

THE JOINT EXAMINATION BOARD

PAPER T3

Advanced United Kingdom Trade Mark Law and Practice
Wednesday 7th November 2007

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:
 - a. Start each question (but not necessarily each part of each question) on a fresh sheet of paper;
 - b. Enter the Paper Number (**T3**), the question number and your Examination number in the appropriate boxes at the top of each sheet of paper;
 - c. The scripts are photocopied for marking purposes. Please write with a **dark inked pen** on one side of the paper only and within the printed margins, and do not use highlighters in your answer;
 - d. Do not state your name anywhere in the answers;
 - e. Write clearly, examiners cannot award marks to scripts that cannot be read;
 - f. Reasoning should always be given where appropriate.
4. Under the Examination Regulations **you may be disqualified from the examination and have other disciplinary measures taken against you if:**
 - a. you are found with unauthorised printed matter or other unauthorised material in the examination room;
 - b. your mobile phone is found to be switched on;
 - c. you copy the work of another candidate, use an electronic aid, or communicate with another candidate or with anyone outside the examination;
 - d. you continue to write after being told to stop writing by the invigilator(s). **NO WRITING OF ANY KIND IS PERMITTED AFTER THE TIME ALLOTTED TO THIS PAPER HAS EXPIRED.**
5. **At the end of the examination assemble your answer sheets in question number order and put them in the WHITE envelope provided.** Do not staple or join your answer sheets together in any way. Any answer script taken out of the examination room will not be marked.

The paper consists of 15 pages including this page

QUESTION 1

You act on behalf of Vancara Limited, a leading manufacturer and distributor of caravans in the United Kingdom. Your clients have recently acquired all the shares in a small company called Tidee Limited. Tidee Limited produces a range of storage devices for caravans. Their most successful product is an unusual triangular bin, silver grey in colour, where all three sides are the same length and which opens via a door on one side. The bin is prominently marked TIDEE CLIPPER. The product has been manufactured and sold under the mark in the UK continuously since 1985. The number of units sold has risen from 3,000 in 1985 to 3 million in 2006. Advertising costs between 2000 and 2004 have been varied, but the Tidee company has spent on average around £60,000 per year promoting goods under the mark. The product bearing the trade mark has been promoted in various publications such as "Caravan Weekly", "Your Caravan", "Home from Caravans" and "Trailer". It is clear from the advertisements and various promotional leaflets that there is always reference to the words TIDEE CLIPPER.

For the past ten years, a slogan has also been used in advertising and on the packaging of the goods – "Your Friend in The Corner". For the last three years, the marketing department has insisted on edging all advertisements for the TIDEE CLIPPER with a pattern of triangles.

TIDEE CLIPPER has been registered as a trade mark for storage containers in the UK since 1985.

Two months ago, sales representatives from your client discovered that bins of identical shape were appearing in the UK market, imported from China by Clutter Limited, an English company. These bins are being supplied largely by marine supply shops but your clients have also obtained a leaflet and price list from a caravan warehouse which claimed to have stocks of 'Clutter bins' for immediate supply. The Clutter product is identical in shape and is a similar grey colour to the TIDEE CLIPPER but it bears the trade mark CLUTTER on the outer packaging in which the bins are sold. No trade mark appears on the bin itself, but it is decorated with a pattern of triangles on each edge. The leaflet which your sales representatives found shows that the CLUTTER bin is being promoted with the words 'Your Mate In A Box'.

During the last week, Tidee has received a phone call from a supplier asking whether the new CLUTTER products are being manufactured for them under contract and a letter from a customer asking why they are now producing a product that does not have the name TIDEE CLIPPER on it. The photo enclosed with the letter clearly depicts Clutter Limited's product. Tidee has also received a query about payment not received for an advertisement placed in Caravan Weekly, addressed to Clutter Limited.

Your client has asked you to advise Tidee Limited:

1. What actions if any are available to them to stop the sale of the new Chinese bin by Clutter? (Include advice on their chances of success). **(14 marks)**
2. Whether they would be able to obtain an interim injunction (explain your reasoning) **(3 marks)**
3. What additional protection should they be seeking to protect themselves in the future and what are their chances of obtaining this protection? **(8 marks)**

Please make notes for a meeting with your client to be able to respond in full to these questions.

