

IN THE SUPREME COURT OF JUDICATURE OF JAMAICA

IN COMMERCIAL DIVISION

SUIT NO. C.D. 2001/J-001

BETWEEN	JAMAICA LOTTERY COMPANY LIMITED	PLAINTIFF
AND	SUPREME VENTURES LIMITED	1 ST DEFENDANT
AND	PAUL HOO	2 ND DEFENDANT
AND	IAN LEVY	3 RD DEFENDANT
AND	PETER STEWART	4 TH DEFENDANT

APPLICATION FOR INTERLOCUTORY INJUNCTION

Sandra Minott-Phillips, Judith Hanson and Christopher Kelman instructed by Myers Fletcher and Gordon for the Plaintiff.

Allan Wood and Ransford Braham instructed by Ann-Marie Feanny of Livingston Alexander and Levy for the 1st Defendant.

John Graham instructed by Georgette Scott of John Graham and Company, for the 2nd, 3rd and 4th Defendants.

Heard on June 6th, 8th, 14th, 15th 2001, and November 9, 2001

RATTRAY J.

The Plaintiff in this application is a company which, until recently, was the only company in Jamaica operating or licensed to operate a nation-wide lottery. It is the registered proprietor of Trade Mark Number B34, 611, which was registered on the 12th day of December 1996 in the Register of Trade Marks in Class 16 and

on the 12th day of December 1996 in the Register of Trade Marks in Class 16 and operates under its trade mark name and insignia, "Jamaica Lottery Company Limited", with a device depicting a bouncing ball, utilising the colours blue and red.

The Plaintiff is also the registered proprietor of the trade marks registered in Jamaica in the Register of Trade Marks, in respect of the logo and designs "Lotto" (Class 16), "Pick 3" (Class 28) and "Scratchers" (Class 16) being Trade Marks Numbered 34, 609; 35, 309 and 35, 273 respectively.

In furtherance of its business operations, the Plaintiff has also applied for the registration of trade marks for "Jamaica Lottery Drop Pan" (Class 28) and "A Ticket to your Dreams" (Classes 16, 25 and 28).

A new kid on the lottery block emerged in the form of the First Defendant, when in or about September 2000, it obtained a licence from the Betting, Gaming and Lotteries Commission to operate lottery-type games in Jamaica for a period of ten (10) years.

In a series of advertisements between April and May 2001, published in both daily newspapers and aired on the radio stations, the First Defendant embarked upon a promotional blitz for its lottery games, using the phrase "Win Jamaica Lotteries – Games People Love to Play", with the device of a treasure chest filled with currency notes. They advised that at the launch of its operations, the First

Defendant would be introducing “a version of the popular Drop Pan and a live daily lotto-type draw game”.

On or about the 19th day of March, 2001, the First Defendant, through its Attorneys at law, applied to the office of the Registrar of Companies, Trade Marks Department for the registration of the said phrase and device as a trade mark in Part A, Class 16 of the Register. It was also reported in the national press that the intended start-up date for the new lottery game was June, 2001.

By letter dated May 18, 2001, the Plaintiff, through its then Attorneys at law, Messrs. Mitchell Hanson and Co., wrote to the First Defendant’s Attorneys at law objecting to their client’s use of the words “Win Jamaica Lotteries – Games People Love to Play” in the advertisements in the media and demanding that they cease and desist from using the said words. The Attorneys for the Plaintiff complained of the purported similarity between the said words and their client’s registered trade mark, which they alleged was deceiving and confusing their customers and contractors who believed that Win Jamaica Lotteries and Jamaica Lottery Company were associated entities.

Not having received a satisfactory response, the Plaintiff, by Writ of Summons dated the 25th day of May 2001, instituted legal proceedings against the First Defendant and its Directors, the Second, Third and Fourth Defendants, claiming the following relief as set out in the Endorsement to its Writ of Summons;

