Availability is Everything

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This is the second in a series of articles which discuss the processes and issues involved in protecting your company or brand name. In the first article in the series, Rowena Powell discussed the value of a company's brands or trade marks, the benefits of seeking registered protection for those brands and the problems that can arise when this is overlooked, particularly for start-up or relatively new companies.

Brands and trade marks and the goodwill associated with them are incredibly valuable assets and as Rowena pointed out, in order to guard those assets properly, registered trade mark protection is the best way forward.

However, before taking steps to register your mark and even more importantly before you start using it in the marketplace, it is vital to know whether or not it is available to you for the goods and services you wish to offer. If there are other companies out there that are using or have registered the same or a similar trade mark, this can have serious adverse consequences for the use of that brand by your company. In particular you can be prevented from making any further use of your brand or trade mark and may be subject to a damages claim by the owner of any earlier conflicting rights. It may also mean that you are unable to obtain registered protection for your own trade mark, which in turn makes protecting your brand against others all the more difficult.

In addition, a brand name becomes less attractive if somebody else out there is using something similar, as this has the potential to dilute the distinctiveness of your brand and diminish the ability of your brand name to clearly identify your product. It is important to ensure that there is no confusion between the trade marks that you are using and those of your competitors. Conducting a trade mark search will mean that you have the relevant information to allow you to consider the alternatives and ensure that you use a name that is distinctive to your company.

The best way to assess the availability of a mark for use and/or registration is to ask a trade mark attorney to conduct an availability search for you.

What is an availability search?

It is essentially a risk assessment exercise which assists in finding out if there are any existing trade marks that are identical or similar to yours and that may cause problems for the adoption of your brand.

The availability search usually takes the form of a search of the trade mark register in any particular country for any existing registered trade marks or recently filed trade mark applications that may be in conflict with your chosen mark. However, in addition, there may be companies out there using trade marks that they have never applied to register and these will not be picked up in the usual availability search. If they have been using these marks for any considerable length of time, they may have strong use-associated or "common law" rights in them and for this reason, what is known as a "common law search" is often advisable in addition. This should pick up any use related rights in the field of interest to you.

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The task of undertaking the search is best left to your trade mark attorney who has the specialist skills and experience to interpret and assess the results that have been produced.

To conduct the search your attorney will need to know the brand name that you wish to use and also the products and services that will be offered under that brand. This should also include any potential activities in the future. This is to ensure that we do not dismiss any earlier trade marks that might not be in conflict with your current activities but would be a problem for your future plans. You also need to tell us the countries in which you are likely to be operating, and we can work out with you a strategy for searching in those countries.

For many start-up companies, activities are likely to be confined, at least initially, to the United Kingdom and therefore a UK search is usually the best way to start. However, if your business plan includes moving into markets outside the UK, it is also important to ensure that your mark is free in those territories and this is something that is often overlooked.

Trade mark rights are territorial in scope and the fact that your mark is available in the United Kingdom, does not mean that it will necessarily be available in other countries. If you decide not to search in future territories of interest, you may find yourself in a situation where you have launched a successful business in the UK but cannot use the same brand name in other countries where there turn out to be conflicting existing trade mark rights. For some companies this is not a problem and they are happy to offer the same product under different brand names in different countries. However, if continuity is an important part of your business plan, this is a detail to which attention should be paid.

Whilst searching in territories will inevitably increase costs, this is money well spent and conducting searches in all the countries of interest to you at the outset will enable you to plan thoroughly your strategy for moving your business into markets outside the UK.

Once we have the details we need to conduct the search, we will forward them to a specialist search company which has access to the trade mark databases of the countries in which we need to determine the availability of your mark. They then use certain defined parameters to search the databases for trade marks in your field which are identical or similar to yours and provide us with a report of all the trade marks revealed in the search. In most searches, a large number of trade marks are revealed and the report can be lengthy. However, the approach to producing this report is quite a mechanical one, and in reality, not all, if any, of the marks revealed will be a problem.

This is where your trade mark attorneys come in. They will analyse the report in detail bearing in mind their knowledge of your company and the commercial markets in which you will operate and they will provide an assessment as to the availability of your trade mark in light of what has been revealed in the search.

When should I conduct the search?

In short, a search should be conducted at the earliest opportunity.

We often find that searches are conducted too late. A company has selected the name of the brand, possibly spending significant amounts during the brand creation process. They may also have produced marketing material or even large amounts of branded product or merchandise. Even worse, they have already launched their product before they consider conducting a search. If a search is undertaken after this stage, the decisions that need to be taken as a result of its findings are often

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much more difficult and expensive to make than if the problems have been discovered earlier in the process.

Ideally, you should consult your trade mark attorney as soon as a brand name has been agreed. At that stage the search can be conducted and if insurmountable problems are revealed, a new brand name can be considered. We often find that companies are reluctant to consider an alternative name, but you should try to be as flexible as possible. Have a few reserves in mind so that if your first choice name is not available, you have a back-up. You may not like having to go with the second, third or even fourth choice for your brand but this will be much better than having to deal with the consequences of going to market with the first choice regardless.

How much will it cost?

We understand that for start up companies budget is often an important consideration. It may be that the budget only just allows for the costs involved in applying to register your trade mark, let alone conducting a search first.