(Ignore any aspect of copyright or design right)

25 marks

QUESTION 2

You are asked to act for a new client, Brite Lites Limited, which has used the trade mark BRITE LITES for a range of beauty accessories - cosmetic brushes, nail brushes, manicure sets, nail clippers, nail files and nail buffers since 1998, all being sold through small local supermarkets in the Greater Manchester Area. Eighteen months ago the company decided to expand its range to include a perfume and a perfumed soap which are also sold under the BRITE LITES mark. The soap and perfume products have been on sale for about a year and are sold in the same local shops. Your client has recently secured a deal with SuperKhem, the national high street drugstore chain and your client hopes to start selling the entire BRITE LITES range in the SuperKhem stores shortly. Your client has so far taken no steps to register its trade mark. You have assessed the goods of interest with your client and have classified them as follows:

- | | | |
|----------|---|---|
| Class 3 | – | Perfumes, eau de toilette, cologne; soaps |
| Class 21 | – | Cosmetic brushes; nail brushes; manicure sets, nail clippers, nail files, nail buffers. |

Your client has asked you to conduct a search which discloses the following marks:

(1)



UK Application Date: 16th October 1999

Registration Date: 29th April 2001

Proprietor: Styletimes Limited

Use claimed since: September 1990

Class 3: Soaps; perfumes; preparations for the hair.

Class 8: Hair styling appliances; electric devices for curling, waving brushing, straightening or treating the hair.

Class 21: Brushes (except paint brushes); combs and sponges.

(2) **BRITE LIGHTS [Words]**

UK Application Date: 20th September 2003

Registration Date: 4th March 2005

Proprietor: Heverhill Limited

Class 44: Beauty salon services; beauty consultations and demonstrations; provision of facials; manicure services; pedicure treatments; sun tanning services; depilatory waxing services; relaxation services; reflexology services.

(3) **BRITE LITES [Words]**

UK Application Date: 20th June 2007 (not yet published)

Proprietor: SuperKhem Limited

Class 3: Perfumes, colognes, eau de toilette; soaps; non medicated toilet preparations.

Class 21: Cosmetic brushes; nail brushes; manicure sets, nail clippers, nail files, nail buffers.

Your client has also done a quick check on the Internet and has found some use of mark (1) on electrical hair care equipment but says that BRIGHT LIGHTS now seems to be used in the device of a tulip rather than the poppy shown in the search and does that make any difference? The search also shows that although Styletimes mainly supplies electrical hair care equipment of various sorts, it does sell hair conditioner and hairspray under the name BRIGHT LIGHTS NON-MEDICATED (enclosed in the poppy logo)

Your client advises you that mark (2) BRITE LIGHTS is known to them and that Heverhill has been operating some 12 beauty salons under that name for about 4 years, concentrated mainly in the South of England. The salons have been widely advertised and written about in national press and women's and beauty magazines on account of their innovative and therapeutic beauty treatments and in particular, for their 'Beauty Therapy Days' where clients can have a range of beauty treatments and instruction.

Advise Brite Lites Limited:

(1) on the possible problems it may face in using and registering its mark and any defences it may have. **(17 marks)**

(2) What positive action it could take against the marks disclosed by the search, if any, in order to strengthen its position. **(8 marks)**

25 marks

QUESTION 3

You have recently acquired a new client, Wizzymix Blenders Ltd, which makes food processors and blenders. In 1992 they introduced a new design of hand blender, the WZM 2, which has a clear housing around the blender shaft. Food being processed is drawn up into the clear housing and is thus visible to cooks in a column above the level of the bowl. This makes it easier to tell when the food has been sufficiently blended. Unfortunately there was nothing patentable about this. Wizzymix have, however, enjoyed excellent sales of the WZM 2 blender, rising from some 500 units a year in 1993 to more than 40000 units last year. Advertising for the WZM 2 always highlights the unusual clear column and shows how attractive the blender looks when mixing foods such as carrot soup.

The Managing Director of Wizzymix emails you as follows:

'Help! We have received a letter from Mega Corporation's US lawyers, alleging that we infringe one of Mega Corporation's trade marks. As far as I know Mega Corporation has never traded over here, which is probably why we've never crossed swords before. Also, their blender works on a completely different principle, having mixing blades all the way up the shaft, so you need the plastic housing to protect users from the blades. I suppose the plastic is clear for the same reason ours is. Anyway, the fact is that we do use a transparent chamber as part of the external surface of our blenders which is identical to what they say they have registered, so please tell us what we can do. You'll see they say they want a reply in fourteen days or we'll be in court.'

