

**THE JOINT EXAMINATION BOARD**

**PAPER T3**

**ADVANCED UNITED KINGDOM TRADE MARK LAW**

**21ST NOVEMBER 1996**

**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.

**THIS PAPER CONSISTS OF 12 PAGES INCLUDING THIS PAGE 1**

**THE JOINT EXAMINATION BOARD****PAPER T3****ADVANCED UNITED KINGDOM TRADE MARK LAW**

21st November 1996

10.00 a.m. - 2.00 p.m.

**Part A**

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

1. You act for Allied Clean Products Limited ("ACP") an English company of Tottenham, London. ACP produces a range of domestic cleaning products and one of its best selling lines is a lavatory cleaning liquid which is sold under the name ZANTON. The product was first sold in the UK in 1961 and sales have been increasing steadily since then. Today, it is one of the five best known products of its kind throughout the UK. Five years ago ACP started to sell ZANTON in a distinctively shaped blue container.

Following the launch of the blue container, sales rose noticeably but then, two years ago, a company called Pricefix Plc which owned a large number of supermarkets in the South and South East of England brought out its "Own Brand" product under a completely different name but imitating the shape and colour of the blue container used for the ZANTON product. Because of the volume of sales to Pricefix supermarkets, ACP decided to take no action.

Two weeks ago an advertisement appeared in "The Grocer" announcing the launch by Pector Limited (a company not connected with Pricefix in any way) of a new lavatory cleaning liquid under the name of SANITONE. A picture of the product appeared in the advertisement. The colour of the container was white but the shape of the container was quite similar to that of ZANTON. On the label of the new product there appeared the words "Contains added bleach".

Your client sends you the issue of "The Grocer" in which the advertisement appears and says that whereas he felt forced to live with the Pricefix product this one from Pector is going too far, and he wants it stopped. He says that the words "Contains added bleach" explain the change in colour of the container from blue to white.

You check your records and find that ACP has a registration No 678532 for "ZANTON" in class 3 in respect of "Cleaning preparations" which is dated 1 August 1961. However, it was due for renewal on 1 August 1996 and despite your reminders, no instructions were received to renew it.

Advise your client as to its position and list what further information and material you will need for instructing Counsel. (Please note that your client expects your view of the present position now, despite the fact that you will be asking Counsel for his opinion.)

[Candidates should ignore any design issue.]

**(15 marks)**

THIS PAPER CONSISTS OF 12 PAGES INCLUDING THIS PAGE 2

2. You act for Login International Limited ("LIL"), an English company having its registered office in Fleet Street, London EC4.

LIL commenced business 12 years ago in offering a service on line (also available on CD Rom) for information on a country by country basis concerning agricultural prices, data concerning livestock, updates on National Regulations relating to agricultural products and livestock, and predictions concerning the weather.

The business has been successful and the current customer list includes local authorities, trading standards offices, farm co-operatives, food processing companies and one or two large supermarkets. LIL has two UK trade mark registrations for the word LOGIN, one in Class 9 for "Computer software; information stored on the disks, tapes and other electronic media" and the other in Class 35 for "Data processing services and information services".

Having established the LOGIN service in many European countries, LIL decided 6 years ago to enter the market in the USA. A US trade mark registration for LOGIN was obtained in respect of "Data processing services and information services" and also in respect of "Computer software; information stored on the disks, tapes and other electronic media". Four years ago, shortly after the US Registration had been issued, LIL discovered that a company in Kansas called Fast Track Inc. was selling computer software and offering computer services under the name LOGIN. In the correspondence which followed, it was discovered that Fast Track Inc. had been using the name LOGIN in the USA for 4 years prior to LIL's US registration and a settlement was agreed in which Fast Track Inc. said that its activities would be restricted to "software for the maintenance and support of computer programs and services relating thereto".

LIL has now seen a half page advertisement in "The Financial Times" saying that Fast Track Inc. has opened an office in London and its LOGIN products and services are now available in the UK. The advertisement is not very specific about what services are being offered and the Managing Director of LIL has heard that at least 5 local authorities, two of which are customers of LIL, have received an advertising package from Fast Track Inc.