1. Damages for passing off and/or infringement of trade mark and/or arising from the Defendants' contravention of section 37 of the Fair Competition Act.
2. An injunction restraining the Defendants, whether by themselves, their servants or agents or any of them, or otherwise howsoever, from:
 - (a) infringing the Plaintiff's trade marks;
 - (b) passing-off or attempting to pass-off the Defendants' business as and for the business of the Plaintiff by the use in connection therewith, in any form or manner or for any purpose whatsoever, of the name "Jamaica Lottery" or any words which so nearly resemble same or by the use in connection therewith of any trade mark, name or style owned by or identified with the Plaintiff or any colourable imitation thereof.
 - (c) Carrying on any business under the name or style "Jamaica Lottery" or "Jamaica Lotteries" or any name or style which includes the words "Jamaica Lottery" or any name or trading style containing the words "Jamaica Lottery" or which so nearly resembles the same or under any trade mark, name or style owned by or identified with the Plaintiff or any colourable imitation thereof.
3. Obliteration upon oath of all marks upon all tags, signs, banners, advertising material or other articles which bear the name, mark or style "Jamaica Lottery" or "Jamaica Lotteries", which would be a breach of the aforesaid injunction prayed for and verification upon oath by the Defendants that they no longer have in their possession, custody or control any sign advertising material or article so marked.
4. Interest.
5. Further or other relief as the Court may deem fit.
6. Costs.

On the 28th day of May 2001, this Court granted an Ex Parte Interim

Injunction on the Plaintiff giving the usual undertaking as to damages, restraining the Defendants, their servants or agents from:

- (a) infringing the Plaintiff's trade marks;
- (b) passing-off or attempting to pass-off the Defendants' business as and for the business of the Plaintiff by the use in connection therewith, in any form or manner or for any purpose whatsoever, of the name "Jamaica Lottery" or any words which so nearly resemble same or by the use in connection therewith of any trade mark, name or style owned by or identified with the Plaintiff or any colourable imitation thereof
- (c) carrying on any business under the name or style "Jamaica Lottery" or Jamaica Lotteries" or any name or style which includes the words "Jamaica Lottery" or any name or trading style containing the words "Jamaica Lottery" or which so nearly resembles the same or under any trade mark, name or style owned by or identified with the Plaintiff or any colourable imitation thereof

for a period of seven (7) days.

This Injunction has been extended and remains in place while the Attorneys have advanced their arguments for the grant or refusal of an Interlocutory Injunction in this matter.

The Plaintiff's Case

The Plaintiff contends, in an Affidavit filed by its Managing Director, Eugene Ffolkes, sworn to on the 25th day of May, 2001 in support of the application for an Interlocutory Injunction, that in 1991 it commenced operation under the name "Sports Development Agency Limited", duly licensed by the Betting Gaming and Lotteries Commission. In 1994, that name was changed to the

Plaintiff's present name, and on the 12th day of December 1996, the Plaintiff was registered as proprietor of the trade mark in the name "Jamaica Lottery Company Limited", together with the device of a bouncing ball.

Subsequently, the Plaintiff became the registered owner of other trade marks in respect of its logo and designs "Lotto", "Pick 3" and "Scratchers" and it has also applied for trade marks in respect of "Jamaica Lottery Drop Pan" and "A Ticket to Your Dreams".

It is further contended by the Plaintiff that by the use of its name since 1994 and through its operation of the nationwide lottery and other gaming products, it is well known to the Jamaican public and has acquired a national reputation and, according to its Annual Report exhibited to the Affidavit of Eugene Ffolkes, has in excess of 450 agents islandwide.

The Plaintiff's complaint in essence is firstly that the use by the First Defendant of the name "Win Jamaica Lotteries – Games People Love to Play", is a breach of its registered trade mark. Secondly, that by virtue of the acts complained of, the Defendants are liable in an action for passing off. Thirdly, that the use of the alleged offending phrase in its advertisements in the print and electronic media is so similar to the Plaintiff's trade mark "Jamaica Lottery Company Limited" that it is likely to cause confusion in the minds of the public. This aspect of the

complaint is encapsulated in paragraphs 18 and 19 of the said Affidavit of Eugene Ffolkes, which read:

“18. SVL’s (the First Defendant’s) business is in no way associated with the business of JLC (the Plaintiff) and JLC is fearful of confusion, actual and potential, which results from the use by SVL, and its directors, of the words ‘Jamaica Lotteries’ in SVL’s business as those words are very similar to the words ‘Jamaica Lottery’ which are contained in the trade mark ‘Jamaica Lottery Company Limited’, which is the property of JLC.

19. JLC believes that the use of the words ‘Jamaica Lotteries’ is an infringement of its trade mark and constitutes an attempt by SVL to profit from JLC’s reputation.”

