

## 1. Case study 1



### **Background**

In 2008, friends Ray Duffy, Dean Walton and Chris O’Nyan came up with the concept for Mask-arade at the local pub. After discussing the idea, they decided to trial it at a West Bromwich Albion football game, all of which were avid supporters.

Ray and Chris stayed up all night making 600 masks of West Bromwich player Kevin Phillips, cutting each mask by hand. Their hard work soon paid off when they sold all 600 before the game even started. When the whistle blew, the pitch was awash with fans and players wearing the masks.

### **Protecting their IP**

Realising there was a market for their product, they approached an IP lawyer for advice. After agreeing on a name, they registered Mask-arade as a limited company and purchased the domain name. Then, with the help of a specialised IP attorney, they filed a community trade mark on the word Mask-arade. This protects the mark in all countries in the European Union.

*We realised early in the business that the appeal of our products was very broad. We knew that our face masks would appeal to people in foreign territories. Protecting our IP is crucial to expanding the business and brand to a global audience. We currently sell to more than 10 countries and are in discussions with larger target territories.*

A few months later, Mask-arade appeared on Dragons’ Den pitching for a £50,000 investment. They needed the money for a large printer and more suitable premises (they were working from Chris’ spare bedroom and Ray’s garage at the time!) Although the Dragons liked the idea, none of them chose to invest as they thought the concept could easily be copied. Nevertheless, Mask-arade got the exposure they needed and their website hits increased by 450% with a flurry of orders being made.

Although business had boomed, the Dragons were correct in that competitors would try and copy their idea. Although they had protected their brand with a registered trade mark, their product could still be replicated. So they stood out from the competition, Mask-arade purchased copyright licences. They used the images of many well-known celebrities and icons. They also negotiated exclusive rights to create masks for popular TV shows and football teams.

*Being able to offer an official product ensures that we offer an instantly recognised brand – one that multinational clients are keen to associate themselves with. Bootleg copies of products are usually avoided by the quality conscious public.*

However, when Mask-arade was still a small but growing business, obtaining the celebrity licences was far more difficult. Ray Duffy believes their registered trade mark has played a significant part in their recent success.

*Without doubt, having a registered trade mark has helped us to create a name and brand associated with quality products. At Mask-arade we pride ourselves on our reputation for superior artwork, product quality, client service, attention to detail and integrity.*

The royal celebrations in 2011 and 2012 provided a huge boost for Mask-arade. They sold 250,000 masks for the wedding of William and Kate and 750,000 for the Queen's diamond jubilee. The masks were also stocked by major retailers such as Clintons, Sainsbury's and Harrods.

### **Where are they now?**

Long gone are the days of cutting masks by hand. Mask-arade now own a large warehouse and professional printing and finishing machinery. They have their own factory and offices and employ over 15 members of staff. They currently sell over 450 different designs and hold over 45 copyright licenses. Going forward, they plan to extend the range even further, branching out internationally. It is this success story that saw them return to the Den in 2016, dubbed as 'the ones that got away'.

### **Questions:**

- 1. Whether the mere business idea can be protected by IP right?**
- 2. What are the benefits of registering a trademark in this case?**
- 3. How Ray Duffy, Dean Walton and Chris O'Nyan manage sb's else images?  
Whether sb's else images may be used in the graphical trademark?**
- 4. What is in this situation the relation between trademarks and copyrights?**

### **2. Case study 2**



### **Background**

Alistair Patterson ran a house clearance business for 24 years until a contractor made him an offer he couldn't refuse. After selling up, Alistair took his family on holiday to Turkey which was where he was first introduced to the concept of sand art. He watched as Children queued excitedly to make a picture from different coloured bottles of sand.

Then, when his own children wanted to get involved, Alistair became even more intrigued.

Alistair spent the next year building a business around the sand art activity. They provided children's entertainment at parties, corporate events, schools and even in airports. He designed a special table to hold the various colours of sand and made pre-glued templates for the children to fill-in. Alistair decided to name the company Kids Bee Happy as he felt it described the business perfectly.

### **The trade mark**

Alistair first thought about protecting his brand with a registered trade mark during a meeting for start-up businesses. Upon contacting the Intellectual Property Office, Alistair realised he could apply online. After reading the guides, Alistair registered his trade mark, saving his business "valuable funds".

Sandra Patterson, wife to Alistair and the Director of Kids Bee Happy, emphasises how simple the process was.

*My husband Alistair is a non-techie, non-lawyer, avoid anything that you need to write and never fill in a form type of bloke. He registered our trade mark himself online, with the aid of your online books and guides. So it should inspire people that you really can do it yourself, and that it doesn't need to be big and scary!*

### **Benefits**

Protecting his IP gave Alistair the confidence and security to franchise his business.

