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**#59**

NEWSLETTER

**Masta Plasta**



THE PROUD DOUBLE WINNER  
OF THE QUEEN'S AWARDS FOR ENTERPRISE  
INNOVATION  
&  
INTERNATIONAL TRADE

# ACID: THE VOICE AGAINST DESIGN THEFT



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THE QUEEN'S AWARDS  
FOR ENTERPRISE:  
INNOVATION  
2017



THE QUEEN'S AWARDS  
FOR ENTERPRISE:  
INTERNATIONAL TRADE



# CAMPAIGNING UPDATE

ACID's overriding objective is concerned with campaigning to ensure intellectual property rights are valued in the UK and that a robust, efficient legislative and regulatory regime exists enabling these rights to be properly protected and enforced on behalf of its membership.

## CONSULTATIONS

Responses to IP consultations form much of the basis of ACID's ongoing connectivity with Government, to ensure that design's voice is heard with key influencers. The value of our membership of the **Alliance for Intellectual Property** cannot be underestimated, opening the doors to conversations with Ministers, MP's and policy officials to put design's voice at the forefront. This year the Alliance has responded to;

- **IPO Call for views: Illicit IPTV streaming devices (2017)**
- **IPO Call for views: Modernising the European copyright framework (2016)**
- **CMS Select Committee - The impact of Brexit on the creative industries, tourism and the digital single market (2016)**
- **BIS Select Committee - Government's Industrial Strategy (2016)**
- **BIS Select Committee - Digital Economy (2015)**

## INDUSTRIAL STRATEGY

Through ongoing conversations, as part of our membership of the Creative Industries Federation, Alliance for IP and other UK bodies supporting the Creative Industries, our member's views have also been articulated. When Government receives independent input which supports our objectives our voice resonates even more.

## CHINA

We continue to send out a China update, often including news from the UK Embassy in Beijing, Tom Duke, the UK's IP Attaché and also Mick Ryan of the CBBC. If any ACID member would like to be added to the email group please let us know. If you have some useful news to share with members please email it to [info@acid.uk.com](mailto:info@acid.uk.com).

## USA

In March Dids met officials from **President Trump's IP staff** in London and was able to articulate our concerns. One of the main difficulties in getting the UK/EU message over is that in the US design patents (and in China too) offer very different levels of protection.

## ONLINE PLATFORMS

DM has continued her dialogue with both **Alibaba** and **Amazon** by reporting members' issues and ensuring that our voice is heard regarding some of the IP issues faced such as the time it takes to make a complaint and the complications surrounding take down of infringing designs. Whilst online platforms will not acknowledge or engage outwardly with individual trade organisations, we have now established a route through to the decision makers to articulate various issues. It is about establishing the relationships where we can pick up the phone to senior management to try and make a difference.



## NUMBER 10 AND BREXIT

During a recent visit for a meeting at Number 10 with **Paddy McLoughlin, Head of the Prime Minister's Policy Unit** we were able to take our campaigning right to the top. Our focus, as ever, remains on these main campaigning objectives:

**Post Brexit** - to create a new UK unregistered design right to cover all aspects of a design and which lasts for a minimum of 15 years from first placing a design on the market. We call for the consolidation of copyright legislation, removal of UDR provisions from that and the introduction of a brand new Act on unregistered designs which also criminalises intentional infringement. We are also active in our ongoing awareness campaign on the IP challenges of 3D printing.

## BREXIT

Initial conversations have taken place between the lead negotiator at the **Department of International Trade, Ada Igboemeka**. ACID's position is to articulate our concerns as much as possible and to support the many members who gave us their views on the potential loss of EU unregistered design. Primarily, companies felt that there could be potentially a 25% loss of sales and resultant job losses. ACID also presented our views on unregistered



EU designs at CIPA in March.

A further meeting was held, through the Alliance for IP with **Matt Hancock, Minister for Digital and Arts**. Our views were articulated as Members of the Intellectual Property Office (IPO) Marks and Designs Forum in January. On 2 February **Nick Kounoupas ACID's Chief Legal Counsel** represented ACID at the **Creative Industries Federation** event in Manchester and again later in February, Nick represented ACID at the IPO meeting on unregistered designs and Brexit, again sharing ACID members views on Brexit and designs. In particular the importance of the best possible terms negotiated for Brexit, when designers will lose protection in 27 member states, not only of their unregistered design but the wide scope that it offers.

## DCMS

Dids and Nick met with the Design Policy team for the Creative Industries to put their case which was received well. Interestingly DCMS only seem to deal, thus far, with copyright issues and so we had a receptive audience.

## ENFORCEMENT

ACID's membership of the **UK IP Crime Group** has only been possible since the IP Act because, surprisingly, design infringement was not considered a crime. Now, since 2014 ACID has played an active voice in the UK IP Crime Group's strategy to tackle infringement. As strategic partners of the **Police Intellectual Property Crime Unit (PIPCU)** Nick Kounoupas attended a meeting to discuss IP enforcement and to add ACID's voice to others, calling for Government to continue to fund this specialist police force.

A further meeting with Nick and **MP Angus McNeil** with other Alliance members reinforced the Alliance members' views on the importance of intellectual property to be included in the Industrial Strategy and plans to support growth through innovation.

**Dids Macdonald** met the new IP Minister as part of a group meeting with **Jo Johnson, MP** the Minister now responsible for IP. Our usual issues were discussed and, at least, articulated personally to the Minister. Our objective remains to inform senior IPO officials from our members experiences,

that reforms and improvements the IPO feel have been achieved still do not connect with the designer in the street, one of their main stakeholders. For example, the time and expense it takes to reach a Case Management Hearing and a final Court hearing. The majority of ACID member cases do not ever get this far. Lone, micro and SME designers, whose work has been stolen still have to face (sometimes) up to 3 years of IP lawyer 'ping pong' usually because in the case of major high street retail, it is still a deliberate strategy to stonewall any challenge and perpetuate litigation. This is the real issue for so many, so they will not fit into any neat performance boxes of the Courts. It is about ethics, IP respect and compliance.

## 3D PRINTING

On 6 February at the **Chartered Institute of Patent Attorneys (CIPA)** there was still little support concerning the potential threats which will be posed (in our opinion) by the lack of a deterrent in design law for 3D printing, which could, potentially, leave the door open to counterfeiting and piracy. On 24th March **Dids Macdonald** spoke to jewellery designers at Bournemouth University about the lack of IP law which is 'fit for purpose' to protect designers' work if it falls victim to IP infringement, further reinforcing the need for criminal provisions for unregistered design infringement.

## TRADING STANDARDS TRAINING

April - Nick Kounoupas has engaged with 42 Trading Standards Officers in an IP training event held at the Premier League and updated them on recent changes to design law and the 2014 IP act, specifically on the crime of intentionally infringing a registered UK design. He also updated trading standards officers on Brexit and the consequences of the potential loss of EU unregistered rights and ACID's latest campaign objectives to make the intentional infringement of unregistered designs also a crime.

## SINGAPORE

First stage discussions have taken place with the IP Attaché for SE Asia with a view to creating more formal links between ACID and SE Asia support.

# DEAR ACID MEMBER...

**I AM BOTH THRILLED AND DELIGHTED TO CONGRATULATE ACID MEMBERS MASTAPLASTA ON THEIR MUCH COVETED AND RICHLY DESERVED QUEENS ENTERPRISE AWARDS, A CLASSIC EXAMPLE OF AN INNOVATIVE APPROACH TO A COLLAPSE IN SOFA SALES WHICH HAS EMBRACED SUSTAINABILITY BY UP-CYCLING AND RECYCLING – “MAKE-DO AND MEND AND SAVE THE PLANET, ONE PATCH AT A TIME IS THEIR MOTTO”. THEY ALSO FIERCELY GUARD THEIR INTELLECTUAL PROPERTY WHICH, THROUGH THEIR TRADABLE IP, HAS SEEN THEIR GROWTH ROCKET (SEE PAGE 14).**

It wasn't until I started to write down all the "IP issue shouts" and campaigning that Nick (Kounoupas) and I have carried out so far this year that I realised how much campaigning is part of my daily DNA and how engaged we are and, importantly, where ACID's voice is being heard. Designer UK is mainly lone, micro and SME and unless organisations like ACID stands up and is counted this amazing sector of the UK creative industries loses out to other more powerfully funded sectors. Unlike the film, music, publishers and games industries, design and IP does not have a global (but more importantly globally funded) voice. So, as a relatively small organisation, ACID punches above our weight. But much more importantly so does design – just look at the contribution to the UK's GVA (£76 billion) - every reason for us to be united and strong to protect this for the future. So, take a look at who we are speaking to, suggest who we are not speaking to and engage if you feel that your views are not being expressed. As ever, ACID membership is a two way deal and now, after nearly 20 years, we seem to know who to talk to or know someone else who does, but this doesn't mean that we have got it right! ACID is YOUR voice against IP theft and we need to continue to shout loudly about the need for support for innovation and growth.

