

THE JOINT EXAMINATION BOARD

PAPER T3

ADVANCED UNITED KINGDOM TRADE MARK LAW

14TH NOVEMBER 1994

10.00 a.m. - 2.00 p.m.

Please read the following instructions carefully. This is a **FOUR HOUR** Paper.

1. You should attempt no more than four questions from Part A and no more than four questions from Part B.
2. The number of marks allotted to each question is placed in brackets at the end of the question.
3. Where a question permits of reasons being given for the conclusions reached such reasons should be given.
4. Start each question (but not necessarily each part of each question) on a fresh sheet of paper. In the appropriate boxes at the top of each sheet please enter the designation of the paper, the question number and your Examination number. Write on one side of the paper only using **BLACK** ink. You must **NOT** staple pages together. You must **NOT** state your name anywhere in the answers.
5. Unless specifically required, answers are **NOT** required in letter form.
6. **NO** printed matter or other written material may be taken into the examination room.
7. Answers **MUST** be legible. If the examiners cannot read a candidate's answer no marks will be awarded.

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Part A

Candidates are required to answer **FOUR** questions from this part of the paper.

1. Your client Burko Limited runs a chain of petrol stations and in 1993 Burko Limited instructed you to file an application for BURKITE in respect of "petrol". Burko Limited has been using BURKITE for approximately three years prior to filing. You are aware that Burko Limited owns registrations for BURKITE and BURKITO covering "petrol".

When the application is examined objection was taken to the mark on the ground of prior mark No 888888 BURKIMOR which is registered for "all goods in Class 4" in the name of Lubo Limited who manufactures and sells lubricants.

Your client claims that Lubo Limited assigned the BURKIMOR registration to it and on further investigation you find that Burko Limited's solicitors had indeed filed an application to record the assignment - which specified that the assignment was with the goodwill of the business in the goods identified by the mark - some three years ago, but the Registrar had rejected the application because the mark was associated with a registration for BURKILUBE covering lubricants which had not been included in the assignments owing to the fact that it was (and still is) in use by Lubo Limited.

Burko Limited also informs you that it believes that a chain of DIY shops is shortly to introduce a range of goods including goods such as windscreen wash, car polish, antifreeze, etc. under the mark BURKIWAY and that it understands that BURKIWAY goods are in a warehouse awaiting distribution.

Draft a letter to Burko Limited stating what action should be taken under the Trade Marks Act 1994 and why.

(15 marks)

2. In January 1994, your U.S. client bought the automotive business of a famous company Fazafarté S.A.. The French company had manufactured expensive sports cars for many years and had acquired a worldwide reputation. It also employed a successful racing team which took part in Grand Prix races throughout the world and your client continues this practice.

Fazafarté has registrations of the mark FAZAFARTÉ dated 10th January 1988 in class 12 for "Vehicles", in class 37 for "Custom construction of motor vehicles; servicing and repair of motor vehicles" and in class 25 for "Articles of leisurewear; T-shirts, sweatshirts".

Your client has two problems.

First, in October 1994, it noticed that T-shirts and sweatshirts bearing the word FAZAFARTÉ are being sold at various car races in the UK which sales have not been authorised by your client. In February 1994, your client licensed its UK concessionaire, Fazafarté Enterprises Limited, to sell T-shirts and sweatshirts at the Grand Prix at Silverstone next month and the concessionaire had these goods, which were of a quality specified by Fazafarté S.A., printed with the FAZAFARTÉ mark across the front. Unfortunately, in September 1994, the UK concessionaire went into receivership and the clothing, as part of the concessionaire's assets, is in the hands of the Receiver. Your client believes that the Receiver may have disposed of the clothing and that these are the goods being sold by unauthorised dealers. Your client wishes to prevent these unauthorised sales.

Second, your client has had drawn to its attention the following advert by an apparently small, independent garage:

ADVERTISEMENT

FAZAFARTÉ

Stuck for FAZAFARTÉ parts and service?

Also, service and restoration by experienced Fazafarté mechanics

For original parts straight from the factory contact Fred Bloggs on 0123 5677654.

Your client states that Mr Bloggs is not an authorised dealer. Your client wishes you to despatch a cease and desist letter to Mr Bloggs.

Advise your client on its position.

(15 marks)

3. You act on behalf of Suchi Recruitment Limited t/a Catering and Restaurant Support International Limited which runs an employment agency arranging recruitment of permanent and temporary staff for the catering restaurant and bar trade.

Your client began trading in the UK in June 1992 and its business has expanded since then. Although the business is not large-scale, it has found both permanent and temporary staff for restaurants, etc. in most areas of the UK

On 4th November 1994, your client placed the following advertisement in a catering journal:

ADVERTISEMENT

Recruitment Campaigns	Catering Contracts	Restaurant Services
CATERING AND RESTAURANT SUPPORT 1 City Road London SW1 Tel: 0123 5677654 Fax: 0123 5677655 Permanent and temporary staff		Catering ✓ Restaurants ✓ Bars ✓ Cafés ✓

On 14th November 1994, your client receives a letter from the solicitors acting for Support International Limited. The solicitors claim that their client has for many years provided personnel recruitment services in, among other areas, the catering field under the trade mark SUPPORT and has acquired considerable goodwill and reputation in that mark. The solicitors claim that SUPPORT is registered by their client in Class 35.