The letter from the US lawyers draws attention to UK registered trade mark no. 2596445 and alleges that Wizzymix's use of a clear plastic chamber infringes that registration. The final paragraph warns 'Unless we receive appropriate undertakings, duly signed by an authorized signatory on behalf of Wizzymix Blenders Ltd by close of business fourteen days from the date of this letter, our clients will commence proceedings for infringement of trade mark and passing off.'

You obtain details of UK registration No 2596445, which are as follows:

Application date: 3rd February 1996

Registration date: 14th June 1998

(Series of Two)

"The mark consists of a transparent chamber or container forming part of the external surface of a blender examples of which are shown in the representation" (see *next page*)

Goods: Class 7: electric hand mixers; food mixers and attachments thereto, food processors, beaters, mixers, blenders and whisks for use in preparing food and drink.

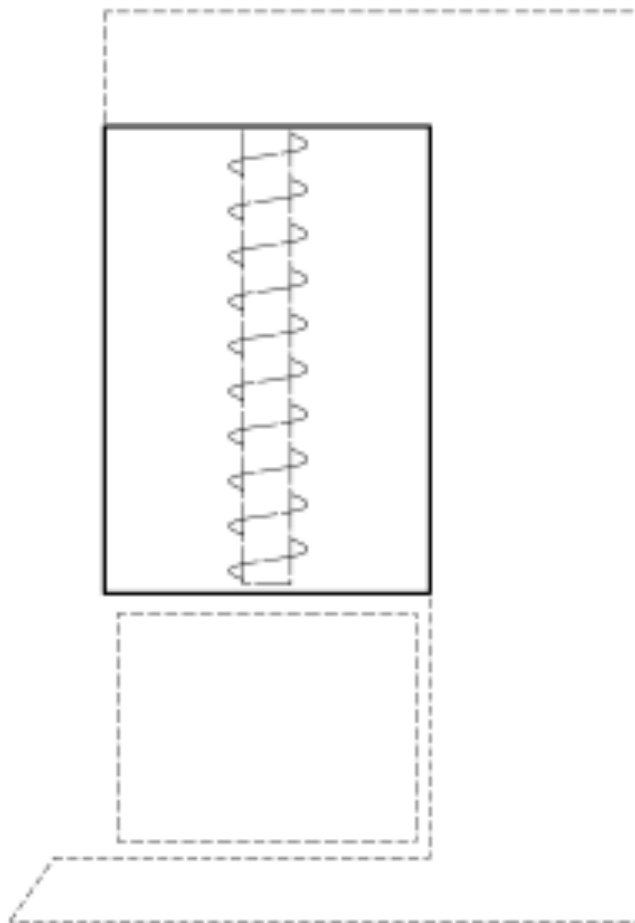
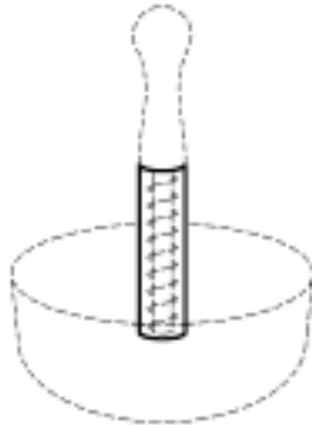
Proprietor Mega Corporation Inc.

Advise Wizzymix as to:

- (1) The strengths and weaknesses, if any, of Mega Corporation's case in
 - (a) infringement **(5 marks)** and
 - (b) passing off **(3 marks)**;
- (2) Any countermeasures they should consider taking and all the relevant provisions of the Act and any case law they might rely on. **(17 marks)**

Ignore any aspects of copyright or design

25 marks



QUESTION 4

A partner in your firm has asked you to take over responsibility for a number of files for a fashion company, Lavine Limited. Lavine's range includes a line of sport/utilitarian clothing and satchels and courier bags for men and women using natural fibres and dyes. Lavine has been selling the clothing and the bags under the name FREEDOM through department stores in the UK since 1997.

The FREEDOM range is designed by Sienna McMurtry who is very well known for her views on animal rights. Sales of the FREEDOM products have always been good and in the last three years sales revenues have exceeded £9 million per year. Lavine's market research shows that the typical FREEDOM wearer is under thirty, a graduate, a vegetarian and is likely to have attended at least one music festival. Lavine's marketing is aimed at this niche market but sales are mostly generated by word-of-mouth, with relatively small amounts being spent on advertising.

Four years ago Lavine responded to customer demand by opening specialist FREEDOM shops in Exeter and Reading and since then have expanded to open a shop in each of London, Manchester and Edinburgh.

The files you have inherited are as follows:

File A contains a watching notice.