So, don't forget to let us know YOUR views, our existence is only as good as the members we represent whatever the IP issue.

Now that our Member focus initiative has gained

momentum, it is so interesting to delve into the stories about how IP creators and innovators start, learn about IP and how they achieve growth through innovation. IP rights – the intellectual capital which underpins the creativity and innovation these businesses rely on – is the basis of this success. (see page 18). The role IP plays in delivering sought-after content, competitive businesses and quality products is not just seen in well-known artists, titles and companies. It is also fundamental to the success and growth of SME businesses across the UK. Millions of everyday items we take for granted would not exist if their creators had been unable to commercialise their IP rights – the leading smoothie brand in your fridge, the MastaPlasta recently invented product, the Face-Lace design to decorate your face, the lamp in the corner of your lounge. Safeguarding this creativity is what enables these individuals to be financially rewarded and for companies to generate employment and attract inward investment.

Through the Alliance for Intellectual Property, of which I am Vice Chair, we support the measures contained within the Green Paper on the Industrial Strategy in relation to IP, particularly promoting its importance in how institutions commercialise their IP; by placing IPO representatives in the Northern Powerhouse and Midlands Engine and in how IP can be used in innovative public procurement. We also recognise that IP rights will likely feature in many of the sector specific deals that the strategy proposes. Whilst copyright is clearly very important in the proposed creative industries sector agreement, we also believe IP should be a standing feature of all sector agreements and every sector agreement should look at how IP is promoted and protected. In public procurement, we believe the Government should only contract with companies and organisations that are committed to respecting IP rights.

On page 8 you will read about Andy Kingston's stance against a consistent disregarder of IP, YH Arts Ceramics Ltd. Andy has called on show organisers Ascential to support those who have consistently invested in exhibiting at Spring and Autumn fairs over many years and to talk the talk

about being ACID Accredited organisers, with a zero tolerance of IP theft.

And finally, our ACID Council is helping us to create and craft ACID's strategy for the future, starting with our headline strap line - ACID is YOUR voice against IP Theft - make sure that you use this whenever and wherever you can.

Thank you - our ACID members - for continuing your support and enabling ACID's campaigning work to resonate and our services to expand.

*Dids MacDonald*

# GUEST EDITOR RACHEL JONES

## DIRECTOR, SNAPDRAGON MONITORING LTD

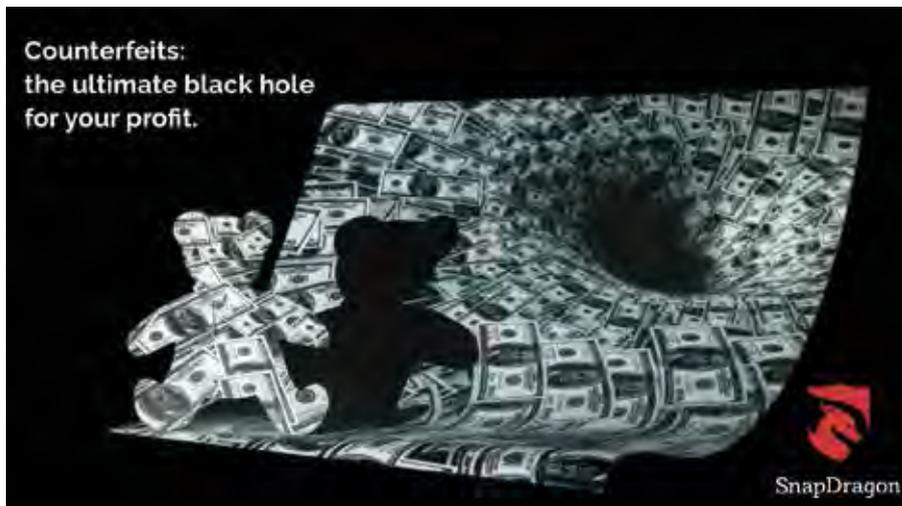
### BRAND PROTECTION

ACID HAS LONG BEEN A PROponent OF BRAND PROTECTION – INDEED ITS VERY RAISON D'ETRE IS FOUNDED ON THE PRINCIPLES OF PROTECTING DESIGN ... AND DESIGN IS A KEY COMPONENT OF THE VISUAL COMPONENTS OF ANY BRAND, AS WE ALL KNOW. HOWEVER, A BRAND IS MUCH, MUCH MORE THAN A VISUAL MARK, IT'S YOUR PERSONALITY, YOUR VOICE, WHAT MAKES YOU 'YOU'. EVERY BUSINESS SEEKS TO NURTURE AND DEVELOP ITS BRAND, BUT THIS IS NO LONGER ENOUGH. BRAND PROTECTION IS NOW ALSO KEY TO MAINTAINING GROWTH, HAPPY REPEAT CUSTOMERS AND A HAPPY, HEATHY BUSINESS.

As 40% of the world's population moves to be online by 2020, online brand protection has soared up the agenda of businesses, large and small. Opportunities for fraudsters have never been better, or easier, with a myriad of online selling platforms from which to confuse naïve customers merely 'bargain shopping'. Luxury brands have long defended themselves against inordinately cheap fakes which, thanks to the massive price disparities, rarely confuse the customer seeking a genuine product. For SME brands selling online however, this is a much more dangerous space. Price differentials between genuine and fake are tiny, making the latter merely look like 'great deals', and the unsuspecting customer is well and truly duped.

The purchase of fake goods doesn't just ruin genuine brands, divert revenues and harm the unsuspecting punter ... monies generated by such illegal activities fund drugs rings, encourage and promote slave labour, child labour, weapons trading and worse. Consumers need to become more savvy as to wrongs of the counterfeit industry, and brands need to up the ante on proactive brand protection to defend their own reputations and to protect their customers. Always mindful of the difficulties, and expense, of running a design-orientated business, and the threats posed by online fakes, ACID has launched ABES, the Acid Brand Enforcement Service. Powered by SnapDragon, the online brand protection solution for SMEs, ABES is an affordable, efficient and effective brand monitoring and brand protection solution for ACID Members. See [www.acid.uk.com](http://www.acid.uk.com) for case studies, recommendations and details.

Counterfeits:  
the ultimate black hole  
for your profit.



In parallel, ACID is keen to encourage its entire membership, yes – that includes you dear reader – to help improve awareness of the dangers of fakes – to consumer and to businesses and can we perhaps start with our own families currently exploring cheap shopping options online for their favourite brands, only to be disappointed by poor quality, misspelt renditions of high street names emblazoned on their chests?

Online brand protection offers a minefield of opportunity, and difficulty, but there is much any brand can do on a DIY basis, for little, if any, cost including:

**[1] BASIC TRADEMARK REGISTRATION IN THE TERRITORIES YOU WISH TO TRADE.**

**[2] KEEP ACCESSIBLE COPIES OF IMAGES AND MARKETING MATERIALS WHICH YOU CAN USE TO PROVE OWNERSHIP OF COPYRIGHT WITH SPEED AND ACCURACY.**

**[3] CUSTOMS REGISTRATION THROUGH THE EU APPLICATION FOR ACTION (OR CITEX PAPERWORK) – THIS IS ENTIRELY FREE.**

**[4] MONITOR SITES OF INTEREST – USE YOUR OWN AND YOUR COMPETITORS' SEARCH TERMS – SEARCH IN LANGUAGES OTHER THAN ENGLISH. SEARCH WITH SPELLING 'ERRORS'.**

**[5] IF YOU FIND ITEMS OF INTEREST AND CONCERN, REPORT THEM. YOU CAN USE THE SITE'S OWN PORTAL TO DO THIS – ALL BONE FIDE WEB-BASED MERCHANTS MUST NOW PROVIDE A LINK/ CONTACT DETAILS FOR INTELLECTUAL PROPERTY INFRINGING PRODUCTS TO BE NOTIFIED. SO NO LAWYERS NEEDED (AT LEAST IN THE EARLY STAGES). ABES WILL MONITOR AND REPORT ON YOUR BEHALF AS REQUIRED – SO KNOW YOU'RE NOT ALONE.**

**[6] IF YOU ARE DEFENDING A PUBLISHED WORK THE DIGITAL MILLENNIUM COPYRIGHT ACT MAY WELL HELP YOU AND NPPA.ORG HAS SOME EXCELLENT SUPPORTING MATERIALS AND GUIDANCE.**

Rachel Jones, SnapDragon Monitoring

[www.snapdragon-ip.com](http://www.snapdragon-ip.com)



