

Scran & sIPs

In our third issue of *Scran & sIPs*, we look at the IP journey of an Easter egg, speak to the creators of Porter's Gin and show off the results of our Easter baking challenge.



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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 third issue of *Scran & sIPs – the quarterly publication from Marks & Clerk that focuses on Intellectual Property and its importance to the Scottish food and drink sector.*

The third edition of *Scran & sIPs* coincides with Easter and the start of spring – a time that is synonymous with rebirth, renewal and growth. This spring, the theme of transition is particularly relevant to the Scottish food and drink industry as businesses start to emerge from lockdown and attempt to adapt to the effects of Brexit.

Since the December issue, the EU transition period has ended and the UK is no longer part of the single market and customs union. This ends the free movement of people, goods and services. The Office of National Statistics released figures on 12 March 2021 which provide a concerning insight into the effects that Brexit and the pandemic have had on exports of food and live animals to the EU. According to the ONS figures, exports of food and live animals to the EU in January 2021 decreased by 63% from the previous January. Whilst the pandemic and latest national lockdown may be contributing factors, feedback from clients and comments from industry stakeholders suggest that the decrease in EU-bound consignments is largely attributable to the non-tariff barriers and increase in ‘red tape’ that have been brought about by Brexit. Scotland’s largest food export category, fish and shellfish, has been one of the hardest hit sectors and groupage distribution models have been significantly impacted by post-Brexit bureaucracy, to the detriment of smaller businesses and seafood exporters in particular.

From an IP perspective, the Brexit transition has been ‘relatively’ smooth. The UKIPO has successfully created over two million comparable rights that have been cloned from EU Trade Marks and Registered Community Designs to

ensure continued protection in the UK post-Brexit. Although the UK and EU trade mark and design systems are currently heavily harmonised, the two systems could start to diverge over time. We have noticed an increase in specification objections being raised against broad terms that were previously accepted under UK practice. The objections are typically raised on the basis that the term is considered too broad and there is some doubt that the mark is being used, or is intended to be used, on all the goods and/or services applied for. Although it is too early to say, this could potentially mark a practice shift whereby broad terms that are acceptable under EU practice, may require narrower drafting under UK practice.

Whilst Brexit has created a number of challenges for Scottish food and drink business, the easing of restrictions and the gradual emergence from lockdown is perhaps some cause for optimism. As things stand, the hospitality sector will be able to reopen on 26 April and the Scottish government have made restart grants available to help hospitality businesses reopen progressively. The First Minister hopes that Scotland could move to Level 1 in early June and to Level 0 towards the end of June. This will be just in time for Euro 2020, which will hopefully provide a sizable injection of revenue for pubs, bars and food/drink producers.

On another positive note, the Scotch Whisky industry received fantastic news

news this month when the US agreed to suspend the 25% retaliatory tariffs imposed on UK exports of Scotch whisky. The tariffs were initially introduced by the US in October 2019 in retaliation for the long-running Boeing-Airbus dispute. The tariffs have been responsible for a 35% decrease in Scotch Whisky exports to the US, at a cost of around £500m to businesses. We hope that the UK government and the new US administration can now reach a suitable settlement to resolve this long-running dispute.

In this issue

In our Easter edition of Scran & sIPs, we look at the IP journey of an Easter egg (from creation of the hollow egg to packaging and branding), provide an update on the Geographical Indications which are now recognised in the UK and share some good news for whisky exporters!

Finally, we show off the Easter creations from our baking challenge.

Wishing you all a happy Easter!

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Recognition for Marks & Clerk

Since our last issue, we are pleased to announce that World Trademark Review has once again recognised our Scottish Trade Mark Team as one of the top trade mark teams in Scotland by ranking it in the top tier, with both Jason Chester and Janice Morrison being personally recognised. Jason was also recognised by Legal 500 as a key lawyer in December 2020.

The rankings add to Marks & Clerk being ranked as highly recommended in both patent prosecution (2020) and trade mark prosecution (2021) by MIP.

Congratulations to all!

Scotland Food & Drink

We are delighted to have become members of Scotland Food & Drink.

As part of our membership, all members of Scotland Food & Drink will be offered a free one-to-one consultation with one of our attorneys, followed up with written action points.



Upon becoming a client of Marks & Clerk, Scotland Food & Drink members will be able to benefit from free IP health check reviews, free IP training sessions and other bespoke packages.



Egg-cellent IP

How does the Easter bunny lay his eggs?

Just as soon as we have welcomed in the New Year, there is a collective groan from the majority as the supermarkets start filling up with Easter eggs. However, with my very sweet tooth, I immediately start adding them to my basket. Whether you buy them in January or in April, who can really resist some delicious chocolate that is moulded into the perfect shape for breaking apart, and with lots of cheerful packaging and branding to complete the package.

However, have you ever stopped to consider how much potential there is in an Easter egg for Intellectual Property rights?

There is no doubt that the chocolate is the main component of the Easter egg experience. There is a long history of patents behind the modern day hollow chocolate egg. First released in the UK in 1873 by Fry & Sons, this stalwart of the spring months was made possible by early patents from Fry & Son such as a method of mixing cocoa powder with sugar and cocoa fat that could be moulded into a bar...or an egg shape.

Over the years, you would think that the principle of moulding chocolate into an egg shape, or the egg itself could not have changed much, or be entitled to further IP protection. This is not the case. In order to obtain a patent, an invention must be new, inventive and industrially applicable. Patents can be obtained for both products and processes meaning that within the food and drinks industry it may be possible to not only obtain a patent for a new product, but also for a new method of processing.

