

# EIP



## Scammers posing as Intellectual Property Office fined £500,000

Scammers who deceived intellectual property owners by issuing fraudulent renewal letters and invoices have been fined the maximum £500,000 penalty by the Intellectual Property Enterprise Court (“IPEC”).

This is a significant victory for IP rights holders and applicants and should reduce the amount of misleading and fraudulent invoices being sent out.

In this case, a company trading as the Intellectual Property Agency Ltd (“IPA”) issued numerous scam renewal letters and invoices directly to IP owners, in the hope that they would believe the IPA were the official UK Intellectual Property Office (“IPO”), or were at least connected to the IPO. The IPA filed approximately 900 renewal applications, charged fees of around six times the official renewal fee due, and made a total gross profit of over £1.1 million from its business.

Whilst overcharging IP owners was not unlawful in itself (since the renewal fees were paid), the Comptroller-General of Patents, Designs and Trade Marks and The Secretary of State for Business, Innovation and Skills (the “Claimants”) brought a case for passing off and trademark infringement against IPA, and the Director of IPA, Mr Jonasson (the “Defendants”).

### **Action for Passing Off**

To succeed in a traditional passing off claim, the Claimants must establish goodwill in the earlier trademark, a misrepresentation by the Defendants, and damage or a likelihood of damage, resulting from the Defendants’ actions.

The IPO was found to have goodwill and a reputation in the term “Intellectual Property Office” in relation to intellectual property services including renewal services.

In terms of misrepresentation, IPA’s letters requesting payment of renewal fees were issued on an official-looking document, including the words “Intellectual Property Agency Ltd” and this [logo](#).

Although this logo was not similar to the logo of the [IPO](#), the IPEC commented that it did add to the impression, in the mind of an average IP owner, that the letter was an official document.

The Claimants submitted evidence of confusion from numerous IP owners, who had written to the IPO following receipt, or payment, of a scam renewal letter from IPA. The IPEC held that the vast majority of owners who responded to IPA’s letter only did so due to IPA’s misrepresentation that they were the IPO and that the amount being charged was the official fee.

In relation to damage, the IPEC accepted that there was damage to the reputation of the IPO, due to their perceived inactivity in preventing the scam letters, in the minds of IP owners.

### **Trademark Infringement**

To succeed in a claim for trademark infringement, the Claimants had to show that the two marks were identical or similar, the respective services were identical or similar, and that as a result of this there was a likelihood of confusion among consumers.

The marks to be compared were INTELLECTUAL PROPERTY OFFICE and INTELLECTUAL PROPERTY AGENCY LTD. The IPEC considered there to be obvious visual, aural and conceptual similarities between the two marks, and identity and similarity in the renewal services covered. It concluded that there was a likelihood of consumer confusion, reinforced by the evidence of actual consumer confusion presented during the evidence rounds.

### **Decision**

The IPEC held that IPA and Mr Jonasson were jointly liable for the acts of passing off and trademark infringement. The IPEC awarded an account of profits of £500,000, which is the maximum amount permitted under the IPEC cap.

### **Comments**

This decision should prove an excellent deterrent to other companies that are sending

scam letters and invoices to IP owners, and is a positive step towards ending the practice altogether.

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In the meantime, it is worth noting that there are still a number of companies that are sending fraudulent fee requests directly to IP owners.

Should you receive any payment request from a third party that you do not recognise, always check the source before making the requested payment. Any genuine requests for fees that are due on your application or registration will normally be sent via your IP representatives. If you believe that you have received a fraudulent invoice or letter, or would like advice on any other intellectual property matter, our qualified attorneys at EIP would be happy to assist you.

By Laura Foster and Sharon Daboul.