List in note form the points which you would raise with the Managing Director (who wants Fast Track Inc. to adopt a different name in the UK) and whether there are any dangers connected with taking action in the UK against Fast Track Inc.

**(15 marks)**

3. Your client, Mr DEATH WISH, is a US citizen and famous heavy metal band leader who fronts a band of the same name. Mr DEATH WISH is the MD of DEATH WISH Inc. which owns a number of registrations of the trade mark DEATH WISH in respect of entertainment services in Class 41 and video and audio recordings in Class 9.

DEATH WISH Inc. has developed a range of leather and textile clothing and jewellery in the heavy metal style, which has already been on sale for five years in the USA, Canada, Japan, Germany and Scandinavia and has attracted some coverage in the music and fashion press in the UK. Your client has applied to register the DEATH WISH trade mark in the United Kingdom in respect of these goods prior to launching their clothing and jewellery products in the UK. Its application has run into the obstacle of the prior application dated 20 June 1996 for DEATH WISH for "Articles of clothing" in Class 25 in the name of Cool Dudes Ltd., of Manchester, a fairly large clothing manufacturer but with a reputation for producing cheap clothing for the youth market. On further investigation, your client has just discovered that Cool Dudes Ltd. is using the DEATH WISH trade mark on jewellery and on inferior quality clothing.

The band had a successful tour of the UK in 1995 to promote the album HEAVY DUTY, with the spin-off trade in promotional items, such as T-shirts, posters and baseball caps. The items of clothing displayed the HEAVY DUTY logo from the album and carried labels with the company name DEATH WISH Inc. printed thereon.

Advise your client on the options available to him under the current UK laws:-

- (a) to stop the misappropriation of his trade marks and reputation by Cool Dudes Inc.; and
- (b) to protect his trade mark rights in respect of the clothing and jewellery items.

**(15 marks)**

4. You act for the Chartered Institute of Piano Players. Your client, a professional representative body, exists to promote good piano playing and to recruit teachers who train piano players to achieve the prestigious CIPP qualification, which is granted to candidates only after exams are successfully passed. Members use CIPP, if entitled to do so, on business cards and letterheadings. The exams are run by your client. As part of your client's activities, it offers recorded cassettes of good piano playing for sale and also interactive CD-Roms and software for teaching purposes. It sells numerous books on music. Your client runs a library for members to borrow textbooks and sheet music and publishes a monthly Newsletter for members. Your client also offers insurance for piano teachers, since this fills a perceived gap in the market.

Your client has filed a UK Collective Mark application for the mark CIPP for the following services :-

Class 41- "Educational Services; music teaching"

Your client has also filed a UK Trade Mark application for the mark CIPP in respect of :-

Class 9 - "Pre-recorded cassettes; CD-Roms; educational and teaching material in machine readable form; software"

Class 16 - "Books, pamphlets; educational and teaching material in printed form; sheet music"

Class 35 - "Insurance Services"

Class 41 - "Educational and training services; examination services"

Class 42 - "Professional representative services"

Unfortunately, the UK Trade Marks Registry has cited Registration No. 1,123,456 CIPP against both applications. The cited registration dates from 1985, was renewed in 1992 and is registered in the name of Computing Industry Performance Products in Class 9 for:-

"Electrical and electronic apparatus and instruments; computers; magnetic tapes and magnetic disks; software"

On behalf of your client, who has never heard of this company, you contacted Computing Industry Performance Products requesting consent. You received a letter back saying :-

"We would certainly be prepared to consent to your client's registration but require compensation for loss of our trade mark rights of the order of £12,000 plus our own costs."

Prepare a detailed memorandum advising your client on the various options it now has, referring to case law as appropriate.

**(15 marks)**

5 Your client, McTaggart plc, is engaged in the production and marketing of alcoholic beverages and owns registrations for BENGLORAT in respect of "alcoholic beverages, namely Scotch whisky and Scotch whisky based liqueurs" in Class 33 in the United Kingdom, Europe and many other export markets. McTaggart bottles and markets a prestige blended Scotch whisky under the BENGLORAT trade mark throughout the European Union and in many other export markets.