The trade mark helped to distinguish us from the competition and establish us as a credible business. It also helped prevent copycat businesses from trading with confusingly similar names.

Kids Bee Happy sold over 30 franchises that year although now offer a business package which has been even more successful.

They have also developed a 'sensory sand' activity which projects sand through different colours. It has been used to stimulate children with physical and/or learning disabilities and in adult care homes. Although there are now several sand art traders, Alistair thinks their trade mark has given them the edge on the competition.

*There are many sand art businesses now set up around the UK. However, our memorable name and logo means that people are never confused and find it easy to identify our business.*

Alistair now urges others to register their IP as he did, before someone steals it.

*If you don't protect it, you can work for years and someone can take away all your hard work just like that.*

Going forward, Alistair and Sandra are looking to expand the business internationally

### Questions:

- **What were the benefits of registration the trademark for this business?**
- **What factors Alistair and Sandra did take into account when deciding on the trademark?**
- **How in your opinion franchise model may work in this case?**
- **If Alistair and Sandra want to expand their business internationally, what should they do?**

### 3. Case study 3



Founded in 1981, the business was set up to plug a gap in the market for roller skates. Now, this one-time small Buckinghamshire trader is an internationally recognised company. Its product range includes skateboards, scooters and skates. They also own the Rio Roller fashion skate, as seen on the feet of many high-profile celebrities.

After national success, the business entered the Spanish market. This was soon followed up across Europe. They have also now begun to open up markets further afield, in South Korea, Canada and Russia.

With wide-scale exposure and an expanding customer base, how do they keep their products desirable? The answer: by protecting their intellectual property (IP). Not only do they have 18 national registered trade marks, but they have also protected each of these with European registrations. Further worldwide applications are also in the pipeline.

Operations Manager, Alistair Crichton explains:

*The business owns ten different brands, each with their own unique design and selling point. Protecting our IP ensures we can produce, market and sell our brands safe in the knowledge that we are the owners. We can take action if anyone tries to copy or pass off their products as ours. Having our brands as registered trade marks assures customers they're getting the original product.*

#### **Taking your IP abroad**

With all the hard work it takes to establish your business overseas, it's vital that you protect your IP assets in those regions too. Without protection, IP infringers could end your international dream before you've begun.

We put a lot of effort into product development and every product we make is unique to us. Seeing our product and IP copied is frustrating and counterproductive. We're always concerned about customers being misled and about possible damage to our reputation. Over time we have refined a very systematic approach to registering our brands.

So what routes did the Stateside Skates team follow to protect themselves?

*Our in-house lawyer worked with a local firm of trade mark and patent attorneys to protect our brands in the UK and Europe. Before making our applications we checked that we wouldn't be infringing other registered brands. We did this by searching both the Intellectual Property Office (IPO) and the European Union Intellectual Property Office trade mark registers.*

Alistair continues:

*We considered each case and applied as business needs required. This was either by UK registration first then Europe or immediately with a European registration. We sell our products to almost every country in Europe. It was much more efficient and cost-effective to apply for multiple countries at once and in one application.*

### **Skating into the future**

With this wealth of experience behind them, what advice would Alistair give to those thinking of exporting?

*We would urge SMEs to invest in IP early on, even if it seems like money that could be better invested elsewhere. If you are a company which makes unique products, investment in IP is worth the investment in time and money. Otherwise you can leave yourself open to your products being copied or passed off by rival companies.*

Business is now booming worldwide. But having already growing so quickly, where does Alistair see Stateside Skates going from here?

*We're continuing to design our products under our house brands and to make them more desirable in the European market. We also plan to take the brands across the world and sell into Asia, Australia and North America.*

### **Questions:**

- **What are here the benefits of the trademark registration?**
- **How they manage trademark portfolio?**
- **What was the purpose of building the trademark portfolio?**

### **4. Case study 4**

Silver Communications, a Polish telecommunications company, is in the design phase of a new device that incorporates a cell phone, PDA, MP3 player, GPS chip and Internet capabilities. There is concern that the new device may have nearly the same design as their competitor's product, for which a three dimensional trademark application has already been submitted. A former intern, who is now employed by the competitor, is believed to have leaked information.

### **Questions:**

- **Can a company apply to register a design that isn't theirs?**

- **Since the buttons have a functional aspect in the design, can it be said that that function means that the three dimensional trademark cannot be registered?**

## 5. Case study 5

### Background



Herdy is a 'cute, loveable and responsible' brand created by Spencer and Diane Hannah. They sell a range of gifts, homeware and accessories. After years designing for other companies, they decided to go it alone and open their own design consultancy. In 2003 after spending most weekends in the Lakes, they decided to make it their home and took the business with them.

