

Welcome to the fifth edition of BrandWrites by Bird & Bird

At Bird & Bird we're passionate about brands. BrandWrites by Bird & Bird is an international publication that explores topical legal and industry related brand news, featuring recent trade mark cases and key changes in the law, practical advice and commentary from respected brand owners. It features contributions from Bird & Bird's renowned IP team across Europe, Asia-Pacific and the Middle East.

We hope you enjoy it. We welcome questions, comments and suggestions, so feel free to get in touch with Editor and Bird & Bird Associate, Nick Aries at nick.aries@twobirds.com or Bird & Bird Partner, Lorraine Tay at lorraine.tay@twobirds.com

Nick Aries would like to thank Bird & Bird Trainee Stefan Shaw for his help in preparing this publication.

Get in touch

If you would like advice on how best to protect or enhance the value of your brand, get in touch for a complimentary initial consultation: brands@twobirds.com

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Don't get too comfortable - Community Trade Marks will usually require use in more than one member state, says UK Court

A recent Intellectual Property Enterprise Court (IPEC) ruling illustrates the risk of businesses losing Community Trade Mark (CTM) protection where they are deemed to have used the mark solely in one EU member state.

Sofa Workshop Ltd brought a claim against Sofaworks Ltd for trade mark infringement and passing off before the IPEC with respect to two CTMs for "SOFA WORKSHOP" in relation to goods such as furniture, textiles, leather goods and homeware accessories. Sofaworks denied infringement and brought a counterclaim requesting that the CTMs be revoked for non-use. They also said the CTMs should be invalidated on the basis that they were descriptive.

The Court agreed with the defendant on the counterclaim, ruling that the CTMs were indeed invalidly registered and were also liable to be revoked for non-use. Following an analysis of CJEU case law, the Judge found that CTMs generally require evidence of use to create or maintain a share in the market across more than a single member state.

Sofa Workshop filed a substantial amount of evidence of use of the CTMs in UK magazine adverts with a pan-European distribution and of a single sale to a Danish hotel (although the order may have been placed while the hotel representative was in the UK), but the Court found that this evidence fell short of genuine use in the Community.

Some have seen this as a surprising decision, leading to speculation that a large number of CTMs in use in a single member state may be vulnerable to revocation. Converting the CTM to a national mark in that member state may be an option although this does not avoid registered protection being lost elsewhere in the EU (absent other national marks).

The second aspect of the counterclaim was an invalidity attack based on "SOFA WORKSHOP" being descriptive. Although the claimant proved the mark had acquired distinctive character through use in the UK, it could not do so in other territories where English was an official language or otherwise well understood (e.g. Republic of Ireland, Malta, The Netherlands, etc.). This highlights that the owner of a descriptive English language CTM faces an uphill battle in establishing acquired distinctiveness in all member states where the descriptive nature of the mark could be perceived.

It is worth noting that despite losing its CTM, Sofa Workshop was ultimately successful in the action as it won on a passing off claim. This is a useful reminder of the value of relying on unregistered rights to complement your registered trade marks. Indeed, the claimant in a case from around the same time (*Ukulele Orchestra of Great Britain v Clausen and others*) also won a passing off claim where its CTM had been declared invalid on descriptive grounds.



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Border enforcement in Singapore - being prepared for the upcoming ASEAN Economic Community

Due to strict legal deadlines in the border enforcement process, the appointment of a local agent, particularly where multiple licensees are present in the jurisdiction, is beneficial for brand owners and licensees.

The upcoming ASEAN Economic Community (AEC) is the realisation of a single market and production base among ASEAN members, and is expected to lead to the elimination of tariffs on almost all goods by the end of 2015. It has meant that border enforcement against the importation of trade mark infringing goods has seen a resurgence in the fight against counterfeiting activities - a point especially pertinent in Singapore given its regional shipping and transport hub status.

While eliminating the production of infringing goods at its source is undoubtedly the most productive and effective method, cross-jurisdictional enforcement hurdles faced by IP rights owners are often too cumbersome. In contrast, border enforcement provides a real viable alternative to rights owners to stem the flow of infringing goods at its entry point into the domestic marketplace.

Earlier this year, Singapore Customs seized more than 2,300 counterfeit goods that were being imported into the city-state. This seizure had ultimately culminated in a large-scale enforcement action involving simultaneous raids that was jointly coordinated by Singapore Customs, the Singapore Police Force and the respective rights owners. While the action was a success, there are useful lessons that may be gleaned in respect of border enforcement in Singapore.

The underlying theme in the border enforcement process in Singapore is to ensure that every step is taken with urgent priority. For instance, where imported goods are detained by customs, the rights owner is only given a 48-hour window to respond formally before the goods in question are released back to the importer. Where an objector has caused imported goods to be seized, it has only 10 days to commence infringement proceedings or risk having the goods released back to the importer.