In support of the allegation of likely confusion in the minds of the public, the Plaintiff relied on the Affidavits of Sonia Davidson and Dayner Clarke sworn to on the 30th day of May 2001. Both these deponents are employees of the Plaintiff, the former being its Public Relations and Promotions Manager and the latter, its Marketing Manager. They have stated in their Affidavits that they have received calls from members of the public enquiring about the new games being launched by the Plaintiff. The games enquired after were those being promoted by the First Defendant under its “Win Jamaica Lotteries – Games People Love to Play” advertisements.

An affidavit in the same vein, sworn to by one Pauline Robinson on the 6th day of June 2001, stated that she was a regular player of games offered by the

Plaintiff and that after observing advertisements in the daily newspaper under the caption "Win Jamaica Lotteries – Games People Love to Play", she was of the view that they were new games advertised by the Plaintiff. This erroneous conclusion was also arrived at by her friend who lives on the same premises where she resides.

It is further contended by the Plaintiff that if the Defendants are allowed to continue the activities complained of, its reputation and goodwill would be further injured by the alleged confusion in the minds of the public of a perceived association between the businesses of the Plaintiff and the First Defendant. In such an instance, if the Injunction applied for were to be refused, damages would not adequately compensate the Plaintiff in the event that it succeeds at trial in establishing its right to the Injunction sought.

In addition, the Plaintiff also sought injunctive relief against the Second, Third and Fourth Defendants, the Directors of the First Defendant, being the persons responsible for the actions of the corporate Defendant.

The First Defendant's Case

The First Defendant's position is set out in the Affidavit and Supplemental Affidavit of Roger Williams, its Business Development Manager, sworn to on the 1st day of June, 2001 and 9th day of June, 2001 respectively.

This Defendant contends that its licence, obtained from the Betting Gaming and Lotteries Commission on the 20th September, 2000, to operate lottery type games in Jamaica, restricts its operation to the geographical area of Jamaica. The use then of words "Jamaica Lotteries" in its advertising slogan and its application for trade mark registration is not only an accurate description of the company's lawful activities, but also of the type of businesses operated by both the Plaintiff and itself - that is to say, the promotion and operation of lotteries in Jamaica.

It further contends that the Plaintiff has no exclusive right to the use of the phrase "Jamaica Lottery" or "Jamaica Lotteries" as, in light of the grant of its licence, the company is entitled to operate a lottery or lotteries in Jamaica, and those words are merely an accurate description of the activities it is legally entitled to pursue.

This Defendant maintains that the Plaintiff's trade mark is a combination of the words "Jamaica Lottery Company Limited" and a logo, that of a bouncing ball, not just the words alone, and it is that combination which the registered trade mark protects. There is, therefore, no infringement of that trade mark in the present case, as this Defendant is utilising a combination of common, descriptive and geographical words with markedly dissimilar logos and getups to that of the Plaintiff.

They also argue that there is no reasonable basis for confusing the proposed trade marks and devices of this Defendant with that of the Plaintiff, in light of the important distinctive features and characteristics adopted by this Defendant.

In order to avoid confusion, the following steps were adopted by this Defendant to distinguish its marks and devices from that of the Plaintiff: -

1. The word WIN is at all times construed with the word JAMAICA so that, usually, the name is WIN JAMAICA and the word LOTTERIES is used only to qualify or define the phrase. In most cases, the phrase WIN JAMAICA is highlighted in a separate colour scheme and font from the word LOTTERIES.
2. The phrase WIN JAMAICA LOTTERIES is accompanied by the device of a treasure chest filled with currency notes, which is wholly distinctive from any device used by the Plaintiff and is in distinctive colours which are not used by the Plaintiff.
3. The said phrase and devices are often accompanied by the additional distinctive slogan GAMES PEOPLE LOVE TO PLAY.

In support of its assertion that there is no reasonable likelihood of confusion by the public between the lottery games operated by the respective parties, this Defendant indicates that :-

- (a) It has its own distribution and ticketing outlets, and its tickets will be materially different from those of the Plaintiff. This is so, as its tickets will bear the company's logo which is 'LUCKY 5' or 'CASH POT', and its ticket terminals have been customised in yellow and black to distinguish them from those of the Plaintiff.
- (b) Its ticket outlets will also have logos and promotional materials for the company's games, which will bear no similarity to the logos of the Plaintiff.

