

# Application by the Institute of Trade Mark Attorneys

June 2002

**A report by the Director General of Fair Trading  
to the Lord Chancellor on the likely competition effects of  
the Institute of Trade Mark Attorneys becoming a body  
authorised to grant rights to conduct litigation and rights of  
audience**

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# CONTENTS

<i>Chapter</i>		<i>Page</i>
1	General summary	1
2	The application and its likely competition effects	2
3	Conclusions	5



# 1 GENERAL SUMMARY

- 1.1 The advice below concerns an application by the Institute of Trade Mark Attorneys ('ITMA') to be designated as a body authorised to grant its members rights of audience and rights to conduct litigation. The advice is given on the basis of information supplied to the Director General of Fair Trading ('the Director General') by the Lord Chancellor's Department in April 2001.
- 1.2 Under section 29 and Schedule 4 to the Courts and Legal Services Act (as amended) ('the Act'), if a body wishes to grant rights of audience or rights to conduct litigation it must apply to the Lord Chancellor. The Lord Chancellor must seek the advice of the Director General who shall consider whether granting the application would have, or be likely to have, any significant effect on competition.
- 1.3 I am authorised by the Director General, under paragraph 7 of Schedule 1 to the Fair Trading Act 1973, to carry out a competition scrutiny of the application for authorised status as required by the provisions of the Act described above.
- 1.4 ITMA regulates the practice of trade mark agents (who are also known sometimes as 'trade mark attorneys'). Its application for authorised status contains disciplinary rules and procedures and qualification regulations that, together, govern the practice of trade mark agents.
- 1.5 For the reasons discussed in the following paragraphs, I believe that the designation of ITMA as an authorised body may increase competition in the provision of litigation and advocacy services associated with trade mark and design right proceedings.

## 2 ITMA'S APPLICATION AND ITS LIKELY COMPETITION EFFECTS

### Trade mark practice

- 2.1 A trade mark is one of the four main types of intellectual property right.<sup>1</sup> The use of trade marks enables businesses to establish brand loyalty by identifying their products on the market place via, for example, logos, jingles and invented words. When such marks are registered, the holder of the right to use the trade mark can prevent other people using the mark. Trade mark agents are, broadly speaking, concerned with the registration and protection of trade marks.
- 2.2 Trade mark agents also advise on rights in designs. Design rights generally refer to designs that are going to be used, generally many times, for making things commercially. A design may be the shape of an article, or ornamentation applied to one - for example a pattern on crockery or wallpaper. The range of what may constitute a design is therefore very wide, for example from the shape of a perfume bottle to a fighter plane.
- 2.3 The practice of trade mark agents at present involves, among other things, the following:
- applying to the Registrar of trade marks ('the Registrar') for the grant of trade marks;
  - providing advice and drafting documents in relation to the protection of, and other matters relating to, trade marks and rights in designs. This includes advice on when trade marks are necessary; and
  - appearing in associated proceedings before the Registrar of trade marks.<sup>2</sup>
- 2.4 Advocacy and litigation work beyond this scope, for example High Court litigation and advocacy, must be performed by solicitors and barristers as appropriate.<sup>3</sup>

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<sup>1</sup> The other main types are patents, copyrights and designs.

<sup>2</sup> Further details are contained in see section 2.4 of ITMA's application to the Lord Chancellor.

<sup>3</sup> In addition, some patent agents have limited High Court advocacy and litigation rights in relation to trade mark matters.

## ITMA's application

- 2.5 In its application, ITMA states that it represents the interests of trade mark agents and their clients.<sup>4</sup> It also maintains a register of those who practise as trade mark agents,<sup>5</sup> pursuant to rules made under the Trade Marks Act 1994 ('the TMA 1994'). ITMA states that there are currently about 900 entrants on the Register of Trade Mark Agents.
- 2.6 ITMA states that since 1991, a person can become an ITMA member<sup>6</sup> by passing qualifying examinations<sup>7</sup> for entry on the Register of Trade Mark Agents or by gaining registration based on other recognised qualifications in intellectual property.
- 2.7 Subject to the jurisdiction of the courts concerned, ITMA has applied to be designated to grant various rights to conduct litigation and rights of audience. First, it has applied to be designated to grant to trade mark agents the right to conduct litigation in the Chancery Division of the High Court and in the County Court<sup>8</sup> and to conduct appeals from the Comptroller General of Patents Designs, the County Court and the Chancery Division of the High Court, in respect of any matter relating to the protection of any trade mark or design or as to various other matters set out in ITMA's application.<sup>9</sup>
- 2.8 ITMA has also applied to be designated to grant to trade mark agents rights of audience in the County Court, the Appeal Tribunal constituted by the Registered Designs Act 1949 (as amended) and in private hearings in the High Court in relation to trade mark and design litigation. At present, trade mark agents prosecute and defend the majority of trade mark **applications** before the Registrar of trade marks.<sup>10</sup> However, where problems arise from the infringement of existing trade marks, clients must instruct solicitors and barristers, as appropriate, for County and High

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<sup>4</sup> See paragraph 2.1.2 of the application.

<sup>5</sup> Only persons entered on the trade mark register may call themselves 'registered trade mark agents' or 'trade mark attorneys'. See sections 83, 84 and 86 of the TMA 1994.

<sup>6</sup> There are two classes of membership: corporate and non-corporate. Corporate members include the key practising members, ordinary and fellow and may take part in the management of ITMA's affairs.

<sup>7</sup> Either the examination that ITMA and the Chartered Institute of Patent Agents ('CIPA') are jointly concerned with – which is run by the Joint Examination Board ('JEB') - or by CIPA's own examination and being a registered trade mark agent.

<sup>8</sup> References to County Court in relation to rights to conduct litigation and rights of audience include the Patents County Court.

<sup>9</sup> See paragraph 1.2 (a) of the application.

<sup>10</sup> See paragraph 2.4.4 of the ITMA application.

Court trade mark and design proceedings.

### **Likely effect on competition**

- 2.9 ITMA's proposals will enable its members to conduct a limited range of High Court work and a greater range of County Court work. To the extent that trade mark agents will be able to conduct work currently reserved to patent agents, solicitors and barristers, granting ITMA's application should increase the number of professionals who may offer litigation and advocacy services associated with trade mark and design proceedings. This may be expected to stimulate competition in the market for legal services relating to trade marks. Consumer benefits that may flow from an increase in competition include an increased choice of service providers and the possibility of reduced costs.
- 2.10 In addition, consumers may benefit from the need to instruct fewer professionals in relation to trade mark proceedings. For example, the current situation requires that a solicitor be instructed in appeals from the Registrar to the High Court although trade mark agents will typically do much of the preparation for the proceedings. If ITMA members had High Court rights to conduct litigation that would no longer be necessary.

### **3 CONCLUSIONS**

- 3.1 In summary, designating ITMA as a body authorised to grant rights of audience and rights to conduct litigation should tend to increase competition in the market for the supply of legal services relating to trade marks and designs.

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**Office of Fair Trading, June 2002**