

Trade Mark Litigation in the UK (England and Wales): Overview

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A Q&A guide to trade mark litigation in the UK (England and Wales)

The Q&A gives a high-level overview of trade mark disputes, including how trade mark infringement is assessed; unregistered trade marks; invalidation proceedings; procedure, preliminary relief and final remedies and enforcement options.

Sources of Law

1. What are the principal sources of law and regulation relating to trade marks and trade mark litigation?

The principal sources are legislation and case law (decisions of the courts interpreting the legislation).

National Legislation

The relevant UK laws include the:

- Trade Marks Act 1994 (TMA), as amended, which implemented the Trade Marks Directive ((EU) 2015/2436) with effect from 14 January 2019, and sets out the law relating to registration, validity and infringement of national UK trade marks.
- Trade Marks Rules 2008 (SI 2008/1797) as amended, which provide more detail about procedures for filing and opposing trade mark applications and procedures for applications for revocation, invalidation and rectification in the Trade Mark Registry, which forms part of the UK Intellectual Property Office (UKIPO).
- Trade Marks (Relative Grounds) Order 2007 (SI 2007/1976), which sets out specific provisions governing the grounds for refusing to register a trade mark under the TMA.
- Intellectual Property (Enforcement, etc.) Regulations 2006 (SI 2006/1028), came into force on 29 April 2006 implementing the IP Enforcement Directive (2004/48/EC) which harmonised certain enforcement mechanisms.
- Civil Procedure Rules (CPR), which set out the detailed procedure for litigation in the courts of England and Wales, including for trade mark litigation.

The national legislation above (except the CPR) applies throughout the entire UK, that is, England and Wales, Scotland and Northern Ireland. The TMA also applies to the Isle of Man, subject to exceptions and modifications.

EU Legislation

Following the UK's departure from the EU on 31 January 2020, EU Trade Marks (EUTMs) continued to subsist and be enforceable in the UK, under the EUTM Regulation ((EU) 2017/1001), until the end of the UK-EU transition period on 31 December 2020.

On 1 January 2021, the UKIPO created a comparable UK trade mark for every registered EUTM, under the European Union (Withdrawal Agreement) Act 2020. These were recorded on the UK trade mark register and have the same legal status as if the mark had been applied for and registered under UK law. A comparable trade mark (EU) keeps the original EUTM filing date and any original priority or UK seniority dates (if applicable). They are fully independent UK trade marks that can be challenged, assigned, licensed or renewed separately from the existing EUTM from which they derive.

See [Brexit and trade marks](#) practice note.

International Treaties

The UK is also a signatory to the:

- Protocol relating to the Madrid Agreement Concerning the International Registration of Marks 1989 (Madrid Protocol).
- WTO Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS).

Court Decisions

England and Wales is a common law jurisdiction so non-statutory law and binding precedent judgments from prior cases form part of the law, together with legislation.

Court System

2.Can third parties oppose/request cancellation of a national or supranational trade mark application/ registration? If so, on what grounds?

Third parties can:

- Oppose a UK trade mark application in opposition proceedings before the UKIPO.

- Apply to the UKIPO to invalidate or revoke a registered UK trade mark (or an international trade mark designating the UK).
- Apply to the court to invalidate or revoke a registered UK trade mark (or an international trade mark designating the UK), typically in the context of trade mark infringement proceedings.

Opposition

Third parties can oppose a UK or international trade mark application by filing a notice of opposition (Form TM7) within two months of the application's publication date. This deadline is extendable by one month (to three months) by filing a notice of threatened opposition (TM7A).

UK trade mark opposition proceedings begin with written statements of case, followed by the service of written evidence of fact, with a further opportunity to file additional legal submissions and/or request a hearing before the UKIPO reviews the case and hands down a decision.

Standard. Standard oppositions can be based on absolute or relative grounds (*see below*). Absolute grounds assess whether the trade mark application meets the definition of a trade mark and relative grounds assess the application against earlier rights owned by third parties. The UKIPO caps cost awards in relation to each stage of the opposition proceedings (see *Tribunal practice notice (2/2016): Costs in proceedings before the Comptroller* for the current amounts).

Fast-track. Alternatively, fast-track oppositions can be filed using a TM7F Form and are faster, cheaper and more straightforward than standard oppositions. Fast-track oppositions can only be based on relative grounds under sections 5(1) and 5(2) TMA and cannot cite more than two earlier marks. There are no formal evidence rounds, parties have no automatic entitlement to a hearing (which are only permitted in exceptional circumstances) and awards of costs are capped at GBP500 plus official fees. UKIPO official costs.

The cost of filing an opposition based solely on double identify and/or likelihood of confusion is GBP100.

The cost of filing an opposition including extended protection or other IP rights is GBP200.

Absolute Grounds

The UKIPO assesses a trade mark on absolute grounds when examining a trade mark application to ensure it fulfils all the requirements for registration. However, a third party can then challenge the UKIPO's acceptance of a trade mark in the examination phase by opposing the application on absolute grounds once it is published.

The absolute grounds for refusal are that a trade mark:

- Is not a sign that can be represented on the register in a manner that enables the competent authorities and the public to determine the clear and precise subject matter of the protection granted to its proprietor.
- Consists exclusively of a characteristic which results from the nature of the goods, or which is necessary to obtain a technical result, or which gives substantial value to the goods.
- Is deceptive.
- Is contrary to public policy or to accepted principles of morality.

- Is a specially protected emblem.
- Is prohibited by a UK enactment or the rule of law.
- Is devoid of distinctive character.
- Consists exclusively of an indication or sign which can designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service.
- Consists exclusively of a sign or indication which has become customary in the current language or in the bona fide and established practices of the trade.
- Has been applied for in bad faith.

(sections 1 and 3, TMA)

Relative Grounds

Third parties can oppose a trade mark application (filed without their consent) on relative grounds if they own an identical or similar earlier mark on the following grounds:

- **Double identity:** an identical sign for identical goods/services.
- **Likelihood of confusion:** an identical/similar sign combined with identical/similar goods and/or services resulting in a likelihood of confusion on the part of the public.
- **Extended protection:** an identical/similar sign to an earlier mark with a reputation in the UK, where the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.
- **Other intellectual property (IP) rights:** a mark that is liable to be prevented by any rule of law (in particular, passing off) or by virtue of another earlier right (in particular, copyright, design right or registered designs).

(section 5, TMA)

The first three grounds above are mirrored in the TMA's infringement provisions (*section 10, TMA*).

Invalidation/Revocation

Invalidation and revocation applications can be filed at the UKIPO (Forms TM26I and TM26N/TM26O, respectively).

A registered UK trade mark can be subject to an application for invalidation (*section 47, TMA*) on (broadly speaking) equivalent grounds to those available in an opposition (*see above, Opposition*). The effect of a successful invalidity action is that registration never existed.

