

## THE JOINT EXAMINATION BOARD

## PAPER T3

## ADVANCED UNITED KINGDOM TRADE MARK LAW

23<sup>RD</sup> NOVEMBER, 2000

10.00 a.m. – 2.00 p.m.

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

1. You should attempt **four** questions from Part A and **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 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 numbering 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** before placing in the envelope provided.

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

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**Part A**Question 1:

You act for International Perfumery Products, Inc. ("IPP"), who has been selling world-wide including in the UK a range of men's aftershave and toiletry products under the mark TENNIS since 1968. Sales in the UK alone run at approximately £20 million. IPP originally adopted the mark because of the mystique and luxury lifestyle associated with the game of tennis and has concentrated its advertising on the tennis world featuring famous Tennis players.

Recently the game of tennis has received a vast increase in media coverage with newspaper articles written about many of the national regional tennis clubs including The Surrey County Tennis Club ("SCTC"), a coaching centre for the game in this country.

Watching notices reveal publication on 1 November 2000 of UK applications in the name of SCTC for THE SURREY COUNTY TENNIS CLUB (Words) No.2178892 and THE SURREY COUNTY TENNIS CLUB (Words and Device) No.2178893 covering "Perfumery, aftershave, deodorants, eau de toilette" in Class 3. Both applications were filed on 15 November 1999. Application No.2178893 is for a mark consisting of the words THE SURREY COUNTY TENNIS CLUB combined with a representation of a tennis player. Searches reveal SCTC also has CTM applications THE SURREY COUNTY TENNIS CLUB (words) No.667889 and THE SURREY COUNTY TENNIS CLUB (Words and Device) No.667890 both filed on 20 January 2000.

Investigations reveal that SCTC has not yet used its marks in relation to toiletry and perfumery products but plans to start selling small quantities of such products under the above marks from its club shop in the near future and, if successful, intends to approach national retail outlets with regard to selling the products countrywide.

IPP has UK registrations TENNIS (Word) No.1386255 and Tennis Player Device No.1385234 covering "Perfumery, toiletry preparations" (Registration dates: 1 August 1989). Registration No.1385234 is for a mark consisting of a representation of Tennis Player but quite different to that appearing in SCTC's Applications Nos.2178893 and 667890.

IPP also has registrations in Germany for the mark TENNIS in class 3 (Registration date: 20 November 1992), but you do not know of any other registrations in the name of IPP or whether IPP has used the mark TENNIS in Germany.

IPP has also previously provided consent to the registration of the mark SURREAL TENNIS No.2002456 in Class 3 for toiletry and perfumery products (Registration Date: 3 March 1997) in the name of Surreal Tennis Inc. However, your clients do not believe that Surreal Tennis Inc. have ever used their mark in the UK and that IPP are the only party to date who have sold toiletry or perfumery products in the UK under a mark containing the word TENNIS or by reference to the game of Tennis.

Advise IPP as to what possible action the company could take in relation to the applications and proposed use of The Surrey County Tennis Club's marks and their likelihood of success.

(15 marks)

**Part A**Question 2:

Mr Jones of Big Horn Clothing Limited (BHCL) seeks your advice:

BHCL had been incorporated as a wholly owned subsidiary of Custer's Clothing Company, Inc. (CCC) to sell in the UK and commenced sales in 1992 of a range of men's and boy's underclothing under the mark GERONIMO. BHCL commenced first use in 1992 and registered in its name UK Registration GERONIMO No.1000709 (Registration Date 30/09/1993) for "clothing; articles of outerclothing; men's trousers and pants; men's and boy's underclothing " in Class 25. However, following a company reorganisation in late 1994, BHCL assigned Registration No.1000709 to CCC and was in turn granted an exclusive Licence to use the mark in the UK (recorded at the Registry on 30/11/1994). To date all sales under the mark have been through BHCL.

Subsequently in June 1995 following severe financial difficulties, CCC sold its entire shareholding in BHCL to Mr Jones. Under the terms of agreement, the exclusive licence would continue subject to termination by CCC on three months' notice.

The Licence Agreement provides that the licence is (1) subject to control provisions, in particular that goods sold by BHCL be manufactured in accordance with directions given by CCC as to materials and manufacture and (2) grants to CCC a right to inspect samples of the goods manufactured. The Licence is restricted to use of the mark in the UK on men's and boy's underclothing. There is no provision dealing with ownership of goodwill in the mark. BHCL never received either any directions as to manufacture of its products under the mark GERONIMO or a request for samples. No reference is made on BHCL's products to the fact that it is a licensee of CCC. Mr Jones does not believe that his customers would be aware that BHCL had a connection with CCC.