UK Application No. 2389721



Application date: 16th October 2007 for:

Proprietor: Prima A/S

Class 35: On-line retail services, all connected with the sale of furniture, interior furnishings, household goods, office supplies, stationery, bags, cases, wallets, cosmetics, bath products, towels, bedroom products, clothing and footwear, housewares, electrical products, kitchen products, tableware, storage.

The application is not yet published.

Prima A/S is the well known Swedish furniture and lifestyle store. Prima has been selling a range of stationery, storage bags and office and home storage solutions under the name FREEDOM in the UK for the last 10 years. As far as you are aware Prima do not use the name FREEDOM for any other goods.

File B is the file for the client's application:

UK Application 2389603 FREEDOM

Application date: 2nd October 2007

Proprietor: Lavine Limited

Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; Leather accessories, bags, handbags, wallets, key cases, change purses, portfolios.

Class 25: Clothing, footwear, headgear; shirts, polo shirts, T-shirts, sweatshirts, jackets, coats, pullovers, articles of underclothing.

A file note reads "spoke to Mr Brown at Lavine before finalizing the application. He approved the specifications and stressed it was important to try to make sure nobody used the FREEDOM name for leather goods as 'Sienna would never stand for it'. I said in that case we might have a problem with class 18 and explained why".

A cutting with an extract from an interview with Sienna McMurtry in the Sunday Review is also on file, in which she is reported as saying "meat is murder, and leather is the skin of murdered creatures. I'd never design anything in leather or allow my name to be associated with it."

Also on the file is a search report which discloses:

UK Registration No. 2105335 FREEDOM

Filing date: 25 July 1995

Registration date: 28 April 1997

Class 16: Paper, cardboard and goods made from these materials, not included in other classes; stationery; typewriters and office requisites (except furniture).

Class 18: Bags; folding canvas storage boxes, canvas suit bags, canvas under-bed storage bags, leather and imitations of leather, and goods made of these materials and not included in other classes.

Class 25: Clothing, footwear, headgear.

Proprietor: Prima A/S

Prepare notes for a meeting with your client to discuss:

- 1) what grounds, if any, they may have for opposing Application No 238972 and their chances of succeeding in such an opposition, noting any further information you may require; **(11 marks)**
- 2) what grounds Prima may have for opposing Application No 2389603 and their chances of success; **(7 marks)**
- 3) any other issues raised by Prima's rights and any other steps which should be taken to safeguard Lavine's interests as far as possible. **(7 marks)**

25 marks

QUESTION 5

You act for Rhumbaba SA, a rum producer based in the Caribbean island of Santa Dominga. Your client's AGUA CALIENTE* brand of sixty year old rum has been sold world-wide since 1863 and is world renowned. All exports from Santa Dominga are controlled by Rhumbaba SA and the exported goods are supplied only to carefully selected distributors, including Hervey Brothers of St James's in London, who are, by contract with Rhumbaba, the exclusive distributors for the UK. Additionally, Rhumbaba sell AGUA CALIENTE rum to tourists visiting Santa Dominga. Tourists may buy up to \$40,000 of rum in this way but must sign a certificate confirming it is for personal use and will not be sold on.

Your clients have a UK registration of the word mark AGUA CALIENTE in respect of 'Spirits (beverages)' in class 33 dating from 1971, which is valid and subsisting.

(*'Agua Caliente' means 'warm water' – nothing turns on this for the purposes of the question).

To use up excess supplies of young cane spirit and to diversify into a more modern market, Rhumbaba introduced a rum based carbonated drink called EMIXIR in 2004. They supply the drink in different flavours for different markets, grapefruit flavoured for the relatively sophisticated UK market and a somewhat cheaper pineapple flavoured version for French tastes. UK sales are better than expected, with a high take up in the young adult market. The EMIXIR bottles have ordinary paper labels bearing the trade mark and other information. At the bottom of each label is a code which indicates the batch to which the bottle belongs and the market (UK, France or Germany) in which the product is intended to be sold.

EMIXIR was registered in the UK on 14 July 2004 for "Carbonated flavoured rum based beverages"

Two issues have arisen on which your clients seek your advice:

1. Your clients tell you that they have recently come across bottles of AGUA CALIENTE rum being offered for sale by Cheap & Cheerful Discount Wine warehouses in the UK.