For example, consider US Patent No. 3,961,089 granted over 100 years after the first Easter egg was marketed in the UK, and which is directed towards a method of manufacturing a hollow chocolate article. The patent was granted with two claims in the US, both directed to a method of manufacturing hollow chocolate articles. The claims require forming two hollow shells, coating each shell on the inside with a molten edible layer, cooling the layer on one shell and then inverting the other shell while the layer is still flowable to mate with the shell having the set layer and secure the shells together by the overlapping inner layers.

While the patent mainly references Easter eggs in the description, the claims were not limited as such meaning that the method would cover a method of making any shape of hollow chocolate article.

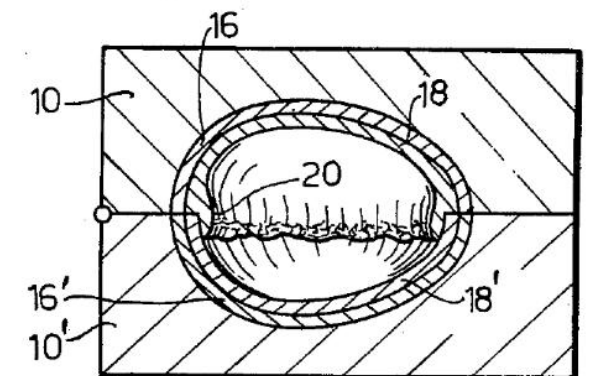


Figure 1 - Method of manufacturing a hollow chocolate article from US3961089

Moving on from the chocolate itself, in the 1970's, a new Easter egg experience was made possible – a toy filled Easter egg. This development was also subject to patent protection in GB1421516 which was directed towards the now famous “Kinder Egg”, a product which is popular all year round. This is an excellent example of a how a seemingly simple product modification can reap many benefits and be entitled to patent protection.

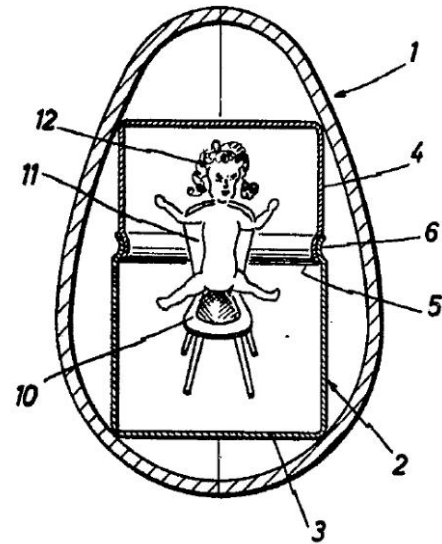


Figure 2 – Toy encased in chocolate egg from GB1421516

Not only must the chocolate egg taste good, it must look the part as well. This is where design protection can play an important role. For example, see GB design no. 2035391 which is directed towards a chocolate egg having a distinctive rabbit surface decoration. In the UK, it is possible to obtain registered design protection for the look of a product if the appearance, physical shape, configuration and/or decoration is new and has individual character.

Obtaining a registered design is a relatively inexpensive and quick process that can afford up to 25 years' worth of protection. Therefore, if your food product has a distinctive shape or appearance, including as noted above a specific surface decoration, applying for a registered design can provide protection for these aspects.



Figure 3 - Chocolate Rabbit Easter Egg Design

Easter eggs are instantly recognisable in the shops not only because of the chocolate egg shape but also the distinctive packaging and branding which are used for the products. All of these aspects could also provide valuable IP for the Easter egg. The Easter egg box itself has been subject to a considerable number of modifications and innovations over the years, trying to solve the problem of how to contain fragile Easter eggs in a stable manner. UK Patent no. 2154213 provides one example where the claims were granted towards a new and inventive carton arrangement for holding an Easter egg securely.

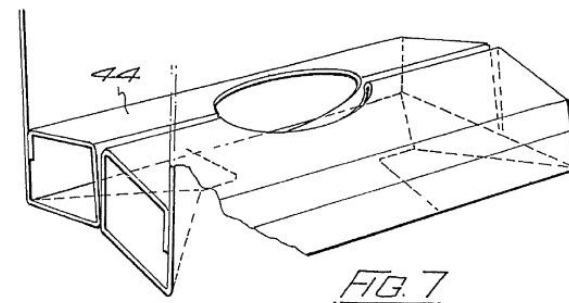


Figure 4- Carton for Easter eggs and the like from GB2154213

Of course, the packaging itself may also be entitled to design protection if the appearance of the packaging is new and of individual character. GB Design No. 4010010 provides one example of a decorative box for an Easter egg having a particular shape and design.

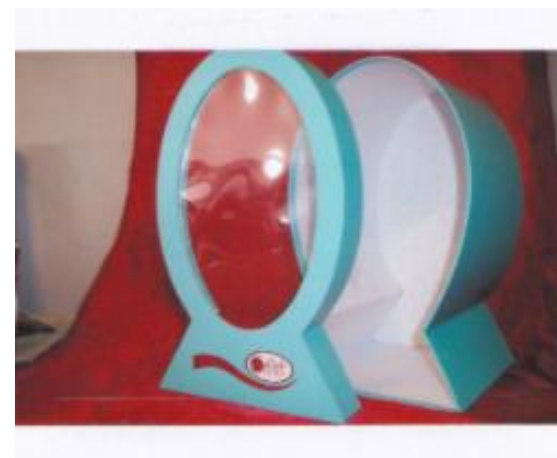


Figure 5 – Easter egg box design from GB4010010



Last but not least, your Easter egg will be marked with a particular brand and logo. This will usually be the deciding factor at the moment of reaching for one particular egg on the supermarket shelf.

You will go for the one made by that chocolate brand you love, or the one with that logo you remember from last year which had a great filling, or simply the one with that cute bunny face on top.