The solicitors assert that this registration gives their client the exclusive right to use the mark SUPPORT in relation to the services covered and demand undertakings from your client to cease infringement and passing-off, and to publish an apology.

Somewhat to your surprise, you find that the word SUPPORT is registered in Part B in Class 35 for "Advertising services; direct mail advertising and telephone advertising; marketing and promotional services; computerised business and personal information storage and retrieval". The application was "advertised" before acceptance under the provisions of Section 18 (1) (proviso) and filed on 12th December 1992.

Advise your client on the way it should respond to the solicitors' letter. Discuss the points you would raise with your client.

(15 marks)

4. You are approached on behalf of a Japanese company Samurai K.K. which produces musical instruments particularly stringed instruments such as violins, cellos and guitars. It is a specialised but profitable market in which your client is market leader.

Samurai K.K. was approached by an English company which offered to import and distribute the product on the basis that it would be the sole UK importer and distributor. The English company later changed its name to Samurai (UK) Limited, although it had no relationship with Samurai K.K. other than as a distributor.

First deliveries to the UK were made in 1960 and sales continued on a satisfactory basis until August 1992. At that point Samurai (UK) Limited began asking for increased discounts and when Samurai K.K. refused, sales declined.

In September 1994, Samurai K.K. (having satisfied itself that the distribution arrangement with Samurai (UK) Limited was ended) set up a subsidiary company in the UK and began to import Samurai K.K.'s instruments on its own account. Through its new English company, Samurai (1994) Limited, Samurai K.K. has been seeking orders from all major retailers. A large order placed in October 1994 has just been cancelled and when your client asked why, the customer sent a copy of the following letter which he has just received.

From: Samurai (UK) Limited
4th November 1994

To: Managing Director
Music Box Limited
Birmingham

Dear Sir,

Samurai Violins

As regular purchasers of our fine SAMURAI violins you will be concerned to learn that counterfeits of the products have just reached these shores.

We are the exclusive importers and distributors for SAMURAI violins and other instruments but it has recently come to our attention that unauthorised SAMURAI violins are being offered for sale in this country.

I wish to assure you that we are the owners of the SAMURAI trade mark in this country. We have registered the trade mark and our lawyers are about to take legal action to clear from the market all SAMURAI instruments not supplied by us. In the meantime, take care not to place orders with anyone but us in case you fall victim to deception.

Yours faithfully

Samurai (UK) Limited

Samurai K.K. tells you it has just learnt that the true position is that Samurai Limited is having instruments made in South Korea and selling them in the UK under the SAMURAI trade mark. You establish that Samurai (UK) Limited registered SAMURAI as a trade mark in the UK for "musical instruments in class 15" in 1970.

Advise Samurai K.K. on any legal remedies available to them and on what action Samurai K.K. should take to strengthen its position.

(15 marks)

5. Eric Cantilever is probably the most famous footballer in the world today. He scored the winning goal for his national team (not England) in the 1994 World Cup and has just been transferred to Oxbridge United, a major Premier League football team for a world record transfer fee. He earns a very substantial salary and bonuses from playing football but he earns even more endorsing products and business, making public appearances, playing in pantomime, etc..

Eric Cantilever's agent writes to you as follows:

"I am enclosing a photograph of Eric which has just appeared as an advertisement in the magazine FOOTBALL CRAZY. It shows him standing outside Oxbridge Sports Stores, a small independent sports retailer near the club ground. He is holding a Zodiac football and the caption at the bottom of the advertisement reads "Eric buys his Zodiac footballs at Oxbridge Sports Stores".

Eric tells me that, as he was walking to the stadium for training, he was stopped by a young boy who asked him if he would autograph a football. Eric agreed because he is soft-hearted and likes kids. Unknown to him, he was photographed by the storeowner.

As you might expect one of the few things Eric never has to buy is a football and he has never bought a football or anything else from Oxbridge Sports Stores. He is very annoyed that his image should be taken in vain like this for three reasons:

1. The statement is untrue and Eric was "set up";
2. Eric and I are in the middle of negotiations with Warrior Footballs who want him to endorse their products and appear in advertising for an astronomical fee. We are terrified that when Warrior Football sees this advert they will pull out of the deal because Zodiac are their biggest rivals;
3. If people see that Eric is endorsing "naff" places like Oxbridge Sports Stores they will probably be less interested in having him endorse quality products.

Frankly, I can see Eric's and my income suffering if we don't do something quickly. Can you help?"

Advise Eric Cantilever and his agent as to their legal position and any action they might take.

(15 marks)

Part B

Candidates are required to answer **FOUR** questions from this part of the paper.

