

scan & sIPs

In our inaugural issue of *scan* & *sIPs*, we look at geographical indications, brand protection and Brexit, we speak to a client and share the results of our *Scotland Food & Drink Fortnight* local cook off.

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SCRAN

/skran/

Noun. Food.

"We canny go out on an empty belly
— any chance of some scran?"

Welcome to scran & sIPs

Welcome to the inaugural edition of *scran & sIPs*, a quarterly publication from Marks & Clerk that focuses on Intellectual Property and its importance to the Scottish food and drink sector. The first edition has been released to coincide with the annual Scottish Food & Drink Fortnight.

The food and drink industry is one of Scotland's most valuable, ambitious and exciting industries. It is worth close to £15bn each year and accounts for one in five manufacturing jobs.

Scotch Whisky is unsurprisingly Scotland's biggest F&D export. The export value of Scotch Whisky was around £4.9bn in 2019 and the US remains the most valuable overseas market – although that could potentially change due to the retaliatory 25% tariffs imposed on the importation of Single Malt Scotch Whisky and Scotch Whisky liqueurs into the United States.

Seafood is Scotland's second largest export. Scottish salmon is both Scotland's and the UK's top food export which, according to figures released by the UK Government HMRC, was worth around £618m in 2019. France, the US and China were the top three export markets. In 1992, Scottish salmon was the first fish and first non-French product to be awarded the prestigious Label Rouge quality mark to endorse its superior quality.

Scotland is also recognised for the

quality of its red meat. The Quality Meat Scotland Cattle & Sheep Assurance Scheme is a 'whole chain' consumer assurance programme. It is the longest established scheme of its kind in the world and ensures that the highest standards of production, animal welfare and animal wellbeing are maintained. Like Scotch Whisky, Scottish farmed salmon and Scottish wild salmon, Scotch Beef and Scotch Lamb hold Protected Geographical Indication ("PGI") status under the EU law. A PGI is one of three European designations created to protect regional foods that have a specific quality, reputation or other characteristics attributable to that area.

Primary agriculture, dairy, brewing and distilling are other key contributors to the success of the Scottish food and drink sector. According to The Scottish Distillers Association, it is estimated that around 70-80% of UK produced gin comes from Scotland. The brewing industry has experienced significant growth since 2010 and the number of brewing enterprises in Scotland

increased by 229% in an eight-year period.

The Scottish food and drink industry recognises the importance of collaborating locally to compete globally. The industry has been identified as a growth sector in Scotland's Economic Strategy and Scotland Food & Drink, in partnership with government and industry stakeholders, has set out a collective vision to grow the sector to £30 billion by 2030 under the Ambition 2030 growth strategy.

It is essential to protect the innovations and brands driving the growth of the Scottish food and drink industry through appropriate intellectual property protection. So what is IP? Intellectual property protects intangible creations of the human intellect and can be broken down into four main categories – trade marks, patents, designs and copyright. Each category confers a different form of protection.

A trade mark is a registered IP right that protects the distinctive components of a brand in the particular country or territory in which it is registered. Trade marks can protect distinctive words, logos and slogans, as well as less traditional components of a brand such as colours, moving images, shapes, sounds, holograms and even smells. Unlike other forms of IP, a trade mark can potentially last forever and, when other forms of IP have expired, it can continue to protect a company's most valuable asset, its brand.

A patent grants the right to prevent others from exploiting an invention in a particular jurisdiction. It is a form of monopoly, which is territorial. A patentable invention could be a new product or process, or a new use of a known product. In most jurisdictions, the invention must be new worldwide. It must not be an obvious development of a known product or technology and must have a practical application. Typically, the invention must be technical by nature, and a patent is intended to protect the way in which the invention *works*.

In the world of intellectual property, a "design" is understood as the appearance of a product, as opposed to the way a product

has been technically constructed. Put simply, a Design is intended to protect the way something *looks*. Design law focuses on rights that can be owned in the appearance of a product, of part of a product, or of its components. Designs can extend to cover computer icons, typefaces and logos.

Copyright protects original literary, dramatic, musical and artistic works, sound recordings, films or broadcasts and the typographical arrangements of published editions. There is no registration system for copyright in the UK and copyright will subsist upon creation of a work that qualifies for protection.

Each quarter, *scan & sIPs* will look at interesting and pertinent IP matters related to the food and drink sector to provide insights, information and guidance to those working in one of Scotland's most exciting industries.

Editors

Jason Chester
Edinburgh
jchester@marks-clerk.com



Yann Robin
Glasgow
yrobin@marks-clerk.com



m&c
Marks&Clerk



The Spirit of Innovation and Sustainability

Julie Canet
Edinburgh
jcanet@marks-clerk.com



Distilling plays a key role in Scottish culture, heritage and its economy. The spirits industry contributes around three per cent of total Scottish GDP and approximately nine out of every 10 UK distilling jobs are based here in Scotland.

Scotland's considerable distilling experience has led to an unprecedented boom in gin production and sales. Scotland currently produces around 70 per cent of the UK's gin. Sales are expected to overtake Scotch with experts predicting that sales will increase to £3bn in 2020.

Whilst Scotland is home to the big players – Hendrick's, Gordon's and Tanqueray – the substantial market growth has been largely driven by independent and small-scale gin producers. Whisky distilleries are also capitalising on the boom, with gin providing the perfect product to supplement whisky sales since the spirit can be distilled in a two-step process and there is no aging requirement.

Gin distillers are producing some unique flavours by experimenting with techniques from the whisky industry and using new blends of local botanicals. The innovation is not just limited to developing interesting flavours – distilleries' innovative approaches to gin production are also in the interests of sustainability and the environment.

"Scotland currently produces around 70 per cent of the UK's gin"

Distilleries are able to capitalise on Scotland's rich natural resources by using mountain-filtered water or local spring water for flavour and sustainability. Experts have tested 72 plants and fungus used by distillers to create the Heriot-Watt University botanical library, all of which can be grown in Scotland in a sustainable way.

In August 2019, the UK government announced that it would invest £390million into hydrogen and low carbon projects.