All of these signs will likely be registered trade marks that the manufacturers have meticulously chosen and protected. Some might have gone a step further and sought trade mark protection for a specific colour, such as Cadbury with its classic purple wrapping paper.

However, obtaining registered rights for a chocolate egg's packaging colour or shape is very challenging: only those marks which have acquired distinctive character will reach registration – those for which, with time, Easter egg lovers have come to recognise the specific colour or shape as an indication of origin rather than a simple decoration.

So while cracking into your Easter eggs this year, take a minute to think about the huge IP potential from such a product but more importantly, enjoy the chocolate!

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A patent curry to take away?

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Home delivery or collection meals have been a lockdown treat for many. Curries in particular are a popular delicacy and Scotland has a well-deserved reputation for top class curry houses serving some of the most innovative and not to mention delicious curries. A hallmark feature has been innovative twists on traditional favourites, Haggis Bhuna anyone?

Innovative recipes have long been a way for many food businesses to add value to their offering. The traditional way to protect these value adding innovations is by keeping them a trade secret. The secret formula for a certain well known fizzy drink, the secret coating on fried chicken and special pasta sauces, which are only a few well-known examples. While this is a valid option and adds a certain mystique, in practice it is often difficult to keep the recipe secret in the modern world of ingredient labelling legislation and mass production techniques.

Patenting is a strong form of IP protection and most often associated with cutting edge technologies such as digital technologies and pharmaceuticals. However, it is less well known that it is possible to gain patent protection for a wide range of innovative products and processes, including innovative recipes.

One example of a Patent application for a new curry was discussed in a UK Intellectual Property Office decision on a Patent application by a Mr Lalvani, who had devised a new way of making the curry Murgh Makhani, also known as butter chicken. Mr Lalvani's innovation was to make a more healthy version of Murgh Makhani by using a low fat probiotic yoghurt instead of butter, cream, or other saturated fats.

For a Patent to be granted, the innovation must be new (i.e. not known anywhere in the world before the patent was filed), inventive (non-obvious) and capable of industrial application. In this case, the Patent Examiner discovered recipes for low fat chicken tikka masala that used low-fat natural yoghurt and didn't use cream, butter or other unsaturated fats. Among the issues discussed was could Mr Lalvani's recipe be for Murgh Makhani (which means "butter chicken") if it didn't actually have butter in it? The Examiner concluded that the invention was not a Murgh Makhani but a "Murgh Makhani-like dish similar to chicken tikka masala", such that it was obvious in view of the previous chicken tikka masala recipe. The applicant tried to distinguish their recipe from the tikka masala by requiring pulped pumpkin in the recipe. However, an error in the filing of the application meant that this distinction could not be used.

The moral of the story is the innovative recipes that could be of high value to the innovator can potentially be patented, offering the possibility of strong protection for their innovation, but that the correct professional help can be vital in cooking up the patent.



Scotland Leading the Way: Distilling Green

As days get longer and brighter, we are finally starting to see light at the end of the tunnel one year after the global pandemic hit the UK. With some great recent news on the spirits duty freeze and the four-month suspension of US tariffs on Scotch whisky, it is a perfect moment to take a sneak peek into what Scottish distilleries have planned for a better future.

The Scotch Whisky Association (SWA) has adopted a sustainability strategy in January which includes a commitment to reach net-zero emissions in its own operations by 2040. This target is five years ahead of the Scottish Government's and 10 years ahead of the UK's. The SWA also plans for all new product packaging to be either reusable, recyclable or compostable by 2025.

Assisting with this goal, the UK government has launched a Green Distilleries competition, the first phase of which saw £10 million awarded to 17 UK businesses. Of those, 11 Scottish projects received between £43,000 and £75,000 to decarbonise distilling.

Colorado Construction, an engineering and construction business, received funding for two projects: hydrogen and dual hydrogen/biofuel burners for distilleries and the conversion of waste distillery draff and pot ale into a gasification-gas.

Locogen, a developer, contractor and consultant in renewable energy, will assess the feasibility of switching a distillery from fuel oil to hydrogen burners that provide direct process heat for distillation.

Sunamp, a specialist in thermal energy storage solutions, is supported by **Heriot Watt University** to demonstrate how "phase change material thermal storage" can help distilleries switch to zero and low carbon renewable technology as their main method of heat generation.

Supercritical Solutions received funding for an electrolysis system (which uses electricity to split water into hydrogen and oxygen) to produce hydrogen on site at unparalleled efficiency and minimal cost, with renewable power supported by waste heat.

The European Marine Energy Centre is partnering with **Edinburgh Napier University** to assess four different technology pathways to facilitate green hydrogen fuel-switching with **Orkney Distilling**.

The Edrington Group plan on developing an innovative stillhouse heat recovery system with high temperature heat pumps at **Highland Park Distillery**.

The Uist Distilling Company was awarded two grants: for using hydrogen heating thermal oil to replace steam in the distillation process, and for using a high temperature heat store that would allow a distillery to be run purely on electricity.

Bruichladdich Distillery will be assisted by **Protium Energy**, a developer of sustainable energy projects, to meet its 2025 net zero emissions target with a pioneering heating technology.

InchDairnie project to use hydrogen on site to decarbonise process heat; and **Eden Mill** got funding for a combination of heat pumps, green hydrogen and biomass.

It is encouraging to see so many Scottish projects awarded UK government funding and this places Scotland in first position to lead the way in the green industrial revolution. The UN Climate Change Conference (COP26) hosted in Glasgow later this year will be a great opportunity to display Scottish efforts and ingenuity in the fight for a green future.