**SNAPDRAGON®**



Snapdragon has been selected to front the first ACID Brand Enforcement Service to ACID members in response to increasing concerns about their experiences with online infringement issues. ACID members have access to an exclusive, negotiated preferential rate. Learn more from our website <http://www.acid.uk.com/acid-brand-enforcement.html>

# CASE STUDIES



## FIESTA STUDIOS HALT SALE OF INFRINGING GOODS FOLLOWING SPRING FAIR

**ANTI COPYING IN DESIGN (ACID) MEMBERS FIESTA STUDIOS LIMITED, LEADING DISTRIBUTORS OF ARTISTIC GIFTWARE, HAVE SUCCESSFULLY RESOLVED A COPYRIGHT DISPUTE ARISING FROM THIS YEAR'S SPRING FAIR OVER THE SALE OF INFRINGING GOODS THROUGH ACID, ASSISTED BY THEIR LEGAL AFFILIATE, MCDANIEL & CO. FIESTA STUDIOS MD, ANDY KINGSTON, SAID, "AS AN ACID ACCREDITED EXHIBITION SHOW, WE WERE SUPPORTED BY ON THE SPOT PRESENCE TO INTERVENE, TAKE ACTION AND DELIVER A RESULT, A HUGE BENEFIT TO US IN THE PROTECTION OF OUR INTELLECTUAL PROPERTY RIGHTS."**

Fiesta became aware that one of its competitors was selling tiles which depicted images for which Fiesta held the exclusive licence. Initial requests, asking the competitor to remove the goods from the view of the public and discontinue sales at Spring Fair, unfortunately proved

unsuccessful. This left Fiesta with little choice but to press ahead with legal action.

During the exhibition, Fiesta Studios were able to provide evidence to YH Arts Ceramics Ltd confirming that Fiesta Studios were the exclusive licensee to these images. **Senior Associate IP solicitor Kelly Hudson of McDaniel & Co** said, *"This compelling evidence proved to YH Arts Ceramics that the products which they were selling were the same as Fiesta's tiles and countered the argument that they were independently created. As an exclusive licensee, Fiesta held the sole right to sell the tiles featuring these images and this gave them the right to take legal action against YH Arts Ceramics for selling the tiles without obtaining prior permission."*

**ACID CEO Dids Macdonald, OBE** commenting on the case said, *"The dispute was resolved following the exhibition without the need to go to Court and the outcome was a success for Fiesta for three reasons; Fiesta secured payment of compensation for the infringement as well as their legal costs which totalled over £9,000. The competitor also undertook to destroy all the infringing goods by sending them to Fiesta."*

*Finally, Fiesta also took this issue to*



*Ascential, the ACID Accredited Exhibition Organisers of Spring and Autumn Fair, some weeks ago and, to date, we are awaiting their decision as to whether YH Arts Ceramics Ltd. will be allowed to exhibit at Ascential events in the future. Infringement is clearly against their articulated policy as an ACID Accredited Organiser, which requires a zero tolerance of IP theft. Calling all design-led exhibitors, what do you think?"*

**[WWW.MCDANIELSLAW.COM](http://WWW.MCDANIELSLAW.COM)**



**ORIGINAL ROMANTIC STROLL**



**COPY ROMANTIC STROLL**

TM ® © BRIFFA

FARFETCH

## FARFETCH

**IN CHINA, IT IS NOTORIOUSLY DIFFICULT TO DEAL WITH TRADE MARK SQUATTING WHEREBY SOMEONE REGISTERS ANOTHER BUSINESS' TRADE MARKS IN BAD FAITH. ONCE THE SQUATTER OWNS THE TRADE MARK REGISTRATION, THEY CAN THEN SUE THE RIGHTFUL OWNER SHOULD THEY USE THE MARK FOR THEIR GOODS/SERVICES IN CHINA OR – ALTERNATIVELY – EXTORT PAYMENT FOR A LICENCE OR THE SALE OF THE MARK. FURTHERMORE, OFTEN SQUATTERS WILL TRY TO REGISTER THE MARK FOR UNRELATED GOODS/SERVICES SIMPLY SO THAT – WHEN THEY USE THE MARK FOR THEIR GOODS/SERVICES – THEY CAN TAKE ADVANTAGE OF THE REPUTE OF THE EARLIER MARK.**

It is possible to object to these kind of applications ('oppose' in legalese) when filed, if you become aware of them in good time. Alternatively, it is possible to apply to invalidate the resulting trade mark (i.e. argue that it should not have been registered). However, the grounds on which you can do so are quite limited. Indeed, in China, it is very difficult to succeed in this kind of situation as the only option is often to prove that the mark was very famous ('well-known' in legalese) in China at the time of the squatter's application, which is a high threshold. Proving this is likely to be nearly impossible for start-ups which are only just entering the Chinese market. Moreover, even when you are a well-established brand, this can still present a major issue.

In this case, the applicant had filed an application for a black and white version of the logo in respect of clothing, footwear etc. Farfetch had protection in China for many of its services but not for any goods. Farfetch opposed the application on various grounds but was unsuccessful. Farfetch then decided to file an invalidity application against the resulting trade mark registration. (It is not possible to appeal opposition decisions in China.) In this second set of proceedings – represented (as in the opposition proceedings) by Briffa

and Chinese counsel – Farfetch was able to successfully argue that:

(a) use of the trade mark would take unlawful advantage of copyright in its Farfetch and Farfetch.com logos (both of which were registered in China); and  
(b) as the applicant did not have a valid Chinese business licence (as required for Chinese trade mark applicants and which our associates were able to discover through research at the relevant companies registries), they had committed fraud when they filed the application. As a result, the registration was declared invalid.

Here, Farfetch was able to rely on its copyright and the bad faith of the applicant. However, this will not always be possible. Moreover, China is not the only territory where this is an issue (we have noticed a large amount of these bad faith filings in South Korea and Turkey over the last few years) and the grounds on which businesses can rely will vary by jurisdiction. Therefore – to try and prevent such issues – we recommend that all clients consider:

- registering the copyright in their logo (in those countries where this is possible);
- whether applications in Hong Kong, Macau and Taiwan are required in addition to an application in China (as these are all separate trade mark jurisdictions);
- whether 'defensive'/'blocking' trade mark applications are appropriate (i.e. covering goods/services which are not sold by

the business but which might be the subject of a bad faith application);

- applications for a/the version of their mark in local script (e.g. a transliteration), given that many local consumers may not recognise the mark in Latin alphabet and may use a version of the mark in local script; and
- using Briffa's watching service to ensure that they are notified of problematic applications and can take swift action to address them.

Mark Corran, Associate, Briffa

[WWW.BRIFFA.COM](http://WWW.BRIFFA.COM)

# MEASURING THE LAW OF PASSING OFF AND GET-UP



## GEORGE EAST HOUSEWARES LIMITED V. FACKELMANN GMBH & CO KG AND PROBUS CREATIVE HOUSEWARES LIMITED [2016] EWHC 2476 (IPEC)

**THIS DECISION FROM THE UK INTELLECTUAL PROPERTY ENTERPRISE COURT (HIGH COURT OF JUSTICE) IS A USEFUL REMINDER OF THE DIFFICULTIES FACED BY CLAIMANTS WHEN TRYING TO ESTABLISH A SUCCESSFUL PASSING OFF CLAIM IN RELATION TO GET-UP. THE CASE ALSO CONTAINS A VERY USEFUL WALKTHROUGH OF THE CASE LAW AND JURISPRUDENCE BEHIND THIS AREA OF UK TRADE MARK LAW.**

In brief, the claimant has manufactured and sold conical measuring cups in the United Kingdom for many years, with claimed sales of up to 100,000 units per year. The measuring cups are made of stainless steel, have stripes of bold colour to their exterior, and have measuring guides printed on the inside of the cones.

At a trade fair in Birmingham in February 2013 (the relevant date) the claimant saw the defendant's measuring cups which bore



a striking resemblance:

In fact, the defendant's measuring cups even had similar interiors, even with some of the same (intentional) typographic errors on some of the measuring guides and an identical misplaced apostrophe: The claimant complained to the defendant (Probus who imported the goods to the UK), but in spite of certain assurances, the defendant's measuring cups continued to be imported into the UK in 2013 to 2015. The claimant then filed its claim at the Intellectual Property Enterprise Court in March 2015.

In its Particulars of Claim, the claimant pleaded that the get-up of its measuring cones had become distinctive, and was associated by traders and end consumers only with the claimant. A list of the products features was then provided, including: a conical shape with an overall shiny/metallic finish; the brand name 'TALA' displayed at the top of the cone; the get-up of the exterior of the product which includes broad stripe of primary colour; and the get-up of the interior of the products which included a series of vertical tables with the names of foodstuffs, running down the inside of the cup.