Your clients say they have not appointed Cheap & Cheerful as distributors and would not dream of supplying AGUA CALIENTE to discount warehouses of that sort, and, in any event, the distributorship agreement with Hervey Brothers would prevent them from doing this. Coding on the labels indicates that the bottles were sold in Santa Dominga to a Canadian tourist, Isla van Uver. Cheap & Cheerful say that they bought cases of the rum from an order of nuns in Canada and then imported them into the UK. The nuns confirm that they acquired the rum as a charitable donation from Ms van Uver. Cheap & Cheerful comment that most people would need at least two life times to drink \$40000 worth of rum. Rhumbaba want to stop these sales if possible, because Hervey Brothers are complaining about the effect of the imports on their sales.

2. Rhumbaba's UK customer complaints department has received several letters from customers either complaining about 'the tatty look of the torn and over-stickered labels' on bottles of EMIXIR or commenting, sometimes unfavourably, on 'the recent change in EMIXIR's taste'. Expert examination of the affected bottles shows that they are genuine French (pineapple flavour) EMIXIR but the coding at the bottom of the label has been ripped away and the original list of ingredients in French has been replaced by an inaccurate English translation on a sticky label. The sticker shows the bottles to have been imported from France by Gris Imports Limited.

Prepare a letter of advice to your client's chief international Legal Counsel:

- a. Explaining what registered or unregistered rights Rhumbaba has, if any, to stop the sales by Cheap & Cheerful **(5 marks)**
- b. What defences, if any, Cheap & Cheerful could raise **(7 marks)**
- c. Explaining what rights Rhumbaba has, if any, to stop the imports by Gris Imports **(5 marks)** and
- d. What defences, if any, Gris Imports could raise **(8 marks)**.

25 marks

QUESTION 6

You act for Luxus Limited, a company specialising in the manufacture and distribution of medical equipment for laser treatment of skin conditions, including ageing, pigmentation and scarring. This equipment is prominently marked 'LUXUS Laser'.

Luxus owns a UK registration of the mark LUXUS, No 2009341, application date 12 July 1995, registration date 9 September 1997 (renewed in 2005), covering

Class 10: Medical lasers, apparatus for the application of laser radiation for medical purposes.

Class 44: Medical services for treatment of the skin.

Luxus has reached an outline agreement with MMB Limited who operate "Make Me Beautiful" beauty centres in major cities in the South East of England. MMB Limited wish to use the LUXUS trade mark in the form 'Make me Beautiful with LUXUS lasers' in advertising for its beauty centres, where (as the advertisements will make clear) trained laser operators will offer LUXUS laser treatment of various skin conditions. Luxus Limited's managing director, Tony Wright, sends you a draft licence which he explains has been drafted by MMB (*see following page*). Mr Wright tells you that the board of Luxus Limited is considering a proposal for Luxus Limited to start up its own treatment centres (mainly in the North of England) but they would need to employ skilled laser operators because the only expertise the company has at present is in manufacture and distribution, not in operation of the equipment.

Write notes outlining your advice to Luxus as to

1. whether or not a licence of the LUXUS mark to MMB is required in these circumstances. **(2 marks)**
2. the suitability of MMB's draft licence to meet Luxus' requirements and safeguard Luxus' interests. **(13 marks)**
3. any risks Luxus may be running in pursuing these plans and generally. **(10 marks)**

This Agreement is made the _____ day of 2007

BETWEEN

LUXUS LIMITED ('Luxus') of 3 Poole Road, Hitchin, Hertfordshire, HT3 7TS

AND

MMB LIMITED ('MMB') of 3 Paddington Square, London, W2 7AE

The parties agree as follows:

1. Luxus will grant to MMB a world-wide exclusive licence to use the trade marks listed in the schedule
2. MMB will only use the mark on goods which meet the quality standards laid down in British Standard 499 'Laser equipment'
3. MMB shall have all the rights and remedies set forth in Section 31 of the Trade Marks Act 1994
4. MMB may grant sub-licences of any of the rights granted to MMB hereunder
5. Luxus warrants that marks are valid and subsisting
6. Luxus shall at its own expense apply to record MMB as a licensee on the relevant trade mark registers
7. This Agreement may be terminated with the mutual consent of both parties;
8. MMB shall have the right to use up stocks of advertisements and other materials bearing the mark after termination
9. This Agreement is subject to the law of the United Kingdom;
10. This Agreement will be binding on all assignees of either party.

The Schedule

LUXUS, No 2009341

Class 10: Medical lasers, apparatus for the application of laser radiation for medical purposes.
Class 44: Medical services for treatment of the skin.

Signed for and on behalf of Luxus
Limited

Signed for and on behalf of MMB
Limited

Sig:

Sig:

Name: _____

Name: _____

Capacity: _____

Capacity: _____