As a result, a rights owner's appointment of a local agent would enable all parties to handle the border enforcement process better. This point becomes particularly important when a licensee of a registered mark is the party objecting to goods being imported. By law, a licensee may institute infringement proceedings in his own name only if the trade mark owner refuses to do so or if he fails to do so within two months after being called upon by the licensee. As such, it is valuable for both rights owners and licensees to have a contingency in place.

Furthermore, in cases where there are multiple licensees within a given jurisdiction, the presence of an authorised agent would streamline communication between the authorities and the rights owners, which ultimately facilitates the main goal of preserving the parties' rights.



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Reform of the CTM system: What you need to know

2016 will see the introduction of a new Trade Marks Directive and Regulation, resulting in a number of important changes to the Community Trade Mark system, including fee reductions and new names. Here we highlight the key points.



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Names

The Community Trade Mark (CTM) will become the European Union Trade Mark (EUTM), and OHIM will be renamed the European Union Intellectual Property Office or EUIPO for short.

Fees

EUTM application fees will be charged on a per-class basis, rather than the current system of the basic fee covering up to three classes. The new fee structure will be:

- One class: €850
- Two classes: €900
- Each class above two: €150 per class

In a more significant move this fee structure will be mirrored for renewal fees, resulting in a minimum saving of €500 per registration.

Application formalities

The need for a mark to be graphically represented will be removed. However, there will still be a requirement for clarity and precision in what is actually protected, meaning we are unlikely to see any immediate practical difference.

The new law clearly endorses the 'literal meaning' approach to what is covered by Class Headings, codifying the approach adopted in the *IP TRANSLATOR* case that specifications with Class Headings are deemed to cover the literal meaning of the terms listed and nothing more.

The new law includes a provision dealing with the previous OHIM practice (Class Headings were deemed to cover all goods/services falling within a class). Those who own registered EUTMs with Class Heading coverage filed before 22 June 2012 (i.e. the date of the *IP TRANSLATOR* judgment) will have a 6 month period after the entry into force of the new law within which to file a declaration that their intention when filing was to obtain protection beyond the literal meaning of the Class Heading/s involved.

Opposition

There is set to be a change in the opposition deadline for EU designations of International Registrations, with the 3-month opposition period starting 1 month after publication by the EUIPO rather than the current 6 months.

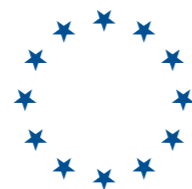
It will also become possible to oppose EUTM applications on the basis of protected designations of origin or geographical indications.

Certification Marks

In a move that is likely to be welcomed by many certifying bodies, we are also due to see the introduction of EU-wide certification marks. It will be necessary to file regulations governing the use of such marks, and there will be a separate implementing act laying down the requirements that such regulations should meet.

When will this all happen?

Whilst the exact timing is not yet known, the new Regulation will come into force just 90 days after the final version is published - so watch this space.





Take home points

- There is no special treatment or exception for parody trade marks in Australia.
- A parody trade mark is difficult to register because it relies on imitating the style of another trade mark for comedic effect. It is almost impossible to imitate another trade mark without infringing it.
- A successful parody trade mark needs to be “a take-off, not a rip off”. It needs to be instantly recognisable *as a parody* and dispel any perceived association between the traders so that it is not misleading.
- If your brand is known by an endearing term, protect it by registering it and using it, such as MCDONALD’S and MACCA’S.

Parody trade marks: a take-off not a rip-off



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TAR JAY and TARGET

Most Australians will agree that shopping at Target has never been cooler, thanks in no small part to the endearing, colloquial term that the discount chain stores are now known by: Targét (pronounced “tar-jay” - with a wonderful Australian drawl to finish the last syllable, of course).

In *Target Australia Pty Ltd v Catchoftheday.com.au Pty Ltd*, Target opposed a trade mark application by Catchoftheday for TAR JAY (a stylised logo trade mark application). Target argued that use of TAR JAY would be misleading and deceptive, prohibited under Australian consumer law and trade mark infringement under the Australian Trade Marks Act 1995. Both traders trade in a similar market (although Catchoftheday is an online retailer and Target mostly owns physical stores).

The mark TARGET (also a registered trade mark) is a well-known brand in Australia and Target pointed to evidence that TAR JAY had been endearingly used to refer to Target’s business for decades, to argue that a consumer would be misled or deceived by Catchoftheday’s use of TAR JAY.

Catchoftheday quickly conceded that its use of TAR JAY (stylised) was intentionally “cheeky and as a means of cleverly and satirically referencing [Target]”, but it argued that because it was clearly a parody, a consumer would not be misled or deceived.