The HySpirits project was awarded £148,600 of funding to conduct a feasibility study into the development of technology to enable The Orkney Distillery to reduce carbon emissions by using hydrogen to fuel the distilling process.

Arbikie Distillery on the east coast has run trials using dried and de-hulled pea kernels instead of mashed wheat grain as this could provide a greener alternative to gin production. It is thought that the pea can reduce CO2 emissions during the cultivation and preparation stage. Indeed, the pea contains specialised bacteria in its roots that enable it to naturally convert nitrogen from the atmosphere into biological fertiliser.

We see a number of distilleries utilising green energy, such as solar power or hydroelectricity, to power the site and distillation process.

No sustainable process would be complete without recycling. Some distilleries use the tails of the distillation process to make soap and use the fermented botanicals to feed cattle. A number of distilleries use fully recyclable bottles and have removed all plastic used in the labelling and bottling process. NB Distillery in North Berwick is offering a refill service on gin, whisky and rum since glass bottles do not have to be recycled after first use.

Hopefully Scotland's gin boom will enable distilleries to showcase their innovative approaches to sustainability on a global scale and to provide an example to distilleries around the world.

"...experts predicting that sales will increase to £3bn in 2020."



What's in a name?

In the face of Brexit discussions, the protection of agricultural products and foodstuffs, with regards to the quality we have come to expect, remains unclear.

As a self-proclaimed food-snob, frequenter of whisky bars and connoisseur of fine wines, I caught myself pondering the post-Brexit future of my favourite local Scottish food and drink produce.

Faced with a mixed cheese and charcuterie platter consisting of Parma Ham, Pitinia, Bonchester, Traditional Ayrshire Dunlop, Orkney Scottish Island Cheddar and, you guessed it, Teviotdale, I realised that the protection of these food products may be dramatically altered following the end of the Brexit transition period.

You see, all the items on my platter are Protected Designations of Origin (PDO's) or Protected Geographical Indications (PGI's) in respect of EU Regulation (1151/2012; the regulation) on Quality Schemes for agricultural products and foodstuff. What this means is that associations comprised, mainly, of producers and processors working with agricultural products and foodstuffs have taken time, effort and capital to register the products as such; thereby safeguarding the product name and ensuring that the premium-quality standards associated with these goods are maintained in the EU.

Consequently, without these registrations the cheese on my platter called Teviotdale, could instead be a "knock-off" one day aged substitute containing none of the characteristics associated with my beloved original Teviotdale cheese.

The registration of a name, with respect to the regulation, protects certain agricultural products and foodstuffs originating from particular geographical locations, possessing certain characteristics and being produced in a certain manner. The overriding purpose of the regulation is to promote production of agricultural products and foodstuffs with characteristics akin to a particular area and, in doing so, benefitting the rural economy and smaller farmers in outlying areas.

The EU maintains that registration of these product names promotes and protects cultural heritage, encourages investment in the geographical area, ensures products are produced subject to strict inspection requirements, and ensures product quality, origin and method of production to the consumer. In contrast, countries with a more liberal trading approach, such as the US and Canada, place less emphasis on the protection of these product names due to their belief that it stifles competition and inhibits trade.

The UK leaving the EU raises concerns about whether the UK will choose to follow the more liberal approach or maintain its current position.

The withdrawal agreement signed by the UK and EU in 2019 resulted in the mutual preservation of the status of certain of these products including that of Champagne and Scotch whisky. On the face of it, the withdrawal agreement seemed to suggest that the UK's departure from the EU would not materially affect the protection of any products currently protected in the EU and UK.

The position in respect of new products, however, is less clear; the withdrawal agreement only recognises product names between the EU and UK which are currently registered. Products wishing to secure protection in the future in both the EU and UK will not necessarily be granted this mutual protection.

In an attempt at providing clarity, the UK revisited the protection of these names in the latest Brexit trade discussions. Michael Barnier, EU chief negotiator for the Brexit talks, believing that this was possibly an attempt by the UK to backtrack on its promises of protection, heavily criticised the revisit, stating that it was not compatible with the basis of a sustainable agreement with a country that is likely to remain a friend and partner. Barnier emphasised the demand that EU protected products need to be recognised in the UK.

If further trade agreements on the mutual recognition of protection of these products are not negotiated between the EU and UK, it would appear that new products seeking protection in both the EU and UK, will need to obtain separate registrations in each territory.

In preparation for this approach, the UK government has confirmed that from 1 January 2021 the UK will be setting up its own geographical indication scheme to protect these products in the UK. The scheme will be managed by the Department for Environment, Food and Rural Affairs (Defra).

Defra has advised that new UK products seeking protection in the EU will first have to secure protection under the new UK scheme and thereafter apply for EU protection. A similar approach will have to be followed by new EU products wishing to seek protection in the UK.

The next Brexit negotiations are scheduled for 7 September 2020*. Whether protection of these products is to be revisited, remains to be seen.

**Please note that this article was written prior to 7 September 2020.*

Take home point: With the current position, in respect of the protection of agricultural products and foodstuffs constantly changing, it's best to engage a competent IP Attorney specialised in this field who can advise you on how best to safeguard your rights.

Noelle Pearson
Edinburgh
npearson@marks-clerk.com



Brewing New Ideas



**Keeping innovation
filtering through your
business**

Image courtesy of Bradshaw Home

I love coffee. One of my favourite ways to make coffee is the Moka Pot. In fact I own two, and use them daily, though usually only one at a time!

Whether or not coffee is your brew of choice, most people would easily recognise the visually distinctive design of the iconic Moka Pot, with its shiny metallic hourglass-type shape and eight-faceted pouring body.

It was reported a few months ago in the news[i] that the Italian company which gave birth to the Moka Pot – Bialetti – announced it was working with investors on a rescue plan after it found itself in financial trouble.

After what appears to have been a successful plan, Bialetti is now launching some innovative new products, including a new ‘pourover’ brewer due to be released this year[ii].

The Bialetti story is an interesting one, and the company’s ups and downs over the past few years provide a number of important learning points.