Although, it was a trip to Helsinki in 2005 that was the catalyst behind Herdy. Spencer and Diane fell in love with the design of Scandinavian giftware and decided to bring something similar to the Lakes.

Spencer explained:

*Normally, products from the Lakes are quite traditional and historical in style. We wanted to create something different, something contemporary, clean and colourful.*

### **The brand**

At the same time, they wanted a brand to encapsulate the heart of the Lake District. Inspired by the Herdwick sheep who roam the Lake District, they chose the sheep as the face of the company and decided on the name Herdy.

Spencer told us how their first priority was to protect the brand:

*We come from a design background where we understand and recognise the value of IP. We registered our trade mark before exposing the product to the market as we knew other parties would be interested in it.*

After registering Herdy as a trade mark, the company launched in 2007. In the beginning they had only three products; mugs, badges and keyrings, all bearing the Herdy logo.

### **Image of Herdy mugs**

The endearing sheep proved popular and by 2010, Herdy had launched their own website and opened a store in Grasmere. Their products were also stocked by 50 different retailers.

Realising the brand could thrive beyond the Lakes, the couple registered Herdy as a community trade mark. This protects the mark in all countries in the European Union. Spencer told us why the trade mark is so important to the company.

*For Herdy, protecting our brand identity is absolutely necessary. It is core to our operation. The benefit to the business is, ultimately, the added value to the company.*

Because of this, Herdy take extra measures to safeguard their most important asset. They design all products in house and use a non-disclosure agreement when discussing their IP with a third party. They also carry out regular searches on their trade mark to make sure it is not infringed.

Spencer explained:

*There's always the threat of someone willing to take a slice of your pie. When you've worked hard to develop something of quality, that has high standards and is developing a following, you want to ensure its brand authenticity can be protected. Knowing that protection is in place is what helps you sleep at night.*

### **Where are they now?**

Since launching in 2007, the loveable sheep has been on an epic journey. Herdy now supply over 350 stores across the EU and are trading as far as the USA and Japan. They have also increased their range of products to include homewear, crafts and accessories.

When asked what IP advice Spencer would give to other businesses, he said:

*If you think your idea has got legs, put the protection in place from the start. You can then progress your designs and your business model knowing your comfort blanket is in place.*

### **Questions:**

- **Whether EU trademark may be registered as a community (EU trademark) even if at the early stage of business the trademark is not use (the product is not being commercialized)?**
- **What should be the steps of Spencer and Diane Hannah if they decided to use the logo (the brand) created by someone else?**
- **What Spencer and Diane Hannah should do if they want do commercialize the product in Japan and the US?**
- **What Spencer and Diane Hannah do to protect their brand on a regularly basis?**

## **6. Case study 6**

GrabTaxi Rebrands to Grab to Reflect Market Dominance in Europe

On 28 January 2018, "Grabtaxi" rebranded its services to "Grab" to reflect its diversification beyond taxi booking services to "private cars, carpooling, delivery services". This move essentially brought together all transport services under one brand- "Grab". The rebranding represents the growing platform of on-demand services

to serve the transport industry as a whole and has given Grab a clear idea of the image they wish to portray in the market and what their brand stands for. This outlook is important for any start up or business that owns IP and wishes to protect its brand name.

The new logo was designed with freedom at its core. The dual lines are inspired by roadways and they represent the endless road of possibilities. They symbolise the new journey Grab is taking in parallel with its passengers, drivers, employees and society at large.

Rebranding is undertaken to demonstrate the importance of brand presence in the market and how businesses wish to differentiate their business or service in the minds of their target market. Similarly, trade mark protection enables a business to identify and distinguish themselves from other traders in the market. Once a business becomes successful and its business reputation grows, a trade mark will hold significant value.

#### **Questions:**

- What is rebranding and what is its business purpose?
- What are benefits of re-branding?
- What are in your opinion potential risks of rebranding on the market?

#### **7. PALADIN, "L'atelier du chocolat" or "Chocolate Workshop" started in Munich in 1958**

Paladin is one of the leader in chocolate business on a professional level = quality. They knew how to use theirs know-how (Suisse and Belgium) in producing chocolate along with an original adding which is adapting the taste to the local and regional market. They added to the traditional chocolate new tastes from the region such as incense taste, amber, dates, cinnamon, etc. They gained loyalty of the clients and they added something better: the beautiful shape and design. They did the presentation of the chocolate in beautiful arrangements such as glass, crystal or silver. Customers became loyal not only to the taste but also to the good design. Paladin as a franchisor gave license to a franchisee to commercialize his products in Kazakhstan in 2011. In this case Paladin had to register his trademark in the franchisee country in view to protect his trademark there. They did actually register Paladin under same classes in Kazakhstan, before any commercialization activity in the Kazakh market. Moreover, Paladin considers to produce goods in China and US.