Given the absence of an exclusion under the Trade Marks Act for “being cheeky”, the hearing officer did not agree that TAR JAY was an effective parody. The hearing officer accepted Target’s evidence of extensive use of TARJAY by consumers to refer to Target, and concluded that a consumer would assume an association between TAR JAY and TARGET, which would be misleading and deceptive because there was no association.

Parody trade marks are difficult to register. However, if a parody trade mark is clever enough to be immediately recognisable by consumers *as a parody*, it has a better chance of being successfully registered because it won’t be misleading. It should also be newly coined - if the original trader is already known colloquially by the phrase, it probably won’t be registrable as a trade mark by another.

International brand expansion - Q&A on Middle East trade mark protection



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Which are the key Middle East markets where clients look to protect their brand?

The United Arab Emirates (UAE) is one of the fastest growing and dynamic markets in the Middle East. Business and trade is booming, and fascinated brand owners are keen to expand their business and invest in their intellectual property rights. Further growth and investments are expected as a result of Expo 2020 Dubai.

Saudi Arabia is also considered one of the most attractive and relatively stable markets for investments in the Middle East, especially with its large population.

Furthermore, with Qatar hosting the 2022 FIFA World Cup, there are massive openings for foreign investment in several sectors including infrastructure, health care, education, tourism and financial services, among others.

Do these key markets follow international conventions in relation to trade mark protection?

Besides the national trade mark law followed by each country, the (UAE), Saudi Arabia and Qatar are each members of the Paris Convention. Although they are not contracting parties to the Nice agreement, the trade mark offices in each country refer to the Nice classification for guidance when determining whether goods and services are correctly classified.

Is it possible to do multi-class filings in these key markets?

Multi-class applications are not accepted in these three markets. A separate application must be filed for each class before the relevant trade mark office.

What are the official fees for protecting one name/logo in one class and each additional class? What are the requirements for trade mark filing in these countries?

Country	Official fees for filing one trade mark in one class (US\$)*	Official fees for filing same trade mark in each additional class (US\$)*	Required documents
UAE	3,275	3,275	<ul style="list-style-type: none"> Power of Attorney legalised up to the UAE Embassy in the country of execution; Late filing of supporting documents is not permitted.
Saudi Arabia	1,870	1,870	<ul style="list-style-type: none"> Power of Attorney legalised up to the Saudi Embassy in the country of execution; Late filing of supporting documents is not permitted.
Qatar	935	935	<ul style="list-style-type: none"> Power of Attorney legalised up to the Qatari Embassy in the country of execution; Simple copy of the commercial extract or Certificate of Incorporation; Late filing of supporting documents is not permitted.

*The official fees exclude professional fees (in the UAE) and local agent fees in Qatar and Saudi Arabia

How long does it take to register a trade mark in these key markets?

The timeframe to obtain a trade mark registration, assuming that no objections / oppositions were raised against the application, is:

Country	Registration Timeframe
UAE	6 to 8 months
Saudi Arabia	5 to 6 months
Qatar	12 to 15 months

What other local issues should companies be aware of when looking to protect their brand in the Middle East?

Trade mark protection in most countries in the Middle East can be acquired by sufficient public recognition. This means that your trade mark may be refused registration due to the existence of a well-known mark even if that mark is not on the register. It is advisable for brand owners to undertake pre-filing searches, including in-use searches, to mitigate the risks of any existing prior rights that might lead to infringement actions, particularly before investing and expanding the business.

Brand owners should bear in mind the time it can take to obtain supporting documents for filing, particularly if there is a priority deadline. Late filing of documents is not possible in many countries in the Middle East. Additionally, the legalisation and translation requirements for supporting documents add to the overall filing costs and the time to complete these formalities.

Islam is the largest religion in the Middle East, with Sharia Law commonly practised in most countries. Signs deemed to breach public morals are not registrable as trade marks. Additionally, goods and services applied for under the mark are also restricted. For example, it is not possible to register trade marks for pork and alcohol products in most countries including the UAE, Saudi Arabia and Qatar.



Trade mark protection for product shapes - what's the current state of play, and how could it change in the future?

Whilst design law might seem the obvious starting point for protecting product shapes, in the right circumstances trade mark protection will also be available. This is a big draw for brand owners due to the potential unlimited duration of trade marks compared with designs. This article takes stock of recent shape mark decisions from the EU Court of Justice (CJEU), before looking at the legislative reforms on the horizon.

In contrast to other types of mark, there are three specific grounds of objection applying (currently) only to shape marks. A mark will be excluded from trade mark registration if it consists exclusively of a shape which results from the nature of the goods themselves for which trade mark protection is sought, if the shape is necessary to obtain a technical result or if the shape gives substantial value to the goods. Recent CJEU cases have considered each of these grounds, in some cases generating significant commentary and media interest.

