

THE JOINT EXAMINATION BOARD

PAPER T3

ADVANCED UNITED KINGDOM TRADE MARK LAW AND PRACTICE

22ND NOVEMBER, 2001

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 (25 marks each).
2. Where a question permits of reasons being given for the conclusions reached, such reasons should be given.
3. 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.
4. Unless specifically requested answers are **NOT** required in letter form.
5. **NO** printed matter or other written material may be taken into the examination room.
6. Answers **MUST** be legible. If the examiners cannot read a candidate's answer no marks will be awarded.
7. **NO** writing whatsoever, including numbering of papers, is allowed prior to the commencement of the examination or after it has finished.
8. **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 **ten** pages including this page

THE JOINT EXAMINATION BOARD

PAPER T3

ADVANCED UNITED KINGDOM TRADE MARK LAW AND PRACTICE

22ND NOVEMBER, 2001

10.00 a.m. – 2.00 p.m.

Question 1

RUNNER

You act on behalf of the US corporation, Global Beverages, Inc. (GBI), a worldwide multinational drinks manufacturer. Since 1985 GBI have sold a non-alcoholic glucose-based drink under the mark RUNNER. The product has been sold worldwide and in the UK under advertisements promoting the health giving and invigorating nature of the product. TV advertising has often featured references to sporting and gymnastic events. However, market research in the UK and worldwide shows that the beverage is bought by a large range of members of the public as a general "pick me up" and is particularly bought for children and the sick.

UK sales commenced in 1990 and since launch all sales have been through GBI's UK licensee, UK Beverages Limited (UKB). Under a licence dated 1989, UKB were licensed to use the mark RUNNER in relation to non-alcoholic beverages in the UK on an exclusive basis, such licence being terminable on 3 months' notice by GBI. Quality control provisions were contained in the licence agreement, but your contact at GBI confesses that their worldwide licensees are in reality left to their own devices and he doubts that these provisions were ever enforced. GBI have the following UK registrations.

Mark	Reg. No.	Date of Reg.	Date of Grant	Goods
RUNNER (word)	1235869	01/01/91	30/05/92	Class 32: Mineral and carbonated water and other non-alcoholic beverages; fruit drinks and fruit juices; none being for runners and athletes.
TORCH (word)	1356978	30/04/96	01/03/97	Class 32: Mineral and carbonated water and other non-alcoholic beverages; fruit drinks and fruit juices; none being for runners and athletes.
TORCH (device)	1238973	30/06/92	05/06/93	Mineral and carbonated water and other non-alcoholic beverages; fruit drinks and fruit juices; none being for runners and athletes.

Registration No.1258973 is for two-dimensional representation of a Device of a flaming torch.

You receive a letter dated 19 November 2001 from the agents for UKB alleging non-use of the mark RUNNER by GBI; requesting the voluntary cancellation of that registration; and threatening revocation for non-use. You learn from your clients that their relations with UKB have been deteriorating for some time. It was decided by GBI to terminate the licence agreement. A meeting was held with UKB on 1 September 2001 at which Notice of Termination of the licence was given. UKB now plan to sell their product directly into the UK. Your clients believe that UKB are planning to launch a competing product after termination of the licence. Searches reveal that UKB have a UK trade mark application FAST RUNNER (words) No. 2387590 filed 1 September 2001 covering "non-alcoholic beverages" in Class 32. The application is still pending.

Searches also reveal that your clients' registration RUNNER co-exists alongside the following UK Registrations:

Mark	Reg. No.	Date of Reg.	Date of Grant	Goods
MILE RUNNER (words)	1387501	15/10/94	14/6/96	"Non-alcoholic beverages" in Class 32.
BLADE RUNNER (words)	1687543	03/11/95	12/12/96	Class 32: non-alcoholic beverages, fruit juices. Class 33: alcoholic beverages; wines; spirits.
LONG DISTANCE RUNNER (words and device)	1535236	25/01/95	14/7/98	Class 32: non-alcoholic beverages; fruit juices

However, your clients are not aware that any third party has ever used a mark containing the word RUNNER on a soft drink in the UK.

In addition, your clients believe that UKB are intending to launch shortly a new non-alcoholic beverage sold in a bottle in the shape of a flaming torch. The product will be sold in combination with the word mark FIREBRAND. Your clients believe that UKB's bottle will be very close to the representation portrayed in registration TORCH DEVICE No 1258973. Your clients explain that they have been selling for a number of years worldwide a non-alcoholic beverage product under the mark TORCH (word) combined with the representation of a torch on its label. For commercial reasons, however, in the UK, GBI changed their label and only sold the product in the UK under the mark TORCH (word). You understand from your clients that this product has been sold in the UK since 1994 and is extremely successful both in the UK and worldwide. UKB was not licensed to use the TORCH mark and sales in the UK have been through a separate licensee. Your clients confirm that the copyright in the original drawings for the TORCH Device has expired.