A registered UK trade mark can be subject to an application for revocation (*section 46, TMA*) on the basis that the mark has not been put to genuine use for at least five years from the date of registration or any continuous five-year period after the date of registration. A mark can also be revoked if it has become generic or misleading. The effect of a successful revocation action is that the registration ceases from the date the revocation action is filed, so it can still have been infringed before that.

The cost of filing an invalidation/revocation application is GBP200.

Court

In England and Wales, invalidation and revocation applications can also be made to the High Court.

EU Trade Marks

Since Brexit, existing EU trade marks and new EU trade mark applications do not cover the UK. However, if an opposition is based on a comparable trade mark (*see EU Legislation*) it is possible to include relevant EU based evidence of "genuine use" and "reputation" from before 1 January 2021 in the opposition proceedings. For more information, see [Brexit and trade marks](#) practice note.

Madrid Protocol

The UK is a contracting party to the Madrid Protocol. This is essentially a co-ordinated international filing system. The Madrid Protocol allows applicants to file a "base" application in a contracting state. The applicant can then apply to the World Intellectual Property Organization (WIPO) to designate protection in several contracting states. The WIPO then forwards the base application/registration to the national trade mark offices in the applicant's selected countries, which then consider the application under the standard rules of that jurisdiction. The successful national applications make up an "international registration".

Under the Madrid Protocol, for five years from the date of the international registration, the validity of the registration depends on the base application. Therefore, if the base application is withdrawn or successfully opposed, invalidated or revoked, the international registration ceases to be effective in all contracting states. This means a "central attack" on the base application is a powerful tool for opponents and third parties.

3. Which courts/government bodies enforce registered trade mark rights?

Trade marks are enforced primarily in the Chancery Division of the High Court, the Intellectual Property Enterprise Court (IPEC) or a County Court where there is also a Chancery District Registry. Within the IPEC there is a small claims track which is suitable for straightforward and lower value claims which are heard by one of three district judges, or by deputy district judges.

The UKIPO has no jurisdiction in relation to trade mark infringement claims. Applications for invalidity and revocation and can be brought before the High Court, the IPEC, some County Courts or the UKIPO.

Criminal infringement offences can be prosecuted in a magistrates' court or the Crown Court depending on the seriousness of the offence.

The High Court includes specialist IP judges and most, but not all, trade mark cases are dealt with by them. The IPEC which is also part of the Chancery Division is a specialised IP court in which smaller value and less complex claims are heard by a specialist IP judge. The Court of Appeal includes judges with IP expertise who often hear trade mark appeals.

Tribunals broadly take precedence as follows:

- Supreme Court (the highest tribunal).
- Court of Appeal.
- Chancery Division of the High Court.
- Intellectual Property Enterprise Court (IPEC) or County Courts.
- Comptroller-General of Patents, Designs and Trade Marks (Registrar) (an administrative official having regulatory functions in respect of certain types of IP rights and a judicial role in certain IP disputes).

Although not binding on the UK Courts, the decisions of the highest courts in Commonwealth jurisdictions are often highly persuasive precedents.

Following the UK's exit from the EU there is no longer a route for references on questions of interpretation of EU law to the Court of Justice of the European Union (CJEU), but its past judgments remain binding on the UK's lower courts and can only be departed from by the Court of Appeal and the Supreme Court (*see Question 3 and Question 6*).

4. Who can represent parties before each court set out above?.

In the High Court, parties are generally represented by a barrister or a solicitor-advocate who presents the case in court (although litigants in person are by no means barred). A solicitor is responsible for all other aspects of the conduct of the case, in particular disclosure, witness evidence, expert reports and pre-trial arrangements. Some trade mark and patent attorneys are also qualified to conduct litigation and appear as advocates before the High Court in trade mark matters.

In the IPEC, solicitors, trade mark attorneys and litigants in person can conduct litigation and appear as advocates, although barristers are commonly used. Before the UKIPO, a party can appear personally or appoint another person to represent them.

5. What is the language of the proceedings? Is there a choice of language?

The language of the proceedings is English. No other choice is available. Arrangements can be made for interpreters/translation, for example for witnesses.

6. To what extent are courts willing to consider, or are bound by, the decisions or opinions of other national or foreign courts that have handed down decisions in similar cases?

The decisions of higher courts in England and Wales set precedents that bind lower courts. The court hierarchy is (from the highest court):

- Supreme Court.
- Court of Appeal.
- High Court.
- County Court.

Scottish and Northern Irish courts have separate systems, but are also bound by the decisions of higher courts in their own jurisdictions and by decisions of the UK Supreme Court.

At the end of the Brexit transition period on 31 December 2020, the vast majority of EU law that applied to the UK was effectively transposed into UK law (see [UK law after end of post-Brexit transition period: overview](#)). This included "retained EU case law" comprising CJEU (including the General Court) decisions issued before 1 January 2021. Those decisions are binding on UK courts. The UK Supreme Court and Court of Appeal are empowered to depart from CJEU decisions using the same test the Supreme Court uses when deciding whether to depart from its own case law, namely where the earlier decisions "were generally thought to be impeding the proper development of the law or to have led to results which were unjust or contrary to public policy". (*R v National Insurance Commissioner: ex parte Hudson* [1972] AC 944, per Lord Reid at page 966)

CJEU decisions issued from 1 January 2021 have no binding effect on UK law. However, such decisions still form persuasive precedent, as do decisions from other foreign courts where they are considering similar concepts, particularly those of the higher courts in Commonwealth countries.

Limitation Periods

7. What limitation periods apply to registered trade mark infringement actions?

There is a limitation period of six years for bringing a claim (five years in Scotland).

Substantive Law

8. Are unregistered trade marks protected in your jurisdiction?

Unregistered trade marks are protected under the common law action of passing off.

This action entitles a trader who has established goodwill associated with a sign or "get-up" (visual characteristics of a product or its packaging) to prevent use by others which amounts to a misrepresentation (typically to the effect that the goods or services are produced/offered by or connected with the first trader) and which causes (or is likely to cause) damage to the claimant.

Essentially, passing off includes three basic requirements,

- Goodwill.
- Misrepresentation.
- Damage.

Passing off covers several scenarios that would be considered "unfair competition" in other jurisdictions, a doctrine not recognised in the UK. For example, it can cover false endorsement, character merchandising and misrepresenting a product's geographical origin or quality (under "extended passing off").

Registering a UK trade mark provides the owner with the option of bringing a claim based on the infringement tests in the TMA (*see Question 9*).

Claiming registered trade mark infringement can be advantageous (when compared to passing off) as it avoids the need to establish "goodwill" and "misrepresentation", both of which require specific and robust evidence.

An applicant must either:

- File a trade mark application with the UKIPO.
- File a trade mark application with the WIPO and designate the UK to register a UK trade mark.

9. How is a registered trade mark infringement assessed?.

The infringement provisions of the TMA are interpreted in accordance with rulings of the UK courts, which have frequently adopted the reasoning of UKIPO appeal decisions.