Shapes resulting from the nature of the goods

Shapes resulting from the nature of the goods for which protection is sought will be refused registration. Previously there was some debate about whether the ground only applied when no alternative shapes are available for the products covered by the trade mark application. This was resolved by the CJEU in the *Hauck v Stokke* case (C-205/13), in which the protection of the famous Tripp-Trapp kid's chair was at issue. The Court confirmed that the ground of objection can apply even if the shape is not indispensable to the function of the goods, and so would bite on shapes having essential characteristics which are inherent to the generic function of products of the same category. This has raised the threshold for overcoming this ground of objection.



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Shapes necessary to obtain a technical result

Shapes are also excluded from registration if their essential characteristics perform a technical function. Only where the shape has a material non-functional element (e.g. important decorative or imaginative elements) could registration as a trade mark be accepted. In addition, the existence of alternative shapes performing the same function is not enough to lift the ban on protection. For that reason, the registration of "Lego" bricks was not permitted (Case C-48/09). In contrast, Lego's trade mark registrations for its toy figures were held to be valid by the General Court. The result of that shape was to confer human traits on the toy figures, and was not 'technical' (Case T-395/14).

In the recent *KitKat* case (Case C-215/14) regarding the shape of chocolate bars, the CJEU stated that only the manner in which the goods at issue function is decisive, not the manner of manufacture. This is favourable to brand owners.

Shapes giving value

Shapes conferring substantial value on the product are also excluded from protection. One of the policy aims behind this is to separate trade mark protection from designs (and copyright) law. In the *Stokke* case referred to above, the CJEU pointed out that not only product shapes having artistic or ornamental value are excluded from trade mark protection, but also such shapes which have a significant aesthetic element. This is true even where those elements also perform non-aesthetic functions. Unfortunately, the factors given by the CJEU for assessing this (e.g. category of goods concerned, artistic value, dissimilarities with other shapes, substantial price difference) are sometimes only of a temporary nature and therefore difficult to apply. Taken to extremes, this could lead to a rather odd result where only shapes which are ineligible for design law protection due to lack of novelty or individual character could be registered as trade marks.





Future developments

The three grounds of refusal discussed above threaten to become even more relevant in future. This is because under the current proposal for European trade mark legislative reform, signs will be refused if they consist exclusively of “another characteristic” (not just the shape) resulting from the nature of the goods/ necessary to obtain a technical result/ giving substantial value to the goods themselves. This would extend the grounds to non-traditional marks such as colour, sounds and/or smell.

In a Dutch case concerning the infringement and validity of the famous red sole of “Louboutin” shoes, the Dutch Court is in the process of referring a question to the CJEU about the refusal of shapes which give substantial value to the goods. The draft question is whether the concept of shape in this context is limited to the 3D characteristics of the product (such as contours, dimensions and volume) or whether it also includes non 3D properties of the product (such as colour). The Court considered that if colour is not covered by this ground for refusal, the TM owner would be able to prevent competitors using characteristics on their products which are sought and valued by the public, such as the red sole of a shoe. The Court also considered that such an interpretation could prevent a competitor marketing reflective safety clothing or soft drinks in reflective, and thus insulating, packaging where this constituted a technical solution.

Summary

Seeking to protect product shapes through registered trade marks can certainly be challenging. On the one hand, the shape should differ sufficiently from the norms of the sector in order to be distinctive, and have at least one major non-functional element to avoid a ‘technical result’ objection. On the other hand, the product shape should not include a significant aesthetic element giving the goods substantial value. Brand owners need to consider carefully how to strike the right balance.

However, the *KitKat* case may strengthen the position of shape mark owners. The CJEU confirmed that the registration of a shape can only be refused where at least one of the grounds of objection discussed above is fully applicable to the shape in issue. This means that a shape consisting of three essential features cannot be denied registration if at least one of the grounds of objection does not apply to all three essential elements.

We will have to see what the future holds for shape mark proprietors!





Interflora “AdWords” infringement claims wilt in France

The Paris Court of First Instance has recently dismissed Interflora’s claims based on the use of its trade mark as a keyword by a competitor on the Google “AdWords” service.



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Interflora has encountered several setbacks with the Google keyword search referencing system. The worldwide flower-delivery operator famously brought proceedings for trade mark infringement against Marks & Spencer before the High Court of Justice in the UK, leading to a CJEU decision clarifying the criteria for infringement in these circumstances. The decision of the Paris Court is the latest step in Interflora’s AdWords litigation. The defendant, Florajet, had selected the trade mark “Interflora” as a keyword on the search referencing service. Consequently, when internet users entered the word “Interflora” in the Google search engine, a Florajet advertisement appeared under the “sponsored links” heading of the results page.