- (c) The Plaintiff has reportedly announced in the public media that its vending agents have been precluded by the Plaintiff from acting as vendors for this Defendant's lottery games. It will, therefore, not be possible to purchase lottery tickets for the games of the respective parties from a common source.

This Defendant states that, as a consequence of the efforts and steps taken and the expense incurred by this Defendant in distinguishing its business from that of the Plaintiff, it is unlikely that there will be confusion in the minds of the public. To the contrary, since the launch of its advertising campaign, the company has been overwhelmed by requests for employment and enquiries by members of the public, confirming that the public is well aware that this Defendant is a separate entity from the Plaintiff.

In the Affidavits filed on its behalf by Roger Williams, this Defendant categorically denies the allegations raised by the Plaintiff and responds that the action brought by the Plaintiff is an attempt to perpetuate its monopolistic position in the lottery market. Further that the Plaintiff is attempting to wrongfully obtain a monopoly to the use of the phrase JAMAICA LOTTERY and to exclude the legitimate use of this phrase by competitors who are granted a licence to operate lotteries in Jamaica.

It is contended by this Defendant that the grant of the Injunction sought would cause it tremendous financial loss and inconvenience which would be irrecoverable if it were to be successful at the trial of this action. Such expenses

would include cost of ticket stock and printed advertising and promotional material, which would have to be reprinted and existing stock rendered worthless, additional cost of ensuring material distributed to ticket vendors and agents is not utilised and that new material is distributed.

The Second, Third and Fourth Defendants' Case

No Affidavit has been filed by or on behalf of these Defendants in this application. However, the main issue advanced by Counsel on their behalf is that there is no basis for the individual Directors of the First Defendant to be joined as parties to the action. If there is a case to be brought at all, the proper Defendant is the corporate entity. Where an Injunction is granted that is subsequently breached, the Court has the power to impose the appropriate sanction on those who flouted the Court's Order, whether they be a director or any other individual.

These Defendants also highlight the conduct of the Plaintiff and assert that no sincere attempt was made to resolve what was perceived by the Plaintiff to be a problem prior to filing legal proceedings. They point out that no correspondence was sent to the individual Directors by the Plaintiff, nor was the letter which was sent to the Defendant Company's Attorneys dated the 18th day of May, 2001, copied to them. In fact, two (2) days elapsed before the delivery of the said letter, which requested a reply within seven (7) days. Immediately on the expiration of that period, an Ex Parte Injunction was obtained by the Plaintiff.

It is contended, on behalf of these Defendants, that they cannot be accused of refusing to do something (that is, to cease and desist from alleged breaches of the Plaintiff's rights under its trade mark), where no request has been made of them. Further, that no reasonable time has been afforded them to obtain legal advice and to respond.

These Defendants also contend that with respect to the claim against them, there are no serious issues to be tried, and they adopt, in their entirety, the submissions of Counsel for the First Defendant, so far as they are or may be relevant to themselves.

Law

The governing principles relative to the grant or refusal of an Interlocutory Injunction are set out in the well-known case of American Cyanamid Co. vs Ethicon Ltd. (1975) 1 All E.R. 504. The often cited words of Lord Diplock in that case at page 509 reminds this Court that...

“In those cases where the legal rights of the parties depend on facts that are in dispute between them, the evidence available to the court at the hearing of the application for an interlocutory injunction is incomplete. It is given on affidavit and has not been tested by oral cross-examination.”

The learned law lord went on at page 510 to state;

“The court no doubt must be satisfied that the claim is not frivolous or vexatious; in other words, that there is a serious question to be tried.”

and further on that same page:-

“So unless the material available to the court at the hearing of the application for an interlocutory injunction fails to disclose that the plaintiff has any real prospect of succeeding in his claim for a permanent injunction at the trial, the court should go on to consider whether the balance of convenience lies in favour of granting or refusing the interlocutory relief that is sought.”

The starting point then is whether or not the allegations raised by the Plaintiff are sufficient to satisfy the Court that there is a serious question to be tried. If the material available to this Court at this time fails to disclose that the Plaintiff has any real prospect of succeeding in its claim for a permanent Injunction at trial, no Injunction should be granted.

