

A Brief Summary of Trade Marks Law and Passing Off

Purpose of Trade Mark Protection

The fundamental object of the trade mark system is to distinguish your goods or services from your rivals and thereby avoid confusion with other products or services. It, therefore, protects against deceptiveness as to the origin of goods. A trade mark is 'any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings': section 1(1) Trade Marks Act 1994.

Registration

In order to avail oneself of the protection granted to trade marks under the Trademarks Act, it is necessary first of all to make sure that the trade mark is properly registered. This may be to state the obvious but there is often confusion with other intellectual property rights like passing off, copyright, confidentiality and design rights which do not require registration. Such registration grants the registered proprietor the 'exclusive rights in the trade mark which are infringed by the use of the trade mark in the [UK] without his consent' [section 9(1)]. Thus, registration grants a statutory monopoly to use of the mark. This means that the registered proprietor can use the registration to prevent others from using the same or similar mark on the same or similar goods or services.

Trade Mark Infringement

Secondly, the defendant's use of the trade mark must fall within the definition of infringement as outlined under section 10 of the Trademarks Act. A person can be said to have infringed a trade mark in the following circumstances:

- If he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.
- If he uses in the course of trade a sign where because it is identical with or similar to the trade mark and is used in relation to goods or services similar to or identical with those for which the trade mark is registered, 'there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.'

- If he uses in the course of trade a sign which is identical with or similar to the trade mark, and is used in relation to goods or services which are not similar 'where the trade mark has a reputation in the UK and the use of the sign without due cause, takes unfair advantage of, or is detrimental to, the distinctive character of the repute of the trade mark.'

Trade Marks & Domain Names

In *Harrods Ltd v UK Network Services Ltd* (1997) EIPR D-106, the 'Harrods' name, which was a registered trade mark, was registered as a domain name by the defendant. Harrods sued for infringement of trade mark. The court ordered the domain name to be transferred to the plaintiff because there clearly was trade mark infringement under section 10 of the Trademarks Act. So in the Harrods' case the court was prepared to protect the registered trade mark without evidence of actual use of the domain name.

Further, in *Bikemart v Gallagher & Williams* [1999] the registered proprietors of the trade mark 'Bikemart', who also published a cut-out portion of a magazine known as 'Bikemart, were able successfully to sue a defendant who had registered the domain name of 'www.bikemart.com'. The website advertised space for motorcycle accessories. It was held by the court that there was clear infringement of the trade mark and ordered the transfer of the domain name to the trade mark owners.

The Law of Passing Off

The alternative way to protect a mark, which has been registered as a domain name by someone else, that is being used by a business, whether or not it is registered as a trade mark, is to employ the tort of passing off. It is a mechanism for protecting the goodwill that has arisen in a business name.

Traditionally, in order to succeed in obtaining an injunction against a rival for passing off, you need to establish the following:

- That there was a misrepresentation
- Which was made by a competitor in the course of his trade
- To his potential customers
- Which was calculated to injure your business and goodwill
- And which causes actual damage or is likely to do so to your business or goodwill

It is critical that it is shown that your rival is unlawfully assuming your goodwill as his own. It is not enough that customers are in a state of confusion about your goods or services and the goods or services of your competitor. Thus there are three elements which must be established by a claimant in a passing off action:

- He must establish a goodwill or reputation attached to goods or services which he supplies in the mind of the purchasing public by association with identifying 'get up' as distinctive specifically of the claimant's goods or services
- He must demonstrate a misrepresentation by the competitor to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are goods or services of the claimant
- He must demonstrate that he suffers or that he is likely to suffer damage

Hence, the essence of the tort of passing off is a misrepresentation to the public which is liable to lead them to believe that the goods or services offered by your rival are in fact yours.

However, a further aspect of this tort which has been recently resurrected in the domain name disputes area. This arises in situations where a competitor puts or authorises someone to put an 'instrument of deception'

into the hands of others. And even where there is no immediate placing or authorising of an 'instrument of deception' into the hands of others, so long as there is a likelihood of such action in the future, passing off is committed. For example, if a person registers a well-known domain name for the sole purpose of selling it to another person at a high price so that the latter could use it dishonestly, that is enough, without more, to amount to passing off. This even if he has done nothing with it as yet. This certainly is the impact of 'One in a Million' case.

This means that a company's reputation and goodwill can now be protected through passing off, even if the traditional elements are not met. This is because where trade names are well-known household names and the defendant intends to use that goodwill and threatens to sell it to another who might use it for passing off to obtain money from the true owner of that trade name, the registration of such trade names (the 'instruments of fraud') will amount to the commission of the tort of passing off. This is because the value to the defendant who registers such names lies in the threat that it would be used in a fraudulent way.

It is now, therefore, possible for registered trade mark owners as well as others to thwart cybersquatters from maintaining ownership over domain names on the basis that there may be future passing off. This is because the courts are prepared to extend passing off to those who merely threaten to sell domain names to others.

Conclusion

It is a fact that despite the seeming increase in the activities of cybersquatters over the last three years, there has been no discernible increase in domain name litigation. One reason for this is the fact that more are turning to ICANN or WIPO to make use of the UDRP, which has been streamlined over the years and is credible. Further, it does seem that over the last year cybersquatting activities have lessened and this must be due to the media onslaught against such activities. It is this heightened awareness of these cyber-pirates which has prompted the two registry operators, NeuLevel and Afilias, of the two new generic top-level domain names (gTLD), .biz and .info, respectively, to introduce initial registration processes which allow trade mark owners to stake their claims before anyone else has the chance to do so. By this way, the threat of the cyber-

piracy of domain names will be considerably lessened in the future.

NEED TO KNOW MORE?

For further information on trade mark protection, contact Maitland Kalton. Should you prefer to telephone, call us on +44 (0)207 278 1817.

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