During the trial the claimant also submitted evidence of consumer reviews on Amazon, a news article in which the claimant's products were positively reviewed but an image of the defendant's product was used, and details of its product range (since the 1950s) showing the evolution of its measuring cones.

In her ruling the judge found that, by the relevant date, the claimant had a de facto monopoly in measuring cups of this shape. However, insofar as the get-up was concerned, the evidence put forward by the claimant did not allow it to establish goodwill, which must exist for a passing off claim to even be considered.

The judge was not persuaded that the claimant had proved goodwill for a number of reasons. In particular, there was no evidence of the goods being sold without the "Tala" trade name on them; the consumer reviews were deemed to not make any comment on the get-up as a whole (nor any of the get-up features pleaded by the claimant); and (on a technical point) the models of its measuring cones evidenced from different time periods made it difficult to gauge in which version or model the claimant held goodwill at the relevant date.

This shows the real difficulties in proving that trade dress or get-up has acquired a secondary meaning as an indication of trade origin. It is a further UK Court decision seeing a claimant deemed to not own goodwill in get-up without a brand name also affixed to it.

It therefore appears that, in order to establish goodwill in get-up alone, the claimant must prove that the shape of its goods has come to denote a particular source to the relevant public, and thus has educated the public to recognise its

product simply by its appearance. This is a tremendously difficult task for any brand owner and, in the context of Court proceedings, similarly difficult to accurately evidence. As mentioned above, the case also provides a useful summary of UK case law in the area of get-up and passing off, where (in summary) we are reminded:

→ It is important to distinguish between a defendant who takes a conscious decision to live dangerously and one who intends to cause deception and deliberately seeks to take the benefit of another trader's goodwill. A trader who has taken the decision to live dangerously [...] has appreciated the risk of confusion and has endeavoured to adopt a sign which is a safe distance away. All must depend upon the facts of the particular case. (*Specsavers International Healthcare Ltd v Asda Stores Ltd*).

→ There are real difficulties in proving that trade dress or get-up has acquired a secondary meaning as an indication of trade origin, where, as here, it is consistently used alongside a trade mark or name. In *Schweppes Ltd v Gibbens* the parties' goods were sold in similarly embossed bottles bearing labels of very similar shape, design and colour scheme, and wording in a similar layout and font. However, they respectively bore the distinctively different brand names, and so there was no deception.

→ It is more difficult to acquire a sufficient reputation and goodwill in the shape or get-up of a product. Whilst the principal function of a brand name is to denote origin, the shape and get up of a product are not normally chosen for such a purpose. A member of the public seeing a product which looks identical to another (a red cricket ball is an example) does not necessarily, or even normally, conclude that they come from the same source – *Numatic International Ltd v Qualtex Ltd*.

Charlotte Duly, Partner and Luke Portnow, Trade Mark Attorney, Boult Wade Tennant,

[WWW.BOULT.COM](http://WWW.BOULT.COM)

## DAVID AND GOLIATH - ARGOS V ARGOS

### MICRO COMPANY FIGHTS GIANT ARGOS UK AND WINS IN LANDMARK RULING!

ACID Legal Affiliate, Virtuoso Legal, have won a modern-day David vs Goliath intellectual property case in the High Court, acting for the defendant, Argos Systems Inc ("Argos US") in a case brought by Argos Limited ("Argos UK"), the well-known UK retailer. This case sets a new precedent in online advertising, particularly those businesses who advertise using Google AdWords or AdSense, as many ACID members will.

### LEGAL CASE STUDY – TRADE MARK INFRINGEMENT

Argos UK brought a claim against Argos US, a CAD Software design company based in the USA, for infringement of trade mark and passing off in relation to Argos US's use of the ARGOS name on its website at [WWW.ARGOS.COM](http://WWW.ARGOS.COM). In particular, Argos US's use of Google's AdSense programme on its website.

During the proceedings it was clear that both Argos UK and Argos US had independently come up with the name 'ARGOS' and Argos US had invested early in its cyber property by purchasing the argos.com domain name back in 1992. Argos UK claimed that Argos US's use of ARGOS on its website's landing page in conjunction with the Google AdSense programme was illegal, as this meant that Argos US's website had "banner" advertising at the top and side of its website (see below for illustration):

Argos UK's main concern was that visitors who were looking for Argos UK's website would be mis-led that it would be at argos.com and see adverts for Argos UK's competitors, such as John Lewis. Given the intelligence of Google's algorithms, it means that those ads would be targeted at the particular customer and this could lead to confusion in that visitors feel like they are being stalked from website to website as a result!

Argos UK were using its EU trade marks (for the brand ARGOS) to legally challenge Argos US, who only operated in the United States and had no customers in Europe. As such, Argos UK had to overcome the hurdle of proving that Argos US's actions amounted to "targeting" customers in the USA. In short, the High Court rejected

Argos UK's arguments and found that Argos US had not targeted European customers. As such, Argos UK's case failed.

Although Argos US had won in relation to the above points, the Deputy Judge also agreed that Argos US had two valid defences. First, that they had honestly used their "own name" and second, that Argos UK had "consented" to Argos US's use by signing up to Google's AdSense programme themselves. That means, even if Argos US had been "infringing" they would have had two complete defences to those infringements.

In conclusion, this was a significant ruling for Argos US, represented by the expert IP team at ACID legal affiliates Virtuoso Legal. The decision is of "wide importance" as it sets a new precedent for online advertising and will certainly be seen with a sigh of relief from Google, as it further legitimises and solidifies its Google AdSense programme.



**Elizabeth Ward, Principal of Virtuoso Legal**, the specialist law firm that represented Argos US in the UK High Court said:

*"This case goes to show the real value of intangible assets in a company's portfolio. The days when businesses fought over prime real estate are over. Today's economic value is based on clicks not bricks."*

**The President of Argos US** said, *"The decision confirms that my company was merely conducting its business legitimately."*

*As a relatively small company based in the US, being dragged into the High Court in London by Argos UK was obviously very chilling, but the team at Virtuoso Legal guided us through the procedure throughout and during trial in London. We are very pleased with the result and look forward to focusing upon our business in the years to come."*



### SO WHAT CAN BE LEARNED FROM THIS CASE?

→ If you are starting out in business register your brand's domain name as soon as possible and the shorter the domain name, the better!

→ Register your trade mark using the correct specification. All too often, design creators who have registered their own trade marks find they are not covered for what they think they are, so always seek professional advice to secure your brand safety.

→ Even famous brand such as Argos UK, can still find it difficult to enforce their trade marks in relation to dissimilar products as, in the above case study, they were required to show that Argos US had placed the Google AdSense on its website "without due cause" and had taken "unfair advantage". This was sufficient for the Deputy Judge to reject Argos UK's arguments in those respects.

→ Never bow down to big brands who are sending you threatening letters; pick up the ACID Hotline and speak to a Legal Affiliate who can assist!

Philip Partington, Senior Intellectual Property Solicitor, Virtuoso Legal

[WWW.VIRTUOSOLEGAL.COM](http://WWW.VIRTUOSOLEGAL.COM)



**Virtuoso Legal**  
Intellectual Property Specialists

# ONLINE IP INFRINGEMENT ISSUES – WHAT'S THE SOLUTION?

## ACID BRAND ENFORCEMENT SERVICE

**THE TIME, EXPENSE AND DEBILITATING EFFECT THAT BLATANT ONLINE INFRINGEMENT HAS ON BUSINESSES IS INCREASINGLY BECOMING AN EVERYDAY CHALLENGE ESPECIALLY FOR DESIGN-LED ORGANISATIONS.**

This seemingly insidious and anonymous means of design theft, with few deterrents, makes taking the fast track to market easy and very difficult to challenge, by the apparent lack of effective redress by some online platforms for swift takedowns. So what's the solution? A "Do it Yourself" option is a possibility but it is often a very time consuming and frustrating process and online platforms differ enormously in their take down procedures and the speed in which they engage. In one ACID case study it took over a month to achieve take down of infringing designs and this has a debilitating effect, especially on businesses that are under resourced and unfamiliar with what do to. However it is worth checking each platform for their guidance and help on IP issues. As a result of pressure from campaigning, online platforms are becoming increasingly accountable.

ACID has taken the approach that it is often better to let the experts manage enforcement and supported by the UK Government and the Police Intellectual Property Crime Unit (PIPCU), has forged ahead in its continuing fight against IP infringement

with the launch of a cost effective brand enforcement service (ABES) to help its members fight design theft online. This has been provided for us by SnapDragon IP and we are delighted to feature founder Rachael Jones as our guest editor. Not only are we now providing this valuable new brand enforcement service at grass roots we are also talking to senior management on online platforms to ensure that the systems for take down and track down are improved and become less impenetrable to access quickly and effectively.