The original Moka Pot was invented by an Italian engineer named Alfonso Bialetti in 1933. Like many great inventions, it was born out of need. At a time when Italy was trying to free itself from its dependency on the importation of steel, it found solace in the use of aluminium, which Italy possessed in sufficient quantities. Working with this metal, and after a significant number of iterations to improve its design, Bialetti finally patented the Moka Pot in 1933. With its stylish design, low cost, ease of use, and the high quality of coffee it produced, it gradually grew in popularity, and, following a large marketing campaign in the 1950s (when it was then marketed as the “Moka Express”), it was reportedly found in 90% of all Italian homes.

The invention is remarkably clever. The bottom chamber is filled with water. A funnel-shaped metal filter that extends to the bottom of the pot is then placed on top and provided with ground coffee. The upper chamber is then screwed and sealed onto the bottom part. The pot is placed on a gas hob or on an electric hob.

“...it was reportedly found in 90% of all Italian homes.”

As the water boils, stream pressure builds up in the bottom chamber, eventually forcing boiling water upwards through the filter, thus extracting maximum flavour from the coffee as it passes through the coffee grind and spills into the top chamber with its distinctive gurgling sound.

Despite its global success and longevity, no product is ever guaranteed to bring commercial success to its creator forever. Firstly, patents run out, and generally after 20 years, competitors are free to exploit the invention and bring competing products on the market. Secondly, consumers’ habits change, and as technology evolves and new products emerge, the initial appeal of an earlier design may fade away. The recent popularity of capsule-based espresso machines, and the decrease in price of bean-to-cup machines, not to mention the appearance of coffee shops seemingly at every corner of our busy city centres, may have contributed to the diminishing popularity of the Moka Pot. While the Moka Pot is still sought after and cherished by any coffee aficionados, times have moved on and the Moka Pot clearly does not represent the same market share of coffee makers as it once did.

Bialetti’s new ‘pourover’ brewer is made of a glossy, high-temperature ceramic material. The upper section is a smooth, flat-walled cone designed to receive a standard #4 paper filter, which connects to a bottom chamber designed as an 8-sided carafe. A pouring spout also extends from the lower carafe. Whilst it functions using the traditional gravity filtering technique, the overall appearance of the new product is strikingly reminiscent of Bialetti’s classic Moka design. It represents a prime example of developing a fresh, new, idea aimed at an existing market, whilst maximising its appeal by including some features taken from an iconic earlier product.

Bialelli's current resurgence and the company's apparent efforts to reinvigorate its innovative strategy are perhaps not a coincidence. Innovation, particularly when a business can strike a balance between keeping its distinctive and easily recognisable attributes, and creating a new product appealing by virtue of its own new features, can often lead to commercial success.

This story does act as a timely reminder that, no matter how successful a product might be, one can never afford to sit still or be complacent. Regardless of the particular field of business, continuity in commercial success requires permanent innovation to build on existing technologies, anticipate consumer's expectations and desires, in order to safeguard tomorrow's prosperity. While bringing out a successful product on the market may be perceived by some companies, in particular by less experienced companies such as start-ups and SMEs, as the Holy Grail and ultimate goal, as they have in many cases been working extremely hard towards this goal for many years, every successful product also represents an opportunity for competitors. This is because competitors will immediately search for ways of copying or improving on new and innovative products, and work around any IP that may be in place. It is therefore vital for any company that wishes to think of success as a long-term plan, to keep innovating and use successful products as a platform for further developments, in spite of the possible temptation to concentrate on their current and temporary success.

IP advisors can help work hand in hand with innovative companies to achieve such goal. By understanding their vision and long-term strategy, IP advisors can help any creative client decide how they should secure IP rights for their innovation, whether in terms of substance (which type of IP and what to file for), of timing (when to file), and of reach (where to file). All while sipping a nice cup of coffee.

Yann Robin
Glasgow
y.rob@marks-clerk.com



Country in Focus: China

China trade mark filings have exploded over the past decade. The China trade mark office (CNIPA) processed more than 1 million applications in one year in 2010. This rose to 7.84 million in 2019.

Erik Rouk
Edinburgh
erouk@marks-clerk.com



Since 2010, the growth in the number of applications has been exponential. Statistics published in 2018 by the World Intellectual Property Organisation indicate that 7.36 million trade mark applications were filed at the CNIPA representing 51.4% of the total 14.32 million trade mark applications filed globally (Source: WIPO Statistics Database, March 2020 <https://www.wipo.int/edocs/infogdocs/en/ipfactsandfigures2019/>). In 2019, about 7.84 million trade mark applications were filed at the Chinese trade mark office. (Source: CNIPA news report (in Chinese language), January 2020 <http://www.cnipa.gov.cn/zscqgz/1145388.htm>)

The volume of applications from both domestic and foreign applicants have put the Chinese trade mark system under strain and most recently, in November 2019, the fourth amendment to the Chinese Trademark Law came into force.

This article will attempt to demystify the trade mark system in China and offer some practical advice for businesses potentially interested in seeking trade mark protection in China.

1. Is it necessary to obtain IP protection in China in the first place?

Even if an undertaking is not interested in the Chinese market *per se*, but, for example, proposes only to manufacture products in China, it would still be advisable to obtain trade mark protection as soon as possible. This is because the manufacture of branded products for export could be considered trade mark use under Chinese trade mark law.

Aside from third parties potentially securing registered trade mark rights and then challenging use of the trade mark by its rightful owner, the lack of a Chinese registration could lead to issues with Chinese customs authorities. Customs authorities in China conduct checks on goods intended for export as well as import. The lack of a Chinese-issued document proving ownership of rights to the branding used on goods could lead to goods being seized and potential additional costs incurred due to the resulting bureaucratic burden and delays.

2. "First-to-file" system

The Chinese trade mark system is based on a "first-to-file" principle. The system does not proactively recognise "unregistered" trade mark rights, which, in

common law jurisdictions such as the UK, can potentially be relied upon, if an undertaking has used a mark in commerce and thereby established a degree of reputation. In practice, this means that companies need to be quick to secure trade mark rights in China – even if they may have no concrete plans to use in the immediate future – to prevent Chinese or other foreign applicants obtaining pre-emptive registrations.