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New labels and register for Geographical Indications recognised in the UK

Defra ensures protection for agricultural products and foodstuffs continues post-Brexit

Scotch whisky, Prosciutto di Parma and Roquefort are among some of the premium food and drink products that are Protected Geographical Indications (PGIs) in respect of EU Regulations.

These EU regulations cover some 3,400 products.

Using Roquefort as an example, the EU regulations mean that the product name “Roquefort” can only be used on a product that meets the premium quality standards associated with Roquefort cheese.

Products meeting these strict product standards are entitled to use the product name and must be labelled with the EU PGI logo. The EU PGI logo shows consumers that they are purchasing a genuine PGI that complies with the premium quality standards associated with it.

As such, the producers of Roquefort cheese have to go through rigorous compliance checks to ensure the quality and characteristics of their product entitles them to use the name “Roquefort” and the EU PGI logo.

Consequently, a cheese manufacturer or seller cannot call their product ‘Roquefort Cheese’ or use the PGI logo within the EU unless it meets the appropriate cheese standards. In this case, these standards include the requirement that the fungus used in the cheese production must

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be produced in France from the natural caves of Roquefort-sur-Soulzon.

It is through these strict EU standards for agricultural products and foodstuffs that the quality of premium foods is maintained.

Unfortunately, the standards for control of agricultural products and foodstuffs are not the same all over the world. For example, in the United States it would be possible to call a cheese “Roquefort-style” cheese or “Californian Roquefort” as the US allows the use of protected product names, provided they don’t lead to confusion or deception of the consumer.

There were concerns in respect of whether the strict EU protection would remain in place at the end of the Brexit transition period, or whether a relaxation of the protection would take place to facilitate future trade deals, such as those between the UK and US.

The good news is that the UK under Defra (the Department for Environment, Food & Rural Affairs) decided to maintain strict protection for agricultural products and foodstuffs by setting up its own new geographical indication scheme and an accompanying “Protected Geographical Food and Drink name” register.

What’s more is that, all existing products with EU PGI protection have been automatically registered under the new UK scheme.

In essence, the UK Scheme mirrors the EU scheme and provides for three different protection labels, namely PGI (Protected Geographical Indication), PDO (Protected Designation of Origin) and TSG (Traditional Speciality Guaranteed).

For a detailed explanation we invite you to read our related article “A TASTE OF...IP in the Food & Drink Industry”. It’s worth noting, however, that as of the start of this year, new applicants for UK PGIs will need to apply in the UK first and thereafter make a separate application to the EU if they wish to secure protection in the EU.

Like the EU, the UK has created its own logos that are to be used to show the authenticity of products protected under its scheme. As of the beginning of this year, consumers may have already seen the new logos in circulation.

The newly implemented UK scheme is welcome news for premium food and drink producers selling into the UK who enjoy protection under the EU Regulations, and for whom it is important to demonstrate their products' authenticity.

Good news for Scotch whisky exporters!

In our inaugural issue of *Scran and sIPs*, we conducted a Client Q&A with the Tomatin Distillery Co. At the time, the 25% tariff imposed by the US government was cited as one of the biggest challenges of 2020 alongside the COVID-19 pandemic.

Thankfully, six months later, we are now happy to rejoice with our clients and colleagues in the Scotch whisky industry as the tariffs imposed by the US have been suspended. Our colleagues at the Scotch Whisky Association, Lindesay Low (Deputy Director – Legal) and Adam Bowie (Head of Trade – Americas) have kindly provided comments which put the US market and the effect the tariffs had on the Scotch whisky industry in context:

Trade barriers in US

Scotch Whisky has been exported to the US for over 150 years – the United States is our largest export market by value, worth over £1bn in 2019.

The 25% tariff on Single Malt Scotch Whisky exports to the US was in place for over a year, in which time the industry lost over £500 million in exports to our biggest market. The effects of the tariff compounded the impacts of COVID and Brexit on the industry, and smaller Scotch Whisky producers, many of which only had single malt in their product portfolio, were hit particularly hard. The tariff caused Scotch Whisky to lose market share in the US, a highly competitive market which could take years to rebuild even now that the tariff has been removed.

However, there are also a number of additional hurdles – both administrative and legislative – for Scotch Whisky companies wishing to export products to the United States. Label approval processes and customs fees can add cost and complexities for distillers, as well as taxation and regulation variations between states. In addition, it can be difficult to navigate e-commerce regulations in the US, in order to sell products direct to consumers online. In some cases, this is because whisky cannot be traded across state lines, unlike wine which can move freely between states. However, some challenges have also been overcome, including the recent approval by the TTB of 70cl bottles which can now be sold in the United States. This approval came as a relief to many distillers, as it brought down additional costs in exporting to the market.

US protections

Scotch Whisky has robust protection in the United States, being seen as a distinctive product of Scotland, and the industry has the ability to prevent anyone selling Scotch Whisky which is not an authentic product. Under current legal protections, the SWA is able to enforce our rights through the courts using the laws of consumer deception and unfair competition, if we believe that someone is selling fake Scotch Whisky in the US. In addition, the Alcohol and Tobacco Tax and Trade Bureau (TTB) includes Scotch Whisky as a recognised Scottish product within their regulations.

The SWA is currently in the process of applying for a certification trademark for Scotch Whisky in the United States which would provide additional protection by holding products sold as Scotch Whisky to certain standards: in this case, a Scotch Whisky brand would need to have been registered with HMRC in order to be approved.

The United States will always be an important export market for Scotch Whisky, and the SWA will continue to work with our member companies, with our sister trade associations in the US, and with legislators and regulators, to ensure a fair playing field for Scotch Whisky producers wishing to export.