On behalf of Government, Ros Lynch, IP Enforcement Director at the UK Intellectual Property Office said, *"Online infringement can be extremely damaging, especially for small businesses. Too often they cannot commit resources towards enforcing their IP rights. Innovative SMEs are the lifeblood of the UK economy. Everything possible should be done to protect valuable IP and to create an environment where creativity and hard work is rewarded, not stolen. Services such as this should be warmly welcomed as part of the fight against IP crime."*

DCI Peter Ratcliffe, Head of the City of London Police's Intellectual Property Crime Unit (PIPCU) said, *"PIPCU is happy to support ACID in this new endeavour. It is vitally important that Small and Medium Enterprises intellectual property rights are protected so they are given the opportunity to grow and flourish. ACIDS Brand Enforcement Services (ABES) provides an effective tool for small business in the fight against IP crime."*

## ACID CASE STUDIES: THE PROOF OF THE PUDDING!

**Po Shun Leong, Designer** said, *"Monitoring online infringement has led to the removal of misleading information from a Chinese furniture company on the Alibaba website. The furniture company not only advertised for sale our original furniture designs but also included my name as the designer on the website. These original designs had already been registered in the UK, Europe and China for several years. The situation was resolved in 19 days."*

**ACID member Terry Dady MD** of Microslat had a similar story. *"We found that a shop on Alibaba was copying our website, selling our products and using our imaged and product descriptions to do so. This was dealt with diligently and pro-actively! An account was set up on Aliprotect, which is Alibaba's reporting system, and uploaded all of the necessary documents on our behalf. They even found a solution to the fact that we no longer had access to the website that was being ripped off. The links to the infringing shop were promptly removed. With the AliProtect account set-up, we can easily report any future infringing links. We have been extremely impressed with this service and would whole-heartedly recommend them to any company experiencing issues with intellectual property rights."*



## ACID BRAND ENFORCEMENT GUIDELINES

- Removal of links is only possible if you can prove your ownership of the intellectual property that is being infringed. This may include using your registered trade marks, registered design rights or, in some cases, your unregistered copyright.
- Create an email containing all the links and explain within the email what the issue is and which product(s) are being infringed
- You will need to attach Proof of the registered IP which is being infringed. This could be your registered trade mark certificate or registered design certificate - or in the case of copyright a URL link back to the original image on your website (whether a current or historic page)
- Sadly, unregistered design rights cannot be used to support claims at this time. Talks are progressing with Alibaba and Amazon to include evidence of unregistered design, if lodged on the ACID Copyright & Design Databank
- Proof of your trading status/identity. For Limited Companies and Limited Liability Partnerships, this is your Certificate of Incorporation. For Sole Traders and Partnerships, this needs to be a digital copy of your passport

Whether you require a one-off support service, for the removal of up to 5 online links to infringing products or copyright, or an optional choice for ongoing support involving monitoring of the internet for infringing items together with take downs on trading platforms like Alibaba, Amazon, eBay, Taobao and DHGate, the process of reporting these links is possible within 24 hours, so swift action is assured.



# MANY CONGRATULATIONS AS MASTAPLASTA SCOOPS DOUBLE QUEEN'S AWARD FOR ENTERPRISE!

## And an insight into how they use their IP proactively..!

ACID members Masta Plasta, a ground-breaking company set up at the height of the financial crisis recently won two Queen's Awards for Enterprise, for both innovation and international trade, the smallest and youngest firm to be given the prestigious dual accolade. When the banking collapse of 2008 hit the retail furnishing sector, the furniture design founders of MastaPlasta spotted a gap in the market for high quality patch-and-mend solutions for thousands of people desperate to keep much-loved items of furniture which had suffered minor damage. Homeowners and businesses whose sofas and chairs had suffered tears, spills or burns have always struggled to find a cost-effective way of repairing their cherished piece of furniture. MastaPlasta developed a highly durable leather repair patch, in a range of styles, backed with pressure-sensitive adhesive, which has also been used in cars, on leather clothing, handbags, in motorboats and aircraft, as well as on horse riding and motorcycle saddles. Now the pioneering patches are selling internationally from the US to Guam, and Alaska to Germany. Over the past five years, turnover has grown tenfold with massive interest in the US and Europe, and MastaPlasta has based its success on using UK suppliers throughout the manufacturing and packaging process. Many homeowners and small businesses use their distinctive designs to make a fashion statement with their repair work, which can restore a

£2000 sofa for less than a tenner, instead of hundreds of pounds in repair costs.

## MASTA PLASTA CASE STUDY

### – basic elements of a proactive IP strategy to succeed!

"We first started working on our idea in 2008 and applied for a patent immediately. Having worked in the furniture industry we understood how a small rip in an expensive sofa could render it virtually worthless – whether that was to owners or retailers. A worthless sofa takes up a lot of space in landfill – that makes a small rip something that costs all of us dear.

We knew how difficult and expensive it was to protect intellectual property but once we started researching we realised it was not so scary and plunged right in to the process. Since we started our business, we have been approached by a lot of people with bright ideas asking about the patent/IP process. We advise them it is worthwhile pursuing a patent or other IP protection, no matter how small the idea, and as a first step to register with ACID.

We soon discovered ACID and joined straightaway. We stamp the strong logo on our packaging along with our patent as a big deterrent to anyone thinking of copying us. The logo is also part of our email signature. We want to get the message out loudly and clearly we will challenge any attempts to violate our patent and ideas – and we've got a hard-hitting organisation

behind us. We have used ACID's legal services for advice and read the bulletins/newsletters to keep up to date with intellectual property issues and the battle against copycats.

We have got two very exciting projects about to launch – but we're not quite ready to share them yet! One of them is in tandem with our biggest US retailer. There is always so much to organise when starting out so ensure protecting your IP is a priority, always making IP part of your routine and adding new designs to the ACID Copyright & Design Databank as a matter of course. This will give you more confidence. Our ACID membership is a bit like a security blanket is to a baby – we're not going anywhere without it! The global marketplace has made protecting your IP crucial, the internet being an easy way for copycats to shop for good ideas! Government needs to help protect the innovations that ultimately create new revenue streams. Anything that makes that process more accessible and enforceable is to be applauded. We'd love to see Government-sponsored patents & other IP rights – where the Government buys into an idea that it thinks is commercially viable and supports the process financially and practically to ensure the IP rights are protected.



Stephan Pavlou, co-founder of MastaPlasta, said: "We have shown that even in the most difficult market, there are opportunities for British companies. It is just incredible and a great honour to have that innovation and international growth marked by The Queen in this way, and we are optimistic about further growth overseas." Donna Clarke, co-founder, added: "We saw an overnight collapse in sofa sales, but we knew from experience that many people wanted to keep their existing furniture – there just wasn't a reliable way of patching up any damage. It started as an experiment for our own customers but just took off."

[WWW.MASTAPLASTA.COM](http://WWW.MASTAPLASTA.COM)



**Quick, Easy... Vite, Facile...**



**1. Check patch covers hole.** Vérifier que le patch est à la bonne dimension. Compruebe que el parche cubre el daño.



**2. Area must be clean and dry.** La surface doit être propre et sèche. Asegúrese de que el área está limpia y seca.



**3. Peel away release paper.** Décoller le patch. Despegue la lámina protectora.



**4. Stick down patch.\*** Coller le patch.\* Pegue el parche.\*



**5. Press firmly to secure.** Appuyer fermement. Presione con firmeza.



**6. All done and ready to use.** Prêt à être utilisé. Su artículo está listo para usar.

**\* Please note: adhesive backing is very strong. Once applied, the patch may be difficult to remove.** Notez-bien que l'adhesif est très puissant et tres difficile à enlever. Es importante señalar que el adhesivo del parche es muy potente y una vez aplicado puede ser difícil de retirar.

**Sticks to leather, vinyl and many other fabrics.** A poser sur cuirs, vinyles, certains tissus. Puede aplicarse en cuero, piel, PVC, cuero sintético y otros tejidos de tapicería.

**MastaPlasta Ltd cannot accept responsibility for any damage that may be caused to the substrate surface the patch is applied to or its subsequent removal by physical or chemical means.** MastaPlasta Ltd ne pourra être tenu pour responsable d'éventuels dommages causés par l'application du patch ou le décolllement du patch par des moyens physiques ou chimiques. MastaPlasta Ltd no se hace responsable de cualquier daño que pueda ser causado tras la aplicación o una retirada posterior por medios físicos o químicos.

