

JOINT EXAMINATION BOARD
PAPER T3
ADVANCED UK TRADE MARK LAW AND PRACTICE PAPER

Wednesday 10th November 2004
10.00 a.m. – 2.00 p.m.

Please read the following instructions carefully. Time Allowed – FOUR HOURS

1. You should attempt **FOUR** questions. All questions carry **25 marks**. If more questions than necessary are attempted, they will be marked in the order presented and questions over the required number will be ignored.
2. Where a question permits of reasons being given for the conclusions reached, such reasons should be given.
3. Please note the following:
 - Start each question (but not necessarily each part of each question) on a fresh sheet of paper.
 - Enter the Paper Number, the question number and your Examination number in the appropriate boxes at the top of each sheet of paper.
 - Write on one side of the paper only, within the printed margins using a **BLACK** pen.
 - **DO NOT** use coloured pens or highlighters within the answers – they will not photocopy.
 - **DO NOT** staple or join pages together in any way.
 - **DO NOT** state your name anywhere in the answers.
4. Unless specifically requested answers are **NOT** required in letter form.
5. **NO** printed matter or other written material of any kind may be taken into the examination room.
6. **ALL** mobile phones and electronic aids **must be** switched off and stored away.
7. Answers **MUST** be legible. If the examiners cannot read a candidate's answers no marks will be awarded.
8. **NO WRITING OF ANY KIND WILL BE PERMITTED AFTER THE TIME ALLOTTED TO THIS PAPER HAS EXPIRED.** At the end of the examination assemble your answer sheets in question number order, place your answers in the **WHITE** envelope provided.

The paper consists of 12 pages including this page

QUESTION 1

You have recently filed in the UK an application for the trade mark REAL TRAVEL [words] on behalf of a new client, Rothven International Travel Limited. The filing details are as follows:

Application Date: 1st July 2004

Goods/Services:

Class 16 – Magazines and newsletters; tickets, luggage labels; maps; guides; instructional and teaching materials.

Class 39 – Arranging and booking of holidays, travel and tours; escorting of travellers; arranging and booking of seats for travel; providing tourist office services; travel agency services; transport of passengers by road, rail or air; baggage handling, portorage.

Class 43 – Arranging and/or providing accommodation for travellers; arranging and/or providing meals for travellers; hotel reservation services; restaurant, café, bar and catering services.

Your client advises that it has been using its trade mark REAL TRAVEL for package holidays sold in the UK since March 2001. Its package holidays are not run of the mill but are aimed at a more discerning market wanting less commercialised destinations involving some elements of exploration, trekking or wildlife encounters, staying in generally smaller accommodation with a family run appeal and local character. They advise that this is a niche market which represents only 15% of the total holiday package market but they have grown to be brand leader in this field with their mark REAL TRAVEL and have arranged holidays for over half a million travellers in the last 3 years with average annual turnover of £20M. The latest surveys they have conducted show customer satisfaction of “very good” or more at 73% and last year they won the ‘Best Exploration Holidays’ award from a major travel magazine. Your client is shortly about to launch a REAL TRAVEL magazine to give its customers more information on its unique package holidays.

You have received the attached examination report for your clients’ application.

Advise your clients on their options, including recommendations on responding to the examination report and what further information you would require from your clients.

(25 marks)

QUESTION 1 – cont.**Examination Report****Absolute Grounds for Refusal (Section 3)**

The application is not acceptable; there is an objection under Section 3(1)(b) and (c) because the mark consists exclusively of the words REAL TRAVEL being a sign which other traders may legitimately wish to use in the promotion of their goods or services, e.g. goods or services related to and/or for use in actual and genuine travel, such as tailor made or appropriate to ones needs.

Class 39 – Relative Grounds for Refusal (Section 5)

There is an objection under Section 5(2) because there is a likelihood of confusion with the earlier marks listed below:

- (1) (2) (3)

Class 43 – Relative Grounds for Refusal (Section 5)

There is an objection under Section 5(2) because there is a likelihood of confusion with the earlier marks listed below:

- (2) (3)

- (1) Trade Mark: REAL TIME TRAVEL [Words]
 Application Date: 20th May 2000
 Registration Date: 30th January 2001
 Goods/Services:

Class 39 – Rental of vehicles.