As the provisions are derived from the 2015 Trade Marks Directive and are equivalent to those of the EUTM Regulation they can also be interpreted by reference to rulings of the CJEU and can also be influenced by decisions in the highest courts of Commonwealth jurisdictions (*see Question 6*).

A registered trade mark is infringed if a sign is used, in the course of trade (which includes for example domain names, trade names, or other distinctive signs or a metatag) without the trade mark proprietor's consent, which is:

- Identical to the trade mark in relation to goods or services which are identical to those for which the trade mark is registered.
- Identical or similar to the trade mark and is used in relation to similar goods or services and there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.
- Identical or similar to the trade mark where the trade mark has a reputation in the UK and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

The tests for each of these kinds of trade mark infringement have evolved (and become somewhat complicated) in light of CJEU decisions since the TMA was enacted.

Briefly, likelihood of confusion infringement must be appreciated globally, taking into account all factors relevant to the circumstances of the case. This means that trade marks can be infringed by translations or conceptually identical but graphically different marks. The overall impression created by the visual, aural and conceptual similarities and differences between the marks, and where appropriate, the goods and services to which they relate, are assessed from the perspective of the average consumer.

For further details on this and the other tests for assessing registered trade mark infringement, see [Trade marks: Infringement and offences](#).

10. On what grounds can a proprietor lose rights in a registered trade mark?

In addition to the absolute and relative grounds for refusal of an application, and the grounds for revocation or invalidity of a registered mark set out in [Question 2](#), a proprietor can lose rights in a registered trade mark by the:

- Expiry of ten years from the filing date of the trade mark application (unless the registration is renewed).
- Surrender by the proprietor of the trade mark by sending a notice to the UKIPO.

11. What defences, if any, are available to an alleged infringer?.

In addition to claiming the proprietor's trade mark is invalid or should be revoked (*see Question 2* an alleged infringer can rely on the following defences:

- Use by an individual of their own name or address, provided they use it in accordance with honest practices in industrial or commercial matters. From 14 January 2019, as a result of an amendment to section 11(2)(a) of the TMA, this defence no longer applies to companies.
- Descriptive use of a trade mark to indicate the characteristics of goods or services, including:
 - indications concerning the kind, quality, quantity, intended purpose (such as accessories or spare parts);
 - value;
 - geographical origin;
 - time of production of the goods or of rendering of the service; or
 - other characteristics of the goods or service

The use must be in accordance with honest practices in industrial or commercial matters.

- Use of an earlier right (such as an unregistered trade mark or other sign continuously used in relation to goods or services) in a particular locality, before the registration of the registered trade mark or first use of the registered trade mark.
- Overlapping trade marks: a registered trade mark is not infringed by the use of another registered trade mark in relation to goods or services for which the latter is registered as long as the later registered trade mark would not be declared invalid under relevant provisions of the TMA.
- Use of the trade mark relates to goods put on the market in the UK or in EEA by the owner of the trade mark or with their consent (provided the owner does not have a legitimate reason to oppose further commercialisation of the goods (exhaustion of rights)).
- Where the proprietor of a registered trade mark has knowingly acquiesced for a continuous period of five years in the use of a later registered trade, they lose the right to sue for infringement in relation to the goods or services for which it has been used.
- Where there has been honest concurrent use: This has been recognised and developed in case law and occurs where one party has a trade mark registration and another party, during the term of the earlier registration, has honestly and concurrently used an identical mark for similar goods or services without knowledge of the earlier registration (see the ECJ's decision in *Budejovicky Budvar NP v Anheuser-Busch Inc (Case C-482/09)*; *Court of Appeal's decision in IPC Media Ltd v Media 10 Ltd [2014] EWCA Civ 1403*; *Victoria Plum Ltd v Victorian Plumbing Ltd and others [2016] EWHC 2911(Ch)*, 18 November 2016 and *Bentley 1962 Ltd v Bentley Motors Ltd [2019] EWHC 2925 (Ch) (01 November 2019)*)
- Where the proprietor of a trade mark cannot seek to prevent use of a sign because their trade mark is liable to revocation for lack of genuine use. This is a relatively new provision (section 11A) of the TMA aimed at deterring trade mark owners from seeking to rely on unused rights (at least, those registered for at least five years previously) in infringement cases, and removes the need for use to be challenged by way of separate revocation proceedings. For information about the concept of genuine use, see [Practice note, Trade marks: Cancellation: Non-use](#).

12. Can a trade mark holder plead registered trade mark infringement and passing off/unfair competition in the alternative in the same action?

A trade mark holder can plead trade mark infringement and passing off in the alternative in the same action.

While there is no specific action of unfair competition in UK law, passing off encompasses similar issues (*see Question 9*) and trade mark infringement proceedings can be combined with other claims providing similar protection, including injurious falsehood, anti-competitive claims and breach of contract.

The High Court can hear all relevant claims within the same action.

The IPEC can hear all types of IP cases, and can deal with disputes involving matters other than IP so long as those matters are associated with an IP claim. These typically involve contractual issues related to the underlying trade mark/passing off dispute. However, where complex non-IP related claims are involved, the case may be unsuitable for the IPEC and the case would be transferred to the High Court. For example, it is the IPEC small claims track (*see Question 3*) would be unlikely to hear claims for injurious falsehood, anti-competitive action and breach of contract, even where these are connected with a trade mark or passing off claim.

Parties to Litigation

13. Who can sue for trade mark infringement?

Trade Mark Holder

A trade mark owner can sue for infringement of a registered trade mark. This includes co-owners, provided the other co-owners are either joined as claimant(s) or added as defendant(s) unless the court otherwise agrees. A co-owner joined as a defendant will not be liable for costs.

For passing off, the owner(s) of the goodwill can bring proceedings.

Exclusive Licensee

An exclusive licensee has certain statutory rights to bring proceedings in its own name (joining the proprietor as a claimant or a defendant unless the court agrees otherwise) provided the licence is registered.

An exclusive licensee can bring infringement proceedings in its own name in relation to a UK registered trade mark in the following circumstances:

- Where the licensee has asked the proprietor to bring proceedings, but the proprietor has either refused to do so or failed to do so within two months (*section 30, TMA*).
- Where the licence includes a provision giving the licensee the same rights and remedies as if the licence had been an assignment (*section 31, TMA*). In this situation, the licensee's rights run concurrently with those of the proprietor.

These statutory rights are commonly excluded by express provision in the licence agreement and replaced with contractual permissions and controls relating to infringement proceedings brought by the licensee (if any are permitted).

Non-Exclusive Licensee

With effect from 14 January 2019, section 30(1A) of the TMA specifies that, subject to any provision to the contrary in the licence, a non-exclusive licensee can only bring infringement proceedings with the consent of the proprietor, and the licence must be registered for the licensee to do so.

Distributor

A distributor can only bring proceedings if it is an assignee or licensee (subject to the conditions described above) of the trade mark.

