

THE JOINT EXAMINATION BOARD

PAPER T3

ADVANCED UNITED KINGDOM TRADE MARK LAW

19 November 1998

10.00 a.m. - 02.00 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 designations 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.

This paper consists of TWELVE pages, including this page.

PART A

QUESTION 1

You are employed as in-house trade mark attorney for XYZ PLC, which is a multi-national manufacturing group. Grey Wolf (Mumbai) Ltd is a joint venture company where XYZ PLC holds 49% of the shares, and manufactures welding rods. These are exported from India to the UK, and were sold in this country by an independent distributor called Steel Supplies Ltd between 1993 and 1997. Welding rods are sold to end users who are, typically, small-scale metal fabricators and similar businesses.

You are advised that different types of welding rods are needed for use with different types of metal. Therefore, the welding rods are sold to the end user in packs of ten, which are marked with product numbers to indicate their correct end use, thus:

GREY WOLF 303	(for general steel)
GREY WOLF 307	(for steel alloys)
GREY WOLF 503	(for bronze)
GREY WOLF 507	(for bronze alloys)
GREY WOLF 703	(for aluminium)
GREY WOLF 707	(for aluminium alloys)

Grey Wolf tell you that Steel Supplies regularly sent them faxed purchase order forms which referred only to the product numbers; for example:

200 packs	10 x 303's	£.....
400 packs	10 x 507's	£.....
100 packs	10 x 703's	£.....

Likewise, you are told that the sales personnel of Steel Supplies sent out invoices to the end users by reference to the product number only; for example:

2 packs	10 x 303's	£.....
3 packs	10 x 507's	£.....

The distribution agreement between Grey Wolf and Steel Supplies Ltd was terminated by Grey Wolf in December 1997. It is not the practice of Grey Wolf to repurchase stock held by its former distributors, so Steel Supplies were left holding stock worth some £200,000.

You are told by Grey Wolf that their new distributor in the UK has complained that Steel Supplies is aggressively marketing welding rods to the same end-users of the products, and is undercutting them. Steel Supplies is doing so using the following product numbers:

SS 1303	(for general steel)
SS 1307	(for steel alloys)
SS 1503	(for bronze)
SS 1507	(for bronze alloys)
SS 1703	(for aluminium)
SS 1707	(for aluminium alloys)

Make detailed notes of the questions you need to ask, any documents you need sight of and any further investigations you need to make, before you are able to advise XYZ PLC.

15 Marks

QUESTION 2

Mr A, a potential new client, asks to see you. At the meeting, he shows you two letters. The first is from Hennekeys Trade Mark Agency, which reads as follows:

Dear Sirs

Trade Mark LEIGH BODY SCENT

Following your instructions by telephone to carry out trade mark searches on the above mark, which you propose to use in respect of men's perfume, we advise that our trade mark assistant has carried out searches on the UK, Community and International Registers of granted and pending marks. We found no mark identical to the proposed trade mark for the goods, and we advise that you appear free from the searches we have carried out, to use and register this mark for your goods. However, you should consult trade sources as to the extent of any unregistered rights existing in similar or identical marks.

Yours faithfully

Hennekeys Trade Mark Agency

On the basis of these searches, Mr A. tells you that he commissioned artwork for packaging, as well as a series of advertisements in various men's magazines to promote his perfume, all promoting the trade

mark LEIGH BODY SCENT. These were published between June and August 1998, and made sales of £150,000 as a result.

The second letter is from a firm of solicitors called Manchester & Co and reads as follows:

WITHOUT PREJUDICE

Sirs

Trade Mark LEEBODY

We act for the large catalogue company Leebody & Co Ltd. As you will presumably be aware, Leebody & Co has been trading for 70 years under the trade mark LEEBODY which is used inter alia in respect of sales of Leebody & Co's own-brand perfume and men's cosmetics. The aforesaid goods bear the trademark LEEBODY prominently on the packaging and containers. Our client's trade mark is registered in the UK according to the following details:

Mark: LEEBODY

Registration No. 1222 333

Class: 03

Good: "Non-medicated toiletries perfumes; cosmetics, soaps and oils"

Date: 12 January 1975

Next Renewal: 12 January 2006

Advertised before Acceptance Section 18(1) proviso

We are aware of your use of the mark LEIGH BODY SCENT and would like to invite you to cease using the mark within Fourteen Days of the date of this letter and provide us with written undertakings that you will forthwith adopt a trade mark colourably dissimilar to the mark LEEBODY, or face action accordingly.