Advise clients by letter as to what action they can and should take in relation to the above.

Question 2

WONDER

Your client Queen's Chocolates (QC) are English manufacturers of chocolate. They sell products throughout Europe including in Estonia, Finland, Latvia, Lithuania, Norway and Sweden.

One of their most successful lines is WONDER, a presentation box of high quality chocolates which is packaged in a gold wrapper with a red ribbon to which is tied a small label bearing the trade mark WONDER. The box is further packaged in a sealed clear film wrapper. The food labelling information and other written information is printed on a card inside the box.

QC have registered WONDER (word) as a Community Trade Mark No.57405 dated 1 April 1996 in relation to all goods in Class 30 including chocolates. They have also registered WONDER (word) as a national UK registration No.2122345 dated 1 April 1996 covering confectionery in Class 30 and a Madrid Protocol registration No.700701 dated 2 January 2001 (based on UK registration No.2122345) covering Estonia, Finland, Latvia, Lithuania, Norway and Sweden.

Your clients tell you that there are significant differences in tastes for chocolate. Because of this, QC make the same product according to two different recipes: Recipe A for the UK/Irish market and Recipe B for the market in the rest of Europe. The two products look exactly the same. The only differences are :-

- the taste
- the ingredients listed on the card
- the languages on the card – the product intended for the UK/Irish market contains a card written in English only. The product intended for the rest of Europe contains a card written in three languages, none of which is English.

It is a requirement in the UK that ingredients be listed in English.

The product is manufactured under contract at three sites in Ireland, Sweden and Latvia. Manufacture in Ireland is all according to Recipe A. Manufacture in Sweden and Latvia is all according to recipe B. It is part of the contract that the manufacturer will only sell products made from Recipe A in the UK and Ireland and will not sell products made from Recipe B in the UK and Ireland.

Your clients tell you that they have become concerned about the quality of their product available in the North East of England. They have received a letter from a Swedish business man based in Newcastle on Tyne saying how pleased he is to be able to buy his favourite WONDER chocolates in the UK with the same taste as they have back in Stockholm. However, the business man expresses surprise that white chocolates have been introduced into the range.

Your clients tell you in addition :-

- that chocolates made according to Recipe B are never intended to reach the UK market even though Scandinavians based in the UK are always complaining that WONDER chocolates do not taste right in the UK.
- that they have not introduced white chocolate. They have tested the product available in Newcastle and it had turned white because it has not been stored properly.
- that the product available in Newcastle is made according to Recipe B but contains a label written in English. It must therefore have been repackaged.

- that WONDER chocolates are more expensive in Sweden than in the UK but cheaper in Latvia.
 - that the clients have not yet been able to establish the source of the products because the slip containing the batch numbers has apparently been removed when the product was repackaged.
 - that the alternatives are (a) that the product has been imported from Latvia to benefit from the price differential or (b) that the product has been stolen in Sweden and imported.
 - that they are starting to get complaints from NE England that the taste of WONDER chocolates has changed for the worse.
1. Prepare an outline to your clients of the legal position as it relates to their problem. Consider in particular whether there is a difference if :-
 - a) the products were manufactured in Sweden.
 - b) the products were manufactured in Latvia.
 2. Include in your outline advice on the steps the clients might take to improve their position.

Question 3

RECORDBREAKER

Your client is an English company, Devel Limited. Devel plan to launch a new range of biscuits under the trade mark RECORDBREAKER and the Managing Director has asked for your advice prior to launch. The biscuits are an unusual shape, consisting of five rings inter-lined in a straight line. The packaging is intended to be dark green and to bear the words "RECORDBREAKER - Olympic Standard Biscuits".

You carry out some preliminary online searches (full availability searches are planned) on being told of your client's plans. You have been asked to advise the marketing team in a meeting to be held next week of any suggestions you have or problems that you foresee arising. Your searches have found the following marks :-

1. UK registration No. 1998867
RECORDMAKER Class 30: Confectionery.
Application date: 3 May 1983
Registration date: 3 May 1984
Proprietor: Dylan Limited.
2. Unpublished UK application No. 215476 for the colour emerald green pantone no 315
Classes 29 and 30: All goods in each class.
Application date: 1 April 1999
Proprietor: Berrys Limited

You have spoken with your client about the registration owned by Dylan Limited. Your client advises that they know the company well and it only makes plain boiled sweets.

