

Background

Following earlier public consultation, an Order has been made under section 8 of the Trade Marks Act 1994 ending the registrar's role in the raising of relative grounds objections to the registration of new trade marks (refusal because of earlier conflicting trade marks). In future, each new application will cause the registrar to conduct a search for earlier conflicting marks. The results of these searches will be given to applicants and, where appropriate, also to the owners of relevant earlier marks.

The earlier consultation showed broad support for the proposal that proprietors of Community Trade Marks (CTMs) and International trade marks protected in the European Community as a whole (International Trade Marks (EC)) (together referred to in this document for ease of reference as "CTMs") would only be notified of any relevant new national applications if they opted in to a notification system subject to the filing of a particular form and fee.

This consultation related to the fee required for opting in to the notification system and the period that it would cover.

The proposal was to charge a fee of £200 per trade mark and that this would cover any notifications required for a 10 year period.

Responses

A total number of 8 responses were received. Three of these responses came from bodies representing the legal profession (including the two main bodies representing trade mark practitioners), two came from individual trade mark attorneys, one from a firm of trade mark attorneys, one from a large multi-national company and one from an individual businessman.

The issues that were raised, together with our conclusions, are given below:

Issue and conclusions

Level of fee and duration of service

The majority of the respondents considered that CTM owners often would not require a 10 year period of service. This was because many trade marks do not have such a long life span and, therefore, a 5 year period would better reflect a trade mark's average life span. It was also argued that a fee of £200 would create too high an upfront cost, particularly bearing in mind that businesses would not have taken this cost into account when budgeting for the current financial year. One respondent suggested that this latter point should mean that the service should be offered free of charge for the first year. Another respondent suggested that the notification period should be aligned with the renewal period of the CTM and set very low up until the next renewal of the CTM, at which point it could be raised.

In terms of the fee, half of the respondents felt that the fee itself was reasonable when considered on a per annum basis and, therefore, taking into account earlier comments, that a fee of £100 for a 5 year duration of service was reasonable. However, the other half suggested that the fee should be much lower. Those that expressed this opinion doubted whether the proposed fee was justifiable in the light of the amount of work involved in providing the service. These respondents argued that setting the fee too high would mean many firms who would otherwise like to be notified would not do so for financial reasons. This, it was argued, would have detrimental effects on the assumed validity of new national trade marks and, furthermore, would be an unfair step to take against owners of CTMs who up until now were having their marks enforced automatically by the registrar.

Response

Having considered the responses it is clear that paying for a notification service that lasts for an initial 10 year period is too long and requires too large an up front financial commitment from a user point of view. Whilst reducing this period will place a greater administrative burden on the office (in terms of handling more frequent renewal) the reasons given by the respondents for a shorter period have merit. We therefore intend to offer the service for a shorter period of time.

The suggestion that a free trial period should be offered will not be adopted. This would create too much of an administrative burden and it would cut across the policy that owners of CTMs should contribute to the cost of the service that they receive. However, conscious of the comments in relation to up-front costs, we have decided to set the duration of the initial notification service at 3 years. This will allow us to offer a substantially lower fee, so lessening the impact of the new fee on those who hold numerous CTMs. It will also give the registrar a reasonable period of time in which to monitor the success of the service and then compare the initial estimates with the actual cost of providing it.

We consider a fee of £50 for the first three year period to be a reasonable compromise. The cost of administering the system will not be insignificant; we therefore believe the fee to be a reasonable one and one which, in our opinion, represents good value for money, particularly having regard to the high quality of the registrar's examiners' searches.

The above represents a lower fee per annum than that originally proposed. Furthermore, more frequent renewal creates a system that will be more costly for the registrar to administer. In order to contain our costs we intend to make the system an electronic one with the request form (Form TM6) capable of being filed on-line only. The form will be able to be completed on-line on the office's web-site and will be accompanied by a variety of payment options.

Conclusion – the fee for opting in to the notification system will be £50 per CTM/ International Trade Mark (EC) for a period of three years. Requests to opt-in will need to be made via an electronic Form TM6 which requires completion on-line via the office's web-site.

Who needs to opt-in?

One respondent suggested that an owner of a CTM with a valid UK seniority claim should receive notifications automatically without having to opt-in to the service. The rationale for this is because the CTM in question relates to an earlier lapsed UK national registration and, consequently, the owner has a clear interest in the UK market. Furthermore, the seniority provisions state that a CTM with a valid seniority claim retains the rights that would have been enjoyed by the now lapsed national registration.

Response

Our Minister has already decided following the previous legislative consultation who will and will not be notified as part of the notification system and who will need to opt-in. Part of the rationale for the policy is that CTM owners should pay for the service they receive in order to prevent the cost leading to higher fees for users of the national system. This consultation was simply about the level of the fee required and the duration of service. We therefore have rejected this suggestion.

Conclusion – CTM owners with a valid UK seniority claim will need to opt-in to the notification system in order to be notified of relevant national trade marks.

Next steps

The fees rules will be amended to reflect this new fee. The form required when requesting opt-in will be Form TM6 which will be able to be filed, on-line, from 1 October 2007.

Cases that are filed after the Order comes into effect on 1 October, and cases filed earlier but which are accepted after that date, are unlikely to be published until the third week of October 2007 at the earliest. Any party wishing to opt-in to the notification system before the first applications are published under the new regime are therefore advised to file their Form TM6 as soon as possible on or after the 1 October 2007.

The office will monitor the take-up of the notification system and the cost to the office of administering it. The fee and duration will therefore be reviewed again, in light of experience, well before the first opt-in requests require renewal.