**MastaPlasta**  
First-Aid For Leather



Thank You,  
Gracias  
for choosing  
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# BRIFFA ON BREXIT

Briffa, in association with ACID, recently hosted an evening of discussions on Brexit and IP. The speakers examined the potential impact of Brexit and shared their perspectives and advice on what UK businesses should be doing in order to prepare for our departure from the EU. The discussions centred around designs, trade marks, copyright, patents, contracts and data protection

## DESIGNS

**DIDS MACDONALD KICKED THINGS OFF WITH A LOOK AT DESIGN LAW. SHE EXAMINED THE DIFFERENCES BETWEEN UK AND COMMUNITY UNREGISTERED DESIGNS AND HOW THE CONFIDENCE OF HAVING A REGISTERED DESIGN HAS BEEN SOMEWHAT ERODED FOLLOWING THE TRUNKI DECISION. SHE GAVE EVIDENCE TO SUBSTANTIATE THE FACT THE MAJORITY OF UK DESIGNERS RELY ON UNREGISTERED DESIGN RIGHTS (INCLUDING COPYRIGHT).**

Dids outlined the impact that Brexit could have on the design industry if UK designers lose the protection of EU unregistered designs and the potentially calamitous effect that this could have if there was no protection in 27 member states if they have to rely on the much weaker UK unregistered design system post Brexit. The take-home message is that ACID needs the support and assistance of its members to provide economic evidence to influence Government to create a new UK law for unregistered designs which mirrors the protection afforded by EU unregistered rights. Namely, the appearance of the whole or a part of a product resulting from the feature, in particular the lines, contours, colour, materials, ornamentation, shape or texture). UK unregistered designs only protects the shape and configuration of a product.

**BREXIT ADVICE: GET INVOLVED WITH ACID'S CAMPAIGN AND HELP PROTECT THE RIGHTS OF DESIGNERS.**

## TRADE MARKS

Mark Corran of Briffa explained the various models for the handling of EU trade marks following Brexit. He ran through possible conversion methods and issues such as past usage and intent to use.

**BREXIT ADVICE: TRADE MARK OWNERS SHOULD: (1) ENSURE THAT THEY HAVE RENEWED THEIR UK TRADE MARKS WHEREVER POSSIBLE, (2) CONSIDER FILING UK AND EU TRADE MARK APPLICATIONS SIMULTANEOUSLY, AND (3) REVIEW THEIR 'UK ONLY' PAST AND FUTURE USE IN RELATION TO THEIR CURRENT PORTFOLIO.**

## COPYRIGHT

William Miles, also of Briffa, explained how copyright was the least harmonised IP right under EU legislation and was governed instead by national laws and international conventions. William explained that the issue of how copyright law might change in the future depended largely on the type of Brexit that the UK will negotiate, with membership of the European Economic Area being a key factor and access to the Digital Single Market a potential concern.

**BREXIT ADVICE: ANY ORGANISATIONS PLANNING TO LICENCE THEIR COPYRIGHT INTO THE EU SHOULD BE CONSCIOUS OF A FUTURE DIVERGENCE BETWEEN UK AND EU COPYRIGHT LAW.**

## CONTRACTS

William went on to discuss commercial contracts in the context of Brexit. Particular contractual issues to examine were: (1) the impact of increased trade barriers, (2) restrictions on the movement of persons, (3) currency fluctuations, (4) changes in the law, (5) the definition of "Territory", and (6) possible grounds for termination.

**BREXIT ADVICE: UK BUSINESSES SHOULD CARRY OUT A CONTRACT AUDIT AS SOON AS POSSIBLE.**

## PATENTS

The final speaker from Briffa, Éamon Chawke, examined patent law in light of Brexit. Crucially, Éamon explained, European patent applications wouldn't be affected as non-EU countries such as Norway, Switzerland and Turkey were already EPO member states. The Unified Patent Court and the Unitary Patent were also discussed and it seems that Brexit may have an impact here given the issue of European Court governance.

**BREXIT ADVICE: EXPERT ADVICE, BEFORE DECIDING WHAT TYPE OF PATENT APPLICATION TO MAKE, IS STILL CRUCIAL.**





## DATA PROTECTION

Éamon also outlined the General Data Protection Regulation (the “GDPR”) and how it would impact UK businesses post Brexit – providing that they interact with EU data subjects in some way (which the vast majority do).

**BREXIT ADVICE: UK BUSINESSES SHOULD CARRY OUT A DATA PROTECTION AUDIT AS SOON AS POSSIBLE WITH THE AIM TO BE FULLY COMPLIANT WITH THE GDPR BY MAY 2018.**

## THE BUSINESS VIEW

The talks were concluded with a few words from Fernando Pak of Feme Limited. Feme is one of Briffa’s most valued clients and it specialises in the sale of wigs and hair extensions across the EU. Fernando spoke about the need for commercial certainty both before and after Brexit and he suggested that securing the best possible advice was the key to not only surviving, but flourishing in these unprecedented times.

**BREXIT ADVICE: UK BUSINESSES SHOULD SEEK SPECIFIC ADVICE REGARDING HOW BEST TO ‘BREXIT-PROOF’ THEIR COMMERCIAL ACTIVITIES.**

There was great interaction, discussion and debate from the floor followed by Briffa’s own brand of networking. Fun was had by all, the pictures speak a thousand words, we’ll leave it at that!

**[WWW.BRIFFA.COM](http://WWW.BRIFFA.COM)**



TM



**B R I F F A**



# MEMBER FOCUS



## WHEN AND WHY DID YOU FIRST START CREATING YOUR PRODUCTS/DESIGNS?

*I've been in the design industry working for various textiles & Greeting Card companies for nearly 17 years. How time flies! Recently, however, my husband and I decided to create our own Greeting Card and Art Publishing brand, Lola Design, which is all very exciting.*

## DID YOU HAVE ANY KNOWLEDGE OF INTELLECTUAL PROPERTY WHEN YOU STARTED YOUR BUSINESS?

*We knew about IP and how important it is within the design industry. Creating a style which is unique such as our wildlife botanical range and floral dogs has been really important and this protection came into its own recently. Art is our key asset and protecting it is a top priority. We have a 'no tolerance' policy for copying and yes it may be seen as a compliment but it is also very sad for us to see as a lot of hard work has gone into creating a unique look which is part of our brand DNA.*

## TELL US WHICH ACID MEMBERSHIP SERVICES HAVE YOU USED

*We have recently received the assistance of the wonderful ACID team at the NEC Spring Fair who helped us confront a large company that was using several pieces of our artwork without permission and outside of a licensing agreement by 2.5 years. ACID helped us remove the products from their trade stand and later the ACID legal team also helped us resolve the situation with that manufacturer, leading to an out of Court settlement. We have also had some advice on another product sold via a Facebook French bulldog fan page where someone had taken our Ceramic design /product and lifted our artwork and placed it on another ceramic mug and sold it on.*

## HAVE YOU LAUNCHED ANY NEW DESIGNS RECENTLY THAT YOU WOULD LIKE TO SHARE?

*We are just launching some new designs for wildlife botanical Greeting Cards and Art range. Here's a sneak preview below.*





**WHAT IP ADVICE WOULD YOU OFFER TO A NEW DESIGNER?**

*Join ACID! Make sure your art or products are protected as you never know when you may be copied. Even before we send them to be printed we make sure that each and every artwork is uploaded to the ACID Copyright & Design Databank.*

*With all the social media platforms and use of the internet it is very easy for other people/companies to copy your work. And it's illegal for them to do so.*

*My other piece of advice to a new designer is to create your own style and don't copy, it won't get you anywhere and may get you in trouble.*

**WHAT DOES BEING A MEMBER OF ACID MEAN TO YOU?**

*ACID has been a fantastic help to us for advice. Being able to deter people with the ACID logo on our websites/trade stand /social pages is a great saying "No you cant copy our work" without having to send stern legal letters is also great.*



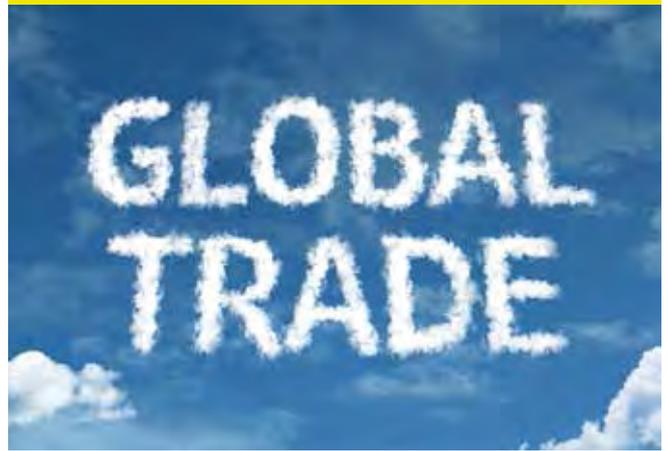
**ACID VALUES THE SUPPORT OF ITS MEMBERS TO ENABLE IT TO CAMPAIGN FOR DESIGN LAW REFORM. DO YOU HAVE ANY MESSAGES FOR GOVERNMENT/ POLICY MAKERS ON IP ISSUES?**

*More stringent, transparent and imposable regulation on penalties for copying would be welcomed. Despite anti copying laws existing they are still difficult to apply and require budget to support your legal bills and an appetite for risk when challenging another party, which is all quite stressful.*

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# BREXIT, DESIGNS — SO NOW WHAT?



