

# Jamaica

## Trademark owners draw the battle lines

Against a backdrop of increasing awareness of the value of intellectual property and a modern framework for protecting trademarks and service marks in Jamaica, local and foreign proprietors are drawing the battle lines to preserve their key trademark assets.

The past few months have witnessed an unprecedented number of trademark challenges and claims before the registrar of industrial property of the Jamaica Intellectual Property Office (JIPO) and the Supreme Court of Judicature of Jamaica as the struggle between competitors to uphold their respective rights intensifies.

### Row brews over decaf

In 2004 an application by Société Des Produits Nestlé SA to register 'decaf' as a trademark in respect of coffee, coffee extracts, coffee substitutes and extracts of coffee substitutes was opposed by Jamaica's Coffee Industry Board and coffee retail giant Starbucks Corporation.

The grounds for opposition were that the mark did not satisfy the definition of a 'trademark' under the Trademarks Act 1999 since:

- 'decaf' was a generic word for decaffeinated coffee;
- it was devoid of any distinctive character; and/or
- it had become customary in the language and established practices of the trade as a reference to decaffeinated coffee.

The opponents relied on statutory declarations and other evidence in support of their opposition. Declarations from coffee authorities in several countries attested to the fact that 'decaf' is a word used in the coffee trade to designate a type of coffee, while declarations from Jamaican consumers showed that the word 'decaf' had become customary in the current language in Jamaica and in *bona fide* and established trade practices as referring to decaffeinated coffee. In addition to using dictionary entries defining the word 'decaf' as decaffeinated coffee, the popular search engine Google was relied on to find over 2 million results for

'decaf' and over 1 million for 'decaf coffee'.

In response to the opposition, the applicant claimed that DECAF was a trademark capable of distinguishing the applicant's goods from those of other undertakings. It also claimed that it was not a word current in the English language or a generic word. The applicant relied on prior registrations of DECAF in other countries as grounds for its registrability in Jamaica. The applicant also challenged the right of the opponents to oppose the application based on the fact that none were the registered proprietors of any trademarks in Jamaica containing the word 'decaf'.

Just over one year after JIPO's first joint opposition hearing on July 12 2006, the registrar ruled in favour of the opponents' application to disqualify the mark from registration under the act.

The registrar held that the evidence demonstrated that the word 'decaf' is current and customary in the English language, and is a colloquial and industrial term used to describe decaffeinated coffee – even substantial use of a common word such as 'decaf' cannot make that word a trademark. Moreover, the registrar held that evidence of registration of the mark DECAF in other countries was insufficient to prove that the mark was distinctive, either in Jamaica or at all.

The registrar also held that the term 'decaf' was incapable of distinguishing the goods of one undertaking from those of another, as it is devoid of distinctive character, and that in the circumstances the word should be available for use by all producers of coffee and coffee products.

In rejecting the applicant's challenge of the standing of the opponents, the registrar ruled that the act expressly provides that any person may oppose the registration of a mark within the prescribed timeframe and manner; thus, the registrar took a broad view with respect to those who have standing to commence opposition proceedings.

As the decision of the registrar can be appealed to the courts, only time will tell who will have the last word.

### It's just plain counter flour

National Flour Mills was successful in its invalidation proceedings against the trademark COUNTER which was registered in 1998 by Jamaica Flour Mills Limited in respect of flour and related goods.

Asserting that 'counter' is a generic word for a type of flour and is therefore devoid of any distinctive character, National Flour Mills argued that the mark was incapable of distinguishing the goods of the registered proprietor from those of other undertakings.

Providing evidence of the word's generic nature in connection with flour, National Flour Mills also argued that 'counter' serves in the flour trade to designate a type of flour and is a customary term in the Jamaican language, referring to flour that is inexpensive and unbranded. An entry from the *Dictionary of Jamaican English* which defined 'counter flour' as "a cheap grade of flour sold in bulk over the counters of shops", as well as a schedule of the Jamaican General Consumption Tax Act listing counter flour as a non-taxable food item, appeared to be enough to convince the registrar that the word 'counter' could not denote the source of origin to Jamaican flour consumers.

The registrar, in ruling that the registration was invalid, noted that Jamaica Flour Mills had tendered no evidence to show that the mark COUNTER had acquired distinctiveness prior to applying for registration in 1998, and that the sources clearly established that the mark was being used as a customary term in connection with flour.

Jamaica Flour Mills had argued that the definition outlined in a 1980s edition of the *Dictionary of Jamaican English* could not be relied on to establish the vernacular in Jamaica at the time when it registered the trademark, as it captured the Jamaican vernacular only at a certain point in time long before the application. However, in the face of further evidence of the consistently descriptive use of the term 'counter' in connection with flour, that argument fell flat.

### Blowing smoke

Cigarette manufacturer Compania Industrial De Tabacos Monte Paz SA failed in its opposition of an application to register the trademark CALVERT, despite its use and registration of the trademark in a number of foreign countries. Although the opponent did not hold a Jamaican trademark registration, it had sought to bar British American (Tobacco) Brands Limited from registering the trademark in Jamaica.