Berrys Limited is a major manufacturer of confectionery which uses an emerald green coloured foil wrap for many of its products, and such use has continued for over 20 years.

The clients are also aware that for many years there ran a children's television programme called 'The Recordbreakers' although an online search has not found any trade mark registrations for this mark. The programme dealt with 'fun' world records such as the length of longest sausage and the length of the longest TV programme and ceased being broadcast two years ago. This was not a programme for which any spin off items were ever produced.

Write a letter to your clients advising :-

- a. What risks there may be in proceeding with the plans that they have outlined; for
 - (a) launch of the product
and
 - (b) registration of the name.
- b. What further steps should be considered prior to launch.

Question 4**WHITEHOUSE**

Your client, Whitehouse Plc, a long established company, having been incorporated in 1929 is principally involved with the sale and manufacture of aerated drinks. The company name was J. Whitehouse Ltd until 1986 when it changed its name; before 1929 the company traded under the name of the founder, John Whitehouse Aerated Drinks.

In 2000, through a series of mergers, they have acquired two independent companies involved in the general area of supplying tea and coffee, both to the domestic market and to the catering and supplying vending markets. The new integrated group, will adopt WHITEHOUSE as a house mark across all products. Other than as their company name, the client has not used WHITEHOUSE, as a brand on any products whatsoever. However, the client has for many years been known by suppliers/city investors simply as Whitehouse.

In addition to soft drinks, tea and coffee, they will be supplying such goods for the vending market, as well as selling their own vending machines for use in offices and workplaces. The plan is for all products to be identified by the name WHITEHOUSE.

On the 14th July 2001, an application was filed under No. 222111 to register WHITEHOUSE in respect of the following :-

- Class 9 - Vending machines, electrically controlled automatic dispensers, and token operated dispenser for foods and drinks; parts and fittings for all aforesaid goods.
- Class 29 - Milk powders; preparations made from milk, fats, starches, sugars for use in making beverages.
- Class 30 - Coffee, tea, cocoa, drinking chocolate; coffee essence, coffee extracts, mixtures of coffee and chicory, all for use as substitutes for coffee, sugar, confectionery, edible ices, cakes and frozen foods.
- Class 32 - Non-alcoholic drinks and preparations for making drinks; fruit flavoured beverages.

You have now received the report from the trade marks Registry which is as follows :-

- Grounds for refusal Section 3. The application is not acceptable : there is an objection under Section 3 (1)(b) of the Act because the mark consists of the non-distinctive common surname Whitehouse (appearing 259 times in the London Telephone Directory).
- Class 9.
- Matters arising under Section 5 : relative grounds for refusal of Section 5. There is an objection under Section 5(2) because there is a likelihood of confusion with the earlier mark, which is as follows :-
 - (M) 777111 (09, 16, 35, 38 & 42).
 - Office of origin : Germany.
 - Date of international registration : 25th November 1989.
 - Date of protection in the United Kingdom : 20th May 2000
 - WHITEHAUS [word]
 - Class 9 - Electrical and electronic apparatus and instruments, all for use with telecommunication apparatus and instruments; optical, measuring, signalling, controlling and/or teaching apparatus and instruments; apparatus for recording, transmission, processing and reproduction of sound, images of data; machine run data carriers; automatic vending machines and mechanisms for coin-operated apparatus; data processing equipment and computers.

- Class 16 - Printed matter, especially stamped and/or printed cards of cardboard or plastic; instruction and teaching material (except apparatus); office requisites (except furniture).
- Class 38 - Telecommunication; operation and rental of equipment for telecommunication, especially for broadcasting and television; collection and provision of news and information.
- Class 42 - Computer programming; data base services, namely rental of access time to a data base; rental services relating to data processing equipment and computers; projecting and planning services relating to equipment for telecommunications.
- Whitehaus Telecom A.G.
Frankfurt, Germany.
- Class 29.
- Relative grounds for refusal, Section 5 (2) because there is the likelihood of confusion with the earlier mark listed below :-
 - 11000011 - 2nd January 1989 - (Class 29).
 - THE WHITE HOUSE FARMYARD [words]
 - Meat, fish, poultry and game all being fresh; meat extracts; dairy products; eggs.
- The White House Farms Ltd
Ipswich, Suffolk.
- Class 30
- Relative grounds for refusal. Section 5(2) because of the likelihood of confusion with the earlier marks listed below.
- 2200220 - 30th April 1997. (Class 30).
- REDHOUSE [word]
- Coffee, coffee substitutes, tea, cocoa, sugar, rice, tapioca, sago, flour and preparations made from coffee, bread, pastry, confectionary, ices.
- Big House Tea and Coffee Company Ltd
London W1.
- No. 2200220 - 30th April 1997 (class 30).
- YELLOWHOUSE [word]
- Coffee, coffee substitutes, tea, cocoa, sugar, rice, tapioca, sago, flour and preparations made from coffee, bread, pastry, confectionary, ices.
- Big House Tea and Coffee Company Ltd
London W1.