Other

No other party has a right to bring proceedings.

14. Who can be sued for trade mark infringement?

Any person or company that has committed an infringing act (whether through an agent or otherwise) can be sued for trade mark infringement.

Directors of limited companies that infringe are not personally liable solely because they are directors, but only for infringing acts they have personally committed/directed. However, directors (or potentially third parties) can be liable as joint tortfeasors where that person procures or joins in a common design with the infringing company to infringe the registered trade mark.

Where the defendant is a one-person company, it may be appropriate to join the sole director as a co-defendant (to ensure any injunction binds the director personally).

An employer is vicariously liable for the infringing acts of its employees that are done in the course of the employer's business and within the scope of the employee's employment, regardless of whether or not the employer knew of the infringing act(s).

In relation to a partnership, all culpable partners are liable, but any who had no knowledge of or tried to prevent the infringement are not liable.

Parent or group companies are not typically liable for the infringing acts of subsidiaries or other group companies unless it can be shown that the parent/group company procured or engaged in a common design with the infringing company as a joint tortfeasor.

Where a company is guilty of a criminal offence under the TMA, any directors, managers, secretaries or other similar officers who consented or connived in the offence's commission are liable.

15. What type of acts amount to registered trade mark infringement?

Acts that can amount to infringement include:

- Affixing the sign to the goods or to their packaging.
- Offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services under it.
- Importing or exporting the goods under that sign.
- Using the sign as a trade or company name (or part of it)
- Using the sign on business papers and in advertising.

(section 10, TMA)

Certain acts preparatory to infringing are also prohibited. These are affixing a sign to materials (including packaging, labels, tags, security or authenticity features or devices) or dealing in such materials where a "risk" exists that the use could constitute infringement. *(section 10(3B), TMA, implementing Article 11 of the 2015 Trade Marks Directive)*

Using the sign in comparative advertising in a way that is contrary to the Misleading and Comparative Advertising Directive (2006/114/EC) and which remain in force after Brexit, see Practice note [Business Protection from Misleading Marketing Regulations 2008](#).

Targeting

Acts of infringement on the internet can be committed through use of another's trade mark on a website, in social media postings, in search engine keyword advertising such as Google's AdWords service, or in a metatag (a word used by a website to describe its content that is invisible to the user and which enables search engines to identify the site from key words).

The jurisdiction of the use of a trade mark on a website is assessed on the basis of whether the online use in issue is targeted at consumers in the UK.

The leading UK cases on targeting in a trade mark context are *Merck KGaA v Merck Sharp & Dohme Corp* [2017] EWCA Civ 1834 and *Argos Ltd v Argos Systems Inc* [2018] EWCA Civ 2211

16. Under what conditions, if any, can an alleged infringer bring proceedings to obtain a declaratory judgment of non-infringement?

Unlike patent law, UK trade mark legislation does not include any express provision for the grant of a declaration of non-infringement (DNI) in the absence of a threat to bring infringement proceedings (*see Question 19*). However, UK courts are more generally empowered by the Civil Procedure Rules to make binding declarations whether or not any other remedy is claimed and, although unusual, this jurisdiction has been exercised in some trade mark cases.

From a practical standpoint, the principal difficulty for applicants for DNIs faced with (as is common) extensive trade mark specifications covering multiple goods and services across a range of classes, lies in proving that the act(s) they wish to clear the way for will not infringe in relation to each and every one of those goods/services. DNIs which are carefully crafted in scope can, however, in appropriate circumstances, serve a useful purpose.

The grant of a declaration will be tested against three principles:

- The grant of a negative declaration is one of discretion, rather than of jurisdiction.
- There must be a useful purpose to the DNI (that is, to ensure the "aims of justice" are achieved).
- The underlying issue must be sufficiently clearly defined to render it properly justiciable.

(*see Skyscape Cloud Services Ltd v Sky Plc and others [2016] EWHC 1340 (IPEC) at paragraph 10*).

17. Is it possible to add or remove parties during litigation?

Parties can be added during litigation if desirable, to resolve issues in dispute. This is subject to the consent of the court and the party being joined if added as a claimant. The new party must be given every opportunity to participate fully in the litigation and cannot be added at a late stage.

Where the court is satisfied that it is no longer desirable for a person or entity to be a party, they can be removed.

Enforcement Options

18. What options are open to a trade mark holder when seeking to enforce its rights in your jurisdiction?

Civil Proceedings

A trade mark holder can bring civil proceedings for registered trade mark infringement and/or passing off (see [Question 12](#)) of a UK mark (including an EU comparable trade mark, see [Question 1](#)). These causes of action are commonly combined in the same action.

Criminal Proceedings

Criminal sanctions apply to certain unauthorised uses of trade marks, primarily conduct that amounts to counterfeiting, but the UK Supreme Court has held that an offence can also be committed in relation to parallel-imported (grey market) goods. Further sanctions under the general criminal law of fraud may be relevant to trade mark infringement.

If convicted, a defendant is liable for a limited fine or a prison sentence of up to ten years for the most serious offences, and may be subject to orders for forfeiture and confiscation under proceeds of crime legislation. For more information, see [Practice note, Trade mark offences](#).

The Police Intellectual Property Crime Unit (based in the City of London) investigates serious and organised IP crime, including counterfeiting, at a national level, with a focus on IP crime that has public safety implications.

At a local level, trading standards authorities (part of local government) are primarily responsible for enforcing criminal trade mark infringement although local police forces can also become involved.

It is also possible to bring private prosecutions, which may be the most effective means of enforcement in suitable cases, but they can be taken over or discontinued by the Director of Public Prosecutions. For more information, see [Practice note, Private prosecutions](#).

Border Measures

A trade mark holder can give notice to HM Revenue & Customs (HMRC) of the impending arrival of infringing goods from outside the UK. The goods can then be intercepted, seized and treated as prohibited goods by UK Border Force.

Customs can also take such action without first being given notice by a trade mark holder, but a formal notice must be filed quickly after being informed of the ex officio action.

Since 1 January 2021 (post-Brexit), the EU-wide process of notice, interception and seizure under the Customs Enforcement Regulation ((EU) 608/2013) no longer applies, although the EU procedure is retained largely intact, including the timings and the available abbreviated procedure for small consignments. One major difference is that notice is given to HMRC in a simplified online format. For further information, see [Practice note, Working with UK Customs](#)

With regard to goods in transit, as in the EU, trade mark holders can also prevent third parties from bringing infringing goods into the UK even if those goods are not released for circulation here, provided that the trade mark holder is entitled to prohibit the goods being placed on the market in their place of final destination.

19. Is it advisable to send a letter before action (cease and desist letter) to an alleged infringer before commencing registered trade mark infringement proceedings?