In addition to the protection afforded to Scotch whisky through measures to ensure the authenticity of products sold under the label on the US market, whisky distillers also rely heavily on trade mark protection in order to ensure the distinctiveness of Scottish brands and to tackle counterfeiters.

The US is known to be a comparatively litigious territory and with the market opening up to Scottish produce again, this is a good time to take a closer look at the US trade mark system and the ways in which it differs from practices in the UK and the EU.



Country in Focus: The United States of America

The United States of America (US) has for a long time been one of the biggest generators of intellectual property owing to the significant strength and output of its economy, as well as highly developed research & development, legal, and marketing sectors in the country.

For decades, the US had the highest number of domestic filings of patent and trade mark applications – a position which has only in recent years been overtaken by China.

According to statistics produced by the United States Patent and Trademark Office (USPTO), in the year 2020, the USPTO received applications to protect trade marks in a total aggregated number of 738,112 goods and/or service Classes. This measure puts the US in a firm second place behind China in terms of protection sought for different trade marks in the territory. However, according to WIPO IP Facts and Figures 2020, in 2019, the highest volume of International Trade Mark applications, 10,087 – or roughly 15% of all filings - originated from the US.

It is clear that the US is an important territory for most businesses with an international focus and continues to be, in particular, a significant market for Scottish food and drink exports. It is therefore especially delightful that recently the tariffs imposed by the US on Scotch whisky exports have now been suspended.

This article attempts to uncover the “Wild West” of US trade mark law and practice and will hopefully provide businesses with an indication of some of the specifics to be aware of when seeking to make use or register trade marks in the US.

What and who regulates US trade mark law?

The USPTO is the federal agency responsible for examining and registering trademarks. In its work, the USPTO and its examiners are guided by the primary legislation for US trademark law, which is the federal level Trademark (Lanham) Act of 1946 (as amended).

The USPTO has a complex structure which features a significant number of Offices for its various functions. In terms of trade marks in particular, the following offices should be mentioned – 1) The Office of the Commissioner for Trademarks, which is responsible for trademark examination policy, trademark operations, and trademark administration, and 2) the Trademark Trial and Appeal Board (TTAB), which hears and decides adversary proceedings involving: oppositions to the registration of trademarks, petitions to cancel trademark registrations, interference proceedings, and proceedings involving applications for concurrent use registrations of trademarks. The Board also decides appeals taken from the trademark examining attorneys' refusals to allow registration of trademarks.

Decisions issued by the USPTO at the examination stage can be appealed to the TTAB. TTAB decisions may be appealed to a federal court.

The US is also party to the Paris Convention and the Madrid Protocol which means that it will recognise convention priority and can be designated via an International Trade Mark.



Ownership of trade marks – first-to-file or first-to-use basis?

With its legal traditions rooted in the common law, the US trade mark system, save for a few exceptions, recognises the ownership of trade marks on a first-to-use basis. As such, the US trade mark system recognises and provides protection for unregistered (or common law) trade marks.

Unregistered trade marks

As in the United Kingdom (UK), the owner of a distinctive sign used to indicate the origin of goods or services can establish common law rights by using the sign in commerce. In the US unregistered trade marks are enforceable in both state and federal courts based on the Lanham Act.

In any proceedings that the owner wishes to bring relying on its unregistered trade mark, it will be required to prove that it in fact does own a valid unregistered trade mark. Compared to federally registered trade marks, which will be presumed to be valid (unless challenged and proven to be invalid), relying on an unregistered trade mark will often result in an increased evidentiary burden and higher costs.

It must be noted though that except for certain circumstances, unregistered trade marks will be limited in scope and only enforceable in those geographical areas in which the trade mark is used or known by consumers.

Registered trade marks

As already briefly touched upon above, registered trade marks carry significant advantages over unregistered trade marks. In addition to providing the owner with the sole right to a particular trade mark on a US-wide basis, owners of registered trade marks also benefit from the right to use the ® symbol, can license and transfer the ownership of their trade marks with greater ease, and will be able to obtain remedies otherwise not available. Furthermore, a trade mark registration provides

a legal presumption of the ownership of a trade mark and acts as a public notice thereof. A valid US trade mark registration is also necessary for recording the trade mark with the US Customs and Border Protection agency to prevent the importation of infringing or counterfeit goods.

On a practical level and perhaps most importantly, due to the USPTO's practice of relative grounds examination, an earlier trade mark application or registration can be cited as a barrier by the USPTO examiner when he or she assesses the registrability of a new application.

The US trade mark system also allows for the protection of Collective and Certification marks.

In the US, some federal level trade marks which do not qualify for the Principal trade mark register may be entered onto the Supplemental Register. The Supplemental register is a secondary list maintained by the USPTO for marks which are objectionable for example on grounds of being descriptive, surnames, or geographical names but may still in some way be able to distinguish the applicant's goods from those of others.

Although trade marks entered onto the Supplemental Register do not receive all the protections afforded to trade marks on the Principal Register, such as an implied right to the exclusive use of the mark, there are still certain benefits to recording trade marks on the Supplemental Register as long as they are in use in commerce in the US. Such benefits include use of the ® symbol, the ability to rely on the registration in countries that offer reciprocal trade mark rights, and the right to obtain injunctive relief, damages or an account of profits, in the event that the owner of a trade mark on the Supplemental Register is able to win an infringement action.

The possession of a registration on the Supplemental Register may also in some instances support a new application for the entry of a trade mark onto the Principal register, if the applicant is able to provide new and additional evidence to demonstrate that the trade mark has become an indicator of commercial source through use.

Use requirements, filing bases, and registration bases

Although it is necessary to indicate a bona fide intention to use the trade mark in respect of the goods and/or services covered by the application in the UK as well, the use requirements are comparatively much more strictly policed in the US and are built into the application and registration processes.

