

Intellectual Property Office of Ireland
New Trade Mark Procedures
Regarding Claims of Honest Concurrent Use

1. Background

On 28 April, 2011 the Controller suspended the practice, whereby an application, when accepted on the basis of honest concurrent use with that of an earlier trade mark, and where a subsequent opposition was received based on the proprietorship of that earlier mark, refusal of the application was mandatory.

The Controller was not satisfied that the former practice was compliant with the intentions of the Trade Marks Act 1996, EU law or the principles of fair procedures. The former practice prevented the Controller from using any discretion to allow the opposed mark to proceed to registration, removed the Controller's right to consider each opposition case on its merits and denied the Applicant the right to be heard.

From that date the Controller treated all oppositions, including those against trade marks that were accepted by the Office on the basis of honest concurrent use, in full accordance with Rules 18 to 25 of the Trade Mark Rules 1996, as amended.

Parallel to the suspension of the old practice the Controller launched a consultative process to elicit the views of Trade Mark Practitioners and other interested parties on the appropriate policy and practices that should be put in place to deal with applicants who claimed honest concurrent use. That process has been concluded and, having given due consideration to all submissions, the Controller is introducing the following procedures, which will come into effect from 1 December, 2011.

2. Assessing Claims of Honest Concurrent Use

The Controller will take various factors into account when assessing whether a case of honest concurrent use exists that justifies the registration of a mark pursuant to Section 12 of the Act. These main factors are summarised as follows:

(a) The extent of use in duration, area and volume;

The Applicant must be able to demonstrate honest concurrent use prior to the date that its application was filed.

There is no set rule as to the minimum period of concurrent use necessary to lead to registration. A substantial period of use, generally of at least 5 years should be shown. However, in some circumstances a shorter period may be acceptable.

The extent of use shown must be directly proportional to the degree of confusion that is expected to arise due to the similarity of the trade marks. The Applicant's trade does not need to have been greater in volume than the trade under the earlier mark; however the evidence should demonstrate that the Applicant's trade mark has real commercial value.

From a practical perspective, the more use of its mark that an applicant can demonstrate, as evidenced through sales figures for example, the stronger that applicant's case will be.

(b) The degree of confusion likely between the trade marks in question;

In assessing the degree of confusion the Controller will not limit his consideration to how the mark is currently being used, but will consider the entire scope of the registration.

The degree of confusion is likely to be greater if the trade mark is very distinctive in relation to the goods or services. The more likely it is that the public will be confused, the weaker the Applicant's case.

(c) Whether any instances of confusion have in fact occurred;

The Applicant's case for honest concurrent use is stronger if there has been no instance of actual confusion.

(d) The honesty or otherwise of the concurrent use;

It is essential that the concurrent use be honest. The necessary standard of honesty has been described as "commercial honesty, which differs not from common honesty" This means that concurrent registration may not be granted to an applicant who:

- i. Copied the cited mark, or
- ii. Adopted its mark with the knowledge that the mark was identical or very similar to the cited mark, or
- iii. Used their mark surreptitiously.

It is possible for an applicant to use a mark honestly even if he or she has knowledge of the cited mark. For example, if the Applicant is seeking registration of its company name or by extending its use to another field, without improper motive.

Use may be honest even where the owner of the cited mark is objecting to the application.

To address the issue of honesty, the evidence supplied by the Applicant should include an account of how the Applicant came to adopt its trade mark.

(e) The relative inconvenience that would be caused to the respective parties if the applicant's trade mark were registered.

The Controller will weigh up and take into account the relative inconvenience caused to each owner when considering whether it is proper to register the Applicant's mark based on honest concurrent use.

In terms of inconvenience to the Applicant the Controller will consider:

- i. Exposure to infringement proceedings,
- ii. Loss of goodwill,
- iii. The necessity to adopt a new trade mark.

Factors which the Controller will take into account in terms of inconvenience to the earlier rights holder are:

- i. Diversion of trade due to confusion in the marketplace,
- ii. The need to re-label products to minimise confusion,
- iii. Dilution of its rights in the trade mark.

The above are not intended to be an exhaustive list of factors the Controller will take into consideration when deciding how to exercise his discretion. In exercising his discretion the Controller may consider other relevant circumstance or factors.

When assessing whether a case of honest concurrent use exists, the Controller will take careful note of the evidence accompanying the Applicant's declaration.

Insofar as the goods/services of the Applicant's mark conflict with the goods/services of the earlier mark(s), the specification must be limited to the goods/services for which use has been shown.

3. Submission of Evidence

The Applicant shall file such evidence as he or she desires to adduce in support of the claim of honest concurrent use by way of a Statutory Declaration. Evidence of use must show that the mark has been used in the form applied for.

4. Notification Procedure

If, having made the assessment, it appears to the Controller that a *prima facie* case has been made that the mark is worthy of registration, the Controller will, prior to the publication in the Journal of the acceptance of the application, notify the earlier rights holder of the acceptance of the mark and the honest concurrent use basis of that acceptance.

The new procedure will ensure that all earlier rights holders are aware of all such instances and will enable them to make appropriate business decisions.

5. Opposition Proceedings

The acceptance of an application means that it appears to the Controller that the mark is worthy of registration. However, prior to its registration opposition proceedings taken by a third party may have to be overcome.

Any 'Notice of Opposition' will specify the grounds on which it is based and the Controller is obliged to decide the matter accordingly.

It is well established that, in his capacity as a tribunal considering a contested opposition between two parties, the Controller must consider the matter afresh and will not be bound by decisions taken during *ex-officio* examination of the application.

The Controller will decide all honest concurrent use based oppositions in accordance with the provisions of the relevant sections of the Trade Mark Act 1996 and the Trade Mark Rules 1996, as amended. Accordingly, the following will apply:

- i. In the case of an honest concurrent use opposition where the application offends against Section 10(1) a refusal will be mandatory.
- ii. Oppositions grounded on Section 10(2) will be decided by reference to the likelihood of confusion on the part of the public. A mere fact that there has been honest concurrent use is not a defence, which in itself will save an application, but it is one of the relevant factors which will be taken into account in determining whether there is a likelihood of confusion.
- iii. All oppositions grounded on Section 10(3) will be decided by reference to use, without due cause, and taking unfair advantage of, or being detrimental to, the earlier mark, including the consideration of any claims by an opponent that there has not been honest concurrent use.
- iv. The Controller will decide all oppositions grounded on Section 10(4) on the basis of the registration being prevented by law or other earlier rights.

The Controller will decide the Opposition solely on the evidence presented during the Opposition proceedings. Therefore, in accordance with Rule 21 of the Trade Mark Rules 1996, as amended, the Applicant will have an opportunity to file such evidence as he or she desires to adduce in support of the application, whether that evidence be identical, or similar, or different to, the evidence filed to support the claim of honest concurrent in the first instance.