

THE JOINT EXAMINATION BOARD

PAPER T3

ADVANCED UNITED KINGDOM TRADE MARK LAW

18 November 1999

10.00 a.m. - 02.00 p.m

*Please read the following instructions carefully. Time Allowed - four hours*

1. You should attempt four questions from Part A (10 marks each) and four questions from Part B (15 marks each).
2. The number of marks allotted to each question is shown in brackets at the end of each question.
3. Where a question permits, reasons should be given for the conclusions reached.
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 requested 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.
8. **NO** writing whatsoever, including number of papers, is allowed prior to the commencement of the examination or after it has finished.
9. **At the end of the examination please double check that you have fully complied with instruction 4 and assemble your answer sheets in question number order to hand in.**

This paper consists of **fifteen** pages including this page

## PART A

### Question 1

Your client is the publisher of a very well-known magazine entitled AT HOME which covers subject matter to do with the home. This includes interior design and decorating; furniture and household textiles. The magazine is published monthly and, each month, includes a feature entitled 'AT HOME Product of the Month' which highlights some new product which might be of interest to readers, for example paints, wallcoverings, carpets or furniture items, as well as, occasionally, decorating tools or equipment.

Some years ago, the client obtained registration of the mark AT HOME for quite a wide range of products because it had intended at the time the mark was registered to expand its business to include the sale of interior design and decorating products. However, the company came under new management a couple of years ago and, as a result, the plan to expand outside magazine publishing was shelved. Six weeks ago the idea was re-floated at a director's meeting but no actual products have been manufactured or sold yet. Announcements about the company's intended product launch appeared in the AT HOME magazine in last month's issue.

Details of the client's registration are as follows:

Number	Mark	Filing Date	Registration Date	Classes	Goods
1 234 567	AT HOME	14.2.82	7.3.84	2	Paints, varnishes and lacquers.
				16	Printed publications, magazines and periodicals.
				20	Furniture, mirrors and picture frames.
				27	Wallpaper and wallcoverings; carpets, rugs and floorcoverings.

The registration results from the merger of four registrations granted under the Trade Marks Act, 1938.

The client has now learned that a nationwide chain of do-it-yourself stores, DIY World, who are themselves very widely-known, are planning to launch a new product range under the name AT HOME. The client has managed to discover that the proposed product range will include paints, wallpaper and tiles. However, it is not clear whether DIY World intend to use the name AT HOME alone or in combination with their own house mark DUDLEY.

The client is very concerned at DIY World's plans, particularly in view of its recent decision to launch its own range of decorating products, and wants to send a warning letter to DIY World.

What causes of action may be available to the client and what additional steps would you recommend it takes ?

(10 marks)

**Question 2**

Puffers Limited is a manufacturer of cigars and cigarettes. Each country in the EC has rules relating to the health warnings which must be included on the packaging of the cigarettes. These rules vary from country to country within the Community.

One of Puffers Limited's best selling product lines is an extra long cigarette sold under the trade mark MEGAPUFF registered in the United Kingdom.

Puffers Limited has discovered that a major supermarket chain in the United Kingdom is selling MEGAPUFF cigarettes which were, in fact, first put on the market in Spain where cigarettes sell considerably more cheaply than they do here. The cigarettes being sold by the supermarket chain are genuine MEGAPUFF cigarettes intended for the Spanish market, acquired by a Spanish wholesaler who arranged for them to be repackaged to meet UK labelling requirements before they were imported into the United Kingdom. In the course of repackaging, it transpires that the following changes were made:

- (a) the outer cellophane wrappers of individual packets were removed so as to allow a sticky label carrying a UK-style health warning to be placed over the Spanish health warning and then a fresh cellophane wrapper provided
- (b) where several packets had been packaged together in an outer box (for example, five or ten packets together, to be sold as a unit), the original outer box was often destroyed when it was opened to gain access to the individual packets within it during attachment of the replacement health warning labels. Where this happened, the wholesaler re-packaged the individual packets in a new outer box which he had had printed to resemble the original box as closely as possible and which bears the trade mark MEGAPUFF.