Even if a brand is relatively well-known outside China, this fact on its own is not normally sufficient to challenge third party applications or registrations in China – unless bad faith is obvious, for instance, with the mark bearing an identical graphic design and/or the applicant also copying many others' famous brands. In absence of the obvious bad faith of the applicant, it is necessary for an aggrieved proprietor to file compelling evidence demonstrating that the reputation of its mark would have been known to the Chinese consumer.

Importantly, unlike in the EU and the UK where the intellectual property offices notify proprietors of earlier rights, the onus is on the proprietors of those rights to oppose new trade mark applications. The CNIPA conducts its own *ex officio* examination of applications on relative grounds and issues refusal notices based on earlier conflicting registrations, but it will not notify proprietors of earlier rights of any new applications that may be in conflict with their rights.

Chinese examination practice and perception of similarity between trade marks can be different from the practice in other territories. Refusals can sometimes occur unexpectedly and

on the basis of seemingly different earlier registered marks. One way to try to avoid this eventuality is to conduct pre-filing clearance searches through local Chinese agents who will be in a better position to advise on issues concerning availability of marks in accordance with Chinese practice.

3. Trade marks in Chinese characters

Undertakings intending to market their goods and/or services in China should take into account that the majority of the local population is unfamiliar with English language and possesses limited recognition of non-Chinese characters. It is highly recommended, therefore, to adopt or create an equivalent name in Chinese characters for the Chinese market, which is either a) unique to the Chinese market, and which may bear no direct connection to the company's brand elsewhere, b) is a transliteration of their brand, or c) is a translation of their brand.

It is important to bear in mind that a Chinese trade mark registration in non-Chinese script would not automatically protect against the use or registration of translated/transliterated Chinese versions of the same or similar marks.

It is always advisable to seek advice of Chinese trade mark professionals when adopting a name for the Chinese market to ensure that the chosen Chinese character mark does not possess or convey any negative connotations and to ensure availability of the mark.

4. Territorial scope of protection

Chinese trade marks only cover the territory of mainland China. Separate trade mark applications have to be filed in Hong Kong and Macao. Taiwan, also, operates a separate trade mark system.

5. Registration procedure

National

After a national trade mark application has been

filed, the CNIPA will conduct an initial formalities check to identify whether or not any preliminary issues exist, e.g. in respect of classification of goods and services and the terminology employed in the specification. If any issues arise, a notification of amendment will be issued and the applicant will be expected to file a response rectifying the shortcomings within 30 days of the notification.

The formalities check is followed by substantive examination of the application. The usual time limit for the CNIPA is 6-9 months either to refuse the mark or to publish it for a three-month opposition period.

When a national Chinese trade mark application is accepted for registration, a registration certificate is issued by CNIPA.

International Designation

China is party to the Madrid system and can be designated through an International Registration. The examination and opposition process for Chinese designations of International Trade Marks differs from the national system. The following are some of the key differences:

The opposition period runs for a total of three months from the first day of the next month following the publication of the International Registration Gazette by WIPO, which features the International Trade Mark in question. I.e. if a registration was published on 4 May 2020 (date of notification from which the time limit to notify the refusal starts), the period for filing an opposition would run from 1 June 2020 until 31 August 2020. It can take between 6 and 9 months for an opposition to be accepted and a refusal of the mark on that basis to be issued. It should be borne in mind that such a refusal can be issued even if the mark has been accepted or partially accepted following substantive examination by the office.

The CNIPA has 18 months to complete the examination process. Once the examination process has been completed the CNIPA will not issue a registration certificate.

Whereas designations are normally examined quicker than in 18 months' time and either totally refused, partially refused, or accepted, it is not possible to request Chinese Trade Mark Certificate until such time that the 18-month examination period has finished.

There is no separate notice of amendment or possibility to amend the wording of terms that are not found to be acceptable by CNIPA. Any objection to the wording of terms will be issued in the form of refusal notice together with the objections arising from registrability issue or earlier rights.

Before the 18-month period expires it is possible to obtain a certified copy of CNIPA's records pertaining to the mark in question. Although such a document is not a substitute for an original Certificate of Registration, it is often acceptable to business partners, the Chinese customs office, or local market authorities.

6. The Subclassification system

The Chinese trade mark system broadly follows the NICE classification system, but it also features a subclass system. The subclassification system, which is rigidly applied, was introduced as a bureaucratic measure for assessing similarity of goods or services during trade mark examination. While it is designed to introduce efficiency, it may lead to a certain degree of potential frustration to trade mark rights holders who are more familiar with the more flexible practices of other national offices. Some NICE classes have only a few subcategories, but Class 25, for example, has 13 subclasses and Class 9 has 24 subclasses.

Some of the features of the subclassification system are as follows:

Chinese practice does not recognise "class headings". Either the class headings are not acceptable and need to be amended or, for example, in the case of "clothing, footwear, and headgear" the terms would be treated as individual items in accordance with their ordinary meaning and cover only those subclasses that relate to clothing, footwear, and headgear specifically. Other items, such as scarves, ties, gloves, and belts, or specialist clothing items would not be covered by default.

Other parties can validly register trade marks for the same or confusingly similar mark in respect of items included in other subclasses. As noted above, the subclassification system is used to determine the similarity of the respective goods and services. Although the nature of the goods in question may seem similar (e.g. gloves vs hats vs scarves – all being clothing items used to maintain warmth, which are often sold through the same outlets and in close vicinity to each other), under the Chinese subclassification system these would be considered dissimilar during examination. * It is worth noting, though, that the Chinese trade mark system does allow for a case-by-case comparison of the similarity of goods in infringement proceedings.

