

Suggested Answers to the Questions in Chapter 9

1. If we abandon the origin function as the proper rationale for trade mark protection, then the modern trade mark will become a powerful means to suppress fair competition. Discuss.

The good answer will:

- Take as a starting point the legally recognised functions which trade marks perform, namely origin, product differentiation, guarantee, advertising and investment, using case law to illustrate each one.
- Consider Schechter's hypothesis that the only one which can truly protect the trade mark owner's interests is the advertising function, noting how decisions under the Trade Marks Act 1938 (which recognised only the origin function) had the effect of severely limiting the ability to obtain and enforce the trade mark right.
- Consider how the advertising function is to be found in the optional provisions of Articles 4 and 5 of the Trade Marks Directive (sections 5(3) and 10(3) of the Trade Marks Act 1994) and review how case law has interpreted the criteria contained in these provisions. In particular, the good answer would note how the protection for marks with a reputation differs from the 'traditional' type of protection which relies on consumer confusion (whether assumed or actual); would be critical of the low threshold set in the *General Motors* case for marks with a reputation; and would review what the ECJ has said in *Intel* and *Bellure* about the harm which must be done to the senior mark.
- Debate whether the judicial interpretation of the cumulative statutory requirements for the protection of marks with a reputation (both by the ECJ and United Kingdom courts) is sufficiently tightly drawn to ensure that protection will only occur in the most extreme case or whether the ECJ's pronouncements in *Bellure* indicate a more liberal approach which has significant implications for competitors. The difference in thinking between the Court of Appeal and ECJ in *Bellure* with regard to free competition and free speech would be analysed in detail. The debate would also note how the ECJ in the *Interflora* case appears to have consolidated its thinking in *Bellure* so as to give the trade mark owner even wider protection.

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2. Can a trade mark function as a guarantee of consistent quality? Discuss.

The good answer will:

- Start by offering an outline of the nature and scope of trade mark protection.
- Explore the rationale for trade mark protection by reference to the role of trade marks as indicators of source/quality as well as repositories of cultural and brand power. Cases such as *Arsenal Football Club plc v Reed* [2001] RPC 922 will provide a convenient discussion point.
- Move on to explain the quality function of trademarks, indicating that it would seem to be undesirable to allow competitors to use the mark as they would be free-riding, and more so if the competitors' offerings are of inferior quality.
- Offer concrete examples of the so-called protective function of trademarks— e.g. by reference to relative grounds or infringement and possibly by making a cross-reference to extended passing off, as in *Advocaat, Spalding v Gamage* or the *Champagne* cases.
- Consider Case C-59/08 *Copad SA v Christian Dior Couture SA* [2009] ECR I-3421, where the Court of Justice considered that the sale of luxury goods by a licensee to third parties which were not part of a selective distribution network might affect *the quality of the goods themselves*, thereby entitling the trade mark owner to sue the licensee for trade mark infringement under Art. 8 of the Directive and negating consent to first marketing for the purpose of the doctrine of exhaustion of rights.