Over the years, Mr Jones made several approaches to CCC to acquire UK Registration No.1000709, but never received a response. In spite of this, Mr Jones subsequently launched a range of men's and boys' jackets and coats in the UK under GERONIMO in December 1999. He has never received objection from CCC to BHCL's expanded use.

CCC sold in October 2000 its rights worldwide to the mark GERONIMO to Seventh Cavalry, Inc. (SCI), whom Mr Jones knows plan to expand into the UK market. In August 2000, he had received written notice of the termination of the Licence from CCC.

You learn that SCI has filed an application to be recorded as registered proprietor of Registration No.1000709 on 5 November 2000 and that SCI filed a CTM application GERONIMO on 8 November, 2000 for all goods in Class 25.

Advise Mr Jones as to:

- (1) What possible action SCI could take in relation to the continued and past use of the mark GERONIMO by BHCL;
- (2) What possible action BHCL could take to protect its position and the likely chances of success of such action.

(15 marks)



**Part A**Question 3:

You act for a new client CHOICE Appointments Plc ("CAP"), a multi-national company providing personnel recruitment services. The company was formed in 1985 and has grown rapidly: until 1995, the company only had offices under the mark CHOICE Appointments in London, the South and South-East of England, but subsequently has expanded its chain of such regional offices to 50+ offices covering most of England and Scotland. However, to date, CAP only has offices in Wales in the South and West of that region in Swansea (opened January 1990), Cardiff (Opened: January 1999) and Aberystwyth (Opened: February 2000). The company also has a chain of such offices in Germany, but currently nowhere else in the European Union. CAP has UK registrations (registration Date 1 October 1992) CHOICE Appointments (stylised words) No.1282543 and CHOICE (Stylised) No.1282544 covering:

"Employment agency services all being provided in England and Wales south of a line drawn between Great Yarmouth and Swansea; all included in Class 35.

The word CHOICE in both registered marks is represented written in a heavily stylised script and both applications proceeded on evidence of past use.

CAP filed a new UK application on 14 October 1999 No.2456938 for CHOICE (stylised). You have filed evidence showing the past use of the mark and the application has been published on 16 September 2000 for "Employment agency services" in Class 35.

CAP has two new problems: they recently opened an office in Norwich in December 1999. That office has located details of a firm trading under the name CHOICE RECRUITMENT in Ipswich (about thirty miles from Norwich). Investigations reveal that this firm is a small but well-established recruitment agency operating since at least 1983. Its activities are currently restricted to a twenty mile radius of Ipswich, but it has within the last month opened a new office in Colchester. This new office is about 15 miles from Norwich and 20 miles from CAP's other local office in Chelmsford (first established in 1997). The Chelmsford Office confirms that CHOICE RECRUITMENT has started advertising in local newspapers in which they also advertise. Both Colchester and Ipswich fall within the geographical region covered by UK registrations Nos.1282543-4.

Secondly, CAP's Aberystwyth office has just learnt that a new recruitment firm has been set up in Bangor under the name CHOICE EMPLOYMENT in September 2000 (40 miles north of Aberystwyth). Your clients have no plans to establish an office in Bangor but they are considering establishing an office in Colwyn Bay (about 20 miles east of Bangor), at some point in the future. Bangor is not in the area covered by UK Registrations Nos.1282543-4.

Advise CAP as to:

1. What action, if any, CAP can take against CHOICE RECRUITMENT and CHOICE EMPLOYMENT and the likely chance of success of such action and
2. What action should CAP take in general to protect its rights in its mark for the future both in the UK and elsewhere in the European Union.

(15 marks)

**Part A**Question 4:

You act for American Insurance Company, Inc. (AICI) who have recently acquired all the shares in the UK company Antonius Limited (AL) an insurance company which has been providing a range of short term life assurance policies under the mark ANTONIUS in the United Kingdom since at least 1992. The short term life assurance market is a niche but highly profitable market. One of the overriding reasons for the acquisition of AL was that AICI are keen to break into this market in the UK. AICI is planning a company reorganisation shortly after which AL will be wound up and the ANTONIUS range of insurance policies will then be sold through its subsidiary, American Insurance (UK) Limited. American Insurance (UK) Limited will then expand the current range of policies sold under the mark to cover ancillary services such as the provision of insurance policies for key company personnel and commercial property insurance policies.