Advise your client in note form as to whether and to what extent it can prevent sales in the United Kingdom of repackaged MEGAPUFF cigarettes imported from Spain.

(10 marks)

**Question 3**

Your client, a supplier of electricity, has recently sent out a mailshot to a number of potential new customers in the hope of attracting new business. The material sent out included a brochure which set out a number of tables in which comparisons were drawn between the client's prices and the tariffs of other electricity suppliers. In these tables, the other suppliers were identified by their full company names and in some cases, these were accompanied, for ease of reference by the potential customer, by those companies' well-known logos. The client explained that this was because some of the other company names were not particularly well-known and he wanted clients to know who the brochure referred to.

The client has now received complaining letters from three of the other companies mentioned in the comparison table, Companies A, B and C, respectively, all of which claim that the client has infringed their trade marks.

Company A's letter asserts that 'it is well known that comparative advertising is not allowed' and threatens to sue if the table mentioning its prices is not withdrawn immediately. As it happens, Company A is very well-known and there was no need to use anything other than its full company name to identify it. The information given in the table in which Company A is mentioned is entirely correct and not, so far as the client is aware, in any way misleading.

Company B has two grounds of complaint. Firstly, in addition to its corporate name, the table in which it appears uses its logo, which is a registered trade mark for electricity and electricity supply and distribution services. Secondly, the information given about its prices is not correct.

The client confirms that the information in the table relating to Company B is wrong but that the client did not know this when the brochure was published. The information was purchased from a market research organisation and it has since been discovered that the results of the research had been wrongly transcribed.

Insofar as Company C is concerned, the advertisement used Company C's logo and company name and the client admits, rather sheepishly, that the information given in the table relating to that company is incomplete. Some of the comparisons drawn between Company C's prices and the client's were unfavourable so the client left them out, publishing only the ones which were favourable and likely to attract new customers.

Write a letter to the client advising on his position in relation to each of the three companies, A, B and C.

(10 marks)

**Question 4**

You receive the following letter from your client:

*Dear Sir,*

*I wonder if you help me to deal with a difficult situation which has arisen in connection with the new product range I am planning.*

*My company makes a wide range of kitchen tools - knives, spoons, forks, spatulas, whisks and the like and next year we were hoping to introduce a new line of kitchen knives under the trade mark AULINEA. Because you have impressed on us the importance of always checking whether we might infringe anyone else's trade mark registrations, we made a search at the Trade Marks Registry and were rather disappointed to discover that a company, X Limited, had already registered the trade mark ORLINEA. The registration was granted in 1982 as a result of an application made in 1980; it covers all goods in class 8 but when we looked into what X limited was doing, it turns out that it is a company which operates garden centres and that the trade mark is only used on garden shears and hedge trimmers.*

*I understood from our previous correspondence that kitchen knives fall in class 8 and so it seemed to me that, on the face of it, we might be infringing X Limited's trade mark. On the other hand, it is clear that X Limited has no interest in kitchen knives so I wrote to X asking if they would mind us using the mark AULINEA for kitchen knives.*

*I did not hear anything for some weeks and then we received a letter from a firm of trade mark attorneys claiming to act for X Limited. The letter said that X Limited would not consent to our proposed use of the trade mark AULINEA and, further, that 'to safeguard their client's position' they had filed a new application to register 'a series' of two marks AULINEA and ORLINEA for all goods in class 8. I have checked at the Registry and this is true; the new application was filed a couple of weeks ago.*

*We have already ordered moulds for the knife handles which will have the name AULINEA moulded onto them and so we do not want to abandon our plans to use the name.*

*I should be grateful for your advice as to whether we can proceed and, if so, how.*

*Yours faithfully*

Write notes on the advice you would give your client.

(10 marks)

**Question 5**

Your client is an American television production company which is the originator of the television series SIGNIFICANT OTHERS. The series has been shown in the US for five or six years but has only been broadcast in the United Kingdom for eight or nine months.

Nevertheless, the series has received a great deal of publicity, its stars have been interviewed for a large number of magazines available in the United Kingdom and the name SIGNIFICANT OTHERS is very widely known here.

