained? Please explain your answer.</p>	<p>Disclaimers are a well-recognized device in many intellectual property offices around the world and can serve a useful function. They can avoid or limit ambiguity (and perhaps more so in the future with the removal of the graphic representation requirement). As noted by the IPO, they can also be a mechanism for settling disputes.</p>
<p>27. If disclaimers were removed what would be the impact of removing the ability to</p>	<p>Disclaimers contribute to clarity and legal certainty for TM owners and users of the system. Removal of disclaimers will inevitably encourage a more absolutist position</p>

QUESTION	INTA's COMMENTS
disclaim/limit the rights of a TM e.g. by restricting it to a particular locality?	especially in relation to disputes; it could make disputes more costly and time consuming.
<p>28.</p> <p>a. How would your business familiarize itself with the implications of these changes? Would you use in-house legal support, request legal advice or neither?</p> <p>b. How much time would it take for you/your staff/trade mark owners to familiarize yourself with the legal implications of the changes required by the Directive? To give us an indication of likely costs, could you indicate the job title or level of job of the members of staff who will be involved in this?</p> <p>c. Are there any costs to you/your business beyond staff time? For example, preparation of guidance or amending existing licence agreements. Can you quantify these in monetary terms?</p>	<p>First of all, INTA would like to commend the Office for its thorough, well-presented and pragmatic approach to this consultation. The impact assessment is a useful document.</p> <p>Questions 28 until 30 are challenging to answer. It is always difficult for our members to assess and anticipate future costs and impact of changes. We can stress the following points:</p> <ul style="list-style-type: none"> - With regards private practices, firms will continue to adopt Continued Professional Development mechanisms to ensure they are fully up-to-speed with changes. This may include appointing internal trademarks experts to develop training materials and courses, to attend external courses, and to watch out for updates from the UK IPO and commentary from IP associations, and to engage in discussions with clients and competitors. - Brand owners are likely to ask external counsel to highlight the changes, if any, that they feel would have significant implications for their business. However, the amount of time dedicated to familiarize themselves with the changes will also depend on the quality and accessibility of explanatory information provided by the Office. -This is all the more important for SMEs. -INTA advocates in favor of harmonization as a mean to reduce costs and burden for businesses. Retaining closer alignment with the EU trade mark system is thus important, especially to ensure that businesses will not lose time and efforts to get familiar with different systems, and get an easy, fast and predictable system of registration and enforcement of their intellectual property rights in the UK.

QUESTION	INTA's COMMENTS
	<p>- Changes always entail additional work and review of strategies. However, INTA does not envisage that any familiarization would result in significant costs for businesses or that the changes suggested by the UKIPO will have a drastic impact on the trade mark community.</p> <p>- INTA stands ready to help communicate to its +32,000 individual members about the major changes introduced in the UK trade mark legislation, via its newsletter the Bulletin.</p>
<p>29. The IA identified costs and benefits associated with implementing the Directive, including retaining closer alignment with the EU trade mark system. Can you explain and/or quantify the benefits/costs you foresee?</p>	<p>In general, INTA considers that retaining close alignment between UK trade mark law and EU trade mark law is desirable for businesses. This is because UK trade mark law is currently harmonized with EU law, so there is an additional system which is interpreting and applying the same law. This means that the law can develop, adapt and change more quickly.</p>
<p>30. For IP/legal advisors, given the changes in the Directive, do you envisage any increases in work as trade mark owners try to explore the extent to which the current boundaries may have shifted slightly? This may be generally, or relate to specific changes, such as the removal of the need to graphically represent a mark. How much staff time do you think this might equate to, and in which roles?</p>	<p>Yes. INTA would expect more filings of non-traditional marks following the removal of the graphical representation requirement. There may also be scope for some litigation due to the lack of transitional provisions and the uncertainty around this.</p> <p>To the extent that UK trade mark law appears to diverge from the way in which national trade mark law is developing in other Member States, this may also give rise to additional requests for advice.</p>