The application was opposed on the basis that the applicant's use of the trademark constituted the tort of passing off and was likely to deceive the public into believing that the applicant's goods were, or were

associated with, those of the opponent, causing confusion in the marketplace. The opponent sought to rely on its use and registrations of the mark CALVERT internationally. In addition, it argued that the trademark would be viewed as a family name in Jamaica rather than as a trademark.

Focusing on the fact that the opponent had not used or registered the mark in Jamaica, the applicant successfully submitted that the opponent had acquired no goodwill or reputation in Jamaica and that there could be no basis for confusion on account of the applicant's use of the mark in the Jamaican marketplace. The applicant also challenged the right of the opponent to oppose the application based on the fact that it was not the registered proprietor of the trademark in Jamaica.

The registrar ruled in favour of the applicant on a number of grounds, including the fact that the opponent had not established sufficient evidence that it had any goodwill or reputation in relation to the mark in Jamaica or that it had extensively used the mark in Jamaica, and thus could not support an action in passing off. Moreover, CALVERT was distinctive and was viewed as an indicator of source rather than a mere family name in Jamaica, and therefore constituted a trademark.

The applicant's registration was determined according to the former Trademarks Act 1957, as the application was filed before the Trademarks Act 1999 came into force. Consequently, the applicant's challenge of the standing of the opponent to bring the opposition proceedings was upheld, as under the 1957 act a person without a registered trademark was barred from bringing such an action.

### A lot of Hype over nothing?

In June 2007 cable content provider Hype TV Jamaica Ltd created a stir over an energy drink called Hype Energy when it applied for search and seizure and freezing orders to stop a local distributor from importing, selling and distributing Hype Energy drinks in Jamaica.

Claiming against the distributor for passing off and trademark infringement, Hype TV, which owns the registered trademark HYPE ENERGY in Jamaica, succeeded in obtaining interim search and seizure and freezing orders, but the matter is far from over.

Two years prior to the claim, Hype TV began distributing the drinks in Jamaica under an exclusive distribution agreement with foreign manufacturer HMM International Limited. The principals of Hype TV applied to register the HYPE ENERGY trademark in Jamaica in their individual names in circumstances now disputed by HMM.

Problems arose when the manufacturing company

entered into a subsequent agreement with another local distributor, which proceeded to distribute the HYPE ENERGY drinks in Jamaica. The Hype TV principals sought to have the imported drinks detained by the Jamaican Customs Department, which triggered a claim by HMM against the principals alleging that they had registered the HYPE ENERGY trademark in bad faith. HMM also sought to restrain them from any further use of or dealings with the trademark, and requested that the registered trademark be transferred to the company.

In addition to contesting HMM's claim on the basis that they jointly own a number of registered trademarks comprising the word 'hype', the principals fought back with their own claim against the local distributor for passing off, trademark infringement and the search and seizure and freezing orders.

The substantive claim by the principals is also being contested by the local distributor and HMM; thus, until the matters are fully heard by the courts, it is not known whether the hype will fizzle out.

### Taming the Thrillers

In early 2007 the management company of popular Jamaican gospel group The Grace Thrillers brought an action for passing off in relation to the group's name against some former members of the group. It also applied for an interlocutory injunction to prevent them from using the name 'The Grace Thrillers', 'Thrillers' or any close derivatives thereof until the determination of the passing-off action.

The former members had formed their own gospel group under the name 'Thrillers United' and became the registered proprietors of the trademark THRILLERS UNITED before the claim was filed. However, they had allegedly used the name 'The Grace Thrillers' in association with some of their earlier shows. Subsequent to the singers leaving the group, the company continued to operate the original Grace Thrillers group.

In the action filed with the Supreme Court the management company claimed ownership of the then unregistered mark GRACE THRILLERS and the goodwill therein. It also claimed that the former singers, by performing under that name or any close derivatives, were misleading the public to believe that they were the

popular Grace Thrillers group and were unduly profiting from its reputation and goodwill.

In their defence, the former members contended that they were the owners of the goodwill in the GRACE THRILLERS mark or, alternatively, that they collectively shared ownership of the goodwill with the management company. One of the singers counterclaimed for an injunction to restrain the management company from using the words 'grace thrillers' in relation to any singing group that it promotes or manages. The former members also filed an application to strike out the management company's claim on the basis that it disclosed no substantive or reasonable cause of action.

After hearing the interim applications from both sides, on June 30 2007 a judge sitting in chambers dismissed the applications and stated that the interest of justice required that the status quo be maintained. The judge stated that all parties should be entitled to use their respective registered trademarks and should seek to identify and differentiate themselves clearly at all times. On dismissing the management company's application for the injunction against the former members, costs were awarded to the former members and the management company was granted leave to appeal.

The judge's ruling was influenced by the fact that shortly before the hearing of the application for the injunction, the management company became the registered proprietor of the trademark GRACE THRILLERS, for which it had applied prior to initiating the action.

The parties are awaiting a date for the hearing of the substantive action of passing off, which could turn on the question of ownership of the goodwill.

### Not over yet

A number of the registrar's rulings in trademark opposition and invalidation proceedings are still subject to appeal to the courts. Further, the Supreme Court rulings referred to above relate to interim matters only, with substantive issues still to be determined by the courts. Therefore, given the growing vigilance of some trademark proprietors, incited by the increasing value of their trademarks to their IP portfolios, the war may be far from over.

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