When an application is filed for a US trade mark, the applicant will be required to include one or more of the four "filing bases". Each filing basis has different requirements, which must be met before an application will be able to progress to registration.

The filing bases are:

1. Use in commerce basis – the trade mark is already currently in use in commerce in the US
2. Intent-to-use basis – the trade mark will be put to use in commerce in the US in the near future, i.e. usually within the timeframe allowed for by the application process
3. Foreign registration basis – the applicant possesses a foreign registration for the same trade mark covering the same goods and/or services
4. Foreign application basis (foreign priority basis) – the applicant has filed a foreign application for the same trade mark covering the same goods and/or services and claims its priority date for the US trade mark application

A further fifth filing basis (request for extension of protection of an International Registration to the United States) is available for applicants designating the United States via an International Registration.

In addition to the filing bases, the applicant will need to satisfy one of the two registration bases before its trade mark application will be accepted for registration.

The registration bases are:

1. Use in commerce basis – the applicant is able to demonstrate that the trade mark is already currently in use in commerce in the US

2. Foreign registration basis – the applicant is able to supply evidence of a valid foreign trade mark registration for the same trade mark and goods and/or services covered by the US application or designation.

Depending on the filing basis, the applicant may be required to prove actual commercial use of the trade mark as part of the application process before the application is allowed for registration.

There are some additional differences in the treatment of applications filed under the different bases. For example, designations of International Registrations in the US filed only with the foreign registration basis do not qualify for entry onto the Supplemental Register.



Examination Practice

Once an application is filed before the USPTO, it first undergoes an absolute grounds and relative grounds examination.

Absolute grounds include the following issues that may be raised:

- Non-compliance with filing requirements;
- A lack of distinctive character;
- Deceptiveness;
- Being primarily geographically descriptive or deceptively mis-descriptive;
- Being of an immoral or scandalous nature;
- Being disparaging of a person, institution, belief or national symbol;
- Consisting or comprising of a national flag or other protected symbols of states or municipalities;
- Constituting ornamentation (i.e. being merely a decorative feature or part of the “dress” of the goods”); and
- Attempting to protect a function or a functional element;

Furthermore, in the US, goods and services need to be specified according to their common commercial names and in relatively greater detail compared to the UK and the EU. This can lead to specification queries (objections) being raised, especially if the Applicant is designating the US via an International Registration and does not proactively limit its goods.

Relative grounds examination is based on an assessment of a likelihood of confusion with other earlier trade mark registrations or applications. The USPTO Examiner conducts a search of the trade mark database and raises as barriers to registration any earlier rights which may give rise to a likelihood of confusion on the

basis of sound, meaning, appearance, or commercial impression with reference to the goods and services covered by the cited mark vis-à-vis the goods and services covered by the application.

If no absolute or relative ground objections are raised, or in the event that these are overcome, the trade mark application will be accepted and published for opposition purposes. The opposition period normally lasts 30 days from the date of the publication, however, this can be extended by interested third parties for up to 90 days without the Applicant’s consent. The deadline for filing an opposition can be further extended by an additional 60 days with the Applicant’s consent.

If no oppositions are filed at the end of the opposition period, a Notice of Allowance will be issued by the USPTO in applications filed based on Intent to Use. The Notice of Allowance is a key document as it establishes the deadline for filing a statement of use and the Applicant will then be required to demonstrate compliance with the above-mentioned “use in commerce” registration basis.

The deadline for responding to the Notice of Allowance i.e. the deadline to file evidence of use in commerce can be extended for a fee by six months up to five times for a total time period of three years from the date of the Notice of Allowance.

Generally, if no substantive issues arise during the examination process, an application can potentially proceed to registration within six to nine months of its filing date.

Once a trade mark becomes registered, the USPTO issues a registration certificate confirming the particulars of the trade mark and its protection.

Revocation/cancellation

A difference that sets the US aside from other jurisdictions is that there is a two-tier approach to revocations whereby different grounds





are available during the first five years since the registration, compared to a restriction of the grounds available after the registration has passed its fifth year anniversary.

In particular, (save for some exceptions) it is not possible to rely on relative grounds (i.e. earlier rights) to challenge a registration after it has passed its fifth year anniversary.

Maintaining registrations in force

As in the UK, US trade mark registrations are renewable every ten years upon the payment of a renewal fee.

In addition to this requirement, in order to maintain a registration in force, the owner must file a Declaration of Use, which includes submission of a specimen (in respect of all of the goods and/or service classes to be maintained in the registration) demonstrating current use of the mark in commerce in the US between the fifth and sixth years following registration.

For registrations with a “foreign registration” basis, the filing of a Declaration of Use can be the first time the proprietor is required to demonstrate actual commercial use in the US.

Furthermore, following its first renewal, a Declaration of Use (including a specimen) is required also each subsequent time the trade mark is once again renewed.

The US trade mark system also allows for the filing of a Declaration of Incontestability after a registered trade mark has been put to continuous use for five years. Filing a Declaration of Incontestability is voluntary but can carry benefits for the owner of the registration by making various aspects of the trademark registration (such as the validity of a registration) impervious to challenges by third parties.

When accepted, a Declaration of Incontestability provides conclusive evidence of the validity of the registered trade mark and its registration, the

ownership of the trade mark, and the owner’s exclusive right to the use of the registered trade mark in commerce (subject to certain defences and exceptions).

Assignment of rights

In the US in order to transfer the ownership of trade marks, these must be assigned in a written document together with the goodwill of the business associated with the trade mark. An assignment of a use-based application is treated like an assignment of a registration, but for intent-to-use applications an assignment must include a transfer of the business pertaining to the mark. This is because there is no goodwill associated with a mark that is the subject of an intent-to-use application, as use of the mark in commerce has not yet begun.