You are contacted by Mr Brown, a senior officer of AICI, who has just spoken to his counterparts at Caesar Medical Limited (CML) who are extremely concerned that a large global company such as AICI are moving into the UK insurance market. You conduct searches of the UK and CTM Registers which reveal a prior UK registration ANTHONIUS no. 1218876 in the name of CML in Class 36 covering "insurance services; assurance, insurance brokerage services" which was granted on 12 July 1990. CML has no CTM applications/registrations for its mark. There are no registrations/applications for the mark ANTONIUS in the name of either AICI or AL. Mr Brown explains that both AL and CML are fully aware of the other party's usage of their respective marks: CML has been using the mark in the UK for at least the last twenty years but only in relation to a range of medical insurance policies. AL's policies are sold through financial advisors who also sell CML's policies but in view of the respective fields of interest, such financial advisors are never confused between the respective products.

Advise Mr Brown on:

- a) what action CML could take against AL or AICI in relation to the continued use and proposed expansion to the use of the mark ANTONIUS in the UK;
- b) the likely chances of success of any such action including what, if any, defences may be available to AL or AICI; and
- c) what action AICI or AL could take to protect its position.

(15 marks)

**Part A**Question 5:

Your client, Peter Wellington (PW) runs a small but successful car valeting business in Taunton, Somerset called WELLINGTON CAR VALET SHOP. It has been operating since 1975.

PW has received a complaint from a multi-national motor company based in the UK called Wellington Cars Limited (WCL). It is claimed that three years ago WCL started to compete in motor racing and to race a car which they call THE WELLINGTON. It has received massive publicity. Last year WCL started to sell a sports car to the general public which they call WELLINGTON CHAMPION and which they say incorporates the performance features developed for THE WELLINGTON.

The complaint is in the form of an open letter from the solicitors for WCL and alleges trade mark infringement and passing off. It states that unless PW agrees to change the name of his business within seven days to one which does not include WELLINGTON, WCL reserve the right to bring proceedings to force him to do so.

The complaint of trade mark infringement relies on a number of marks. You check the Register and the position with regard to the marks can be summarised as follows:

1. Two UK trade mark registrations of WELLINGTON with a device of a car radiator grille dating back to 1970 in respect of "engines and parts and fittings" in Class 7 and "vehicles and parts and fittings" in Class 12. The registrations originally disclaimed exclusive rights in WELLINGTON but last year, on application from WCL, the Trade Marks Registry removed the disclaimer from the Register.
2. A UK trade mark registration of WELLINGTON dated 1 October 1986 in Class 37 covering "motor vehicle construction, maintenance and repair services provided in England, Scotland and Wales but not including any such services offered in the counties of Shropshire or Somerset". The registration was obtained on "evidence of use and special circumstances".

NB: Wellington is the name of a town in Shropshire and Somerset as well as the capital of New Zealand.

3. A UK registration of WELLINGTON CHAMPION for the same goods as at 1) in Classes 7 and 12 dated 31 October 1994 accepted on the basis of earlier rights in the marks at 1).
4. A CTM application for WELLINGTON covering the class headings in all 42 classes filed on 1 April 1996. The application was published for opposition purposes on 10 July 1998 but has not yet proceeded to registration.

Make notes on any possible defences or counterclaims which might be available to PW indicating the likelihood of success, as well as any action which he might take to improve his position.

(15 marks)



**Part B**Question 6:

You are approached by George Dawes, Managing Director of Mega Media Ltd, a computer software house which has been trading under the MegaMedia mark for five years.

George has just become aware of the activities of an unrelated US corporation, MegaMedia, Inc., which has launched its own computer hardware and software products in the United Kingdom with a high profile advertising campaign in the main industry publications.

George is a recent appointment of Mega Media Ltd and is unclear as to the extent of his company's registered IP rights. He tells you, however, that his Board attaches great importance to the reputation the company has built up in its high quality products.

You conduct a search of the UK and Community Trade Marks Registers which shows that your client owns no registered rights. The search does reveal, however, an identical mark registered as at 10 March 1989 for "computer hardware, firmware and software; computer peripheral devices; parts and fittings for all the aforesaid goods" in the name of Brightspark Ltd.

Further research reveals a number of recently published references, all within the last few years, which attribute a technical meaning to megamedia relevant to the field of computer goods.

Advise George Dawes fully as to his company's legal position via a vis:

- a) MegaMedia, Inc.; and
- b) Brightspark Ltd

and outline the courses of action open to his company.

(10 marks)

**Part B**Question 7:

Your client, Drawup Limited, is a UK company which has traded for over 10 years as a supplier of computer software intended for use in connection with office administration services.

It owns a registration of the mark CUTTING EDGE no. 1238759 in respect of "computer software, computer hardware" dated 1 March 1993.

Your client is sent a watch notice advising that a Dutch company, Lieven B.V., has two pending applications which have been advertised for opposition:

- no. 2124682 CUTTING EDGE for "computer software for dating agency services" and
- no. 21244683 THE CUTTING EDGES for "computer software for dating agency services".

