



Trademark management

Finding the right balance

The considerations involved in challenging an infringer are varied and the emphasis is constantly changing. These variables encourage legal counsel to keep abreast of legal and commercial developments, and often media interest as well

The recently aborted action of Kentucky Fried Chicken against a public house's use of its trademark FAMILY FEAST brought about a lively debate between myself and Jenny Bergquist, in-house counsel of V&S Vin & Sprit AB, which owns ABSOLUT Vodka. Issues raised included how to assess when to challenge an infringer and how external counsel can work in the client's best interests.

As most brand owners and practitioners know, sometimes there is a clear line to follow regarding the action to take, but more often than not that line is blurred. In balancing the issues, legal principles inevitably play a part. When a brand owner has taken the trouble to obtain a trademark registration, often it also wishes to protect that mark against unauthorized use by third parties. Therefore, it acts to ensure that there are no other marks so similar to its registered mark that consumers would confuse the goods or services from one as coming from another. Both EU and UK law consider this under the assessment of the likelihood of confusion in trademark infringement matters. However, it is not enough just to prevent confusion. There will always be those who attempt to take unfair advantage of another party's reputation and goodwill. Again, EU and UK law provide for this. Therefore, the legal considerations usually focus on the following issues:

- Does the brand owner have a prior right to enforce?
- Is there is a likelihood of confusion?
- Is unfair advantage being taken of the brand owner's reputation?
- What are the overall chances of success?

While such considerations are important, further questions may have to be asked because, to promote the brand owner's best interests, trademark management cannot be based on legal principles alone.

In balancing the various factors, one has to ask whether there is a consistent strategy for tackling infringers. Some brand owners may argue against the appearance in the Trademark Register of any mark identical or similar to theirs. Therefore, while such owners may tolerate some use of identical or similar marks, they are unlikely to tolerate the registration of such a mark. The idea of keeping the register clean has its benefits, but in practice has limited value if no enforcement takes place against infringement. If there is widespread use of another party's mark, the mark is likely to lose its distinctive value and, at worst, if it is widely used in a descriptive manner it will become common and the protection granted through registration may be revoked.

Are brand owners concerned with the use of similar or just identical marks? Is there a strategy in challenging marks used on goods and services that are identical, similar or dissimilar to the brand owner's prior rights? When considered case by case, the decision of whether to take action allows consideration of the legal issues, as well as other issues likely to affect the brand and its owner. Nonetheless, consistent guidelines help brand owners to ensure that they and their legal advisers are singing from the same hymn sheet.

A lawyer with knowledge of the relevant industry is an asset for a brand owner. Such knowledge plays a part when weighing up whether to take action against an infringer, and some questions are more easily answered with such knowledge. Where is the brand positioned in the industry? Who are the relevant/potential consumers? What direction is the company taking? A rounded approach to protecting a brand or portfolio is enhanced by good communications and a good relationship between the brand owner and its legal advisers.

Decisions as to whether, when and how to take action are ultimately commercially motivated. The protection of a trademark portfolio is easier for in-house and external legal counsel when they understand the commercial role of trademarks in a business. Will bringing infringement action destroy a potential business relationship? Will infringement action distance the brand

owner from its competitors? Can commercial success be achieved if there are fewer infringers out there? Can tolerating infringers damage the brand? Is obtaining a quick decision of commercial benefit? Which jurisdiction should be used and can a decision be easily enforced?

Brand owners use the media to build their brands. The building of a brand – be it a lifestyle, a meaning or an ethos associated with a trademark – takes time, but the result is a powerful commercial tool. This aspect must be guarded and outside counsel may be expected to be aware that trademark portfolio management often includes safeguarding this aspect.

Media sensitivity is often a priority for in-house counsel acting for a brand owner. Good publicity is sought, but the avoidance of negative publicity is also important. Is this another factor when considering whether to take infringement action? The answer is undoubtedly yes – especially with the speed at which news travels today. While publicity is part of the risk assessment, brand owners are seldom paralyzed into inaction. Nonetheless, early awareness of potential negative publicity is beneficial if such publicity does arise. A media strategy can be discussed with the relevant departments (eg, public relations, marketing) and at executive level if necessary. Preparing the brand owner and looking after its interests in this way is appreciated. There are no strict rules as to what might trigger negative publicity, but experience helps and a good relationship between the brand owners and its advisers helps smooth over rough patches.

Issues often change and no infringement situation is the same. Therefore, while some of the issues discussed here do come from my experience, they are not exhaustive. Nonetheless, by taking an overall interest in a brand owner's rights, the industry, commercial developments and even an infringer's mindset, it is hoped that a happy medium can be established for the optimum protection of a trademark portfolio. [WTR](#)

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