Recordal with the USPTO is recommended and provides advantages over assignments that are not recorded, in particular, should a conflict arise in relation to subsequent assignments.

Power of Attorney requirement

A Power of Attorney is required for US attorneys to be able to act on behalf of their clients. The Power of Attorney does not need to be notarised or legalised.

In some cases, however, the Power of Attorney may be inferred when a document (e.g., a renewal application) is signed on behalf of an applicant, registrant, or party to a proceeding who is not already represented by a qualified practitioner.

Erik Rouk
Associate
Registered & Chartered Trade Mark
Attorney (UK)
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One too many Pink Ladies

For me, “Pink Lady” will always refer to one of Rizzo, Marty, Frenchy or Jan – together with their pink jackets and crazy wigs. What might come to mind for most, though, are the renowned Pink Lady Apples.

The Australian company Apple and Pear Australia Limited, responsible for the management of the Pink Lady brand, recently confronted Stirling Distillery over their application for a new trade mark.

The Scottish distillery had filed a UK trade mark application for a label mark comprising the word element “Pink Lady Gin” in Class 33 for “Gin; liqueurs”. The Pink Lady Gin was intended to be a new addition to the distillery’s “Folklore Collection”, a range inspired by Stirling’s mythology.

Previous characters from the collection include the Red Cap, a murderous goblin who inhabits ruined castles and soaks his cap in the blood of his victims; and the Green Lady, the ghost of a lady in waiting to Mary Queen of Scots who perished in a fire inside Stirling Castle.

As for the Pink Lady, she is the wandering spirit of a beautiful woman who died shortly after her beloved Scots knight perished defending the castle. Her misfortune continues today as the newly released gin lost its “Lady”: the distillery had to rebrand to “Pink Gin”.

How is it that an apple brand can oppose the registration or the use of a similar mark in relation to gin? The principle of speciality means that a trade mark’s scope of protection is limited to the specific goods and/or services listed in the registration – or similar thereto. It appears that in addition to covering “apples” in Class 31, the Pink Lady heart logo also covers “cider” in Class 33. It is also possible that the apple brand has acquired a reputation such as to widen the scope of protection of the trade mark, beyond the listed goods.

This highlights the importance of conducting trade mark availability searches before filing an application and/or starting to use a new brand. The Pink Lady is not the only one who does not like sharing – better invest in clearing a mark beforehand rather than to incur high costs for rebranding, repackaging, and possibly legal fees.

A trade mark attorney will be best placed to advise on any potential risks to the use and/or registration of a mark, both in terms of inherent registrability and third party rights. It is always worth checking that “the one that I want” is the one you can have – before there’s “nothin’ left, nothin’ left for me to do”...

Julie Canet
Trainee Trade Mark Attorney
Edinburgh
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Client Q&A with Langstane Liquor

In this issue, we speak to our client Josh Rennie of Langstane Liquor, the creators of Porter's Gin. Our Scottish Trade Mark team works with Langstane Liquor on their trade mark and branding matters.

PORTER'S GIN



Images courtesy of Porter's Gin

Porter's Gin was launched in the basement of an Aberdeen bar – tell us more about that!

Though not released until 2015, Porter's Gin had been a concept since 2009, when Ben opened late-night cocktail bar Orchid in Aberdeen. The success of the bar was obviously great, but it also prevented Ben from pursuing another ambition – the creation of a product, something tangible.

Back in 2013 Alex Lawrence was head bartender at Orchid (before going on to run the legendary Dandelyan in London when it was voted the world's no.1 cocktail bar). He was always keen on pushing boundaries and on distilling his own spirits for cocktails and it just so happened that Orchid investors Andrew Porter and Keith Charlton, who work in bio-science at the University of Aberdeen. They helped us source the parts necessary to build our own rotary evaporator – a hi-tech piece of scientific equipment that was now re-purposed for distilling.

It was in creating distillates that the idea of making a gin was born. Ben began visiting distillery after distillery, working out the intricacies of the distilling sides of industry. By this time, I was back in the UK following six years in China and seeking a new project. I quickly picked up the distilling ropes and also gained a new obsession with using unusual botanicals, and that is where Porter's began.

You use cold distillation – can you explain this process for those who don't work in the world of distilling?

This is very simple science and used for flavour extraction in the food industry amongst many other things, but almost never researched properly in the distilling world. Where there is a decrease in pressure, there is a decrease in the boiling point of liquid. If you boil water at the top of Mt Everest, it won't boil at 100% because the pressure is lower up there. At the same time, as you heat up flavour compounds, they change - as you know from cooking. Therefore by creating a vacuum inside of the still, we can then set a much lower boiling point for the alcohol and botanical mixture, and distil at "cold" temperatures, which can keep delicate flavour compounds intact.

Why did you choose this approach and how does it impact on the flavour of your gin?

It works particularly well for things like fresh citrus, herbs like mint or hops, and similar delicate flavours. This way we can make our gin taste quite fragrant, fresh and light and still have quite a bit of flavour in there.

You collaborated with the University of Aberdeen to build your vacuum still. Can you tell us more about this collaboration and what it involved?

This was really down to chance. Two of the investors in Orchid were from the university, and happened to be scientists. They were familiar with the distillation equipment but had never imagined using it for gin before. The university has loads of this type of equipment so it was relatively easy for them to help us source the correct parts.

You have expanded both production and product range - did you imagine you'd see this level of growth in such a relatively short space of time?