Following the ECJ *Google France* case, the Court confirmed that the selection as a keyword of a term also registered as a trade mark without the consent of its owner, does not *per se* amount to infringement. The critical question to be answered is whether or not the advertisement enables normally informed and reasonably observant internet users, or enables them only with difficulty, to ascertain whether the goods or services referred to in the advertisement originated from the trade mark owner or an undertaking economically connected to it, or from a third party. Only then may the indication of origin function of the trade mark be damaged.

Here the Court noted that Florajet carefully avoided any reference to Interflora’s trade mark within the content of its advertising link and commercial message appearing on the results page. Further, it stemmed from the manner in which the advertisement was presented that there was no likelihood of confusion for the consumer, who the Court found is used to obtaining a multitude of search results with the names and website locations of different competitors offering the same products or services as those searched. As a result, there was no infringement.

In an unusual step, not only did the Court reject Interflora’s infringement claims, but it also sentenced them to pay €15,000 on the ground of abusive proceedings. In particular, the judges ruled that Interflora had asserted infringement demands without bringing substantial proof of its rights in the trade marks. In addition, the Court found it had already brought a similar case before the ECJ and was therefore well aware of its findings.

As for the UK, the long running dispute between Interflora and M&S took another turn earlier this year as the Court of Appeal remitted the case back to the High Court for re-trial. Will Interflora flowers blossom more easily across the Channel? To be continued.

Hong Kong shadow companies are increasingly being used to engage in counterfeiting and other infringing activities in China

Hong Kong-registered shadow companies have long been the scourge of brand owners and are increasingly being used as vehicles to trade off brand owners' reputations in mainland China. However, effective monitoring and timely action in both Hong Kong and the mainland can help counter the problem.

Hong Kong shadow companies often incorporate a well-known brand name or trade mark as part of their name. Such companies do not generally conduct business in Hong Kong but carry out counterfeiting and other illegal activities in mainland China under the Hong Kong company name with the intention of misleading consumers and avoiding legal liabilities in mainland China. A new trend has emerged following the recent e-commerce boom in China with online vendors increasingly using shadow companies to set up online stores, thereby misleading consumers in the mainland.

In Hong Kong, as in most jurisdictions, the registration of a company with the Hong Kong Companies Register will not confer any trade mark or other intellectual property rights in respect of the company name. In contrast to the Companies Register in Hong Kong, business registration in China is only granted after a rigorous approval process. Therefore, the local Chinese authorities are often under the false impression that Hong Kong shadow companies are legitimate subsidiaries or licensees of the brand owner and treat the Certificate of Incorporation as evidence that the company is entitled to manufacture, sell or distribute branded products.

Taking timely action is critical. If an identified shadow company has been incorporated for less than 12 months, the Register is empowered to direct the company to change its name. In such a situation the brand owner should lodge a complaint with the Register. In situations where a shadow



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company has been registered for more than 12 months, a brand owner will need to commence a court action for passing off or initiate trade mark infringement proceedings. It is important to note that even if the shadow company has not started to produce or sell products in Hong Kong, it may still be considered to have made unfair use of the brand owner's trade mark. Shadow companies generally do not defend proceedings and a default judgement and injunction can usually be obtained within a couple of months. The Register will then demand that the shadow company change its name.

Brand owners should conduct frequent checks of the Register so that timely action can be taken. It is advisable to monitor the publication of new trade mark applications in both Hong Kong and China so that opposition proceedings can be taken against any similar marks, and also to monitor counterfeiting activities by shadow companies especially on major Chinese e-commerce websites such as www.taobao.com, www.alibaba.com and www.1688.com.



Can't PLAY with colour in a Polish Court

A recent Polish Supreme Administrative Court decision has provoked debate about how acquired distinctiveness should be understood in trade mark applications for a colour 'per se'.



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The issue of succeeding in a colour 'per se' trade mark application has often been a subject shrouded in vagueness. Without any prior use, the existence of distinctiveness in relation to a single colour is only possible when exceptional conditions are met. A successful registration is more likely if the colour mark has acquired distinctiveness through sustained and intensive use.

In May 2010 the Polish Patent Office (PPO) refused registration by PLAY Brand Management Ltd, Cyprus, for protection of a single colour trade mark on grounds that it was not inherently distinctive enough in relation to mobile telecommunication services. Further, PLAY was said not to have sufficiently proven that the sign had acquired distinctiveness. PLAY took action against the PPO in the Polish Courts, but ultimately failed before the Polish Supreme Administrative Court earlier this year.