Yours faithfully

Manchester & Co

Mr A. asks you whether he must stop using the mark LEIGH BODY SCENT as a result of this law from Manchester & Co, and whether he needs to scrap his artwork, remaining packaging, and the advertisements he proposed to run before Christmas. He is now considering the need to relaunch his product under a different trade mark, and is very angry. He wants to know if he has any grounds for action against Hennekeys Trade Mark Agency, because he did not understand their advice.

You carry out a search on the trade mark LEIGH BODY SCENT, and you find that Registration No. 1 222 333 LEEBODY is on the Register and in force.

Write a letter advising Mr A.

15 marks

QUESTION 3

Your client is a company that manufactures speciality teas. Since 1953 one of their most popular ranges has been a selection of china teas sold in containers shaped like a pagoda. They originally had a registered design covering the shape and configuration of the container but that expired in 1977. Shortly afterwards they applied for and subsequently registered as a trade mark, a line drawing of the container in accordance with the following details.

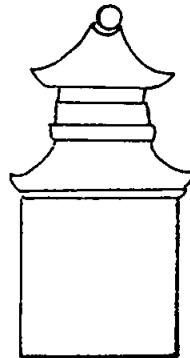
Mark: DESIGN (See right)

Registration No. 999888

Class: 30

Goods: Tea

Date: 13 April 1977



The client's teas are available throughout the UK and are sold in grocery stores and supermarkets as well as the food halls of large department stores.

Your client has now been notified that a major supermarket chain has been selling their own brand teas in pagoda shaped containers and wants your advice as to whether he can prevent that use based on his registration and what he describes as his company's considerable reputation in tea sold in this shape of container. He concedes that, apart from the shape of the container, the actual get up of the supermarket's product is different from that of his company and prominently features the supermarket's name but he is concerned that his customers would buy the supermarket tea thinking it had emanated from his

company and had simply been rebranded.

Make notes of the advice you would give your client and recommend a course of action.

15 m

QUESTION 4

On behalf of your clients, Berkmeyer Zigarettenfabriek GmbH & Co KG you have applied to register the following mark at the UK Trade Marks Registry:

Mark: DUCARRO

Application No: 2345675

Date: 13 February 1998

Class: 34

Goods: Cigarettes and tobacco products; smokers' requisites.

The application was advertised for opposition purposes in October 1998 and you have since received a letter from a firm of UK solicitors acting for the estate of the late Jenny Ducarro. You are aware that Jenny Ducarro was an internationally famous pop singer who died of lung cancer aged 47 in 1996 after a career spanning some 30 years. Jenny Ducarro's music has continued to be popular since her death and has acquired almost cult status. A recent market research survey concluded that her name was recognised by at least 60% of the adult population of Europe and the USA. An extract from the letter reads as follows:

" We act for the estate of the late Miss Jennifer Ducarro which is the successor in title to the following UK registered trade mark:

Mark: JENNY DUCARRO

Registration No: 1113444

Date: 13 November 1986

Classes: 9 & 41

Goods/Services: Recorded musical performances all included in Class 9; live musical entertainment services included in Class 41.

Merged registration

Proprietor: Miss Jennifer Ducarro

We also act for the Jenny Ducarro Memorial Fund which is the applicant for registration of the

following UK mark:

Mark: JENNY DUCARRO
Application No: 2113223
Date: 14 March 1998
Classes: 36, 41 & 42
Services: Charitable fundraising. Education services. Counselling related to nicotine addiction.
Proprietor: The Jenny Ducarro Memorial Fund

You and your clients will no doubt be aware of Miss Ducarro's reputation as a singer and of the tragic circumstances of her early death which was attributed to the effects of secondary inhalation during her singing career.

Our clients have become aware of your client's application to register DUCARRO in respect of tobacco products and have instructed us to request that the application is withdrawn forthwith failing which they will file formal opposition. We are also instructed to request that you provide us with details of any use of the name DUCARRO which has been made in the UK.'

Draft a letter to your clients detailing the grounds on which the application could be opposed and your assessment of the relative strengths of each side's case. List any further information you may require from your clients.

15 marks

QUESTION 5

Your client is managing director of Silverstream Limited, a family run road haulage business. The company has only one trade mark (registered or applied for), details of which are as follows:

Mark.: SILVERSTREAM
Registration No: 2111111
Date: 5 November 1995
Class: 39
Services: Warehousing, transport and delivery of goods.

information and advisory services, and the
aforegoing services.

