

Joint Examination Board

Paper T3

Advanced UK Trade Mark Law and Practice

Wednesday, 12 November 2003 - 10am - 2pm

Please read the following instructions carefully. Time Allowed - four hours

1. Candidates should **attempt FOUR of the six questions**. This paper comprises 8 sheets including this.
2. Each question carries 25 marks.
3. Where a question permits of reasons being given for the conclusions reached, such reasons should be given.
4. Write on **ONE SIDE** of the paper only in **BLACK INK**. Start each question (but not necessarily each part or section of a question) on a fresh sheet of paper.
5. As you start a fresh sheet of paper, put the paper number (T3) and question number clearly in the two boxes on the left at the head of the paper and your candidate number in the single box provided on the top right hand side of the answer paper.
6. Do **NOT** give any indication of your name on your answer script.
7. No printed matter or other written material of any kind may be taken into the examination room. **All** mobile phones and electronic aids **must be** switched off and stored away.
8. Please write clearly, as illegible answers cannot be marked.
9. **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 to hand in.

This paper consists of **8** pages including this one

Question 1

You receive today, 26th November 2003, an e-mail from the in-house lawyer of a small manufacturing company, Milanos Limited :-

“I have just received a watching notice and details are attached. As you know, I am about to go on three weeks holiday this evening and it will not be possible to contact me, so you will need to deal with this in my absence.

The founder and original owner of Milanos Limited, Guiliana Ferrano, registered MILANOS some time ago. The details are set out below. I have searched our company records and can find no documents which confirm any formal transfer of those rights personally held by Guiliana Ferrano to the company, which would also include the registration. That said, I confirm that whilst she has not been active or held any executive positions with the company for some years, she is still our life-long president and retains a majority shareholding in the company.

We are currently using MILANOS in the United Kingdom but only on vanity cases and luxury slippers with crests/initials, and all orders are via the Internet.

We have used various styles for the mark MILANOS, and the one which we are using at the moment is “*Milanos*”. We used to distribute a full range of luxury handmade shoes several years ago, and we are presently in negotiation with an Italian company to expand our range again. Samples have been sent to them. James Spencer was one of our marketing employees.

By the way, one of the versions on the watching notice we received appears to be the same stylisation as our current MILANOS logo. We want to object to this application.”

MILANOS

Advertised before acceptance. Section 18(1) (proviso).

UK Trade Mark Registration No. 2023110.

Filed : 25/05/1986

Registered : 30/07/1989

Class 25 : Footwear.

Proprietor : Guiliana Ferrano

Watching Notice

UK Trade Mark Application No. 2880121

Milanos online/milanosware/Milanos (stylised)[series of three]

Filed : 03/01/2002

Published : 28/08/2003

Class 18 : Handbags and cases.

Class 25 : Clothing, footwear and headgear.

Class 35 : The bringing together for the benefit of others a range of products in the field of luxury items, giftware and clothing apparel.

Applicant : James Spencer.

Draft Statement of Grounds for opposition and write a memorandum in note form for your client about the general points to be considered.

(25 Marks)

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Question 2

You have received a refusal for a UK trade mark application for a shape mark, the base of a chair/table/footstool. The objections are as follows :-

- Section 1(1) and Section 3(1)(a): mark not capable of distinguishing goods.
- Section 3(1)(b): mark devoid of any distinctive character.
- Section 3(2)(a): mark consists exclusively of the shape, which results from the nature of the goods, i.e., bottom part of chair/table/footstool.

The shape mark is described both with a photograph and the following description: the marks consists of four arched legs with a single central point in a petal style. You decide not to file arguments but to request a Hearing. The day before the Hearing, the Registry forwards copies of Internet extracts which consists of mainly US sites; and one French and one Italian website. These Internet websites show ranges of furniture not manufactured by your client and undated, but they show the bases of furniture of the same general design.