- (2) Trade Mark: REAL TOURS [Words]
 Application Date: 6th April 1989
 Registration Date: 8th April 1992
 Goods/Services:

Class 39 – Arranging and booking of holidays, tours and excursions; providing tourist office services; travel agency services.

Use claimed since October 1983.

- (3) Community Trade Mark
 Trade Mark: REALTO TRAVEL [Words]
 Application Date: 3rd June 2003 (not yet published)
 Goods/Services:

Class 43 – Hotel reservation services; rental of temporary accommodation.

QUESTION 2

You are asked to act on behalf of the author Jo Stone who has produced the best-selling book, "Crimson Lake", a children's book centred around a circus and featuring the characters "Semi Demi" and "Elephant Jo." A Heads of Agreement contract has come through from a major USA film studio who wish to acquire the rights to turn the book into a film. The agent acting for the author has asked you to advise on trade mark issues of the contract before it is executed, the terms of which she is trying to understand. The draft contract that has been sent to her includes, as an opening term, the grant of:-

"a sole and exclusive right to the merchandising of the book "Crimson Lake" and any characters connected therewith."

Jo Stone has already received two offers from third parties not connected with the film studio to license the trade mark CRIMSON LAKE, one for children's toys for France and Germany, the other for clothing for North America. An application has been filed by you for the mark CRIMSON LAKE as a Community Trade Mark and in the USA for the full class heading for Classes 16, 18, 21, 25, 28 and 41.

Your advice is now sought in relation to the following issues:

1. The relevance of "sole and exclusive" within the opening term of the draft contract and consideration of any alternatives.
2. A list of points that should be included in the licence for clothing for North America and for toys for France and Germany.

(25 marks)

QUESTION 3

Your client, Mobiles Online Limited (MOL), started trading in June 1998 from an internet web-site selling in the main mobile telephones with extra features but also offered some standard models and reconditioned models and second-hand mobile telephones. All the mobile phones were leading brands that were not readily available in the UK market. MOL registered in June 1998 the domain name mobilesonline.co.uk (one word) and owns a trade mark registration for MOBILEONLINE (filed June 1998 and registered 6th July 1999) in respect of:-

Class 9 – Scientific, optical, weighing, signalling and telecommunication apparatus and equipment; apparatus for sending, receiving and recording audio and visual signals; data processing apparatus; computer hardware and software; televisions, radios, DVD players and video players.

Class 38 – Telecommunication services.

However, MOL used MOBILES-ONLINE in a logo style showing the word MOBILES in red and ONLINE in blue, both words in a different typeface.

The business was modest. The sales turnover between 1998 and 2000 grew from £250,000 to £1.5 million. Contractual problems with the manufacturers of the mobile telephone restricted the growth of business in the new models market. MOL effectively ceased active trading in the latter part of 2002.

New directors joined MOL as directors with an injection of capital and resolved the contractual difficulties with the mobile telephone manufacturers and MOL is selling the latest models. The business plan is for sales to be in the region of £15-20 million within two years.

The re-launch took place in June 2004 and MOL spent £750,000 in pre-launch promotion and advertising.

MOL contact you because they are concerned to learn within the last few weeks of another internet business selling mobile telephones - mostly old or standard models. That company is trading under the name ONLINEMOBILES. The home page for this other company shows products which are state-of-the-art mobiles, which are the main part of MOL's re-launched business.

You and MOL undertake enquiries which establish:-

1. Online Mobiles Limited (OML) was incorporated in March 2004.
2. The domain name onlinemobiles.com was registered on the 31st March 2004 in the name OML.
3. OML made an application in the UK to register the words ONLINEMOBILES on 24th July 2004 in Class 35 in respect of "bringing together for the benefit of others to conveniently view see and purchase telephones, mobile telephones,

QUESTION 3 – cont.

telephone sales and equipment both by way of services offered through high street shops and/or the internet” – Status Pending.