You note from studying the optics printout that the two applications are proceeding on the basis of honest concurrent use since 1995.

Advise your client.

(10 marks)



**Part B**Question 8:

Your client, Betterboards Limited (BL) makes magnetic year planners. Customers can stick small coloured magnets onto a metal board marked as a calendar to record holidays, shifts or attendance for up to twenty people.

The boards are sold under the trade mark MAGNETITE and BL has registered MAGNETITE as a trade mark in the UK in relation to calendars and year planners made of metal in Class 6. BL is a long established and successful business.

BL contacts you because they have a dissatisfied customer who is threatening to damage their business. The customer has complained that all the magnets dropped off his board and that he thereby lost all his staff records for the year. The customer has asked for substantial financial compensation but BL say that they have examined the board and there is nothing wrong with it. BL say the magnets must have been removed.

BL has found out that the customer has set up a website. So far it has just two pages. The first reads as follows:

**THE FIRST ANTI-MAGNETITE SITE**

Don't get me wrong, I'm not here to tell you not to buy MAGNETITE, I'm just here to give you information so that you can make your mind up.

I started this site after my business was virtually ruined by the purchase of a MAGNETITE year planner. One night the board de-magnetised and all my data on my staff for the whole year ended up in a heap on the floor.

MAGNETITE are just not interested. They say it is impossible for the board to de-magnetise and that I must have removed the magnets. I say that they are liars and I can prove it.

I will be adding this to the site as I obtain more information and please send me your experiences.

The second page is headed "Merchandise and Fundraising" and offers for sale T-shirts and badges bearing the slogan:

MAGNETITE  
Magnetic year planners  
which de-magnetise at no extra cost

The address of the site is magnetite.co.uk which has been registered as a domain name by the disgruntled customer. BL does not have a website of its own.

BL make most of their sales at this time of year and are extremely concerned that if urgent action is not taken to stop the website campaign it may seriously damage them.

Discuss the remedies available to BL.

(10 marks)

**Part B**Question 9:

Your client, Harp (Dublin) Limited, is an old established firm of confectioners founded in Dublin, Ireland in 1860. They registered their trade mark HARP many years ago in relation to confectionery in 1931 in Ireland and France.

Harp (Liverpool) Limited was founded in Liverpool, England as a subsidiary company of Harp (Dublin) Limited in 1900. Harp (Dublin) Limited arranged for Harp (Liverpool) Limited to register the trade mark HARP also in 1931 in the name of Harp (Liverpool) Limited in the UK.

In 1935 Harp (Dublin) Limited sold the business Harp (Liverpool) Limited together with the UK trade mark registration of HARP to an English company called Cello Limited. The UK trade mark registration of HARP was transferred from Harp (Liverpool) Limited to Cello Limited. In 1935 Cello Limited obtained from Harp (Dublin) Limited consent to use the trade mark HARP in France. In 1956 Cello Limited registered HARP as a trade mark in its own name in Germany.

On 1 April 1996 Cello Limited registered HARP as a Community Trade Mark. The application was unopposed by Harp (Dublin) Limited and proceeded to registration on 1 April 1998.

In 1999 the business of Cello Limited together with its trade marks was purchased by a French company, Music S.A., major manufacturers of confectionery throughout Europe.

Harp (Dublin) Limited immediately revoked consent to Cello Limited for France. Music S.A. challenged the revocation in the High Court but received a judgement confirming that the revocation of the consent was legally binding.

Advise Harp (Dublin) Limited on the following:

- a) what action they might take to improve their position;
- b) whether they can prevent Music S.A. from selling HARP sweets in France; and
- c) whether Music S.A. can prevent them from selling HARP sweets in the United Kingdom.

(10 marks)

**Part B**Question 10:

Your client, Glamour Limited, manufactures and sells perfume under the mark FREEDOM, for which UK trade mark registration no. 1432614 is owned in respect of "cosmetics, perfumery, toiletries and essential oils" in Class 3.

Your client discovers that perfume bearing the FREEDOM trade mark is selling on a market stall at £2.00 a bottle although its usual retail price is £37.00. The client strongly suspects the product is not genuine. The price is way below the cost price and the packaging is an old style which was abandoned at least two years' ago in favour of a more up-market image.

A private investigator whom your client has instructed discovers that the perfume has been sold to the market trader by Diamond Legs Limited, a company which has obtained the product from France.

Glamour Limited is currently experiencing cash flow problems and say they cannot afford the cost of litigation.

Advise your client as to what action can be initiated to stop these sales and the remedies available against Diamond Legs Limited and the market trader.

(10 marks)