The Court held the view that the market for mobile services is not narrow and specific. Telecommunication services are targeted at a broad range of consumers who are appropriately informed and reasonably attentive and perceptive. PLAY had based its analysis of the scope of the mobile telecommunication services market primarily on the number of available suppliers of telecommunication services. According to the PPO and the Court, the criteria assumed by PLAY were wrong. It is questionable however whether the reasoning of the Court was correct.

When it comes to assessing acquired distinctiveness of colour through use, the Court particularly stressed the aspect of time. A 3-year period of use for telecommunication services was not deemed long enough to enable the mark to become distinctive. In contrast, the "Lila" colour registered for Milka's chocolate products had been consistently used for almost 70 years, thus according to the Court, justifying the successful registration. However, the comparison is not necessarily apt, considering the factors which constitute the distinctiveness of a sign. A sign may be used by a business with such a level of intensity that even in a relatively short period it could result in a clear and strong association in consumers' minds.

The Court also noted that PLAY uses its violet colour in different shades and intensities. This led the Court to conclude that the colour was performing a decorative function, rather a trade mark function indicating the origin of the product.

The PLAY case confirms that the chances of getting a colour 'per se' trade mark registration in Poland are still quite low. The existence of only a single successful registration of such a trade mark in Poland, and the reasoning of the Courts discussed above, leaves traders with some doubts about whether this will be possible at all. The final ruling coming in a court of last resort (and as such not subject to further appeal) may also influence future decisions in similar cases. One can hope that the next time a Polish Court is called upon to decide the issue, the trade mark applicant will succeed in persuading the Court to reconsider its stance.



Spanish criminal reform gets tough on intellectual property crimes

In 2014 counterfeit goods seized in Spain totalled €177m. Perhaps this was a contributing factor to the Spanish Executive Power approving a new Criminal Code, raising the penalties for intellectual property crimes. Significant changes to the Criminal Procedure Act will also have an impact on activities within the 'black market'.



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This new Code entered into force on 1 July 2015. The reform contains important changes in the field of intellectual property, including the following three trade mark infringement scenarios:

- The production, importation, distribution or divestment of goods or services without the consent of the rights holder where the infringing party has knowledge of the existence of the trade mark now attracts penalties of 1 to 4 years imprisonment and monthly fines, determined by the judge, payable for a period of 12 to 24 months.
- In cases of retail sales of infringing goods or services carrying an identical or similar sign, the penalty is now 6 months to 3 years imprisonment.
- Street trading of infringing products now attracts punishment of 6 months to 2 years imprisonment. However, in such circumstances a judge will take into account the characteristics of the convicted person when considering a more lenient sentence of 1 to 2 months community services or a monthly fine payable for a period of 1 to 6 months.

The Criminal Procedure Act has also been modified to address the early destruction of goods seized in intellectual property crimes, which can now be destroyed once they have been examined. However, samples must be preserved in case further investigation and verification is required.

The regulations concerning the power to confiscate property have been extended to IP crimes. A judge can order the confiscation of goods, even when the accused is not present in proceedings, in circumstances where the said goods infringing IP have been seized from an illegal activity. This regulation seeks to address unjust enrichment from the proceeds of crime. A Bureau of Management and Recovery Assets (*Oficina de Recuperación y Gestión de Activos*) will be created for this purpose.

A significant change is the disappearance of so-called 'minor offences'. From now on the criminal offences will be classified as 'crimes' and 'minor crimes', the latter becoming time barred a year after being committed. This reclassification of 'minor offences' to 'minor crimes' entails a rise in the penalties applied to certain acts.

The provisions seek to adapt the existing law to IP crime. The extension of the power to confiscate goods and profits of criminal origin will be of great importance in relation to business conducted within the black market in Spain.

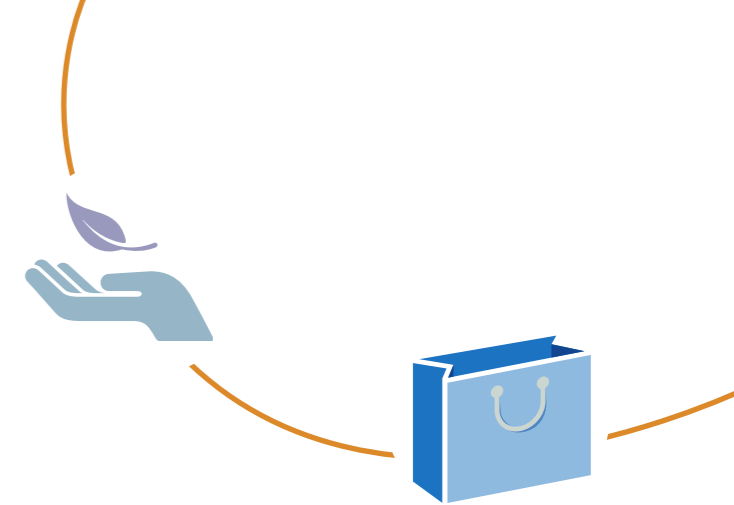
Focus on Fashion - Beulah London

Beulah London is a luxury fashion brand with a focus on British design, heritage and the empowerment of women. Founded in 2010, Beulah London has gained international acclaim for its chic, cosmopolitan womenswear and as a luxury brand with a social conscience. Hilary Atherton from our London office put some questions to Lavinia Brennan, co-founder of Beulah London...