It has been McTaggart's practice to sell surplus supplies of BENGLORAT malt whisky to small independent whisky blenders in numbered casks marked with the name of the BENGLORAT distillery. The terms of sale forbid the purchaser of the cask malt to make reference to BENGLORAT in relation to the product blended and bottled by the purchaser.

From time-to-time incidents have occurred where the first purchasers of the casks of BENGLORAT malt whisky have sold on the casks to other independent blenders and bottlers, who are not constrained by the original terms of sale agreement between BENGLORAT Limited and the first purchaser. Small amounts of bottled blended Scotch Whisky have appeared in the UK market under such labels as CONNOISSEUR LABEL - BENGLORAT, PREMIER CASK - BENGLORAT. These are ranges of whisky products which also use the name of other famous brands of whisky. On testing, it appears that the blends do contain genuine BENGLORAT whisky but that the product is different and generally inferior to the trade mark owner's own BENGLORAT product.

McTaggart has been particularly alarmed to note that the HUNSI German supermarket chain with branches throughout the European Union, including the United Kingdom, now displays an own label brand on its shelves marked HUNSI TOP TASTE - BENGLORAT. Investigations show that indeed the German product does contain some genuine BENGLORAT in the blend. The casks were sold on by the original purchaser to a German blender and bottler. As well as the product itself being inferior, it is felt that the downmarket image of the HUNSI supermarket is not in keeping with the prestige image of McTaggart's own BENGLORAT blended Scotch whisky.

McTaggart has reviewed its past policy of toleration, providing there was some connection with the BENGLORAT distillery, and now wishes to take whatever steps are available to actively protect its reputation in the BENGLORAT trade mark and prevent dilution of its rights therein through unauthorised use of the BENGLORAT trade mark.

Advise client on the action available to him in the United Kingdom to achieve his objective.

**(15 marks)**



**Part B**

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

6. In the TREAT case, Jacob J commented that "the question of factual distinctive character is one of degree" and that the registration of the TREAT mark should be declared invalid because the mark was devoid of distinctive character. Discuss.

**(10 marks)**

7. You act for the National Association for Unmarried Mothers which was founded in 1947 and is a Registered Charity. It obtains its income from a variety of fund raising events, gifts, testamentary dispositions and covenants.

Seven years ago a Mrs Ann Turvey set up an organisation which she called "The Society For Single Mothers" in Southampton and placed at least one advertisement in a local paper. Your client received three or four letters from its own supporters in the Southampton area asking if there was any connection between this new organisation and your client. As a result, your client wrote to Mrs Turvey asking her to use a name which was more distinguishable from that of your client and informing her of the letters which your client had received. Mrs Turvey replied that her organisation was based at the Methodist Church in Southampton, that she had received a specific sum of money for local advertisements and that she had no plans to place any further advertisements. After further informal investigations, your client came to the conclusion that Mrs Turvey's organisation was in a very small way of business. No further correspondence was conducted with Mrs Turvey.

Last week, your client heard that an advertisement had appeared in the "Methodist Times" announcing a fund raising event for the "British Society for Single Mothers" giving an address in Southampton. Also your client heard that this event and the name of the Society had been the subject of a program on Southern TV. Your client is most concerned and has booked an appointment to see you tomorrow.

Make notes on the points which you will be raising with the client during the meeting, including any further information and materials which you think will be needed.  
(Do not consider any relevant provisions of the Charities Act).

**(10 marks)**



8. You have been contacted by the official responsible for the Marketing undertaken by The Shetlands Islands Council, who informs you that they wish to SHETLAND. The main objectives are to :-

- add value to goods manufactured in the Shetland Islands
- promote the Shetland Islands as a tourist and business location.

Difficulties have already been experienced in preventing the use of SHETLAND in relation to honey and wicker baskets with no connection with the Shetland Islands and some assistance has been obtained from Trading Standards officials in such cases. However, the wisdom of obtaining statutory rights to assist with the marketing and protection of a SHETLAND brand for goods and services is perceived by the local authority. Since this is a new project, it can be set up in various ways.

Advise on the pros and cons of setting up the SHETLAND brand scheme on the basis of :-

- a) certification trade mark registration;
- b) collective trade mark registration; or
- c) trade mark registration

in the United Kingdom with particular emphasis on practicality, flexibility, control and costs.