Your client has a Community Trade Mark Registration, No 666554, dated 12 December 1996 and granted in June 1998, in respect of the mark SIGNIFICANT OTHERS which covers television production and broadcast services.

The client has now written indicating that it is very concerned because it has learned that Apparel Limited, an English company, has launched a range of clothing for women under the trade mark SIGNIFICANT OTHERS. It is an ongoing sub-plot in the series SIGNIFICANT OTHERS that one of the female characters is obsessed with her appearance and her clothing, in particular. A search reveals that Apparel Limited filed an application at the UK Trade Marks Registry to register the mark SIGNIFICANT OTHERS for 'womenswear' in June 1999. The application was advertised in the Trade Marks Journal last week.

Write notes advising the client as to what they might do to prevent Apparel Limited using and registering the mark SIGNIFICANT OTHERS.

(10 marks)



**Part B****Question 6**

Your client, Freewheelers, Inc. ("Freewheelers"), a US corporation, produces a range of accessories and computer peripherals for use in relation to computer and video games software. You attend a meeting with the chairman of Freewheelers, Mr Arlett. He explains that many of his company's products are designed to be used as accessories to various computer games produced by Mega Ventures Inc. ("Mega Ventures"), one of the world's largest computer game manufacturers.

About two years ago, Mega Ventures produced a highly successful game TANK WARS, in which players are pitted against one another as tank commanders of World War II tiger tanks.

In about January 1999, Freewheelers developed a product, which is to be sold as an accessory to Mega Ventures' TANK WARS game, consisting of a helmet containing headphones and sensors to be worn by each player, which simulates both the sound and vibration felt when the tank fires and hits a target.

You receive from your client a sample of their helmet and its packaging. The packaging bears the prominent wording:

"FREEWHEELERS' Helmet"

"contains BATTLE ROAR feature"

On the side of the helmet itself, there is a push button, at the side of which the words "BATTLE ROAR on/off" are written.

In passing, Mr Arlett also explains that there is nothing particularly original about the shape or design of the helmet itself or the technology behind the BATTLE ROAR feature.

Freewheelers first promoted their product at International Video Games Fair in Boston, USA in March 1999. This is the world's leading trade fair for video games, attended by representatives from all computer and video games manufacturers around the world, including the UK.

Subsequently, Freewheelers began promoting their helmet in product catalogues which were



sent to their UK retail customers in early April 1999. The first sales of the Freewheelers' product took place in the UK in May 1999. Mr Arlett explains that although sales of their helmet were at first slow in the UK, such sales really began to take off from about August 1999 and are now booming in the UK. Moreover, since May 1999, Freewheelers have been selling their helmets in France, Germany and Eire and have plans to export the product shortly to Italy.

Your client has now learned that a UK company, Jaspa Limited ("Jaspa") has recently commenced sales of its own version of the helmet under the trade mark BATTLE ROAR. You learn from the client that Jaspa is a former UK distributor of Freewheelers' products but that Freewheelers terminated Jaspa's distributorship agreement in about February 1999, following a disagreement on an unrelated matter between the parties. Mr Arlett is concerned that Jaspa has just started selling its own product in France, Germany and Italy, although probably not in Eire.

You conduct a search and learn that Jaspa has filed both a UK application No 2167787 and a Community application No 658972 to register BATTLE ROAR. Both applications are dated 28 October 1999 and both have been filed in respect of:

*Class 9: Electronic computer games apparatus; games machines and video games machines; video and computer games apparatus and instruments.*

From your discussions with Mr Arlett, you learn that your client has two priorities (i) if possible, to obtain registration of and to prevent use of the mark BATTLE ROAR by third parties in relation to the product of interest or (ii) failing the above, at least to be able to continue to use the trade mark BATTLE ROAR in the UK and the European Community.

Write notes advising Freewheelers on the following:

1. What action could Jaspa take against Freewheelers either now or in the future ?
2. What action can Freewheelers take in the light of its priorities as stated above ?