This subclass system can present a particular problem for foreign applicants who rely on a basic registration with broad terms in the specification for an International Trade Mark designating, among others, also China. Once China has been designated, the broad terms would be interpreted by the Chinese examiner in accordance with their ordinary meaning and only specific subclasses would be covered. So even though the terms "clothing, footwear, and headgear" may be sufficient for most other territories designated, the applicant may find that the scope of protection conferred by the Chinese trade mark office is considerably narrower.

One possible solution to this problem would be to pre-emptively "limit or re-define" the goods when filing the International Trade Mark (or subsequently designating China) and to identify the particular goods (and services) to be covered in China.

It is also not possible to provide a narrower specification of goods and/or services in order to attempt to overcome a refusal in a particular subclass. Despite a narrower definition, if the goods in question are maintained in the same subclass, the refusal will still apply.

On the other hand, in non-use cancellation proceedings, if the provided evidence only relates to one type of goods in a subclass, the registration will still be found to be valid in respect of all of the goods in the same subclass.

7. Vulnerability to non-use revocation



Under Chinese trade mark law, it is possible for third parties to apply for revocation of a registered trade mark after three years has elapsed from its date of registration. If a trade mark has not been used for a continuous period of at least three years, and there is no justification for the non-use, it may be liable to cancellation.

8. Further peculiarities of the Chinese trade mark system

The following aspects of the Chinese trade mark system should be taken into account:

Responding to refusals – like most other territories, it is possible to respond to a refusal notice issued by the CNIPA on absolute and/or relative grounds. An applicant may file a “refusal review” with the Review Division of the CNIPA to present arguments and evidence. Such review procedure in some cases may involve a higher evidential burden and could be costly as are responses in the UK and the EU.

Some trade marks are not considered registrable under Chinese practice. Such trade marks include marks consisting solely of numbers, or marks that include references to “well-known” geographical locations. Although many of the criteria for registrability are similar to practices in other territories, the Chinese trade mark system also precludes the registration of marks that are deemed to be “detrimental to socialist morality or customs, or having other unhealthy influences.” This can lead to objections to trade marks that are registrable under UK or EU practice, but might be seen to contravene Chinese social norms such as, for example “REBEL” in respect of alcoholic drinks.

The Chinese trade mark system does not recognise “retail” or “online retail services” for general goods in Class 35 other than for pharmaceuticals or medicines. It is possible to obtain protection for other terms in Class 35 which may provide a measure of protection for the applicant’s purposes.

Marks & Clerk’s clients benefit from our geographical reach and international expertise. Marks & Clerk has two offices in China based in Hong Kong and Beijing. Our first office was established some 40 years’ ago and our colleagues in China have a long experience and deep expertise in all aspects of Chinese intellectual property law and share our corporate values of trust, collegiality, resourcefulness, and the delivery of excellence as a minimum.

Xuefang Huang
Beijing
xhuang@marks-clerk.com.c





Client Q&A with The Tomatin Distillery Co

When was Tomatin distillery established?

The distillery was established in 1897.

Not all distilleries have a cooperage but you still have your own. Tell us about this specialist skill and the coopers who work for you today.

We have one full time cooper who has been with us for 16 years. He started as an apprentice from school and trained under our master cooper (since retired) who worked for us for over 30 years. It a very skilled job but also one that requires physical endurance. Patience and a good eye for detail are prerequisites of the job.

What brands are available from Tomatin distillery and how do they differ in character?

We have 2 single malt ranges – Tomatin which is a non peated single malt with a range of ages from 5 years right up to 50 years old. Cu Bocan is a lighted peated single malt range where we experiment with unusual cask combinations in order to give the consumer a unique tasting experience. We also produce a premium blended whisky called the antiquary and also a number of standard blend labels.

What's the most special/excusive bottle available to buy?

We produced 70 bottles of 50 year old in 2018 which sold for 10K per bottle.

Does Tomatin have any extra special bottles tucked away in its collection that aren't for sale?

We have an archive at the distillery which holds many bottles that are no longer for sale. One that stands out is an exclusive bottling we did for a former managing director. It's a 50 year old and only 10 bottles were produced.

Have you ever had a customer reserve a full barrel?

We often bottle casks exclusively for our distributors who in turn sell bottles through their supply chain. We don't tend to sell directly to the consumer.

What sort of impact has the pandemic had on your business, and how have you dealt with the challenges?

On the whole the demand for single malt is still high. We currently distribute our brands in over 60 markets worldwide, so whilst some markets have fared better than others, the net effect is that business is fairly consistent with 2019. One of our biggest challenges is the 25% tariff imposed by the US government, it is probably hurting our business more than the pandemic

Tomatin Distillery embraced the challenges of lockdown by hosting the world's first virtual whisky festival. How did it go?

It was very well received by consumers and gave us the opportunity to engage with people in a slightly different way. Due to the popularity of whisky there tends to be tasting festivals almost every weekend, so our sales and brand ambassadorial teams are on the road a lot speaking with consumers. The virtual whisky festival gave us the opportunity to try and engage with some of these consumers.

And finally...how do you drink your whisky – with a splash of water, on the rocks or neat?

It really depends on what I am drinking. If its cask strength then I tend to add a splash of water but generally I like to drink my whisky neat.

STEPHEN BREMNER

Managing Director



Brexit and Trade Marks

Top 10 FAQs

The UK formally left the EU on 31 January 2020. We are now in a “transition period” under the terms of the Withdrawal Agreement, which is set to expire on 31 December 2020. European law will continue to take effect and be recognised by the UK during this period, and the intellectual property system will continue to operate as normal until 31 December 2020. However, there will be a number of changes to trade marks that will take effect from 1 January 2021, when the transition period comes to an end. We have compiled a list of the top 10 frequently asked questions to help you prepare to be Brexit-ready.

Will I be contacted by the EU Intellectual Property Office (EUIPO) or UK Intellectual Property Office (UKIPO) about the changes that will take place after the 31 December 2020?

No. We do not anticipate that the EUIPO or UKIPO will contact holders of newly created rights. It is therefore important to be aware of the implications of Brexit on EU trade marks and Registered Community Designs.

Will I lose protection in the UK for EUTMs that are already registered on the 31 December 2020?