**DESPITE PETITIONS, MARCHES, COURT CASES IN THE SUPREME COURT AND THE COINING OF NEW WORDS IN THE ENGLISH LANGUAGE (BREXIT, AND REMOANERS COME TO MIND), IT REALLY HAS HAPPENED; ON 29 MARCH 2017 THE UK GOVERNMENT GAVE TWO YEARS NOTICE TO THE EU COUNCIL THAT WE WERE LEAVING THE EU. THE RESPONSE FROM PRESIDENT TUSK WAS, "BYE, BYE! WE MISS YOU ALREADY". SO THE SCENE IS NOW SET FOR TWO YEARS OF CHAOS AND PATHOS WITH A HEAVY DOSE OF HENRY VIII!**

Brexit day will now have to happen by 28 March 2019 unless the EU and the UK agree to extend the period of negotiations, which is not unlikely given the amount of work that will be needed to convert EU laws into UK laws and to agree new ways of working together in the future.

**“THE PROCESS WILL INVOLVE TAKING ON ALL EU LAWS TO BEGIN WITH AND THEN AMENDING OR REPEALING THEM**

## WILL I STILL HAVE EU DESIGN AND TRADE MARK PROTECTION?

Yes, EU IP laws will continue to apply across the UK. In particular, the Court of Justice of the European Union Longer term, much despised and feared in equal measure by UK businesses, will continue to have the final say on English legal matters deriving from EU laws. Given that there are believed to be over 80,000 pieces of EU law that have a bearing on UK laws (ranging from workers' rights, to environmental law, to Intellectual Property), there is a massive task ahead.

A White Paper entitled "Legislating for the United Kingdom's withdrawal from the European Union", was produced by a new Government Department called DeXEU (Department for Exiting the European Union). The plan is over the next few

months to prepare "the Great Repeal Bill", to repeal the European Communities Act 1972 to make the UK Parliament sovereign again and to ensure that EU law no longer applies in the UK. The process will involve taking on all EU laws to begin with and then amending or repealing them one by one as it sees fit. However, as there is so much EU law, this process cannot all be done through Parliament, which is the normal way in which legislation is presented and approved in the UK.

## SO WHERE DOES HENRY VIII COME INTO THE EQUATION?

Following in the footsteps of the "Merry Monarch", the UK Government now plans to create powers to "correct the statute book where necessary" without full Parliamentary scrutiny. Henry VIII was known for adopting a creative approach to legal issues; when he wanted to get rid of Catherine of Aragon and found those pesky Europeans in the Vatican opposing him he simply created a new religion. Excommunication from the Roman Catholic Church didn't bother him. When any of his other wives became a little too flirtatious with others he didn't suggest counselling- it was off with their head.

So in tribute to Henry the Government plans to enact its "corrections" using what are known as Henry VIII powers named after the Statute of Proclamations 1539 which gave him the power to legislate by proclamation! It's not entirely clear yet how this will work but the message is clear; Parliament will not be involved in every decision that requires the passage of new legislation and obviously not everyone is happy about this. It should be an interesting few months ahead.



## WHAT ARE GOVERNMENT OFFICIALS DOING?

Meanwhile back in the IP world initial chaos and disbelief at the referendum result has been replaced with panic and gallows humour. On this occasion a cup of tea will not solve the inevitable legal quagmire that we will all be facing. I am bound by Chatham House rules when it comes to offering an insight into discussions with Government officers and Ministers but at the last meeting that took place to review current issues concerning registered designs and trade marks, much of the discussion concerned time differences between the assorted member states of the EU and at what time of day different bits of law would fall out of UK protection.

Turning to the specifics it is far too early to offer an insight into what is likely to happen but some key problem areas have been identified.

## PATENTS

Patent law is the one area of IP that has not yet been harmonized across the EU and because of that there should be little change to the present position. The current EU patent system is independent of membership of the EU. Plans were recently introduced to create a unitary patent across the EU, but the UK's exit prevents us from participating or benefitting from such a patent. Most affected will be the pharmaceutical and chemical sectors alongside the wider science and technology sectors.

UK patents will remain unaffected and US based businesses and individuals owning UK patents will still be able to enforce UK patents within the borders of the UK. However, overseas businesses operating within the UK could still obtain unitary patents and deal with the new UPC but only for use outside the UK.

## COPYRIGHT

It will be difficult to unpick existing copyright laws – which have been harmonized through EU Directives and regulations since the 1980 - through legislation. However, the Supreme Court will in the future have the final say on the applicability of these laws over EU laws. Whilst they will be able to take account of the decisions of the CJEU, they will not be obliged to follow them.

UK copyright businesses will still be affected by expected EU regulations, and the outcome will depend on negotiations. If the UK decides to enter the European

Economic Area (EEA) then it will still be required to follow EU copyright rules but would no longer have a say in how they are formed.

## TRADEMARKS

The main trade mark laws are the Community Trade Mark Regulations and the Trade Marks Act 1994. Once the UK has left the EU it will cease to be part of the European Union Trade Mark regime (EUTM). An EUTM would still be protected in every other member state, but without protection in the UK, it will become vulnerable.

The Community Trademark Regulations do not make provisions for a country leaving the EU, so a system will need to be quickly established to convert any EUTMs into UK national TM registrations. This has not yet happened but in my view is now an absolute priority. There would be cost implications for EUTM owners, as they would need to file and maintain separate registrations in UK & EU (as they do for other geographical Europe jurisdictions that are not in the EU).

There could also be issues surrounding the exhaustion of rights. If the UK was outside the EEA, TM rights could be used to prevent exports from the UK into the EU, as 'exhaustion' rules would no longer apply to goods placed on the market in the UK. Likewise, UK rights could be used to prevent parallel imports into the UK from the EU. Whilst no decision has yet been made on this, in theory this could be extremely damaging to many UK businesses.



Currently, EUTM owners cannot prohibit the use of EUTMs on goods legally placed in the EU market. The UK would not be subject to the EU's principle of free movement of goods so trademarks on goods placed in the UK market would not be exhausted and parallel trade into and out of the UK could diminish.

## DESIGNS

**This is the biggie, particularly for the Furniture Industry.**

The UK currently has five different legal regimes that govern designs. Two for

registered designs, two for unregistered designs and one in respect of works of artistic craftsmanship.

The design laws of all EU Member States (including the UK) have been substantially harmonised through the EU Council Regulation 6/2002. UK design laws are further closely aligned with those of other EU Member States as a result of judgments of the CJEU, which are currently binding on UK Courts.

However, the EU Unregistered Design right provides a far greater scope of protection than the UK unregistered design; whereas the UK laws only protect shape and configuration, the EU laws protect overall appearance including the lines, contours, colours, shape, texture and /or materials of the product itself and/or its ornamentation. There is a real risk, therefore, that when the UK leaves the EU, rights to the EU unregistered design will be lost unless they are incorporated into UK law through the Great Repeal Bill and maintained rather than abolished using the Henry VIII powers.

In my view we should now be lobbying Government to retain these laws by amending the current UK laws on unregistered designs and taking the simultaneous opportunity to extend criminal provisions to the intentional copying of an unregistered design.

The UK - despite having recently joined the Hague Convention to facilitate the registration of designs across the EU - will cease to be part of the Registered Community Design (RCD) regime. Existing RCDs would cease to apply in the UK but would continue to apply in other Member States.

So in conclusion, we were not dreaming .....but we may still be experiencing a nightmare in the coming months.

**Nick Kounoupas is ACID's Chief Legal Counsel and CEO and Founder of KounoupasIP**

**[WWW.KOUNOUPASIP.COM](http://WWW.KOUNOUPASIP.COM)**

# NEWS UPDATE

## DR TONY SMART, MBE INSTALLED AS NEW MASTER OF THE FURNITURE MAKERS COMPANY

The Furniture Makers' Company, the furnishing industry's charity, is delighted to announce that Dr Tony Smart MBE has been installed as its 56th Master, succeeding Ben Burbidge.

The annual installation ceremony took place on Monday 8 May 2017 at St Mary-le-Bow Church in the City of London, followed by a celebratory dinner at Mansion House, the official residence of the Lord Mayor of London.