4. OML started trading on or about September 2004.
5. MOL’s marketing director contacted OML on a pretext trying to buy one of the state-of-art brands featured on the OML homepage and was told that those models are not presently available. However OML offered to supply a telephone featured on the home page within the next 12 months at 20% less than the best advertised price from any other UK supplier.

MOL is concerned about the effect that ONLINEMOBILES will have on its business since MOL is intending to shortly invite new investors to join the Company. You have been requested to prepare a note outlining the trade mark issues for MOL and the steps MOL should take both to ensure that they can continue their business uninterrupted and to stop the continued and further use of the trade mark and website ONLINEMOBILES. For these matters ignore advertising standards practices and uniformed dispute resolutions in respect of the domain names.

(25 marks)

QUESTION 4

You are contacted by Mr Gary Allstar, the ex-lead singer of the band known as “Gary & The Allstars”, who were very popular in the mid-1980s. Gary was the founder of the band in 1983, together with three other musicians, Mike Brown, Steve Jones and Susie Smith. For a while they were hugely successful, but in 1989, citing “artistic differences”, Gary left them to pursue a solo career, still using his name – Gary Allstar – but writing and performing very different music. At that time, the other band members stopped touring, although all of their records were still available.

Following the split, sales slumped quite rapidly in the 1990s, although there was still a fan club and website (www.allstars.co.uk) operated by Susie’s mother. Currently this logs around 40 hits a week.

Gary’s solo career was not a huge success and he also had a lot of trouble with the Inland Revenue about unpaid taxes. Accordingly, he stopped giving any concerts in 1997 and moved to Ireland, although he has recently made several press announcements stating that he plans to start touring again with new material and, having changed his record company, to produce a new album for UK release later in the year.

Gary has contacted you because he has recently learnt from an article in the September issue of New Musical Express that the remaining members of the band have re-formed and recruited a new lead singer (coincidentally also called Gary, who is Susie Smith’s husband). They are proposing to start a nationwide tour under the name “Gary & The Allstars” in January 2005 and will be playing a lot of their new material (written jointly by Susie and Gary), together with some of the “old favourites” from the 1980s. Unfortunately, the original band did not have a written partnership agreement.

Before contacting you, Gary has done a trade mark search and found an application on file at the UK Registry (dated 1 June 2004) for the mark GARY & THE ALLSTARS in classes 9, 16 and 41, for sound recordings, printed material and entertainment services, in the names of Mr and Mrs G. Smith.

In note form, advise your client what his options might be and what further information you may require in order to advise him fully.

(25 marks)

QUESTION 5

Your client, ZOOM, is the latest budget airline, founded three months ago amid a blaze of publicity by ex-Directors of Mega-Air, one of the major worldwide carriers.

Mega-Air has traded for years using the slogan “The Sky’s the Limit” and has registered this as part of their UK trade mark registration number 2351670 MEGA-AIR (The Sky’s the Limit), *inter alia* for transportation services in class 39 and clothing in class 25.

ZOOM, which is intending to compete directly with Mega-Air on most routes, has decided to adopt the slogan “Our Skies are Limitless”. This will appear in all of their print advertising, as a strap-line on their website and, to start the ball rolling, on promotional T-shirts and baseball caps which they are proposing to distribute during a week-long campaign outside High Street travel agents and at the entrances to London Underground stations.

They are also planning to run a series of newspaper adverts promoting ZOOM, in which they will be making direct price comparisons between their flights and those offered by Mega-Air to the same destination. These will be headed “Our Skies are Limitless” and the comparison column with the Mega-Air prices will be headed “Mega-Air Flights”. The comparison column for the ZOOM flights will feature the lowest price available and there will be an asterisk at the head of the column with a note below indicating that this is the case. By contrast, the Mega-Air flight prices will be quoted at non-discount rates.

The advertising campaign is due to start in a fortnight; somewhat late in the day, your client has decided to consult you about the viability/risks involved in what they are proposing.