There will be no loss of rights in the UK. The UKIPO will automatically create comparable UK TMs for all EUTMs and EUTM designations of International Trade Mark Registrations that are registered before 31 December 2020, at no cost to trade mark proprietors.

What will happen to EUTM applications that are pending when the transition period ends on the 31 December 2020?

Holders of EUTM applications which are pending on 31 December 2020 will not receive a UK comparable trade mark. There will be a 9-month grace period for holders to re-file a corresponding trade mark application in the UK. When the EUTM becomes registered it will cover the remaining 27 member countries of the European Union.

What will happen to UK TMs filed during the 9-month Brexit grace period after 1 January 2021?

Where a UK TM application is filed for the same trade mark and goods and services as an EUTM which was pending on 31 December 2020, the UK TM application will benefit from the same filing date as the original EUTM.

What happens if the original territory definition of an agreement no longer includes the UK?

IP agreements can be limited by territorial scope. Depending on the wording used to define the EU, IP agreements may no longer cover the UK. Where there is uncertainty or ambiguity, it is sensible to either enter into a new agreement or modify the existing agreement.

What happens if my UK trade mark application is opposed?

Where corresponding UK TM applications are filed during the 9-month grace period, it will be examined and published for opposition purposes. Therefore, if an opposition is received, it will be necessary to defend the opposition to prevent the application from becoming abandoned.

Will the use of a EUTM made prior to 1st January 2021 count as use of the comparable UK trade mark?

Yes. Any use of an EUTM in the EU which takes place before the 1 January 2021 will count to show use of a comparable UK trade mark. Where the period for showing use falls after 1 January 2021, only use of the comparable trade mark in the UK will be relevant.

What happens if my UK comparable trade mark is due to be renewed in the six months after the 1 January 2021?

The UKIPO would normally issue a renewal reminder in the 6 months before a trade mark is due to be renewed. However, this practice will not apply to comparable trade marks which fall due for renewal in the 6 months after 1 January 2021. The UKIPO will send a renewal reminder on the date of expiry of the comparable trade mark, or soon after setting a 6-month deadline to renew.

Will I need to change representatives to manage my EU trade marks?

It depends. Some UK firms will no longer be able to carry out the full range of services before the EUIPO unless they meet the EUIPOs eligibility criteria. As Marks & Clerk is an international firm with established offices in the EU, we can continue to represent our clients before the EUIPO without disruption or increase in fees.

How do I check for potential infringement risks for new trade marks?

We recommend clearance searches prior to filing to check for any infringement and opposition risks. There will be significantly more UK trade marks on the register from 1 January 2021. In addition, there is also the risk of new UK filings made during the Brexit grace period which will backdate the UK filing date to the original date of the EUTM.

About Us

Marks & Clerk is an international group of intellectual property service providers, encompassing patent attorneys, trade mark attorneys, lawyers and consultants.

We are offering Brexit support for all of our clients. If you would like to know about the support we can offer, please get in touch.



m&c
Marks&Clerk

trust
collegiality
resourcefulness
excellence

Humour and conflict resolution – BrewDog's innovative approach to a potential trade mark dispute

It is fairly common practice for supermarkets to release their own 'lookalike' products that mimic leading brands and provide consumers with a cheaper alternative to the genuine article.

Jason Chester
Edinburgh
jchester@marks-clerk.com



"... YALDI IPA is coming soon!"

You only have to take a quick trip to the local supermarket to see the myriad of examples where retailers have created products that resemble popular brands by replicating the shape and colour of packaging, adopting similar get-up and/or applying words or logos that share some visual, phonetic and/or conceptual similarity to the real thing.

Supermarkets often fall on the right side of the line and create a lookalike product that is sufficiently close to the real thing to create an association in the minds of consumers but far enough away to avoid infringing IP rights.

They typically do this by conducting some due diligence in the first instance to assess the nature, validity and scope of the trade marks and other IP rights pertaining to the popular brand. This essentially enables the supermarket to determine how close the lookalike product can get to the genuine article.

Owners of popular brands will generally have trade mark protection for the most important elements of their brand such as words, logos and/or slogans. This makes it very difficult for supermarkets to replicate these elements – particularly when trade marks associated with popular brands are likely to enjoy a broader scope of enforceability as they typically possess

a reputation, acquired distinctiveness and/or goodwill.

It is more difficult to obtain trade mark protection for get-up and the shape and colour of packaging, yet possible under certain circumstances. Whilst it is also possible to obtain design protection in the appearance of products, the scope of protection conferred by design registration is relatively narrow and is often determined in court, which can give rise to legal uncertainty.

There are of course numerous instances where supermarkets have found themselves on the wrong side of the line. One of the most well-known examples is the "Puffin" bar, which was released by Asda in the nineties. The "Puffin" bar closely resembled the McVitie's Penguin bar due to the conceptual similarity between the words "Puffin" and "Penguin", and the similarities between the packaging and get-up. In this instance, the judge was not convinced that the word "Penguin" was infringed by use of the word "Puffin" but the claim for passing off was successful as the court found that the Puffin packaging and get-up was "deceptively similar to those of Penguin".

Before taking enforcement action, it is important to consider the effect that the publicity may have

on the image of the brand. This is typically a big issue in "David v Goliath" scenarios, where large companies seek to enforce a well-known brand against a much smaller operation. Such disputes can often create unfair and damaging publicity for the owner of the well-known brand.

KFC famously launched a marketing campaign that featured photos of copycat chicken shops, with the caption "Guys, we're flattered". Going after every chicken shop that adopts a similar variant of the acronym "KFC" is unlikely to be economically viable and could create negative press attention. The marketing campaign was a clever way to inform consumers that there is no association between KFC and the copycat brands, whilst creating some positive publicity for the brand by projecting a sense of humour.