It is advisable to send a letter before action unless:

- There are compelling reasons not to put the alleged infringer on notice of the proceedings, for example if applying for a without notice interim (preliminary) injunction or a search order to secure evidence (see [Question 28](#) and [Question 31](#)).
- Such a letter cannot be written without foul of the unjustified threats provisions (see below).

Trade mark infringement litigation can often be averted by a well-prepared cease and desist letter notifying the infringer of the infringing acts it is committing and requesting that they cease and desist from such acts, and in any event it is strongly advisable to send a letter complying with the [Civil Procedure Rules](#) (CPR) before starting an action (see below)

Letter Before Action (Cease and Desist)

Though there is no specific pre-action protocol for IP cases in the CPR, the [Practice Direction – Pre-Action Conduct And Protocols](#) still applies to IP litigation. Under this Practice Direction, the court expects parties to act reasonably and proportionately in exchanging information and documents relevant to a claim and to consider settling any dispute to avoid the necessity for proceedings.

From the claimants perspective, this will involve sending a letter before action providing the defendant with concise details of the claim including:

- The basis on which the claim is made.
- A summary of the facts.
- What the claimant wants from the defendant.
- If financial compensation is required, how the sum sought is calculated.

Failure to send a letter before action so can lead to adverse costs consequences. Therefore, subject to avoiding making actionable unjustified threats it is generally advisable to put the alleged infringer on notice before making a claim.

Unjustified Threats

Great care must be exercised when putting an alleged infringer on notice. The threats provisions contained in sections 21 to 21F of the TMA provide a statutory action against groundless threats of trade mark infringement proceedings.

The test for whether a communication is a threat to sue for trade mark infringement has two parts, as follows:

- Whether the communication would be understood by a reasonable person in the position of the recipient to mean that a right exists.
- Whether the communication would be understood by such a person to mean that someone intends to bring infringement proceedings in respect of that right for an act done in the UK.

A person who is aggrieved by a threat of an infringement action (not necessarily the recipient of the communication) can bring a claim that the threat is unjustified, which requires the trade mark holder to prove infringement. If the threat cannot be justified, the person aggrieved is entitled to a declaration, injunction and/or damages.

The legislation makes a distinction between the supply of services and that of goods, and between primary infringers (manufacturers or importers) and secondary infringers (retailers or customers).

Threats regarding the supply of services are not actionable. With regard to goods, because the actions of primary infringers are likely to cause more damage, a trade mark proprietor can threaten a primary infringer without fear of being sued for making unjustified threats, and such threats can include threats relating to secondary as well as primary acts of infringement.

There is also a safe harbour for communications ("permitted communications for "permitted purposes") to secondary infringers which might previously have been interpreted as actionable threats. Permitted purposes are to:

- Give notice that the IP right exists.
- Discover if the right is being infringed and by whom.
- Give notice that a person has an interest in the IP right in circumstances where another person's awareness of that right is relevant to any proceedings.

None of these can be combined with any communication in which a person is asked to stop doing something, destroy or handover something, or undertake not to do something in respect of the disputed IP right, none of which can be treated as a permitted purpose.

The following are not actionable threats:

- Threats of passing off proceedings.
- A threat in the UK of proceedings for infringement of a foreign mark.

However, care should be taken as broad or vague threats of proceedings in relation to marks or activities or to a range of jurisdictions or regions, for example "in Europe", can be interpreted as threats to bring UK proceedings.

For further information, see [Threats actions and intellectual property rights: law from 1 October 2017](#)

20. To what extent are your national courts able to grant cross-border or extra-territorial injunctions (preliminary or permanent)?

UK courts with jurisdiction over a defendant and power to hear actions for registered trade mark infringement can grant preliminary and permanent injunctions with effect throughout the constituent parts of the UK (England and Wales; Scotland; and Northern Ireland). They have jurisdiction if the defendant is domiciled, or if the alleged infringement has taken place, in the jurisdiction where the court is (see *William Grant & Sons Irish Brands Ltd v Lidl Stiftung & Co KG, Court of Session (Inner House, First Division)* - [2021] CSIH 38).

In proceedings which began after 31 December 2020, it is no longer possible for a court in the UK to issue an injunction that is enforceable across the EU. The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/269) revoked the EUTM Regulation at the end of the transition period (31 December 2020).

Where ongoing proceedings relating to an EUTM started before 31 December 2020, most of the relevant provisions of the EUTM Regulation dealing with jurisdiction and procedure continue to apply, so that UK courts can still grant cross-border injunctions in the EU in those circumstances on the basis of the relevant EUTM (confirmed in *Easygroup Ltd v Beauty Perfectionists Ltd* [2021] EWHC 3385 (Ch)). In such cases, injunctions granted after 31 December 2020 in the UK can only be based on the corresponding comparable trade mark (EU) (and not the EUTM from which it is derived, because EUTMs no longer have effect in the UK).

For more information, see [Practice note, Brexit and trade marks: proceedings and injunctions](#)

21. To what extent are arbitration and alternative dispute resolution (ADR) methods (such as mediation) available to resolve trade mark disputes?

ADR encompasses a range of procedures including arbitration, mediation, expert determination, early neutral evaluation and mini-trial which are all available for resolution of a dispute. Various methods of ADR are fairly commonly used.

Arbitration

It is extremely unlikely for the UKIPO to recognise and execute an arbitral award declaring a trade mark invalid, since validity of a UK trade mark can only be challenged in proceedings before the High Court or the UKIPO. However, the award would be (indirectly) effective in relation to third parties if the proprietor agreed to surrender rights and took appropriate action at the UKIPO to give effect to the declaration .

ADR

ADR is common in trade mark disputes, albeit with no particular sector focus. Disputes resolved via ADR by licensing, co-existence or other contractual arrangements can be enforced through the courts.

The UKIPO opposition procedure includes a "cooling off" period of up to 18 months to allow parties to negotiate before the adversarial stage of proceedings. Either party can ask for this period but both parties must agree for it to go ahead. The UKIPO also has a mediation service to which certain types of trade mark disputes can be referred for online or in-person mediation, at relatively inexpensive hourly rates.

The IPEC, like the High Court, can adjourn a case for a specified period to encourage the use of ADR and can require it to be considered. Parties are required to give consideration to ADR and record this in a court order when case management directions are made. Failure to engage in ADR can have an adverse impact on cost recovery.

For disputes involving .uk ccTLD domain names, Nominet, the domain name registry in the UK, operates a dispute resolution services to settle domain name disputes which is similar to the Uniform Domain-Name Dispute-Resolution Policy (UDRP) applicable to gTLDs. This applies where the:

- Complainant has rights in a name which is similar to the domain name.
- Person who has registered the domain name has taken unfair advantage of those rights.
- Rights in a name may have arisen by way of a trade mark or contractual rights, whether enforceable under English law or in other jurisdictions.

The Nominet DRS includes a voluntary mediation phase but does not have jurisdiction to grant an injunction, award damages or make orders for costs.

