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TACKLING TRADEMARK INFRINGEMENT *Fanta Punch*

A major task for a trademark owner is continuous monitoring of the use of its trademarks by third parties in the market. As part of a strategy to protect its intellectual property rights, the trademark owner should be poised to act promptly against infringing activity.

The Trade Marks Act 1997 (TMA) is a good starting point, as it provides statutory protection against unauthorised use of a registered trademark. More particularly, Section 5(1) of the TMA, states that a trademark:

“shall be deemed to be infringed by any person who, not being the proprietor of the trademark or a registered user thereof, using by way of the permitted use, uses, for the same, similar or related goods or services for which the mark is registered, a mark identical with it or so nearly resembling it, as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered”

By virtue of a valid registration, the trademark owner and, by extension, a registered licensee has a fairly extensive legal right to enforce against the unauthorized use or infringement of its trademark. It is important to note that the protection is qualified in that it only extends to what is covered by registration, and conditions attached to a valid registration will be taken into account by the court in assessing the scope of infringement.

It is not possible to sue for trademark infringement in respect of goods and services not covered by registration, though, where this occurs, it may be able to bring an action against an offending party either in passing off or under the Protection against Unfair Competition Act.

Passing Off

Passing off can occur in a commercial setting where an offending party uses a trademark or some distinguishing feature such as the packaging of goods to confuse a consumer into believing that the goods belong to the trademark owner. Typically, passing off action is a claim that a trademark owner brings against the offending party

together with trademark infringement action. Passing off can, at times, secure a more successful outcome than a trademark infringement action because the nature of passing off can be wider than the rules governing trademark infringement under the TMA.

In the case of *British Sky Broadcasting Group plc v Sky Home Services Ltd* [2006] EWHC 3165, passing off was proven where the widespread use of the word ‘sky’ by a number of companies as corporate names, and in other marketing initiatives, were essentially found to be trading on the goodwill and reputation of the claimant.

Nature of Trademark Infringement

To constitute an infringement, there has to be unlawful use of the mark without the consent of the trademark owner or an authorised licensee. The unauthorised use should be in the course of trade, but it can also include any use that prevents the trademark owner from guaranteeing the origin of its goods.

In *Arsenal Football PLC v Reed*, [2003] EWCA Civ 696, a case which involved the sale of unofficial Arsenal football merchandise by a street trader, the UK Court of Appeal found that although the goods stated clearly that they were

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not official Arsenal goods, it still constituted an infringement. Where the registered trademark and the infringing trademark, or the associated goods/services, are identical, the extent of similarity has to be assessed. This can include factors such as aural, visual, phonetic similarities, and the overall impression created by the infringing mark. In instances where infringing goods are not identical but are similar or related, evidence of the likelihood of deception or confusion is needed to prove that an infringement has occurred.

Pursuing Enforcement

Although the jurisprudence in Trinidad & Tobago may not be as developed as in other jurisdictions, the importance of adopting a proactive approach to pursuing trademark infringement ought not to be understated. In addition to civil and criminal options for pursuing trademark infringement, it would be prudent for the trademark owner to consider implementing effective anti-counterfeiting strategies.

Such an approach requires commitment of resources to continuously monitor unauthorised trademark use, and as such may not be commercially viable. However, there is merit in targeting key areas of activity to send a clear message to potential infringers that the trademark owner is willing to take the necessary steps to stop infringement which can act as a deterrent. Some of the issues which are relevant to adopting an effective strategy may include:

- the nature of the exclusive right in the trademark;
- validity of title;
- the type of infringement activity;
- the type of infringer. For example, it may not be cost-effective to pursue a small retailer, or where the threat to reputational loss is small;
- the internal and external costs and resources associated with conducting investigations, or sensitivity training to raise awareness, or the cost of litigation. This may be particularly relevant if there are multiple infringers;
- the extent to which infringement has a negative impact on the company's profitability.

Civil Proceedings

While litigation is quite costly, it can be an effective way to stop an infringer's activities. A claim for trademark infringement can be brought either by the owner of the trademark or by a registered licensee.