(15 marks)

**Question 7**

Your client, Ardent Limited is a manufacturer and distributor of alcoholic beverages. In keeping with its current policy of expansion it has purchased from Brewitt plc the rights to the trade mark SOPHISTICANO which is used on a market-leading spirit distilled to a distinctive recipe. Ardent Limited has purchased rights in a large number of countries including Hong Kong and all member states of the European Union with the exception of Spain, where Brewitt plc has retained its rights and continues to sell the product on its own account. In the rest of the EU, due to the complex formulation processes involved, the vendor, Brewitt plc, has agreed to continue to supply the product for Ardent Limited, for a two year period, to ensure that the product's distinctive characteristics are maintained. The supply contract is on standard commercial terms.

Your client is aware of imports of SOPHISTICANO, principally from Spain and Hong Kong (where the product is sold more cheaply), into the United Kingdom, and wishes to put a stop to those activities, which are damaging its profits. The product from Spain has been put on the market by Brewitt plc. The product from Hong Kong is Ardent's own product supplied by Brewitt plc under the contract with Ardent Limited.

Write a letter to Mr Smith, the company solicitor of Ardent Limited, advising as to what steps can be taken to prevent the importation and distribution of SOPHISTICANO in the UK, referring to any relevant legal authorities.

(15 marks)

**Question 8**

Your client Allchocs Inc, a confectionery manufacturer, is the producer of the RHYTHM chocolate bar, which is the world's number one selling product in its category. Allchocs Inc is also the owner of the RHYTHM word mark and corresponding pack design trade mark registered in more than 100 countries worldwide with the notable exception of the UK, where its registration has been blocked by COOL RHYTHM which stands in the name of Bullseye Ltd, your client's main competitor.

Details of Bullseye's registration of COOL RHYTHM are as follows:

Registration No: 999333

Filing Date: 3 March 1957

Registration Date: 14 September 1958

Goods: Chocolate confectionery.

COOL RHYTHM is an old product, with negligible sales. Your client suspects that the trade mark has been maintained on the Register, and token sales of chocolate effected by Bullseye Ltd, purely to keep Allchocs Inc out of the UK market. Bullseye Ltd has, in the past, refused requests from Allchocs Inc for consent to the use and registration of RHYTHM and refuses to sell the COOL RHYTHM mark.

Whilst your client's product is officially unavailable in the UK under the RHYTHM trade mark it has a strong spill-over reputation, and the product has been available under the RHYTHM trade mark in former duty free shops at ports and airports for more than twenty years without any complaint having been raised by Bullseye Ltd. Further, quantities of the product are brought into the country by individuals returning from holidays and day trips, ostensibly for their own use, but, in fact, for re-sale. According to your client's information, such sales account for 20% of the UK market in products of this category.

Your client has now heard through its network of sales representatives that Bullseye Ltd is planning

a re-launch of its COOL RHYTHM product, in packaging which has been redesigned to closely resemble the RHYTHM pack design: a bright yellow oval shape, containing the word RHYTHM set against musical staves, all against a deep purple overall background. Bullseye Ltd has also applied for registration of the word mark RHYTHM.

Your client is incensed by these developments and wants to take all possible steps to prevent Bullseye Ltd from trading off the reputation of its product; to prevent Bullseye Ltd from consolidating and improving the strength of its position in the UK; and if possible to clear the way for your client to market its product in the UK under its RHYTHM trade mark.

Write notes on which to base your advice to the client.

(15 marks)

**Question 9**

You act for New Orleans Jazz Diner plc ("NOJD"), a medium sized company operating a chain of restaurants throughout the South of England under the name NEW ORLEANS JAZZ DINER. The first venue opened under the name in the West End of London in late November 1992 and after rapid growth the client now has some 20 venues across South England from Norwich to Exeter turning over approximately £20 million annually.

As the Client has grown it has developed the concept behind its venues. Each is heavily themed evoking the image of Dixieland Jazz. The client specifically targets small towns and cities.

The client has a UK trade mark application filed on 15 January 1999:

No.2147285 NEW ORLEANS JAZZ DINER (words)

Class 42: Restaurant, bar and public house services.