Last month, Aldi released a new beer called "Anti-Establishment IPA", which was highly evocative of BrewDog's Punk IPA. The "Anti-Establishment IPA" can shares a very similar blue get-up and stylised font, and there are obvious conceptual similarities between the word elements, "Anti-Establishment" and "Punk"

BrewDog responded to the copycat beer with a bit of fun on Twitter by Tweeting "Inspired by ALDI's take on Punk IPA from yesterday, we are making a new beer...YALDI IPA is coming soon! Maybe our friends @AldiUK will even sell it in their stores?" This led to a series of humorous exchanges on Twitter between BrewDog and Aldi. BrewDog even created a mock-up of the proposed can design for "ALD IPA". BrewDog set Aldi a challenge and claimed that it would plant one new tree in its new BrewDog Forest for every case of "ALD IPA" sold in Aldi stores.

Whilst it is important to carefully judge every potential dispute from a legal and commercial perspective, promoting a positive brand image through clever use of social media and marketing can sometimes be a better alternative to taking aggressive enforcement action. Through introducing some humour, BrewDog has continued to project a positive brand image and has created a new potential collaboration opportunity with Aldi, which will hopefully result in some more trees being planted for the carbon negative business.



Meet the Team



Name/Job Title

Jason Chester | Associate | Chartered (UK) and European Trade Mark Attorney

Areas of expertise

Trade marks and brand protection. I’m involved in almost every aspect of the registration, protection, enforcement and management of UK, EU and International Trade Marks. In particular, I advise on filing strategies, trade mark availability, oppositions, invalidity actions, trade mark policing, revocation actions, trade mark maintenance, trade mark prosecution and global portfolio management.

Client overview

My client base is pretty varied and ranges from large-cap multi-national companies to domestic start-ups and individuals. A large number of my clients operate within the food and drink sector - many of them are Scottish whisky and gin distilleries. I also act for a large number of Japanese clients and tend to visit Japan at least once a year.

Career highlights

There are a number of decisions and outcomes that I am proud of but one highlight that comes to mind is filing the first UK Trade Mark Application for a multimedia motion mark on behalf of a famous Japanese multinational conglomerate.

Favourite dish

I don’t really have a favourite dish per se. I tend to go through different phases in terms of cuisine. I’m going through a bit of a Mexican street food phase at the moment. Edinburgh has some great little Mexican street food restaurants, such as El Cartel, The Basement and Bodega, to name a few. I’m also a massive fan of seafood and Japanese cuisine.

Signature meal to cook at home

I really enjoy cooking and experimenting with food. If I had to pick one “signature meal”, it would have to be beef wellington (here’s one I made earlier).



Top tittle

Beer, red wine and whisky (not mixed together). My favourite cocktail is a Manhattan.

Favourite restaurant

I moved to Edinburgh from London in November 2018 so I’m still exploring the restaurants that Scotland has to offer. Two of my favourite restaurants that I’ve visited so far in Edinburgh are L’escargot bleu and The Witchery.

Dream dinner guest

Jimmy Carr.

Most adventurous food/drink you’ve ever tried

Anything cooked by Noelle would probably win top spot. You need to be brave...very brave.

Hobbies

I’m a big football fan. I support Arsenal and my adopted Scottish team is Hibs, as they’re my local team.



Name/Job Title

Yann Robin | Principal Associate | Chartered (UK) and European Patent Attorney

Areas of expertise

Chemistry, medtech, energy

Client overview

I work with a broad range of clients, from local SMEs and Scottish universities to large multinational companies

Career highlights

Helping several clients defend their commercially-critical patents at Opposition before the EPO

Favourite dish

Seafood platter (crab, scallops, langoustines, etc.)

Signature meal to cook at home

Crêpes (from Brittany)

Top tittle

Alcoholic: wine, whisky; Non-alcoholic: coffee

Favourite restaurant

Greek food in general

Dream dinner guest

Dead: Robin Williams; Alive: Barack Obama

Most adventurous food/drink you’ve ever tried

Sheep’s brain

Hobbies

Triathlon

Favourite events

The Dramathon (marathon in Speyside around various Scottish distilleries); The Heb (kayak-bike-run adventure race around the Outer Hebrides)

M&C 'Local' Cook Off

We challenged our colleagues across Scotland to a local cook off as part of Scotland Food & Drink Fortnight. Here we show you the fruits of their labour!

**Tomas Karger
Aberdeen**



Blackberry Ice Cream

For my recipe I made some blackberry ice cream according to a recipe from Mairi Sawyer who lived from 1879 to 1953 in the highlands. Mairi worked to establish Inverewe Garden in Aberdeenshire, Scotland.

Our first job was to pick blackberries from one of the public gardens. It was slow work, but luckily I had lots of help from not only my 4 children, but also many of the neighbourhood kids who did their best to reach into the brambles to get the blackberries we needed.

The next step was to coax the cows into providing the milk and cream we needed. We made sure they were well fed and happy. After all the mixing and freezing, the end result was perfect, receiving the following rave reviews, "I love, this is my favourite flavour so far" and "It was good, but my favourite one was Vanilla". All in all a job well done!



**Stefanie Glassford
Glasgow**



Scottish Brunch

A twist on a Scottish brunch featuring a breakfast roll (with locally purchased lorne sausage, black pudding & potato scone from our farmer's market), a coffee cake made with locally roasted coffee (Gatehouse Coffee Roasters, Paisley) and a cup of coffee. There are a crazy number of coffee roasters in Glasgow and surrounding area, it's really interesting.

Picture of the kids getting involved. The love of coffee is strong in this house...



M&C 'Local' Cook Off

Jason Chester
Edinburgh



Scotch Lamb Carnitas

Ingredients includes: Scotch Lamb; Coriander; Tomatoes; Red Onion; Garlic; Garlic Powder; Chipotle Chilli; Birdseye Chilli; Coriander; Parsley; Rosemary; Lime; Onion Powder; Cumin; Coriander Powder; Smoked Paprika; Cajun Seasoning; Cinnamon; Ginger; Bay Leaves; Flour; Cheddar; and Chipotle Mayo.