As part of a trademark infringement claim, a number of interim applications are available to the trademark owner such as summary judgment, seize and destroy orders, or interim injunctions to prevent the infringer dealing any further with the infringing goods.

It may be possible to successfully defend a claim of trademark infringement where it is proven that:

- a) the registered owner does not have title to the registered trademark, or that the registration is invalid;
- b) there is no infringement and the alleged use is unlikely to cause deception or confusion in the market;

- c) proof of honest use of a trademark by a third party; and
- d) implied consent or acquiescence by the trademark owner.

A successful party in a trademark infringement action has available to it a number of remedies such as injunctions, damages, declarations, orders for removal of infringing goods, orders for the delivery, account of profits, destruction of infringing goods, and legal costs.

Criminal Proceedings

The TMA also provides for criminal sanctions against the unauthorized use of trademarks in relation to goods. These matters fall to be investigated by the police, and where evidence is found, charges will be brought against the offending party.

Other measures

There are other options to assist the trademark owner to reduce the threat of infringement, such as:

- a cease and desist letter requesting that the infringing activity cease, failing which further steps (including litigation) will be taken against the infringer. This approach can be useful in getting early co-operation from potential infringers and is cost effective. However, if the infringement continues, the trademark owner may need to proceed with litigation to gain redress.
- Where commercially beneficial, it may be possible to resolve infringement issues through negotiation.
- Engaging the assistance of Customs & Excise in the detention of infringing or counterfeit imports, and preventing entry into the jurisdiction;
- Soliciting the assistance of regulatory authorities such as the Bureau of Standards, or Chemistry Food & Drug Division, to take action for non-compliance under their respective legislative provisions. This can be fairly inexpensive and effective in getting the infringing goods off the market.

Conclusion

Protecting the intellectual property rights against trademark infringement can be complex and multi-faceted, requiring continuous effort on the part of the owner. ■

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OF CRITICAL IMPORTANCE: THE ROLE OF THE CORPORATE SECRETARY IN CORPORATE GOVERNANCE

Cherie Gopie



The recent financial upheaval in Trinidad and Tobago, perhaps most clearly identified with the CL Financial collapse, has promulgated a wave of critical examination of the adequacy of the country's financial regulation legislation and attendant corporate governance policies. Wherever large financial entities either collapse or are the subject of massive billion-dollar bailouts, the corporate secretary will be one of the officers coming under particular scrutiny. This article examines the role of the corporate secretary in Corporate Governance.

In the United Kingdom, a formal role for the corporate secretary appeared in the late 19th century. Directors required someone to arrange meetings and preserve the records mandated by the Companies Act. The Institute of Chartered Secretaries in the UK was formed in 1891. However, the corporate secretary's status and role were limited as exemplified in the case of *Barnett Hoares & Co v South London Tramways Co* (1887) where Barnett Hoares, a bank, had sued Tramways alleging that Tramways' company secretary had given assurances that sums due under a contract had been retained when they had not. The court decided that a company secretary did not have the authority to bind a company. According to Lord Esher "A secretary is a mere servant. His position is that he is to do what he is told and no person can assume that statements made by him are necessarily accepted as trustworthy without further enquiry."

This position could not be further from today's reality. The specialised role of the modern corporate secretary has emerged to place them among the key governance professionals within the organisation, much more than a mere servant of the company, from that of "record-keeper to gate-keeper".

According to section 61 (1) of the Trinidad and Tobago's Companies Act:

"Every company shall have a secretary and may have one or more assistant secretaries, who, or each of whom (a) shall be appointed by the directors, or if provision is made in the Bye-laws of a company for the appointment in accordance with that provision; and (b) may be an individual, a body corporate or a firm."

The Board, particularly the chairman, relies on the company secretary to advise members on directors' statutory duties under the law, disclosure obligations and listing rule requirements, corporate governance practices and effective board processes. As such, in addition to the parameters outlined in the Companies Act, general responsibilities of the corporate secretary usually include:

- Ensuring that the Board follows correct procedures and that the Board complies with its legal and statutory obligations.

