

## Limitations on Trade Mark Searching / Due Diligence

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### Common Law Rights

Unless indicated otherwise, the search has not covered common law rights. In the UK, rights can be granted to a trade mark owner through use as well as by registration. A search of trade mark registers will not locate any such rights acquired purely by use. If required Common Law Searches can be conducted.

### Accuracy of Search

There is generally a short delay between marks being filed and then entered onto commercially maintained/Registry databases which are searched. Possibly recently filed trade marks will not be located. If necessary a further update search can be conducted at a later date. In addition, HGF Limited cannot be held responsible for inaccuracies and/or omissions in the commercial databases searched.

### Which parts of the search report does HGF review

As regards Trade Mark Register search reports provided by CompuMark (the commercial search provider we instruct to conduct the search and who provide HGF with the raw data that we analyse) this comes in two parts. The first part consists of the selections made by the CompuMark analyst of potentially relevant marks. Such marks are selected from the second part of the report which consists of all marks located by the search program devised by CompuMark. This usually consists of many pages with each page containing brief details of many marks.

In providing our analysis we only rely upon the selections made by the CompuMark analyst in the first part of the report. We do not as a matter of course review the second part of the report. To fully analyse the second part of the report would substantially increase costs.

### Potential conflicts identified in search results

If our analysis of the search results identifies a potential conflict of interest in HGF providing advice, although we can report this mark to you, we will be unable to provide you with our own comments. If this situation arises and you wish to receive our comments/advice you will need to let us know, and we will discuss the potential conflict internally to decide if we are able to advise you further in this matter.

### Paris Convention Applications

Applicants for marks which have been filed in member states of the Paris Convention or the World Trade Organisation (ie most countries in the world) can base an application in the UK or European Union (EUTM) on a trade mark filed in such a country. Such application can claim the same filing date as that overseas application if the UK and/or EUTM application is made within six months of the overseas application. The application date of the third party UK and/or EUTM mark is backdated to the earlier application. This might mean that there are earlier trade mark applications that are not revealed by the search results. This is relatively unusual but occasionally happens.

### European Union Trade Marks / Brexit

The EUTM system grants enforceable rights in the in the 27 member states of the EU but NOT THE UK. The UK left the EU wide TM system on 31 December 2020. This means that on 1 January 2021 EUTM registrations (including EUTMs obtained by designating the EU under the Madrid International TM registration system) no longer cover the UK. However, to protect owners of EUTMs, the UKIPO automatically created cloned UK TM registrations with the same application/priority dates.

As regards any EUTM applications (including EUTMs designated under the Madrid International TM registration system) that were pending (i.e. not registered or protected on 31 December 2020) parallel cloned UK rights will not automatically be created BUT the applicant has a right to apply for a national UK TM application which will have the same application date as the EUTM application.

An applicant can make such an UK application claiming the same application date of the EUTM application until 30 September 2021. This is similar to the Paris Convention/international priority system, i.e. a UK application can be applied for by a third party that pre-dates any application the client may make.

A search of the EUTM register alone will not locate all potentially conflicting marks registered in EU member states. Such national rights can block the use and registration of a EUTM or a national trade mark application in a country. If necessary searches of overseas national trade mark registers can be organised.

### Territorial Coverage of Search

Unless otherwise indicated, the search only covers the availability for use and registration of the mark in the UK. Please advise if you wish the search to be expanded to cover other territories.

### Identical Searches Only

If the search has been limited to cover identical trade marks only, this provides only a narrow and limited form of clearance for the mark. Specifically, such searches will not locate marks which are similar and may constitute obstacle to the marks searched.

### Famous or Well Known Marks

Owners of well-known marks may be able to prevent your use of a mark which is the same or similar to their mark even if the proposed mark is used on dissimilar goods/services.

### Knockouts

Where a search has found a mark/right which we believe significantly puts into question the use and/or registration of your trade mark we may terminate the search to reduce expense. If you decide to go ahead despite what we have found, please let us know so that we can advise whether it is necessary to carry out additional searching.

### Descriptiveness

Generally, trade marks are not registrable if they are descriptive of the goods/services claimed. It is not practical for us to check this except in obvious cases, since the range of terms in any commercial activity is large. You are frequently in the best position to know the terms used in your business. Please let us know if you believe there is a problem so that we can assess it.

### Cost Effectiveness

It is necessary to make a judgement concerning the scope of a search carried out your behalf unless the search is conducted in a very elaborate and consequently expensive way. This is especially the case if you have placed a cost limit on the search.