However, searching can be relatively cheap, given the complexities involved, and a good estimate for the total cost of conducting a UK search, for example, including your attorney's analysis is around £500-£700. This is a drop in the ocean compared to the costs that might be involved if you proceed with a product name which is in direct conflict with any existing trade mark rights out there. Not only might you have spent a significant amount on advertising, packaging and so on, but the owner of the earlier trade mark can seek to prosecute you for infringement of their rights and can be awarded damages at your expense. Perhaps even more importantly they can stop you from using your trade mark which can be both expensive and embarrassing if you have regular clients relying on your for a product or service.

What will the results of the search show and what should I do next?

Whatever the results of the search, a good trade mark attorney should give you practical advice as to the next steps that should be taken. What the next step will be will entirely depend on the nature of the search results.

Hopefully, the results will show that there are no identical or similar trade marks out there in your field of interest, in which case you should be free to press on with your plans under the trade mark. At this stage it is strongly recommended that you apply to register your trade mark to secure the protection required to enforce your rights effectively against anybody else coming into the market and to avoid the pitfalls discussed in Rowena's article.

At the other end of the spectrum, the search might show that there are existing trade marks that seriously conflict with your mark of choice such that the best course of action will be to consider an alternative. We know that this is not news that you will want to hear, but your attorney should be honest if the prospects for use of your proposed trade mark are not good. If it is clear that the use of your trade mark will infringe the rights of another company who are undeniably using their trade mark in the same commercial area as you then there is no point in hoping that you can press on unnoticed. The problem must be faced and often in such circumstances there is no way around it. You may simply have to accept that your chosen mark is unavailable.

Often, the results of the search are somewhere in between these two scenarios. There might be a few marks revealed in the search that are potentially in conflict with yours but there may be ways around the problem. For example, a trade mark owner may have a registered trade mark for a broad range of

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products but we know that in fact they are only operating in a very particular field, and one that is commercially different from yours. In circumstances such as these we may be able to reach an agreement with this company so that each can carry on its activities under its respective marks without fear of reprisal from the other.

Another scenario is that an earlier trade mark revealed in the search is no longer of interest to the owner and it is possible that the mark may be available for purchase. If a reasonable price can be agreed, this can be extremely beneficial as it may give you rights in the mark from a much earlier date than you would otherwise have had.

Finally, the earlier mark may be vulnerable to cancellation on the grounds that it has not been used in the requisite time frame. If this is the case, a revocation action can be filed and if successful the earlier registration will be cancelled from the register, clearing the way for your trade mark.

Of course, all of these ways to get around the problem of an earlier mark revealed in a search will incur costs and you may simply prefer to choose another trade mark instead. However, if you are wedded to the original trade mark choice, these costs are usually worthwhile. The point is that at least by conducting the search early you have made yourself aware of the potential problems and you can make an informed decision, with your attorneys' advice as to the next step to take.

What are the consequences if I do not conduct a search or ignore the results?

Ignorance is no excuse if you infringe somebody's earlier registered rights. It is your responsibility to be aware of what rights are out there and the best way to do this is to conduct an availability search. If you choose not to conduct a search and later come up against an angry trade mark owner who accuses you of infringing their earlier trade mark, the fact that you were not aware of them will not help you.

Similarly, if you conduct a search and ignore the results, you do so at your peril. There is no point in burying your head in the sand once a problem has been identified. It should be dealt with in an efficient and effective manner and your trade mark attorney should be able to devise a tactical approach to the problem to suit both your budget and your commercial circumstances.

Trade mark infringement is a serious business and a successful infringement action can prove costly. Quite apart from the potential damages award to the owner of the infringed rights, you may find that you have to recall and destroy a product already in the market and rebrand, which in itself can be expensive, not to mention embarrassing for your company and confusing and inconvenient for your customers.

Identity is not everything

It is important to realise that it is not just earlier identical trade marks that can cause a problem. Any earlier rights in trade marks which are similar to yours can also be a problem. If your mark is only one letter different to an earlier mark and you are operating in the same line of business then the potential for confusion may still exist and your use may still infringe the earlier right. It is therefore not sufficient to check the UK Intellectual Property Office database for identical marks and when none are revealed assume that you can proceed, as you may be tempted to, to save on costs.

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Your knowledge is also important

Whilst the availability of a mark is best assessed by your attorney conducting a search, your own knowledge of the market is also crucial. Whilst your trade mark attorney has the skill to assess the results of a search and whether the prospects for infringement are high, it is you who are operating in the market and you who will have knowledge of your competitors and the brands that they use. This is important at the outset as it is this knowledge that will hopefully ensure that you choose a brand name that will not fall foul of any pre-existing rights out there.

This market knowledge combined with an availability search will enable you together with your trade mark attorney to make informed decisions about how best to take your brand forward.

Summary

It is important to be aware that the existence of identical or similar trade marks can be a major problem for your activities and that the earlier these are identified, the easier it is to find a solution, even if that solution is initially an unattractive one.

Your company should be seeking to develop a brand that is easily recognisable and can be distinguished from those of its competitors. You must ask yourself the question, if somebody else is using a similar name for their product, do you really want to risk confusion between their brand and yours? Remember that quite apart from the serious consequences of infringing somebody else's rights, on a practical level, the other company's product may be inferior to yours and therefore any confusion in the marketplace may have undesirable effects for your own reputation.

In short, the right preparation can ensure your company's place in the market is secured – clear the way early on and your brand can flourish.

Background

Mark Devaney is a Trade Mark Attorney in the London-based firm of Gill Jennings & Every LLP. He has wide experience of working with companies of all sizes including to a large extent start-ups and early stage companies, advising on trade mark selection and brand strategy, clearance, protection and enforcement.

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