Procedure in Civil Courts

22. What is the format of trade mark infringement proceedings?

During the proceedings (before trial), a Master (a Judge with specific limits on their jurisdiction) typically deals with procedural applications, cost and case management conferences and disclosure applications.

Trade mark infringement proceedings are then decided by a High Court Judge or Deputy High Court Judge at trial.

If a first instance decision of the High Court or IPEC is appealed, the appeal is heard by a panel of three Lord Justices of Appeal in the Court of Appeal and a five to seven member panel of Justices if appealed further from the Court of Appeal to the UK Supreme Court.

Juries are never used in civil trade mark infringement trials.

Trade mark infringement proceedings typically comprise:

- Issue of a claim form and service on the defendant.
- Sequential service of other statements of case (pleadings): these are high-level formal written statements of each side's case:
 - the claimant serves particulars of claim;

- the defendant serves a defence to which the claimant can (but does not have to) reply, to which the defendant can (but does not have to) serve a rejoinder.
- Costs and case management conference (CCMC): this occurs after the sequential exchange of statements of case has been completed (which typically completes about four months after service of the particulars of claim). It sets the timetable for the case, and addresses issues such as future costs of the case, the scope of disclosure, number of witnesses and length of trial.
- Disclosure: see [Question Question 27](#).
- Evidence gathering, preparation and exchange of witness statements: witness statements set out the evidence in chief intended to be given by each witness.
- Trial and judgment: the trial is an oral hearing, in the High Court typically lasting four or five days, but longer trials are possible in more complex case. In the IPEC trials are limited to two days. Shortly before the trial, the parties file and exchange detailed written submissions (known as skeleton arguments). Judgment is usually reserved following a trial and handed down within a period of between a few weeks to two or three months, depending on the judge's caseload.
- Overall, a trade mark infringement trial (lasting about one week) generally takes place about 12-18 months after the claim is issued (assuming the claim form is served shortly after it is issued).

23. Is a fast-track procedure available?

A trade mark infringement trial (lasting about one week) will generally take place about 12-18 months after the claim form is issued (see [Question 22](#)).

Proceedings can be expedited in the following ways:

- **Fast track:** The fast track is the usual track for modest claims of between GBP10,000 and GBP25,000 or non-money claims (such as injunctions, declarations and claims for specific performance) where the trial is estimated to last not more than a day (taken to be five hours) and where oral expert evidence at trial will be limited to one per party (per field) in up to two fields.

The fast track is governed by [CPR 28](#) and [PD 28](#). It is designed to provide a quicker, simpler procedure from the multi-track (which is the default track for IP claims) for lower value cases which do not require detailed preparation and a lengthy trial. The aim is for fast track claims to proceed quickly to trial within a short timescale after the filing of the defence. Fast track cases should be settled or tried within 30 weeks from the allocation and giving of directions.

- **Speedy trial:** where an interim injunction is not appropriate and a degree of urgency can be shown, a speedy trial may be an appropriate alternative. Some aspects (in particular disclosure) may be more limited but, the procedure is generally as usual but intensive, taking place over about six to eight months between issuing proceedings and trial.
- Streamlined procedure: the IPEC generally hears lower value and less complex trade mark actions in a more streamlined way than the High Court by:

- limiting evidence (both factual and expert) to only written form;
- restricting or disallowing cross-examination of witnesses; and
- preventing or severely limiting disclosure.

The court can also adopt any method of proceeding at a hearing that it considers fair.

24. What are the rules and practice concerning evidence in trade mark infringement proceedings in your jurisdiction?

Documents

Witness statements and expert reports are prepared and exchanged with the other parties to the proceedings. These set out in detail the evidence that is intended to be given by each witness/expert at trial.

Witness Evidence

Witnesses give evidence in writing and orally. Generally, the written witness statement stands as the witness's evidence in chief and their oral testimony begins with cross-examination by the opposing party. The party who called the witness can then "re-examine" to assist the witness in answering any points raised in cross-examination.

Expert Evidence

The parties can, with the permission of the court, use expert witnesses.

Before the IPEC, expert evidence will only be permitted in relation to specific issues, and only if the court is satisfied that the benefit of such testimony justifies the cost.

25. To what extent is survey evidence used (for example, to support acquired distinctiveness, or likelihood of confusion)? What is its evidential value?

In trade mark infringement proceedings evidence is rarely adduced of a survey as such, that is where a substantial number of persons are asked questions according to explicit detailed instructions, designed to produce a statistically significant result.

More frequently the party concerned seeks to obtain direct evidence from members of the public to put before the court in the form of witness statements. This type of survey evidence is now rarely permitted where the proposed evidence goes to

likelihood of confusion or (in passing off cases) deception issues. It is more commonly used where the issue is the reputation of the mark in issue and/or its acquired distinctiveness or to provide the court with an understanding of consumers' perceptions of a type or market for a given product (for example where the product or service is of a specialist nature).

The courts are very cautious about the value of surveys, because results are highly dependent on the questions asked and the manner in which the survey is conducted. The court's approval of a survey is required before it is carried out, which invariably includes close scrutiny of the methodology and questions, even if an expert witness has designed the survey.

In *Interflora Inc v Marks & Spencer plc* [2012] EWCA Civ 1501 and [2013] EWCA Civ 319, the Court of Appeal held that:

- A party can conduct a true pilot survey without permission of the court, but this will be at its own risk as to costs.
- No further survey can be conducted or adduced in evidence without the permission of the court.
- Permission must also be sought by a party wishing to adduce evidence from respondents to a survey.
- The court will only give permission if it is satisfied that the evidence is likely to be of real value and that the likely value justifies the cost.
- Survey evidence is less likely to be permitted for determining likelihood of confusion because the court can put itself into the position of the average consumer without requiring survey evidence.

Details of all surveys must be disclosed to the other party(ies), irrespective of the results and whether or not the results are relied on in evidence, and an expert witness made available for cross examination on the results and methodology used.

Surveys not conducted in accordance with the strict guidelines outlined by the courts are unlikely to be given weight by the court or are likely to be entirely excluded from the evidence. A claimant who has successfully relied on a survey which has been permitted by the court is usually entitled to recover their reasonable costs of carrying it out.

For further information on surveys in trade mark and passing off actions, see survey evidence section in [Overview of Passing Off](#).

26. Is evidence obtained for criminal proceedings admissible in civil proceedings, and vice versa?

In both civil and criminal cases, it is for the judge to rule on the admissibility of evidence applying the general rules of evidence, namely, the principles of admissibility, relevance and the rules on hearsay. Additionally, in criminal cases the court can refuse to allow evidence on which the prosecution proposes to rely if the admission of the evidence would have an adverse effect on the fairness of proceedings.

27. To what extent is pre-trial discovery permitted and what other mechanisms are available for obtaining evidence from an adverse party or third parties?

Pre-trial Discovery

"Discovery" is known as "disclosure" in English courts. Pre-action disclosure and disclosure against certain third parties is available in civil proceedings (for example, to assist in an early resolution or reduce costs), although unusual.