#### **Questions:**

1. What business strategy would you recommend? Export? Import? Franchise agreement?
2. What are the IP assets necessary for the good functioning of the project: litterary and artistique or the industrial property?

#### **8. Case study 8**

MILZU! is a producer of healthy grain breakfast cereals in Poland, founded by Mr. Enno Ence in 2013.

It offers products, which are made of 100% natural ingredients, rich in fibre and natural vitamins and minerals. In addition, MILZU! produces a range of bio products. The company exports its products to 14 countries and its export sales represent 50% of the company's turnover.

In order to secure its unique brand design and gain a business advantage over its competitors, MILZU! has decided to base its business strategy on its widely known brand, and to protect its intellectual property (IP) rights through filing trade mark applications in the countries where it is active.

However, the company soon realised that filing individual trade mark applications in many countries could be very expensive, and following up different procedures and managing them in each country would be extremely burdensome.

MILZU! was recommended to follow the EU trade mark route to register its trade mark in all EU Member States by just filing one single application at the European Union Intellectual Property Office (EUIPO).

Nevertheless, before proceeding with the application, a trade mark search was conducted in order to check possible earlier identical or similar trade marks filed in these countries, which may preclude MILZU! from obtaining registration for its trade mark.

Indeed, performing such a search is particularly important in the EU trade mark system, because even if there is a ground for refusal only for one country (e.g. because of a similar or identical earlier trade mark in that country), the EU trade mark application is refused as a whole for all EU Member States (the so-called "all-or-nothing principle").

Together with several national trade marks, MILZU! now has been granted an EU-registered trade mark to protect its MILZU! brand within the territory of the European Union and is now working on registering its trade mark in other countries for the markets which the company plans to enter.

Apart from its EU trade mark, the company also has a number of national trade mark registrations for the packaging of its products to ensure the most secure protection for its assets and it continues to develop its IP portfolio in line with its business objectives.

### **Questions:**

- Why company did decide to seek trademark protection abroad?
- Which trade mark protection routes are available in Europe?
- Why does one need to carry out anteriority searches before filing a trade mark application?

## **9. Case study 9**

Seven organisations, including 3 research centres, 3 small and medium-sized enterprises (SMEs) and a large company have set up a consortium with the purpose of applying for a call within the Seventh Framework Programme – ICT. After preparation of the proposal, the consortium was successfully evaluated and signed a grant agreement with the European Commission. For this three-year project, the consortium established a management structure and concluded a consortium agreement dealing with intellectual property issues. Using the project's acronym ECOLLAIR, the consortium set up a website ([www.ecollair.eu](http://www.ecollair.eu)) presenting the project summary, details on the technology as well as

all the dissemination activities. Brochures and a project video were also prepared under the name ECOLLAIR. The consortium intended to exploit the main software resulting from the project under the ECOLLAIR mark.

After six months of smooth implementation of the project, the coordinator received a "cease and desist" letter from the legal counsel of a company based in Italy. In this letter, the legal counsel explained that his client was the owner of a technology called ECOLLAIR in the field of ecological aircraft starter-generation systems, the same technology field of the consortium. The letter included further information on the domain name held by the company ([www.ecollair.com](http://www.ecollair.com)), as well as the community trade mark registration details. Therefore, the counsel advised the consortium that the use made of the term ECOLLAIR constituted an infringement of its client's community trade mark and consequently requested the consortium to cease using such term, including giving up the domain name [www.ecollair.eu](http://www.ecollair.eu).

The coordinator carefully analysed the letter and performed a trade mark search in order to verify whether the information in the letter concerning the registered community trade mark was correct. For performing the search, the coordinator used TMview2. A quick search allowed him to retrieve the trade mark information mentioned on the letter.<sup>3</sup> In particular, he assessed whether the trade mark was registered and when it would expire. Moreover, he confirmed with the EUIPO that it was indeed a community trade mark and therefore valid in all the EU member states. The information on the trade mark owner was also in accordance with the letter. Finally, he checked which classes of goods and services the trade mark owner had selected, confirming that indeed the community trade mark was registered for design of computer programs and software relating to aircraft (Nice class 42).

After this quick analysis, the coordinator was convinced that the letter of demand was serious and therefore immediately informed all consortium partners, suggesting this matter to be dealt with by a legal advisor.

### **Questions:**

- Why refraining from using an acronym similar to a registered trade mark for goods and/or services in the same area is important?
- Why the use of a domain name identical or confusingly similar to a trade mark of a third party may lead to the loss of rights on the domain name?
- What would you recommend when receiving a letter of demand (i.e. cease and desist letter)?