By Hilary Atherton and Lavinia Brennan

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Beulah London has a London store as well as selling online. Where does your focus lie and are you seeing a shift from bricks to clicks?

We have a very dual-channel approach at the moment where we are focusing both online and in-store. We opened our London boutique in April this year and launched a new website in July that is both mobile and tablet responsive. At the moment our sales are 50% online and 50% in-store but we recognise the potential for faster international growth through our website.

What kind of difficulties do you face in maintaining the authenticity of a British brand on an international fashion platform?

We are very lucky that Beulah London was founded by two British girls who live in London so everything that we do remains authentic to that. All of our designing is done in London, our prints designed in-house in our studio and our dresses manufactured in London, so 'Britishness' really is at the heart of everything we do.

How do you think social media can help a brand to grow and connect with its customers?

We use social media as a way of creating a lifestyle brand so that customers can understand the inspiration behind collections, what we like doing, and anything that really captures the spirit of us as founders. We use it as a tool to inspire and empower our customers and to reach out to them in a very real and authentic way. Social media is a very powerful tool because you can reach such a vast amount of people in a way that has never been possible before; it is just another touch point for customers to come into contact with your brand and so everything from the voice to the content has to be true to what you are as a brand.



A social conscience is a key tenet of Beulah London brand - how important do you think it is for a fashion brand to be more than just a retailer?

I think that customers are becoming far more educated about what they are buying and brands that have a story to them are really starting to stand out. We are lucky because our story is at the heart of everything that we do and the reason why we founded the brand; Beulah London was born out of an experience that both Natasha and myself had over 5 years ago now, working in the slums of Delhi in an aftercare home for women who have been trafficked into the sex trade. It was from this experience that we witnessed the power of employment to transform lives. Our vision is to empower women; not only through producing beautiful clothes that inspire the women who wear them, but also by being committed to supporting women trapped by human slavery through creating employment opportunities and raising awareness of their plight. For example, we have partnered with a fair trade business called Freeset, which offers employment to women trapped in Kolkata's sex trade. The women make up canvas bags for us which retail at £35. We have also partnered with the United Nations' Blue Heart Campaign, donating 10% of profits of our blue heart pieces to the cause.

What can brands do to become more socially responsible?

I always think that it's important to start small and to set yourself realistic goals - you don't want to be falling at the first hurdle! Whichever industry you are in, I think it's important to surround yourself with like-minded people and to work collaboratively. It's so much harder if you try and achieve these things on your own. Finally, a cause has to be authentic and linked to the business - customers are savvy and they will be able to tell if it's an afterthought.

How does IP affect Beulah London?

Like many young brands, we weren't as aware of the importance of IP protection as we perhaps should have been. However, as the business has grown we have come to recognise the importance of protecting our intellectual property as we view it as a source of competitive advantage, especially in fashion where innovation and creative expression are so fundamental.



By Lindsay Gater

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Brand Heritage - a thing of the past?

In the past, the longevity of a business' existence was a telltale sign of the quality and worth of its goods or services. Fast-forward to today where many leading brands haven't been around for generations and yet are dominating the market.

Some of today's leading brands were only created within the last decade but have as strong, if not a more loyal, following than many of those established over a century ago. Uber, Amazon and PayPal are all top brands that were created in the last 20 years, yet are used daily by millions of consumers. Brands that previously relied on their heritage to bring in the customers now have to keep up with the times and explore different ways of attracting new business.

Some brands however are still using heritage to their advantage, although are now marketing it in a new, contemporary way. For example, Jack Daniels is still embracing its deep-rooted legacy but doing so by playing on concepts such as independence and freedom - a key motivator for many millennials. This is a smart take on using its unique heritage as a selling point without losing its relevance in this constantly evolving market.