The application was objected to under Section 5(2) on the basis of conflict with the following UK registration in the name of the UK Company, The Mississippi Jazz Diner Limited ("MJDL"):

No. 1315678 THE MISSISSIPPI JAZZ DINER (words in a stylised script enclosed in a triangular box)

The registration covers "Restaurant services; café services; bar services; all included in Class 42' and was accepted on evidence of use.

The official objection to your client's application was overcome by filing evidence of NOJD's past use of the mark and the application proceeded to publication on the basis of honest concurrent use with the cited mark. The application has now been published and you have now received from the Registry a copy of the Notice of Opposition filed without prior warning by MJDL on the basis of conflict with the cited registration under Section 5(2), and also under Section 5(4)(a), that is, conflict with MJDL's earlier rights acquired through use.

MJDL has been using its mark as the name of a restaurant in the Piccadilly area of London which was first established in 1974 as a restaurant serving American-style food. The restaurant is heavily themed and is billed by MJDL as "The World's Premier Museum of Dixieland Jazz". Since the opening of the London venue, MJDL has opened a number of other venues outside Europe under the mark THE MISSISSIPPI JAZZ DINER, all sited in capital cities or other major cities which are likely to attract tourists from around the world. However to date there are no other venues in Europe outside the UK. MJDL's London venue has attracted substantial publicity over the years and is regularly visited by famous musicians and members of the Jazz world. The London venue itself has become very much a tourist attraction and is visited by large numbers of people from all over the United Kingdom each year.

You report the opposition to your client. The client informs you that MJDL has known for years of NOJD's trading under its mark. Indeed, your client invited the then Marketing Director of MJDL to the inaugural opening of their first NEW ORLEANS JAZZ DINER venue in 1992, which was also subsequently attended by other members of the MJDL Board.

Your client believes that the opposition may represent a change in corporate policy by MJDL. Your client also believes that MJDL may plan to open new venues under THE MISSISSIPPI JAZZ DINER in other cities in the UK which are tourist centres, in particular Edinburgh.

You also learn from your client that NOJD are keen to expand further in the UK, ultimately possibly nationwide. Contrary to their normal policy of targeting smaller towns, they are considering opening new venues in Birmingham and Oxford shortly. Both are outside their current area of operation.

Prepare notes for points that you will need to discuss at a forthcoming meeting with your client with particular regard to the following:

1. Any action MJDL could take against NOJD, in particular, if they open new venues in Birmingham or Oxford.
2. The possible outcome of the current UK opposition proceedings.

(15 marks)

**Question 10**

Your client is Airline Reservations, Inc a US provider of a website (www.bookair.com) through which customers can check airline schedules and book tickets over a secure system. Their website for this purpose was established in 1996. Before that, the company traded as a conventional travel agency with offices throughout the US and one in London, which they closed in August 1998 as the amount of business generated by the website from the UK over the Internet greatly exceeded that which was taken through the office. Your client has a UK trade mark registration of BOOKAIR dating from December 1994 for "travel agency services" in Class 39.

Your client's computer system has reported a major fall-off in business coming from the UK over the last two months. This has been traced to a competing website offering cheap flights, www.bookair.co.uk. An enquiry with Nominet indicates that a British Virgin Islands company, Bookair BVI Limited, owns the domain name. A trade mark search reveals a recent UK registration of BOOKAIR dating from September 1998 for "electronic financial services provided over the Internet" in Class 36 in the name of Bookair BVI Limited. Company searches reveal that a Mr John Doe is a director of the British Virgin Islands company.

Your client knows Mr Doe. They tell you that Mr Doe was in early 1998 negotiating with them to open a travel agency in Northampton under the BOOKAIR name to complement the service they provided in London. Mr Doe was provided with copies of your client's website software, which your client strongly suspects has been used in the creation of the Bookair BVI Limited website. The client did not particularly trust him, and when it found out that he had numerous County Court judgements entered against him, it wrote to him in July 1998 terminating the negotiations. The client is, however, concerned that should it threaten Mr Doe with legal proceedings, he will abscond, possibly to the British Virgin Islands, and set up business and operate the website from there.

Outline the legal remedies available to your client to deal with the activities of Bookair BVI Limited, mentioning any risks which your client might encounter.

(15 marks)