**Commenting, Dr. Tony Smart MBE** said: *"The theme for my year is education, training and skills and I would like to remind you of our Bridging the Gap conference on 18 May at Furniture Makers' Hall where we will be explaining*

*how the government's apprenticeship levy will affect companies large and small."*

More than 220 members of the furniture industry were in attendance at the installation dinner and were joined by dignitaries including Lord Mayor Locum Tenens, Dame Fiona Woolf. Also installed were **Hayden Davies** and **Dids Macdonald**, OBE, CEO of Anti Copying in Design.

**Dids Macdonald** on her installation said, *"This is an amazing organization to which to belong and give something back. They are there to help everyone involved with this exciting creative world. Whether a student, designer, maker, business owner, retailer, current or former employee, they are there for everyone. I am honoured to be made Junior Warden and look forward to the year ahead."*



## SNAPDRAGON MONITORING TO DEFEND HARRIS TWEED NAME AND ORB REGISTERED MARKS ONLINE

The Harris Tweed Authority has appointed SnapDragon Monitoring to help defend the Harris Tweed Marks, which include the iconic Orb Mark, on the world's busiest e-commerce marketplaces.

SnapDragon Monitoring will monitor ecommerce, social media and auction sites for misuse of the Orb brand and take action to help prevent online sales of counterfeit Harris Tweed products. The SnapDragon team was brought in on the recommendation of Burness Paull which manages all of the Authority's legal affairs across the world.

The Orb mark is the oldest British certification mark in continuous use and may only be used on, or in relation to, genuine 'Harris Tweed' cloth or products.

In recent years the Harris Tweed Authority, the legal guardian of Harris Tweed and the Orb mark, has taken action against the misuse of the Orb including forgery of the recognisable Harris Tweed labels, which were sold for use on products that had no connection to genuine Harris Tweed.

**Lorna MacAulay, Chief Executive of the Harris Tweed Authority**, said: *"It has taken generations to build the Harris Tweed brand into the popular global phenomena we see today. It is our job*

*to guard against unauthorised use of the brand and we take that role very seriously.*

She continued: *"SnapDragon Monitoring will help us to continue to do that effectively in the digital world and protect our reputation in the eyes of businesses who invest in Harris Tweed and the customers who buy their products."*

**Rachel Jones, CEO of SnapDragon Monitoring**, said: *"Brands work hard to build trust but counterfeiting can easily destroy it. The Harris Tweed Orb is one of the most recognisable trademarks in fashion, which makes it a target for fakes. Our team of experts will work to eliminate*

*the sale of Harris Tweed counterfeits online and protect its reputation for the future."*

The rise in counterfeiting and other online intellectual property (IP) infringement is one of the biggest challenges facing businesses today. In 2016 alone SnapDragon Monitoring prevented the sale of \$10 billion worth of counterfeit products.

The Harris Tweed Orb guarantees the highest quality tweed, dyed, spun and hand-woven by islanders of the Outer Hebrides in their homes to laws outlined in the Harris Tweed Act of Parliament. Read more from Rachel Jones as Guest Editor on page 6.



# NEW MEMBERS



We would like to welcome to the ACID community

COMPANY NAME	DESIGN CATEGORY
DAVIS & BROWN BY CLARE DAVIS LTD	Design Agency
JORDAN BESPOKE	Design Agency
WATERSIDE CREATIVE	Design Agency
MAGGIEMAGOO DESIGNS	Fabrics & Textiles
SIGHT HOUND	Fashion
SONIA ABALO	Fashion
ADAM ROWE	Furniture
ARTOHO LTD	Furniture
FABB SOFAS	Furniture
FERGUS HART BESPOKE FURNITURE	Furniture
GOLD GLASS HAIR LTD	Furniture
INTERIORS ART AUDIO GALLERY IAAG LTD	Furniture
JOHN EADON	Furniture
LITTLE DEER LIMITED	Furniture
TAMASINE OSHER DESIGN	Furniture
V SPENCER-EVES	Furniture
26 ENVIRONMENTAL LTD (POP-UP-GARDEN)	Garden Products
HEDGE AND HOG PRINTS	Giftware
LAURA JAYNE FISK	Giftware
KATIE CARR DESIGN	Graphics
TAPOCKETA	Graphics
ELEANOR MARY DESIGNS	Greetings Cards
LITTLE PAPERIE	Greetings Cards

COMPANY NAME	DESIGN CATEGORY
MIREILLE WEHBE LIMITED	Interior Design
CANDIED SILVER	Jewellery
BATHROOM IQ LTD	Kitchen & Bathroom
LOBSTER HOMEWARE LTD	Kitchen & Bathroom
S&G (CHESHIRE) LTD T/A SUGAR AND CRUMBS	Kitchen & Bathroom
MICHAEL NICHOLAS	Lighting
PACIFIC LIFESTYLE LIMITED	Lighting
ROTHSCHILD & BICKERS LTD.	Lighting
S. LILLEY & SON LTD	Lighting
SMALL RABBIT DESIGN LTD	Lighting
STEELECOX LTD	Lighting
BENTON'S MENAGERIE & MAKERIE	Product Design
CARDABELLE DESIGN	Product Design
D&H EDITIONS LTD	Product Design
E.S.C PACKAGING	Product Design
GRAFTON SADDLER	Product Design
JEAN TORI DESIGN LTD	Product Design
LAKESIDE CYCLE CO.	Product Design
PUSH PULL SIGNS	Product Design
WORLD MERCHANT LTD	Product Design
DLH DESIGNS	The Arts
PETER KING	The Arts

## ACID'S JOINING CRITERIA FOR NEW MEMBERS

In accordance with our policy that all members are provisional members for the first 6 months of their subscription period, we publish a list in each newsletter of companies which have recently joined ACID. In the event that there is any complaint against a new member, please write to the Chief Executive together with any substantiated facts. Hearsay, rumour or unsubstantiated facts will not be considered under any circumstances. Any complaint that should arise will be put before a panel comprising ACID's legal advisor, Chief Executive and two Corporate ACID Members from a different industry sector. If the panel decides that a complaint should be upheld their decision will be final and no correspondence will be entered into.

# **BRITISH FURNITURE CONFEDERATION IN FULL SUPPORT OF ACID'S BREXIT CAMPAIGN ON EU UNREGISTERED DESIGN RIGHTS**

At the annual **British Furniture Confederation** event in the Churchill Room at the House of Commons held recently MP Stephen McPartland emphasised the importance of intellectual property and design to be include in the industrial strategy and acknowledged the importance of IP as a key contributor to the UK economy. As well as this articulated support, the British Furniture Confederation maintains regular dialogue with Government and other influential stakeholders to ensure that all policies and initiatives, including IP, support a thriving furniture, furnishings and bed sector in which 8,000 manufacturers produce £10 billion of product and employ 106,000 people. The BFC is lending its support to ACID's campaign to ensure that UK designers are not disadvantaged by any erosion of either registered or unregistered design rights post Brexit. The strongest possible negotiated transitional arrangements, reciprocity and a focus on International obligations will play a key role to ensure that UK designers are fully supported.



Seen here: **Stephen McPartland MP**, **Dids Macdonald** and **Jonathan Hindle**, Chairman of the BFC and Managing Director of KI Europe.

## **EVENTS**



**FOR FURTHER UP TO DATE INFORMATION ON ACID EVENTS VISIT OUR EVENT CALENDAR AT [WWW.ACID.UK.COM](http://WWW.ACID.UK.COM)**

**19TH-20TH JUNE - CRAFTS COUNCIL FLOURISH EVENT, ARMOURERS HALL, LONDON. ACID/BRIFFA PRESENTATION ON 20TH JUNE.**

**21ST JUNE - ACID AT GLE/NEWABLE/DESIGN TRUST JOINT EVENT, LONDON**

**22ND JUNE - WESTMINSTER MEDIA FORUM, THE FUTURE FOR COPYRIGHT AND DESIGN RIGHTS POLICY, WITH NICK KOUNOPIAS, CENTRAL LONDON**

**29TH JUNE - ACID AT NEW DESIGNERS WITH BRIFFA, BUSINESS DESIGN CENTRE, LONDON, N1**

**5TH JULY - WORSHIPFUL COMPANY OF FURNITUREMAKERS YPIE DAY, FURNITUREMAKERS HALL, LONDON, EC2N 2HE**

**5TH JULY BRITISH IP DAY 'MEET YOUR MP' DAY WITH THE ALLIANCE FOR INTELLECTUAL PROPERTY, HOUSE OF COMMONS, LONDON**

**11TH JULY ALLIANCE FOR INTELLECTUAL PROPERTY SUMMER RECEPTION AND IP CHAMPION AWARD, THE TERRACE, HOUSE OF COMMONS, LONDON**



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