- Assisting the Chairman of the Board in organizing the board's activities (including providing information, preparing an agenda, reporting of meetings, evaluations and training programs).
- Acting as custodian of the records of the Company including (but not limited to) legal and statutory documents, the minutes of the board of directors' and board committee meetings as well as the company's seal.
- Certifying the charter documents, resolutions and other relevant documents and matters to third parties when the company enters into significant transactions.
- Acting as secretary to the Board and its Committees and as an officer of the company.

Another key responsibility of the corporate secretary is to ensure that Board members have the proper advice and resources for discharging their fiduciary and statutory duties under the law. A secretary also is responsible for ensuring that the records of the Board's actions reflect the proper exercise of those fiduciary duties. The Secretary also provides advice on corporate governance issues and is responsible for the Company's corporate governance policies.

Just as each company's corporate governance policies may differ, the actual work of the secretary may also vary from company to company. Regardless of how many of these hats the secretary wears at any one company, governance issues have become increasingly important to directors, institutional investors and other stakeholders. With calls for greater transparency in corporate affairs in most companies, the corporate secretary should serve as the focal point for communication with the Board, senior management and shareholders, and play a significant role in the setting and administration of critical corporate matters.

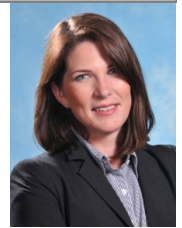
As recent developments in this country have shown, the corporate secretary can also exercise and be perceived to exercise great authority, and similarly be so held accountable.■

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THE SECURITIES (AMENDMENT) ACT, 2014 : A STEP FORWARD

M. Glenn Hamel-Smith & Melissa Inglefield



Since the introduction of the Securities Act 2012 (the 'Securities Act'), both local and foreign market actors have struggled to come to terms with some of the provisions of the legislation (particularly in relation to what we termed the 'presumptions' in our prior Forum Article). Now, after just over a year and a half from the date on which the Securities Act was proclaimed, the Securities (Amendment) Act, 2014 (the 'Amendment Act') has been assented to by the President. In this article, we touch on some of the major changes introduced by the Amendment Act.

Foreign Dealers and Advisers – Take us (somewhat) off your black-list

In our last Article, we observed that the provisions under the Securities Act had the practical effect of requiring all foreign stockbrokers, investment advisers and underwriters who facilitated or conducted trades with (or provided advice to) investors in Trinidad & Tobago (T&T) to register with the Trinidad and Tobago Securities and Exchange Commission. This position served as a serious deterrent to foreign players doing business with local investors and threatened to compromise the ability of local investors to access securities markets outside of T&T. Taking into consideration the potential serious repercussions of the Securities Act, the Amendment Act seeks to find a middle ground.

Carrying on Business

Under the Amendment Act, a person is explicitly considered to be carrying on business as a broker-dealer, investment advisor or underwriter in T&T where such person is a company or firm that is incorporated or otherwise organised in T&T and is carrying on such types of business locally. Similarly, an individual will be deemed to be carrying on such regulated activities (the 'Regulated Activities') in T&T, where the individual carries on those activities *from within* the jurisdiction.

Solicitation of Business

In addition to the above, the Amendment Act provides a further presumption as to when a person will be deemed to be carrying on Regulated Activities in T&T. This presumption relies heavily on whether an act, advertisement or negotiation relating to a distribution in securities is *solicited* by the foreign market actor, in which case such entity will be considered to be carrying on the activity in T&T. This suggests a foreign broker-dealer should be able to provide its services to clients in T&T, on the basis that such services are solicited by the T&T client.

While the amendments do not open the floodgates, as foreign market actors will need to still be registered in order to carry on business *within* T&T, local investors now have

the ability to connect with foreign market actors in prescribed circumstances.