In 1995, your client's son, who is the IT manager of the company, designed a piece of software which monitored the loads on the trucks, tracked routes, and generally made the business more efficient. The software has been sold under the trade mark SILVERSTREAM, since November 1995, to other haulage companies, through a wholly owned subsidiary company, called Silverstream Software Limited. Silverstream Software Ltd had a gross turnover of £220,000 in the financial year to April 1998.

Silverstream Software Limited has recently received a letter from an firm of US Attorneys representing Silverstream, Inc (Delaware) an extract of which follows:

"Our client's attention has been drawn to your use of the trade mark SILVERSTREAM. We note that you appear to be selling software under the name SILVERSTREAM. Please be advised that our client owns the following trade mark registered at the Office for Harmonisation in the Internal Market:

<i>Mark:</i>	<i>SILVERSTREAM</i>
<i>Registration No:</i>	<i>65386</i>
<i>Date:</i>	<i>1 April 1996</i>
<i>Class:</i>	<i>9</i>
<i>Goods:</i>	<i>Electric and electronic apparatus and instruments; optical apparatus; computer hardware and software; computer peripheral devices; data processing apparatus; recordable tapes, disks and cassettes; pre-recorded tapes, disks and cassettes.</i>

We have advised our clients that your use of SILVERSTREAM in relation to computer software constitutes clear infringement of their registration and we are writing to request that you cease use of the name SILVERSTREAM

Your client is outraged by this letter and would like your advice as to the legitimacy of Silverstream Inc.'s claim, and as to what, if anything, he should do about it.

Prepare notes on the points you will cover during your forthcoming meeting with the client including details of any further information you will need.

15 marks

PART B

QUESTION 6

Your client is the South Downs Wine Growers Association Limited ("SDWGA"). The SDWGA represents the interests of the 60 farmers in Sussex and Hampshire who grow grapes using organic (pesticide-free) farming techniques and produce and bottle wine for commercial sale. This must meet minimum MAFF bottling hygiene standards. Each farmer is a shareholder in the SDWGA and contributes an annual levy to fund its activities.

The farmers label their wine as they see fit, normally using the name of their farm or the nearest village. However, all wine produced in the SDWGA region shares certain distinguishing features, due to the similarities of climate and in particular the chalky soil on which the vines are grown. Therefore, for many years the SDWGA has promoted the regional identity of its members' wines in the national press, at exhibitions and to trade buyers. As part of its promotional activity, and in order to provide another source of income, the SDWGA itself runs a small vineyard producing wines, which it sells. Now, the SDWGA wants to register its initials as a collective mark so that farmers can use the mark on their labels in order to associate their wine more clearly with the SDWGA region.

In preparation for a meeting with your client, set out the main areas which will need to be covered in Regulations under the Trade Marks Act 1994 for a collective mark, taking into account what you are told of the client and the members' businesses, and any further questions you need to ask.

10 marks

QUESTION 7

Your client is Xavier SA of Switzerland. Xavier manufacture very expensive and exclusive gold watches under the well-known XAVIER trade mark, and have done so for 120 years. In common with other manufacturers, Xavier are increasingly troubled by the activities of counterfeiters, and the worst of these at present is a Mr Lo. Your client has already carried out detailed investigations, and tells you the following story.

Mr Lo is a Javanese national who owns a factory in Taiwan capable of manufacturing tells of thousands of watches bearing the well-known XAVIER trade mark, which he is not authorised to use. He does not, himself, ever visit the UK. His watches are very good quality - certainly not the "Christmas cracker" end of the market - and consequently could quite easily he mistaken for genuine XAVIER watches. They arrive in the UK in crates which are clearly marked "XAVIER watches, manufactured under licence of Xavier SA", and so far, this has enabled them to pass through customs.

Mr Lo has an informal network of dealers who can readily distribute the watches once they are landed in the UK. These are generally recruited by word of mouth, and many different people are used for

each consignment. There is no UK office or other premises; the watches are collected by Mr Lo at or near the point of entry into the UK. A member of Mr Lo's extended family arranges for the distribution of the watches to the dealers, then returns to Java.

Generally, the dealers sell boxes of a hundred watches to independent sub-distributors, who will sell on to the general public via market stalls or car boot sales. At the point of sale, the sub-distributors all have signs stating that the goods are "Xavier watches, made in Taiwan". Mr Lo's watches sell for 20% of the price of a genuine Xavier watch (which is manufactured only in Switzerland) and he first started importing watches into the UK in 1997.