The Plaintiff is the registered owner of a trade mark under the Trade Marks Act. By virtue of Section 46 of that Act;

“.... The fact that a person is registered as proprietor of the trade mark shall be prima facie evidence of the validity of the original registration of the trade mark...”

Under Section 6 (1) of the said Act, the registered proprietor of the trade mark is given the exclusive right to the use of same, and so far as is relevant to this matter reads:-

6(1) “Subject to the provisions of this section, and of sections 9 and 10, the registration of a person in Part A of the Register as proprietor of a trade mark (other than a certification trade mark) in respect of any goods shall, if valid, give or be deemed to have given to that person, the exclusive right to the use of

the trade mark in relation to those goods and.....that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted use, uses 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, and in such manner as to render the use of the mark likely to be taken....

(a) as being use as a trade mark;...”

The trade mark in the instant case is registered in Part B of the Register. However, Section 7 (1) of the Trade Marks Act confers on the proprietor of such a mark, the same rights as are provided by Section 6.

The main thrust of the Plaintiff's case is that the use by the First Defendant of the name and/or getup “Win Jamaica Lotteries” is likely to cause confusion in the minds of the purchasing public, so as to mislead it into believing that its lottery is the lottery operated by the Plaintiff under the name “Jamaica Lottery Company Limited”.

The advertisements attached as exhibits to the Affidavit of Eugene Ffolkes consistently show the use by the Plaintiff of the trade mark for which it is the registered proprietor. In looking at the certificate of the Registrar with respect to that trade mark, it must be noted that the following disclaimer appears in these terms: -

“Registration of this trade mark shall give no right to the exclusive use of the word ‘Jamaica’.”

What then is the actual distinctive mark owned by the Plaintiff, which is protected by trade mark registration under the statute?

In the case of McDonald's Corporation vs McDonald's Corporation Limited and another (1996) 55 W.I. R. 226, Rattray P. at page 232 had this to say: -

“...The appellant registered trade marks in Jamaica in 1969, these being an arched ‘M’ with the name McDonald’s across it. Each certificate of the registrar carried a disclaimer in these terms: ‘Registration of this trade mark shall give no right to the exclusive use of the letter ‘M’ or to the word ‘McDonald’s’.

The respondents maintain that this disclaimer debars the appellant from the exclusive use of the letter ‘M’ and the name ‘McDonald’s’ since this is what the disclaimer says. What the disclaimer really means is that the trade mark is as displayed: the arched ‘M’ together with the name ‘McDonald’s’ written across it. That is the distinctive mark which is protected by the trade mark, not the letter ‘M’ ipso facto nor the name ‘McDonald’s’ separately used....” (Emphasis mine)

I respectfully adopt the views expressed as applicable to the present case. Here, the registered trade mark is “Jamaica Lottery Company Limited” together with the logo of a bouncing ball, not the words “Jamaica Lottery” ipso facto. In considering whether or not there is a serious question to be tried, this Court must examine the mark of the Plaintiff as registered, in comparison with the proposed mark of the Defendant “Win Jamaica Lotteries – Games People Love to Play”, together with the device of a treasure chest filled with cash, in their totality. The determination of whether there is a serious question to be tried cannot be

determined mainly on the allegation of one of the parties. This Court must examine the allegations raised and the circumstances of the particular case in coming to such a determination, while being mindful of the fact that the information before it is incomplete and has not been tested by oral cross-examination.

The Plaintiff alleges an infringement of its registered trade mark by the First Defendant and submits, relying on Section 7(2) of the Trade Marks Act, that the onus lies on the First Defendant, who wishes to avoid the Injunction to establish that the use of the proposed mark complained of is not likely to deceive or cause confusion. That section, so far as is relevant reads: -

S. 7(2) "In any action for infringement of a right to the use of a trade mark given by registration as aforesaid in Part B of the Register.....no injunction or other relief shall be granted to the plaintiff if the defendant establishes to the satisfaction of the Court that the use of which the plaintiff complains is not likely to deceive or cause confusion or to be taken as indicating a connection in the course of trade between the goods and some person having the right either as proprietor or as registered user to use the trade mark."

The case of Furnitureland Limited vs Harris and Others (1989) 1 Fleet Street Reports 536 dealing with an application for an Interlocutory Injunction where there were allegations of infringement of trade mark and passing off, is of some assistance in this matter. The headnote reads: -