Today it seems that paramount to attracting consumers is showing them how well a product can fulfil their own needs. Brands need to take this into consideration when marketing new products - market how you can satisfy the consumer need, not just why your brand is so great. Find out more at:

<http://adage.com/article/agency-viewpoint/brand-heritage/300726/>

Interbrand's 100 Best Brands index: tech giants lead the way

Apple, Google, Microsoft and IBM - these leading technology companies unsurprisingly comprise 4 of the top 5 spots on Interbrand's 100 Best Global Brands rankings (with Coca-Cola at number 3).

The index, which is calculated by looking at financial performance, the brand's influence on customers and the ability of the brand to increase company value, clearly highlights the need for companies to think even more globally when it comes to dominating the marketplace, and the perils facing those that choose too static a strategy.

The leading brands appear to share a specific quality - they are not restricting themselves to one sector, but are looking at new ways to target consumers across various industries. No better example can be Apple's foray into the fashion industry, as it ventures now into wearable technology.

See the full 100 rankings at:

<http://interbrand.com/best-brands/best-global-brands/2015/ranking/>

Read more at:

<http://www.marketingmagazine.co.uk/article/1367107/apple-google-top-interbrands-valuable-brands-index-ecosystems-win>



Brand Watch



By Stefan Shaw

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The cost of counterfeiting in the EU

Through the European Observatory of Infringements of Intellectual Property Rights, OHIM is in the process of releasing a series of sector-specific reports quantifying the economic damage of counterfeit goods within the EU. The reports intend to raise awareness of the damage of counterfeiting for both policy makers and brand owners.

In the report released in July 2015 concerning clothes, shoes and accessories, the manufacture and distribution of knock-offs is said to represent a loss of over €26 billion to legitimate businesses in the EU each year, 9.7% of sales in the sector. This also translates into 363,000 jobs lost as a direct consequence of counterfeiting, according to the report.

A September 2015 report assesses the economic damage to EU manufacturers arising from counterfeit sporting equipment (excluding sportswear) at €500 million each year. This represents a 6.5% loss of sales in the sector and is said to result directly in the loss of 2,800 jobs.

Read more at:

<https://oami.europa.eu/ohimportal/en/web/observatory/quantification-of-ipr-infringement>

Kids, the stage is yours!

In its ongoing effort to raise awareness of intellectual property amongst young people -specifically those aged between 15 and 24 - OHIM recently launched its interactive “Ideas Powered” website.

The website enables young contributors from all over the EU to share their experiences and perceptions of IP-related commercial issues such as brand counterfeiting, creators’ rights, and illegal downloading.

OHIM is currently running a video competition on the site to invite young entrepreneurs and artists to describe what makes their ideas unique. This is a welcome effort to address a very relevant generation within the IP sphere.

Find out more at:

www.ideaspowered.eu



A common approach to figurative trade marks

As part of an initiative to create consistency in decisions across the EU, the European Trade Mark and Design Network has released a Common Practice on distinctiveness of trade marks for figurative marks containing descriptive/non-distinctive words.

The scope of the Common Practice relates to stylised marks, as opposed to plain word marks. Distinctiveness will continue to be assessed on a case-by-case basis but the publication will act as guidance to brand owners and examiners.

Only two national intellectual property offices in the EU (Finland and Italy) have not taken part but they may adopt the guidance at any time in the future.

Read the full guidance at:

<https://www.gov.uk/government/publications/common-practice-on-distinctiveness-figurative-marks-containing-descriptive-non-distinctive-words>

Upcoming industry events

**International CES
(Consumer Electronics Show®)**
6-9 January 2016
Las Vegas, USA
CES brings together individuals from start-ups to leading brands. The programme will highlight the latest trends in consumer technology.
<http://www.cesweb.org/>

London Toy Fair
24-26 January 2016
London, UK
Over 200 companies ranging from start-ups to leading brands will be exhibiting their toys, games and hobbies.
<http://www.btha.co.uk/toy-fair/>

Malaysia International Branding Showcase
17-20 December 2015
Kuala Lumpur, Malaysia
Exhibitors ranging from household and consumer products to machinery and building materials will be unveiling their products during the 4 day conference. In 2015, the exhibition attracted over 9,000 professional buyers and visitors from around 20 countries.
<http://mibs.com.my/>

World Brand Congress
12 April, 2016
Kuala Lumpur, Malaysia
World Brand Congress is one of the largest brand events, with around 500 of the world's branding and marketing elite coming together for the conference.
<http://www.worldbrandcongress.com/index.html>

Brand Forum
24-25 February, 2016
Sydney, Australia
This forum aims to provide insight into the complexities of branding, marketing and digital media.
<http://brandforum.com.au/>

Sustainable Brands Sydney 2016
6-8 April, 2016
Sydney, Australia
Sustainable Brands looks to drive value through sustainability. This event will bring together the largest community of leading global brands all aiming to improve sustainability.
<http://events.sustainablebrands.com/sb16syd/>

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