Make notes outlining the points which you think your client needs to be aware of and any practical suggestions for improving their legal position.

(25 marks)

QUESTION 6

Your client, Greg, is the lead singer in the Polysex group and he has received a letter from a firm of solicitors as set out below.

G.W. Windsor & Co.
16 Eton Terrace
Windsor
KA11 0GB

Mr Greg Polypolous
Flat 102
Holland Park Terrace
London
W2 AHL

2 November 2004

Dear Sir

We act on behalf of the well known music company Polyson LLP and it has recently come to our client's attention that you and your band are using the following marks:

POLYSEX and POLYSONIC.

Our client has a number of registrations all including the distinctive prefix "POLY", details of which are set out below.

1. International Registration No. 750621 POLYSON registered 31st October 1999. Designating UK, France, Italy, China, US and Japan.

In classes 3, 5, 16, 25, 26, 32, 33, 35, 38 and 41 in respect of:-

Class 3 – non-medicated toiletries; cosmetics and perfumes.

Class 5 – medicated skin creams.

Class 16 – printed matter; posters pictures and calendars; books magazines and catalogues.

Class 25 – clothing.

Class 26 – ribbons and bows; haberdashery.

Class 32 – non-alcoholic beverages; fruit juices.

Class 33 – alcoholic beverages.

Class 35: marketing and advertising services; advisory services relating thereto.

Class 38: telecommunication services; electronic transmission services.

Class 41: entertainment; cultural and club services.

2. CTM Registration No. 2591340 POLY CD registered 25th January 2000.

Classes 35, 38 and 41:

Class 35: marketing and advertising services; advisory services relating thereto.

Class 38: telecommunication services; electronic transmission services.

Class 41: entertainment; cultural and club services.

3. CTM Registration No. 3511329 POLY.com (stylised) registered 18th March 2003.

Classes 35, 38 and 41 – as 2. above.

QUESTION 6 – cont.

4. UK Application No. 2683829 POLYSEX filed 3rd October 2004.

Classes 35, 38, and 41 – as 2. above.

5. UK Registration No. 2390063 POLYSON (stylised and device of wolf howling) registered 8th June 1997.

Classes 9, 15 and 16:

Class 9: computer software; unrecorded or pre-recorded tapes or discs for video, audio and/or computerised data signals; telephones; sunglasses; parts and accessories therefor.

Class 15: musical instruments; parts and accessories therefor.

Class 16: printed matter.

Your use of the above marks constitutes trade mark infringement and civil and criminal proceedings can be brought against you.

Unless we receive an undertaking from you that you will cease forthwith all use of these marks and deliver up any infringing goods and literature bearing these marks within 14 days of this letter, we will advise our client to bring the above proceedings and seek interim relief including but not limited to damages, costs and delivery up.

We shall also be writing to all retailers stocking your music to bring their attention to the above.

We look forward to hearing from you and receiving the above undertaking by 16 November 2004.

Yours faithfully,

Your client has been using POLYSEX as the name of its hip hop band approximately the last two years and has had reasonable success. Their first album was distributed only in the US but they have toured the UK and they have just released a new single called "POLYSONIC". It has reached No. 1 in the charts in both the UK and US. Greg has approached a number of companies in the last few years including IMI and is close to signing a recording contract with the company Innocent and therefore he is very concerned about the impact of this letter.

Greg has never heard of Polyson, but his enquiries have revealed that it specialises in native American music; they distribute CDs and sell specialist percussion instruments, but turnover is small, especially in the UK. Greg has checked their website and it shows the mark "Poly Son®" with a decorative totem pole as the 'l'. However,

QUESTION 6 – cont.

Polyson are about to be taken over by IMI, who plan to expand use of the brand into various franchising activities including mobile phones and a new club/restaurant at the IMI headquarters in Leicester Square.

1. What can Greg do to protect his position and defend himself and his band if Polyson instigate proceedings?
2. Draft a letter in reply to G W Windsor & Co.

Ignore any issues relating to conflict of interest involving IMI.

(25 marks)