Disclosure enables a party to obtain evidence from the other party, as part of all proceedings, typically once all parties have filed their pleadings.

Before 1 January 2019, disclosure in trade mark infringement cases was generally conducted on the "standard" basis, where all parties are required to make a reasonable search for all relevant documents in their possession or control, and disclose to the other side all the documents on which they rely which adversely affect its own case and which adversely affect or support another party's case, other than those protected by legal privilege.

The process and costs of giving standard disclosure have become more complicated and expensive in recent years as a result of the extensive use of electronic documents and communications. To control the process and costs of disclosure in proceedings before the Business and Property Courts (which include those hearing trade mark and other IP infringement cases) a *disclosure pilot scheme* was launched which will run until at least 31 December 2022. Under this scheme, the court has wide and flexible powers to tailor the scope of disclosure to the specifics of the case, and the parties have clear and detailed obligations in terms of considering, preparing for and giving disclosure, including a timetabled dialogue process for setting the scope of disclosure.

Other Mechanisms

It is possible to obtain pre-trial search and seizure orders against both an adverse party and a third party. (*see Question 28*). It is also possible to obtain court orders for disclosure of documents and/or information from innocent third parties who have become mixed up in the wrongdoing of an infringer. For further information, see *Practice note, Norwich Pharmacal orders: a practical guide*.

28. Can an order be made to establish proof of infringement (saisie-contrefaçon)? If not, what other mechanisms, if any, are available?

The High Court can make an ex parte order requiring a party to admit its opponent's solicitors (with an independent supervising solicitor) to its premises for the purpose of preserving evidence (by searching for and copying, or seizing, evidence that the defendant has in its possession). An applicant for this order must fulfil onerous requirements to protect the defendant's rights, including full and frank disclosure to the court on points of evidence and argument adverse to its case. For further information, see *Practice Note, Search orders: an overview*

Parties to civil proceedings have a duty to preserve disclosable documents (*see Question 27*) as soon as litigation is contemplated. The documents to be preserved include electronic documents which would otherwise be deleted in accordance with a document

retention policy or otherwise deleted in the ordinary course of business. Destruction of documents when litigation has been started, or is even contemplated, is regarded as a serious matter in the UK courts and can result in costs sanctions, or even contempt of court.

29. How long do trade mark infringement proceedings typically last?

A trade mark action typically comes to trial within 12 to 18 months of commencement, depending on the complexity of the case and the resulting trial length, the attitude of the parties and the availability of court time and the court and urgency. An expedited (speedy) trial can be ordered in urgent cases and can be heard within three to six months (*see Question 23*).

The court sets binding timetables for the conduct of the proceedings in the first CMC, which is usually held within the first three to four months of the proceedings once all pleadings have been exchanged. Most steps in this timetable can be varied by agreement between the parties, subject to various controls by the court, but once a trial date is fixed (usually within two weeks of the first CMC) it is rarely adjourned, and if so only if necessary as a result of change of circumstances not known at the first CMC.

30. What options, if any, are available to a defendant seeking to stay the proceedings?

Following Brexit, it is no longer open to a defendant to obtain a stay of UK infringement proceedings pending resolution of invalidity proceedings before the EUIPO or an EU court, nor on the basis of a civil action based on an identical or similar EUTM or national mark in an EU member states, under the provisions of Articles 132 and 136 EUTMR respectively.

If the parties have agreed to ADR, the court will usually accede to a defendant's request to stay proceedings, but if the result would be to lose the date for a trial that has already been fixed this will almost invariably require the claimant's consent.

Preliminary Relief

31. Is preliminary relief available?

A variety of interim (preliminary) relief is available including:

- An order for early disclosure and inspection which can even be made before commencement of proceedings.
- A search order (*see Question 28*).
- A freezing order (Mareva injunction), by which assets of the defendant which may be needed to satisfy judgment will be retained.
- An interim injunction pending trial. To determine whether an interim injunction should be granted, the court looks at the following factors (*American Cyanamid Co. v Ethicon Ltd [1975] A.C. 396*):
 - whether there is a serious question to be tried and, increasingly, the relative strength of the parties' cases;
 - whether damages will be an adequate remedy (because of the nature of the infringement or the defendant's financial position);
 - where the balance of convenience lies (what is just and convenient given the position of both parties);
 - where other factors are evenly balanced, the court will tend to maintain the status quo.
- Preliminary injunctive relief is available where urgency is shown or the relief is otherwise necessary in the interests of justice. A party generally needs to show that without the grant of preliminary relief, its interests will be seriously if not irreparably harmed (for example, reputational damage) and cannot be compensated by payment of damages. Where such urgency cannot be shown, the court can order an expedited (speedy) trial instead.

Interim (Preliminary) Relief Applied for Without Notice

Search orders are always, and freezing orders usually, applied for ex parte (without notice). Due to the nature of the relief being sought, giving notice to the defendant/respondent would be likely to defeat the purposes of these orders.

Interim injunctions are less frequently granted ex parte, but similarly if the effect of giving notice is to defeat the purpose of the injunction, or if there is some exceptional urgency which means there is no time to give notice, the court will grant them. However, the defendant/respondent is always given an opportunity to challenge the injunction if it so wishes in a follow-up hearing (return date) which will be ordered to take place as quickly as realistically possible following the grant of the injunction to minimise prejudice to the respondent, and frequently within a few days.

In the case of search and freezing orders, and interim injunctions granted on an ex parte application, the claimant/applicant is generally required to give an undertaking to pay damages to the defendant for loss resulting from the injunction if it transpires it ought not to have been granted.

For further information see Practice note, [Injunctions: an overview](#)

32. Can protective writ be filed at the court at which an ex parte application may be filed against that defendant? .

It is not possible to file a protective writ (or similar brief) at court in anticipation of a potential application for a preliminary injunction. However, interim (preliminary) relief is only granted in certain circumstances (*see Question 31*).

Consequently the defendant is normally notified of an application for an interim injunction. The defendant can then attend the hearing and either take no part in the proceedings or, more usually, take an active part in opposing the application. However, the defendant is unlikely (and is not expected) to have prepared any adequate evidence. If the injunction is granted, the defendant can then immediately apply to vary or discharge it.

33. What is the format for preliminary injunction proceedings?

General

The format/procedure for making a with-notice interim injunction application typically comprises:

- Service of an application notice with details of the order sought and evidence in the form of a witness statement(s).
- If relevant and justified, these can include evidence from experts, although survey evidence requires the (prior) approval of the court to be admitted (*see Question 25*).
- Service of evidence in reply by the defendant and claimant.
- Exchange of written arguments.
- Oral hearing, at which each party's advocate makes submissions. There is no cross examination of witnesses.
- An interim application is generally heard within about two months but an injunction can be granted within weeks (or even days or hours), depending on the circumstances.