The ingredients were bought from a local butchers and grocery shop on Broughton St in Edinburgh



Louise Mansion
Glasgow



Venison with Bramble Glaze and Mash Stuffed Courgette Flower

Rapeseed Oil – produced in Madderty by a distant relative and purchased at our village butcher; venison – reared in Perthshire and purchased at our village butcher; brambles – picked from our overgrown driveway; bramble and raspberry jam – produced and purchased in Dunkeld; balsamic vinegar, soy sauce, salt, pepper and thyme; courgette flower – from my garden; and potatoes – grown in Suffolk.

Meringues with Strawberries and Cream

Eggs from our neighbour's hens, exchanged for half of the meringues; golden caster sugar; strawberries – produced and purchased in Dunning; British double cream.



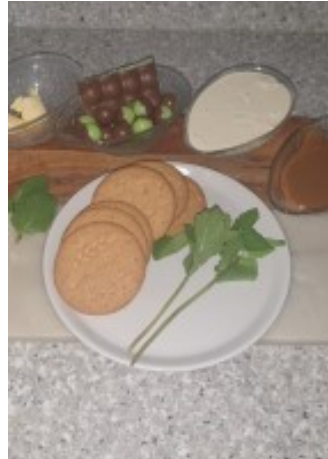
M&C 'Local' Cook Off

Kiera Cloete
Edinburgh



Lamb Bunny Chop

Kiera, originally from South Africa, made Lamb Bunny Chop using Scotch Lamb and followed up with not one, but two desserts – Biscoff Cheesecake and Peppermint Crisp Tart in 3 different forms.



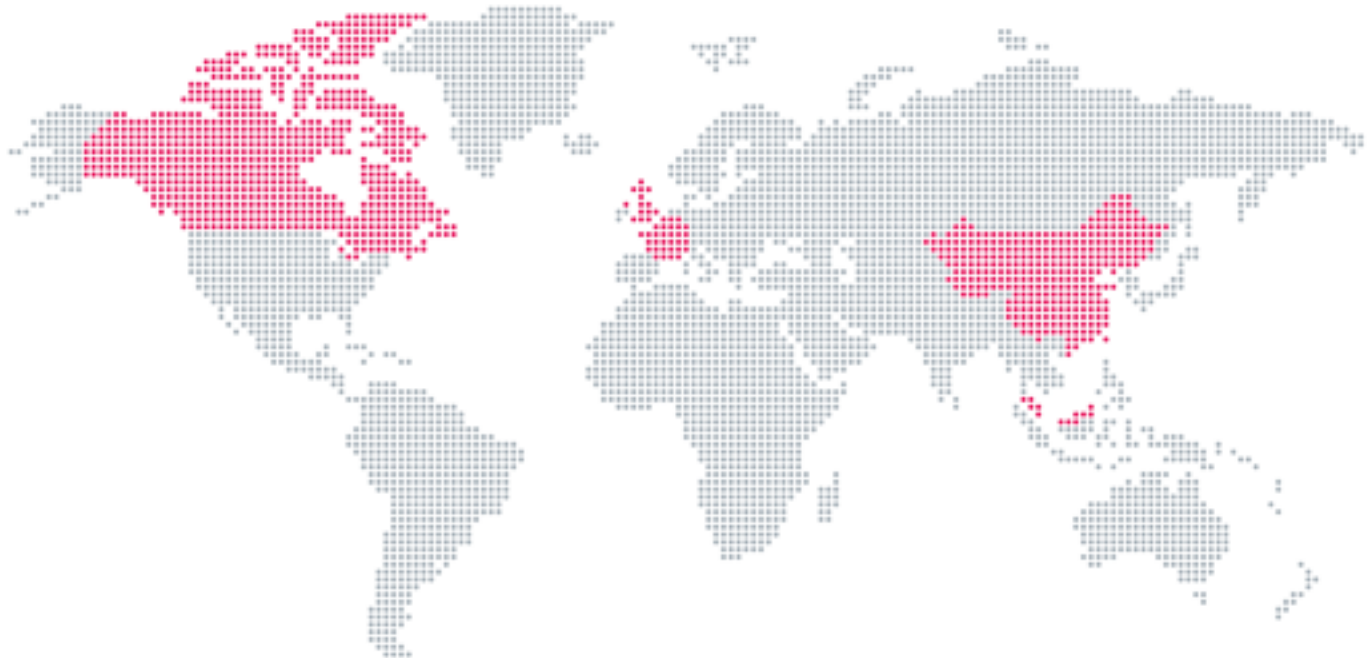
Sam Maller
Aberdeen



IPA Chilli

The Chilli was made with an Aberdeen IPA from a local brewer, and Aberdeen Angus steak mince from a local butcher. The other ingredients – including the chocolate – was from a local supermarket.





Europe

UK

Aberdeen

aberdeen@marks-clerk.com
+44 1224 957100

Birmingham

birmingham@marks-clerk.com
+44 121 643 5881

Cambridge

cambridge@marks-clerk.com
+44 1223 345520

Edinburgh

edinburgh@marks-clerk.com
+44 131 221 7000

Glasgow

glasgow@marks-clerk.com
+44 141 221 5767

Leeds

h.jwilliams@marks-clerk.com
+44 161 233 5800

London

london@marks-clerk.com
+44 20 7420 0000

Manchester

manchester@marks-clerk.com
+44 161 233 5800

Oxford

oxford@marks-clerk.com
+44 1865 397900

Marks & Clerk Law

solicitors@marks-clerk.com
+44 20 7420 0250

Luxembourg

Luxembourg
luxembourg@marks-clerk.com
+352 40 02 70

France

Paris and Sophia Antipolis
paris@marks-clerk.com
+33 1 41 48 45 00

North America

Canada

Ottawa
ottawa@marks-clerk.ca
+1 613 236 9561

Toronto

toronto@marks-clerk.ca
+1 416 595 1155

Asia

China

Beijing

beijing@marks-clerk.com
+86 10 6238 5058

Hong Kong

hongkong@marks-clerk.com.hk
+ 852 2526 6345

Malaysia

Kuala Lumpur

malaysia@marks-clerk.com.my
+603 2283 8986

Singapore

Singapore

mail@marks-clerk.com.sg
+65 6227 8986