Outline the various legal remedies available to your client, Xavier SA, to seek to prevent the import and distribution in the UK of watches manufactured by Mr Lo and discuss the suitability of the various remedies available. The trade mark *Xavier* is registered in the UK under No 2000789 for "All goods in Class 14". As will be clear from the above, Mr Lo's *modus operandi* is known to your client: so you do not need to consider further investigations. There are no relevant Registered Designs, and you should ignore any consideration of design right.

10 marks

QUESTION 8

You act for a Scottish whisky distillery which manufactures a single malt whisky named after Benisla the Hebridean Island on which the distillery is located. They have registered the following mark through OHIM.

Mark: *BENISLA*

Registration No: *345555*

Date: *5 May 1996*

Class: *33*

Goods: *Alcoholic beverages*

Seniority: *UK 345654 4 June 1959*

The client's marketing manager writes to you to say that whilst on holiday in Greece he came across a product called CREMA BENISLA which he describes as a filthy concoction of whisky and cream. Internal investigations revealed that the manufacturer of CREMA BENISLA is a customer of theirs to whom they sell a cheaper blended whisky of a lower grade than the BEN BENISLA branded product. It also appears that the product has found its way on the UK market via shops selling Greek foodstuffs

and wines. The whisky is sold to the Greek manufacturers in barrels marked Benisla Dist. Benisla, Scotland. Your client would like your advice as to how it can prevent the name being in relation to the Greek product.

Draft a letter to your client advising on their position and the action they should take.

10 marks

QUESTION 9

Your client is The Borchester Building Society, a mutual company incorporated in 1922. In 1995 a forward thinking Director of the company approached an internet service provider and arranged for them to register the domain name **borchester.co.uk** in the name of the building society. When in 1998 the building society engaged a consultant to design and create a web site, it was dismayed to discover that the domain name had recently been re-allocated to Borchester Financial Services Limited, a firm of independent financial advisors. The client has been unable to establish precisely how this came about but it understands that the original service provider recently went into liquidation as a result of legal action being taken against it by another customer whose unused domain name was re-registered in the name of a competitor.

Your company has the following registered trade mark:

Mark: BORCHESTER BUILDING SOCIETY

Registration No: 112356

Date: 1 November 1986.

Class: 36

Services: Financial services but not including any such services provided 30 miles of Borchester town hall.

Advertised before acceptance

Borchester Financial Services Limited has been trading since 1997 and has an office in Borchester High Street. It offers advice on investments, mortgages, pensions, insurance and life assurance. Your client explains that they have had few instances of confusion between themselves and Borchester Financial Services because The Borchester Building Society is well known throughout England & Wales whereas the financial advisors are a small four partner firm with a small client base centred mainly in Borchester.

The client's main concern, apart from the loss of the domain name is that members searching the internet for Borchester Building Society or the word 'Borchester' in combination with descriptors such as 'mortgages' and 'loans' were directed to the site of Borchester Financial Services.

Write notes on the advice you would offer referring to decided cases where appropriate.

10 marks

QUESTION 10

You act for Steed & Peel (1774) Ltd, an exclusive gunsmith which, like almost all of its competitors, has its head office and flagship store in Purley Street, London W1. Purley Street is known to all country sports enthusiasts as the place to buy top quality shotguns. The only shop in Purley Street which is not a gun shop is Cholmondely's which sells equestrian clothing and saddlery. Your client has the name STEED & PEEL registered for firearms and ammunition in Class 13 but has no other trade mark applications or registrations.

One of the directors of Steed & Peel was recently bemused to receive a birthday present of a bottle of aftershave labelled "PURLEY STREET by Alvin Stein" and having a picture of a hunting rifle on the label. He tells you that, although his company does not currently sell men's toiletries, the board had been exploring the possibility of expanding their range of merchandise and did not want to be put in a position where they could not use the name of their prestigious address when marketing goods other than guns. He comments that recent firearms legislation has affected all his competitors and that anyone with any sense will wish to diversify.

You conduct a search of the register which reveals the following application:

Mark: PURLEY STREET

Application No: 2555555

Date: 1 April 1997

Class: 3

Goods: Essential oils, perfumery, toiletries, cosmetics.

Applicant: Alvin Stein Couture S.A.

The mark was advertised for opposition purposes six weeks ago.

Advise your client on the prospects of his company successfully opposing registration of the mark.

10 marks