**(10 marks)**

9. Your client, Leathergoods Ltd., has been trading in the UK selling leather goods, leather belts and women's shoes under the trade mark TERPEN since 1980. Leathergoods Ltd. is proprietor of UK Trade Mark Registration No. 1 111 222 of the mark TERPEN for "Leathergoods; handbags" (Class 18) and No. 1 111 223, also of the mark TERPEN for "Articles of leather clothing; footwear" (Class 25). Both registrations date from 1981 and are in force.

Your client's Managing Director now contacts you in great concern. Earlier this month, he was informed by his sales team that quantities of badly made handbags and also shoes are being sold under the mark TERPEN at Sunday markets and car boot sales throughout Eastern England by many separate small stall holders. Immediate enquiries were instigated into this unauthorised use of the trade mark but the firm of private investigators who were employed by your client reported great difficulty in tracking down any one individual or company in the UK who was clearly responsible for selling the fake TERPEN goods to the stall holders for resale. Unnamed sources are, however, said to have informed the investigators that the handbags were being manufactured in Poland. The handbags are sold on to a (so far unknown) middleman who brought them into the UK by road via the Channel Tunnel. The shoes are also made in Poland by an un-named third party and shipped into the UK via the Port of Felixstowe.

Write notes to brief your client on how it can use its Registered Trade Mark rights to stop this, referring to case law as appropriate.

**(10 marks)**

10. Mr Philip Lowe, Managing Director of PL Containers Limited, writes follows :-

*"In March 1995, a friend of mine in the Army was transferred to the Westwick Stores of the British Army. He said that he could get me the contract to supply boxes and other cardboard containers to the Depot but the computer ordering system had the trade mark ALOO in it and I would need to supply the goods using that trade mark. I approached Box Products Limited, who owned the trade mark and they agreed to grant me a licence for a single payment of £750.00, which I made. A copy of the licence, as executed, is attached.*

*Everything went well. This is a very valuable contract. In July this year they asked me to supply some small rigid plastic containers as well under the "ALOO" name and as I did not have the facilities to produce those products, I got my brother's company to do that.*

*Three weeks ago I discovered another company using the name "ALOO" to supply a different Army Depot with cardboard containers. I wrote immediately to Box Products Limited and in reply I received a letter from a Receiver saying that he had sold nearly all the assets including the trade mark registration for "ALOO" to an American company called Magnox Corporation. I wrote to Magnox Corporation and they have now replied saying that as the trade mark has been assigned to them, my licence from Box Products Limited has ceased. They have refused to take any action in relation the infringement which was the reason I wrote to them in the first place."*

Make notes on the points you would raise with Mr Lowe.

**(10 marks)**

**THIS AGREEMENT** is made the 7th day of April 1995.

**BETWEEN :** (1) **BOX PRODUCTS LIMITED**, a company registered in England under No. 1279285 and having its Registered Office at 1 Fleet Street, London, EC4 (hereinafter called "the Licensor");

**AND :** (2) **PL CONTAINERS LIMITED**, a company registered in England under No. 684,755 and having its Registered Office at 7 High Street, Woking, Surrey, GU15 7BX (hereinafter called "the Licensee").

It is now agreed as follows :

1. The Licensor hereby grants the Licensee a licence to use the Licensor's Registered Trade Mark "ALOO" No. 1,000,751 in respect of boxes, packets and containers all made of cardboard and for sale to the Armed Forces of the United Kingdom.
2. The Licensor shall have the right to inspect, on 24 hours' notice, any product made by the Licensee and to be sold under the trade mark in accordance with this Agreement. In the event that any such product is found to be of a lower standard of quality than that contained in the Quality Standards book already in possession of the Licensee, then the Licensor shall be entitled to terminate this Agreement.
3. Either party may terminate this Agreement by giving to the other not less than 2 years written notice to expire on any anniversary of this Agreement.

**IN WITNESS WHEREOF** the parties hereto have signed this Agreement as set forth below:-

Signed by )  
**JOHN FAULK** )  
 For and on behalf of ) \_\_\_\_\_  
 Box Products Limited )

Signed by )  
**SUSAN TRACK** )  
 For and on behalf of ) \_\_\_\_\_  
 PL Containers Limited )