The Amendment Act also goes further to explicitly permit broker-dealers, investment advisers, underwriters (and their respective foreign equivalents) who are registered in a "Designated Foreign Jurisdiction" to both solicit and conduct business in T&T with certain prescribed persons and in certain prescribed circumstances. These include, for example, instances in which a foreign broker-dealer proposes to conduct a securities transaction with an entity duly registered under the Securities Act (for example, a local stockbroker), thereby allowing the local market to have access to foreign securities markets, at least via a locally registered stockbroker. It should be noted that no foreign jurisdictions have as yet been identified as "Designated Foreign Jurisdictions".

While the Amendment Act does not reinstate the pre-2012 position (where foreign market actors were arguably permitted to conduct business in T&T on a conservative basis, provided that such entities limited their physical presence in the jurisdiction), it finds common ground by ensuring that local players (market actors and investors alike) have the ability to access foreign markets and to more readily achieve their investment objectives.

Period of Registration Extended

- The period for which a **registrant's** registration is valid is revised from "one year" to "*one year or such other period as the Commission may determine*", giving the Commission some discretion in allowing for registrations that will be valid for longer periods in instances in which it deems fit.
- The period of validity of a registration for **registered representatives** was extended from one to two years.

Senior Officers should be Fit & Proper too

In determining whether an applicant is 'fit and proper' for registration as a registrant with the Commission, the Commission may take into account whether the applicant's senior officers are 'fit and proper' as well.

Remedy for Disposal of Shares in Registrant

The Commission now has the implicit authority to apply to the Court for the disposal of shares held by a substantial shareholder in a registrant (i.e. persons duly registered with the TTSEC as a broker-dealer, investment adviser or underwriter) where such substantial shareholder is deemed to no longer be 'fit and proper'.

The Securities (Amendment) Act, 2014: A Step Forward (*cont'd*)

(*cont'd from page 4*)

Increase in Penalties

Generally, the offences by market actors and connected persons were further increased under the Amendment Act:

- A person who fails to register as a registrant is now liable on summary conviction to a fine of five million dollars (which was increased from two million dollars) and to imprisonment for five years.
- A person who fails to comply with a compliance direction issued by the Commission is liable on summary conviction (previously on indictment) to a fine of five million dollars (increased from five hundred thousand dollars) and to imprisonment for five years (increased from two years).
- A person who is found guilty of insider trading or tipping off on summary conviction (previously on indictment) is liable to a fine of ten million dollars (increased from five million dollars) and to imprisonment for ten years (increased from seven years).

Conclusion

The changes made to the Securities Act offer a welcome relief to the investing community as well as other market actors in the securities market in T&T. Importantly, the changes highlighted above represent a mere few of the changes made to almost seventy sections of the Securities Act. While many of such changes may have been minor corrections and/or clarifications, there are many other changes with which the market will need to become familiar and, where required, seek the necessary guidance to ensure that they do not become subject to ever-increasing penalties. ■

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EMPLOYMENT LAW UPDATE: THE PROPOSED MINIMUM WAGES ORDER 2014 *Catherine Ramnarine*

In his September budget presentation, the Minister of Finance announced plans to increase the national minimum wage from \$12.50 per hour to \$15.00 per hour.

The proposed Minimum Wages Order 2014 has been published, and will remain open for public comment until 30th November 2014, following which the Minister of Labour & Small and Micro Enterprise Development and the Minimum Wages Board will consider any comments or objections made to the proposed Order and/or whether any amendments should be made before it is formally put into effect. Until the new Order comes into effect, the current national minimum wage will remain in force.

Employers should note that the proposed Order does not deal only with minimum wages. Specifically with regard to employees earning up to 1.5 times the national minimum wage, the proposed Order prescribes the normal working hours, overtime rates applicable to any work outside of normal hours; and the requirements for meal and rest breaks.

Once the order takes effect, therefore, businesses whose employees earn \$22.50 per hour or less will come under its provisions.

For more information on employment law, visit our website at www.trinidadlaw.com and click on the "Doing Business in T&T" tab.

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