Your client has provided you with a video of TV advertisements; advertisements which have appeared in most DIY/home furnishing magazines; advertisements that appeared in Sunday supplements for the most popular weekend papers. All these advertisements show the furniture and base being highlighted as being a distinctive, aesthetic and practical feature. The client has extensive EU sales figures for the 10 years prior to the date of application. You have also been provided a survey from the client carried out 2 years ago and only 20% of the public did not recognise the client's furniture. The public was shown the whole piece of furniture. The base, which is the subject of the application, is a feature consistent to all client's furniture, and has been consistently used from the time your client first commenced producing this range of furniture.

Prepare skeleton arguments for the Hearing to include the relevant case law and advise on the steps to be taken if unsuccessful at the Hearing, and discuss and inform clients as to the evidence that might be required.

(25 Marks)



Question 3

Mr J. Smith, a newly appointed Marketing Director of your client, Splash About Limited (SA), has contacted you. He explains he has just joined the company from the leading toiletry company in the UK, Eljay Toiletries Limited (Eljay), and is seeking your advice regarding a launch in the UK of a product range similar to the Eljay range of children's bubble bath products. He feels that there is a substantial market in a type of novelty bubble bath, in which Eljay has enjoyed a monopoly as a result of certain patents and designs, which he believes have expired.

Eljay has been marketing since the mid 1960's a children's bubble bath sold in a six pointed star shaped container made of an opaque material which dissolves upon contact with water. The container holds a liquid bubble bath which can turn bath water into any one of four colours depending upon the colour liquid in the container. It is very popular with children and is the market leader in this field. The product is sold in bright yellow outer-packaging and the trade mark STAR LIGHTS appears on the packaging, together with a picture of the star shaped container and, in lesser prominence, the trade mark ELJAYS.

Mr Smith sees an opportunity of extending SA's existing bath range of toilet soap, bath foam and shower gel, currently branded SPLASH ABOUT, to have a range of children's bubble bath. He plans to sell the new product range which will be three different shapes in the same packaging consisting of a 5-pointed star, a sun and a crescent moon; the outer packaging will be similar to the existing SPLASH ABOUT packaging, which is a square box opaque blue and showing the words SPLASH ABOUT in stylised script. It will have a drawing or possibly a photograph of children playing in a bath with soap bubbles and the shapes. Mr Smith advises that research has shown that the shapes are particularly attractive to children.

Further discussions with Mr Smith, and enquires have established :-

1. Eljay registered as separate trade marks in 1995 3-dimensional shapes for :-
 - a. a six pointed star;
 - b. a sun; and
 - c. a crescent moon.

All three registrations were for "bubble bath" and evidence of distinctiveness was filed in respect of each.

2. Searches reveal that Eljay had patents in materials which have expired; and registered designs taken out in the 1960's by Eljay for various shapes applied to soap and bubble bath have expired.
3. It appears that Eljay has always used a 6-pointed star shaped mark. According to Mr Smith, the other two shapes were intermittently used, possibly on the advice of the Eljay's legal department. It is difficult to establish whether the two other shapes have been used in the past 5 years; but there is every indication that there has been no use.

You are asked to advise in a memorandum in note form on the prospects of SA being able to use the three shapes in question and the various actions that may be available to SA.

(25 Marks)

Question 4

You receive a phone call from the Managing Director of Drummer Limited. Drummer is an old established UK company, which manufactures and sells toothpaste. One of its important products is a smokers' toothpaste called BRITEWHITE, which is sold both in the United Kingdom and in many Commonwealth countries. The BRITEWHITE packet bears the device of a polar bear on a dark green background. For the last five years, Drummer has used the slogan both on the packet and in advertising on billboards "BRITEWHITE - Cleaner and Fresher than a Polar Iceberg". In small lettering on the packet are the words "made with hand-chopped herbs". Sales were at their peak in the 1970's when BRITEWHITE was the brand leader but sales have been in decline with the reduction of smokers in the United Kingdom. Sales currently run at about £200,000 per annum.