Compared to many craft distilleries we've been relatively conservative with the Porter's range, and have focused on building up export markets. The growth in exports has been quite surprising, and we even added 5 new markets during lockdown in 2020.

One significant development that we originally hadn't planned, is that we're now using our expertise that we've built up in the manufacturing side of things, to set up our own canned cocktail production site. This is a big project for 2021, and we have several canned cocktails in the pipeline.

How many products do you have in your range now?

Porter's Gin has 3 variants and we have large bottles as well as miniatures. We currently have two canned cocktails - our pocket negroni and the Hippy Fizz, as well as a blended whisky called Glasshouse.

How do you go about choosing the botanicals?

We spent a lot longer on this than the average start up distillery. Due to the rotary evaporator and the lack of knowledge on how this affects botanicals flavours in gin, we did a lot of experimentation with just about any botanical that you can imagine. Also some botanicals that you may have never seen

before, like the Buddha's Hand that is used in our modern classic gin. Search Buddha's hand citrus to find out more!

There has been a real gin boom in recent years – while that must create opportunities, does it mean it's a crowded and highly competitive marketplace?

We saw this crowded market coming quite a few years ago, and decided to focus on building relationships with key importers in each market, and focus heavily on the on-trade which is where our expertise lies. This was an effective strategy until the pandemic shut down the on-trade globally. Being in a fast growing competitive market also means a lot of quickly produced products come out with little thought being put into them, which is a long term advantage for us if we can keep our quality standards up and grow in a more healthy pace.

Just recently The London Economic voted Porter's Orchard Gin their 'spirit of the week'*. Tell us what makes this particular gin so special.

Flavoured gin is a very crowded space dominated by very sweet, artificially coloured and flavoured gins. We wanted to approach this sector of the gin market by trying to add some value to the category. We took inspiration from blanc de blancs Champagne which have a subtle yet identifiable orchard fruit flavour, with some buttery richness. We cold distilled apples and pears for the orchard fruits, and used a fermented black soybean distillate for the rich buttery flavour, and we added some natural colour that is extracted from red apple skin.

There are so many different ways to drink gin. Straight, with tonic, with other mixers, with fruit...how do you drink yours?

In every way. But G&Ts and martinis still dominate!



Images courtesy of Porter's Gin



Orchid Bar, Aberdeen

Meet the Team



Name/Job Title

Richard Gibbs | Patent Attorney, Office Managing Partner (Glasgow)

Areas of expertise

Immunology, vaccines and microbiology.

Client overview

I work for a whole range of different clients. From private individuals to large multinational organisations. In between I am privileged to be able to represent our regional universities and other publically funded research organisations.

Career Highlights

Working with colleagues on a complex opposition matter protecting an antibody based treatment for cancer. The technology was developed in Scotland and the client really benefitted from the multidisciplinary group that we were able to assemble. The patent was saved with the most valuable claims left intact – it was a proper team effort.

Favourite dish

Steak and chips

Signature meal to cook at home

Paella

Top tittle

A pint of Ringwood Razorback (a delicacy in the New Forest and hard to source in Scotland!)

Favourite restaurant

The Peat Inn

Dream dinner guests

Stephen Fry

Most adventurous food/drink you've ever tried

Sea urchin

Hobbies

Origami and anything related to paper craft!



Name/Job Title

Noëlle Pearson
Part-Qualified Trade Mark Attorney (UK)
South African Qualified Attorney/Lawyer (non-practising)

Areas of expertise

Trade Marks and brand protection

Client overview

I have acted for a broad range of clients in various sectors including multinational automotive corporations, agricultural technology businesses, mining and engineering companies, beverage manufacturers, various retail brands and clients within the fashion and sporting sector. I now act for a broad range of clients based in Scotland with a particular focus within the Food and Beverage, Sports and Entertainment, and Fashion and retail sectors.

Career Highlights

Travelling around the world acting for great clients dealing with a range of interesting brand protection and enforcement issues.

Favourite dish

Anything involving fresh produce and a unique flavour combination.

Signature meal to cook at home

Next question...

Top tittle

A red blend, currently loving the Meerlust Rubicon.

Favourite restaurant

L'arpege. However, Alinea is top of my bucket list.

Dream Dinner Guest

Anthony Bourdain

Most adventurous food/drink you've ever tried

I was born in South Africa and have experienced quite the variety of adventurous foods including; zebra, wildebeest, crocodile, mopani worms, warthog and kudu (yet I'm still sceptical about haggis!).

Hobbies

Paddle boarding, hiking and finding locally owned restaurants, bars and coffee shops to frequent.

Easter Baking Challenge

Following tradition from our first two issues, we thought we would give this edition's inclusion an Easter twist with a baking challenge.

Sam Mailer
Trainee Patent Attorney
Aberdeen



Sam went above and beyond by making two Easter creations - Creme Egg brownies and a Mini Egg cheesecake!



Tomas Karger
Associate
Aberdeen



Tomas was assisted by his son, Oskar - who just celebrated his 5th birthday - in making these Easter nest crispy cakes. Happy birthday Oskar!



Easter Baking Challenge

Kiera Clote
Trade Mark Administrator
Edinburgh



Kiera, with the assistance of daughter Lume, made a Ferrero Rocher cake AND cupcakes with Ferrero Rocher Easter Eggs. Yum!



James Burch
Trainee Patent Attorney
Edinburgh



James' chocolate bunny cupcakes look delicious!



Easter Cupcake Challenge

David Murray
Partner
Glasgow



David, with help from his daughter Sophie, made these brightly coloured rainbow cupcakes.



Mairi Rudkin
Senior Associate
Glasgow



Mairi and her helpers' Easter creations. "We were going for Easter chicks but some are more abstract than others!"





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