Final remedies

34. What remedies are available in a registered trade mark infringement action?

Permanent Injunction

The granting of a permanent injunction following trial is a discretionary remedy and is only effective against the defendant(s) who have been held to have infringed.

Although discretionary, once a defendant has been found to have infringed, the court usually exercises its discretion to grant an injunction unless there has been a clear and unequivocal undertaking by the defendant not to continue the infringing acts (*see for example Cantor Gaming Ltd v Gameaccount Global Ltd [2007] EWHC 1914 (Ch), [2008] FSR 4 at [113]*).

Monetary Remedies

A claimant is entitled to a monetary remedy in respect of infringement and must choose between:

- Account of profits (at the court's discretion).
- Damages (applicable from the date of filing of the application).

Damages are available as of right, while an account of profits is an equitable remedy at common law.

In the IPEC, damages are capped at GBP500,000.

Delivery up or Destruction of Infringing Goods

The court can make an order requiring erasure of the mark, delivery-up, or destruction of the products bearing the infringing mark (though erasure of the mark and delivery-up are not available for passing off).

Publication of the Decision

Virtually all decisions are published in legal publications. Even though this is not specifically regarded as a remedy, it can have significant commercial impact.

Successful Claimant

The court has a discretion under Article 15 of the IP Enforcement Directive and CPR PD 63, paragraph 26.2, to require IP infringers to take appropriate measures at their own expense for the dissemination of information concerning the decision. Such orders are granted only where they will act as a supplementary deterrent to future infringers or to contribute to the awareness of the public at large.

Successful Defendant

Although the IP Enforcement Directive did not provide for publicity orders for a successful non-infringer, the English courts have confirmed that they have power under section 37 of the Senior Courts Act 1981 to grant such an order but only where there is a real need to dispel commercial uncertainty (for example where the claimant has publicised its infringement allegations). Being a discretionary, equitable remedy, whether or not such an order is granted depends on all the circumstances of the case (*Samsung Electronics (UK) Limited v Apple Inc [2012] EWCA Civ 1339*).

Recall Order

If a defendant has already released infringing goods from its possession and control, the court will not generally grant an order requiring them to be recalled.

Declaration of Infringement and Validity

A court can grant a declaration that the trade mark is valid. If validity is contested in subsequent proceedings, the second challenger will face substantial cost penalties if the trade mark is again upheld as valid.

Others

The penalty for committing the criminal offence of unauthorised use of a trade mark or falsification of the register is a fine (in magistrates' courts, this is limited to GBP5,000) or a prison term of up to ten years for unauthorised use of a trade mark or for two years for falsification of the register (or in magistrates' courts, six months), or both.

The offence of falsely representing a registered trade mark also attracts a fine of up to GBP1,000. An application can be made for forfeiture of goods or materials bearing an unauthorised trade mark or a trade mark likely to be mistaken for a registered mark.

35. How are monetary remedies assessed against a registered trade mark infringer?

A claimant who establishes infringement is entitled to choose between a remedy in damages or an account of profits (*see Question 34*). To assist this decision, the defendant may have to disclose sufficient information to enable the claimant/trade mark owner to make a reasoned choice between the account of profits and damages (*Island Records Ltd v Tring International plc [1995] FSR 560*).

Damages

In the High Court, quantum of damages is assessed in a separate set of proceedings from those establishing liability. In most cases, the parties agree a sum to be paid by way of damages rather than expend additional costs (recoverable by the successful party) in those separate proceedings.

The general principle in assessing quantum of damages is that the trade mark owner should be put in the same position as if the infringement had not happened, that is, compensated for all reasonably foreseeable losses suffered as a result of the infringement. There is no punitive element.

A court's assessment of damages can take into account a number of factors, including:

- Lost royalty or licence fees.
- Lost profits on the potential sales which would have been made by the defendant.
- Lost profits from any price reduction necessitated by the infringement.
- Compensation for injury to the mark's reputation. If a claimant has licensed their rights, damages are typically assessed on the basis of a notional licence fee or reasonable royalty assumed to be agreed between a willing licensor and licensee.

Account of Profits

In an account of profits, the profits attributable to the unauthorised use of the trade mark are paid over. Like damages, an account of profits is not a punitive remedy. It is intended solely to deprive the defendant of the benefit flowing from the acts of infringement. An account of profits can be apportioned if only part of the defendant's business benefitted from the infringing actions. Overheads incurred by the business can also be deducted.

Appeal Remedies

36. What routes of appeal are available to the unsuccessful party?

Decisions of the High Court and the IPEC can be appealed to the Court of Appeal with permission and there can be a further appeal to the UK Supreme Court on points of law (with permission and generally where the issue is one of general public importance).

An appeal takes the form of a review rather than a rehearing, so it is rare for new evidence to be considered on appeal. The appeal proceeds on the written evidence only together with the written submissions and transcripts of the first instance proceedings including the oral arguments and oral evidence.

Appeal proceedings in England and Wales from the High Court to the Court of Appeal typically take about one year and from the Court of Appeal to the UK Supreme Court, one to two years.

There is no further instance of appeal beyond the UK Supreme Court.

Litigation Costs

37. What level of cost should a party expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and appeal proceedings?

Costs depend on the type of action sought. If the matter is dealt with at an interim hearing or a summary judgment with no further action necessary, costs are likely to be in the region of tens of thousands of pounds, depending on the amount of evidence involved and its nature.

In the High Court, costs typically range from GBP100,000 to GBP1 million, or more. If the matter is to be argued fully at trial with expert evidence and a considerable number of witnesses, the likely costs will be towards the upper end. Proceedings before the IPEC are considerably cheaper than those before the High Court because of the simplified procedure and can be tens of thousands rather than hundreds of thousands of pounds.

Appeal costs are typically around one third to half of the size of first instance costs.

Preliminary injunction proceedings are likely to cost from about one to several hundreds of thousands of pounds in the High Court but significantly less in the IPEC.

Costs are awarded in the court's discretion but the general principle is that the loser pays the winner's costs which will include the winner's lawyers' fees (in practice generally a substantial proportion of them) in relation to the individual issues on which the paying party lost.

The court looks at all the circumstances (including the conduct of the parties and offers to settle). Generally, the courts allow costs that have been reasonably and proportionately incurred.

The precise level of costs is determined by a separate detailed assessment procedure. In most cases the court makes an order for an interim payment of costs by the losing party shortly after judgment (even if permission to appeal has been given) and such payments are frequently a significant proportion of the overall costs incurred by the successful party. This also frequently results in the parties agreeing on the balance of the costs to be paid without incurring the time and expenses of the detailed costs procedure.

In the IPEC, the normal rules on costs do not apply. Cases are subject to a cap on costs recoverable from the losing party of GBP50,000 for the liability phase of a case and GBP25,000 for an inquiry as to damages or account of profits phase (if any). The court rules set out the maximum costs that a court will award at each stage of a claim.

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