Advertisements are still placed but these days mainly in dentists' and doctors' surgeries. The brand BRITEWHITE is still a market leader in India where the goods are produced under licence from Drummer.

The Managing Director is concerned because two incidents have come to his attention. The first is that toothpaste is being imported and sold in independent chemists in the United Kingdom under the mark BRITEWHITE. The imports appear to be the product produced under licence coming from India, because investigations show that the Indian-manufactured product contains a chemical no longer used in the English product. Test purchases that your client has carried out indicate that the product being sold may be two years older than the recommended shelf life. The Indian licensee, when contacted, claimed no knowledge of any of their products being exported anywhere from their factories or outlets.

The second incident that has come to your client's attention is that the supermarket Smarts has launched a mouthwash called BRIGHT WHITE. The packaging of the product, which is a bottle, shows pictures of penguins, seals and polar bears standing on an iceberg. The legend on the bottle includes the words "hand selected mint". Smarts used to sell Drummer's BRITEWHITE toothpaste but three months ago delisted it and is now simply selling off remaining stocks.

Having not consulted you until very recently, Drummer has no trade mark registrations in the United Kingdom although it has just filed a Community Trade Mark application for "all goods in Class 3" for the mark BRITEWHITE following an earlier telephone conversation with you.

The Managing Director has asked you to outline in a memorandum for him :-

1. The causes of action available and his chances of success;
2. What other facts you will need to be able to advise fully;
3. What remedies might be available, and how quickly these will be available.

Ignore the issue of any action in India.

(25 Marks)

Question 5

Discuss all the possible ways in which liability for Trade Mark infringement under the Trade Marks Act 1994 might be avoided with reference to case law and statutory provisions.

(25 Marks)

Question 6

In 1935 Paul Harris formed a company based in Southampton called HARRIS COMPANY LIMITED (“H”) bottling and selling alcoholic drinks under the trade mark HARRIS’S in a unique script. The Trade Mark was registered in the UK in the script under No. 796887 on 3^d January 1966 in relation to “cider and wine” in Class 33. The drinks were mainly cider bottled in the UK and sold throughout the UK.

By 1970, H was trading on its own behalf and through a licensee HARRIS (OF WHITBY) LIMITED (“W”). The principal shareholder of W was Paul Harris’ son Frank Harris. Frank had first worked with his father in H but in 1969 he wanted to move from Southampton to Whitby and the two agreed that it would be easier if they each had their own company. Both companies produced the same range of drinks sharing supplies and labels. They consulted about all aspects of the business.

Over the course of the next thirty years, the two businesses began to grow apart as Paul and Frank sold their shareholdings to others in their respective companies. H developed the cider range to include sparkling wines and cider based mixer drinks; W followed the Campaign for Real Ale and specialised in beers including imported specialist lager beers, fruit beers and draught ciders. The parties ceased discussing their respective businesses with each other or supplying each other.

This situation continued until August 1999 when your client Peter Jones bought the whole business of H and the UK trade mark registration No. 796887. By that time the business of W was not in any contact with H but on sale of H disclosed to Peter Jones that H had originally given a letter to W consenting to their use of the trade mark provided the then current quality standards were maintained although no formal licence or agreement could be traced.

Peter Jones comes to you now because he wants to know if he can stop W from using the trade mark HARRIS’S. He has done nothing about W since he purchased the business but he is worried that he will have trouble finding investors if there is another HARRIS’S product on the market. You check the Trade Marks Register and find that W registered HARRIS’S as a UK trade mark in a different logo under No. 2322122 in Class 32 and 33 “beer, lager stout and porter; cider; non-alcoholic beer, lager and cider; shandy and fruit drinks” on 20th September 1995 on grounds of honest concurrent use.

You are asked to advise in a letter on the position generally and the further steps Mr Peter Jones should take to secure his business for future investors.

(25 Marks)