You have checked the Registry database and all four marks are registered.

You have learnt from the client, that the plans to market the full product range under the trade mark WHITEHOUSE have been brought forward and the launch will take place early March 2002.

You are asked :-

1. To write a letter to the Managing Director, of the various options and steps to be taken.
2. To provide clients legal department with a outline of the arguments you propose to make either in writing to the Registrar or at a Hearing. In the skeleton outline you must make reference to any reported cases.

Question 5

GIORGIO VIVACE

Your client, Vivace S.p.A. (Vivace) is a high profile fashion house based in Italy. The company was established in 1963 and since the early 70's has sold a range of ladies clothing and accessories in the United Kingdom under the name of its founder and principal designer GIORGIO VIVACE. The range has traditionally been sold through small exclusive boutiques as well as two leading retailers in London.

In 1994 Vivace, S.p.A. was approached by Dunleys Plc (Dunleys) who were keen to introduce designer concessions into their national chain of department stores. An agreement was eventually reached and since 1996, Vivace has produced a range of ladies casual / leisurewear which has been sold in the United Kingdom exclusively by Dunleys. The casual range, which is a departure from the usual tailored style of GIORGIO VIVACE clothing, is sold under the trade mark VIVACE DIFFUSION and has been well received on the High Street with sales of jeans and T-shirts being particularly high. Vivace has also been involved in campaigns with charitable organisations as part of which they have designed T-shirts for sale through Dunleys' stores. The T-shirts have all borne a specially designed logo which consists of the two letters G and V entwined. The first campaign over Christmas 1998 drew a great deal of publicity for Vivace and since the T-shirts have proved popular, Vivace now has plans to use the logo on other items, in particular jeans, jackets and sunglasses which will be introduced in the spring / summer 2002 collection.

The client advises of the following trade mark registrations owned by its parent company Georgio Vivace AG based in Switzerland.

Mark	Country	Reg No.	Date of Reg	Date of Grant	Goods
GIORGIO VIVACE	UK	1087641	02.06.79	03.01.81	Class 25 Articles of clothing; footwear and headgear
VIVACE DIFFUSION	UK	1321046	23.10.94	20.12.95	Class 9 Spectacles, spectacle frames; sunglasses; cases for spectacles and sunglasses; parts, fittings and accessories therefore Class 18 Handbags, purses, wallets, travel cases, vanity cases Class 25 Articles of clothing, footwear and headgear
GV Logo	CTM	597911	02/11/96	03/11/98	Class 9 Glasses, spectacle frames, sunglasses, cases and accessories for sunglasses Class 25 Articles of clothing; footwear and headgear

Vivace S.p.A's Italian Attorneys administer a watching service for their client and have recently undertaken an internet audit. The audit has found a website which appears to be selling VIVACE clothing and has a web address of www.vivace.co.uk. Investigations have established that the domain name is registered to an English company called Vivace Limited which was incorporated in March 1999. The website bears the following notice;

© Vivace Limited 2000

The home page is boldly headed "Vivace Limited -BETTER THAN THE ORIGINAL" and allows the user a number of options to select the product of interest. Under "T-shirts", the website displays three T-shirts designs, two of which bear the client's GV logo on the front left handside and the other carrying the words GIORGIO VIVACE in the same position.

Under "Casual Wear", the website offers jeans of a similar design to those of the client although the rear label simply bears the mark VIVACE rather than VIVACE DIFFUSION. The website also offers GIORGIO VIVACE baseball caps GIORGIO VIVACE belts and sunglasses bearing the GV logo.

The website invites payment by credit card and provides direct home delivery of the selected goods. Samples of the jeans and T-shirts obtained do not suggest that the goods are of inferior quality and whilst they arrived in plain packaging, the jeans purchased bore a swing label simply marked VIVACE Ltd.

The client is anxious to address the situation as regards Vivace Limited, particularly since the discovery of the website has coincided with several instances of customers of Dunleys' stores asking for the new VIVACE sunglasses which are marked with the GV logo. Vivace wishes to take all available steps to prevent the sale of these goods and the mis-use of the VIVACE name.

The client's Italian Attorneys have asked you to advise them of the client's position and set out the options available to them together with your recommendations.