6. Your client Veil Ltd is part of a French group of companies which includes companies in many EU countries. It manufactures and sells bath preparations in a unique fluorescent pink jelly-like form identified by the trade mark YASMIN'S DELIGHT. The product is packaged in a round wooden box which appears very much like the type in which Turkish Delight sweets are often sold and which your client believes is unique in the bath preparations trade. The box bears a distinctive representation of a sultan and slave girl, the word "Veil's" in script and the words YASMIN'S DELIGHT in larger letters.

The bath preparations have been on the UK market for approximately three years and have been an extremely successful line for Veil.

On 14th November 1994 your client requests you to advise on how to protect its product from competitors.

Advise your client on the action that can and should be taken to protect its rights.

(10 marks)

7. Your client Insucoat Limited manufactures a paint-on coating preparation with insulating properties against heat loss and is also fire-retardant.

The preparation which is identified by the trade mark FLAMEGARD has been sold for 20 years and the fire-retardant quality of the preparation in particular has resulted in the line becoming very successful. In fact, much of Insucoat's promotion of the product has been in the fire protection field. During this time, the product has been advertised in trade publications and exhibited at relevant exhibitions.

On 14th November 1994, Insucoat informs you that it has observed an advertisement in a trade publication for fire doors called FLAMEGARD by a company called Lion Limited.

Insucoat registered FLAMEGARD in 1982 in Part B in respect of "insulating materials".

Furthermore, Insucoat uses a photographic reproduction of flames on the labels attached to the tins of their coating preparation. Lion Ltd's advertisement includes what appears to be an identical or very similar photographic reproduction of flames and Insucoat believe that this is likely to increase the likelihood that potential customers would believe that Lion Ltd's doors are manufactured by them.

Write notes on what advice you would give your client and why and what further information you would seek from it.

(10 marks)

8. Your client is Shoes, Inc., owner of the celebrated CLEVER BOYS brand name. It is a household name in North and South America for sports shoes (also worn as casual footwear). Your client has never before felt the need to market its products outside the American continent. However, CLEVER BOYS sports shoes are worn by top athletes, celebrities, etc. throughout the world and it would be difficult to find a teenager in the UK who does not know of the brand and does not secretly long to own a pair of CLEVER BOYS trainers.

In January 1994, Shoes, Inc. decided to launch its products in the UK and Europe. At that time you conducted a search of the Trade Marks Register (which did not disclose any relevant prior marks) and, on 24th January 1994, filed an application to register CLEVER BOYS in respect of footwear in class 25. In July 1994, the Trade Marks Registry official examination report raised an objection on the ground that the mark was insufficiently distinctive for registration. There was no use in the UK prior to the date of application and at an oral Hearing in September 1994 the objections were upheld. Formal refusal of the application is awaited.

On 14th November 1994, you receive a letter from Sneakers Limited. The letter advises you that Sneakers Limited, an English company, has been selling sneakers/trainers under the trade mark CLEVER BOYS to small shoe retailers in high streets throughout South London since October 1990. The letter informs you that Sneakers Limited has heard in the trade that Shoes, Inc. is planning a European launch and warns that any use of CLEVER BOYS by Shoes, Inc. will amount to passing-off and that Sneakers Limited will immediately apply to the Court for an injunction and other relief.

The date of your client's proposed launch is February 1995. An update search of the Trade Marks Register discloses that Sneakers Limited applied to register CLEVER BOYS as a trade mark on 1st November 1994 in respect of footwear.

Make notes on the issues which you need to consider with Shoes, Inc. and the additional material/information needed to come to a conclusion on how best to proceed.

(10 marks)

9. In the context of the so-called "lookalike" controversy, comment on the ways in which the Trade Marks Act 1994 has changed the position for owners of leading brands.

(10 marks)

10. Your client tells you that in December 1989 during his last year at art college he created a series of ten pictures of jungle animals. The original pictures were exhibited at that time at the college's Christmas exhibition (he shows you the printed catalogue) and one of the series won a prize.

After your client left college he applied for a Business Enterprise Grant and started printing his pictures on to T-shirts and selling them in craft markets. He has a regular weekly stall in two famous London markets. He tells you that he makes enough to cover his costs and to live modestly.

Your client comes to you because he has found a copy of his prize winning picture on a T-shirt not printed by him. Above the picture are the words "Save the Earth".

Your client has tracked down the source of the T-shirt in his possession to an unlicensed market stall in the car park behind one of his regular markets. He tells you "It makes me wild. The guy doesn't even pay the regular market licence and the quality of the shirts is rubbish. He is only there irregularly but probably because people know my shirts he is making plenty of sales."

You ascertain that the unauthorised sales are being made by a Mr Pete Sharpe who is a director of a company called Bingo Limited, an "off-the-shelf" company formed in 1992 which has not yet filed any returns or accounts at Companies House. Bingo Limited has applied to register a black and white version of your client's picture in conjunction with the words "Save the Earth" as a trade mark in respect of casual wear. The application was published in the Trade Marks Journal on 10th November 1994.

Bearing in mind your client is a sole trader and has modest means consider how he might remedy his position.

(10 marks)