

O-009-17

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION No. 3047609
STANDING IN THE NAME OF
LUV2SLEEP LIMITED**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.501069
BY JOYSLEEP FURNITURE LIMITED**

BACKGROUND

1) The following trade mark is registered in the name of Luv2sleep Limited (hereinafter LL):

Mark	Number	Filing & registration date	Class	Specification
JOYSLEEP	3047609	19.03.14 20.06.14	20	Bedding for cots [other than bed linen]; Bedding for nursery cots [other than bed linen]; Filled bedding; Bedding, except linen; Soft furnishings [cushions].
			22	Bedding (feathers for-); Bedding (Feathers for -).
			24	Quilted blankets [bedding]; Textile fabrics for use in the manufacture of bedding; Textile piece goods for making bedding covers; Soft furnishings.
			40	Flame proofing of bedding.

2) By an application dated 9 December 2015 Joysleep Furniture Limited (hereinafter JFL) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

- a) JFL contends that it has used the mark JOYSLEEP in respect of, inter alia, furniture and furnishing since 1978 and has goodwill and reputation in this mark. Use of the mark in suit will offend against section 5(4)(a) of the Act.

3) On 3 November 2016, just one month prior to the hearing, JFL requested to amend its pleadings to include the two device marks. Given that both device marks appear on the very first page of JFL's evidence dated 13 April 2016, it is unclear why it took it so long to realise that its pleadings were so inadequate. It has been professionally represented from

the beginning so one must wonder how the pleadings were handled so badly. The two device elements are as follows:

Device 1: 	Device 2: 
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4) At the hearing Mr Hall for LL pointed out that the request to amend the pleadings was “hopeless unclear”. He contended that the letter does not identify any amendment to the pleading; there is no amended TM26 and that JFL’s own evidence makes it clear that the device marks now being prayed in aid were not used continuously since 1978. I accept these points and agree that the request was very poorly worded. However, despite the many failings, particularly given that JFL is represented, the essence of the request was clear and was clearly foreshadowed in the evidence. I therefore find that the pleadings can be amended but do not require a new form TM26 as this would only incur considerable additional costs to both parties.

5) LL provided a counterstatement, dated 8 February 2016, in which it denies that JFL has any reputation or goodwill in the mark JOYSLEEP, and states that the ground of opposition must fail at the first hurdle.

6) Both sides filed evidence. Both sides ask for an award of costs. The matter came to be heard on 6 December 2016 when Ms Clarke of Counsel instructed by Messrs Keltie LLP represented JFL; LL was represented by Mr Hall of Counsel instructed by Messrs Shoosmiths.

JFL’s Evidence

7) JFL filed a witness statement, dated 13 April 2016, by Shashi Shah a Director of JFL a position he has held since March 1979. He states that when he refers to use of the trade mark he means use of the word “Joysleep”, and the two device marks shown in

paragraph 3 above. He states that the mark was initially used by Joysleep Ltd from 1978 on furniture and furniture accessories including beds and bedding and retail services in respect of the same. This company registered the mark JOYSLEEP but was in financial difficulty when the mark came up for renewal and in April 2010 the company went into administration. A new company Joysleep (2010) Ltd was formed and acquired all the assets of Joysleep Ltd including the goodwill. That the goodwill was specifically included in the purchase is confirmed by exhibit SS1, although the exhibit does not include the full assignment or even the signed last page. At exhibit SS2 is a witness statement by Nimish Shah who confirms that he designed device mark 1 for Joysleep Ltd in 1993. It is also clear (see exhibit SS3) that JFL own the domain names www.joysleep.co.uk and www.thefurnituregallery.net. He states that in 2011 the company rebranded to use device 2 and traded under the name The Furniture Gallery by Joysleep (TFGBJ) although device number 1 is still used on all communications whilst the simple word mark JOYSLEEP is still used on one store. Similarly, although the website has now been renamed TFGBJ but still also uses the two device marks and the word only mark. He provides the following turnover and advertising figures:

Year	Turnover £ million	Advertising £
2010	5.5	26,000
2011	4.1	23,000
2012	3.6	15,000
2013	3.5	15,500
2014	3.5	22,500

8) Mr Shah provides the following exhibits:

- SS5: These are undated pictures of two vans which have the word JOYSLEEP written upon them, along with the device of a sofa (see device 1 above) and the words “Leather Sofas & Furniture” and also beds & furniture”.
- SS6: Copies of screenshots from both the joysleep.co and thefurnituregallery.net websites. Pages 1-4 show use of device 1 on furniture including beds and mattresses between January 2008 and July 2009. Pages 5-11 show searches,

between August 2011 and October 2013, using the word “Joysleep” retuning pages which reference furniture, beds and bedding. Pages 1-11 are from the website of joysleep.co. Pages 12-13 show use of device 2 on furniture including beds and mattresses between July 2014 and December 2014. Pages 14-25 show use of device 2 upon beds and bedding, but these pages are not dated. Pages 12-25 are all from the thefurnituregallery.net website. JFL is not mentioned in any of these pages.

- SS7: samples of various communications. Page 1 is so poorly copied that it cannot be read. Pages 2 and 3 are blank. Pages 4-6 are delivery / dispatch notes which feature device 1 and are dated April 2016, after the application date. Page 7 is an internal document, whilst pages 8-13 are not dated. These all feature Joysleep Ltd and not JFL.
- SS8: Copies of delivery notes with a few invoices interspersed, all of which have device 1 upon them. Pages 1-10, 12-14 and 16-20 are dated after the relevant date, March 2014. Pages 11, 15 and 64 are dated between February 2010 and March 2014 (prior to the relevant date) and show use of device 1 in respect of furniture in general such as tables, chairs, sofas, cushions, drawer units, beds, mattresses and wardrobes. Most addresses are in London, but there also addresses in Kent, Essex, Southend-on-Sea, Ireland, Luton and Eastbourne. None of these show the name JFL.
- SS9: A copy of a brochure dated 2006/07 which shows use of device 1 on a brochure which shows settees, tables, chairs, beds, mattresses, cabinets, wardrobes and bedding. This carries the name Joysleep Leather and Furniture Centre and also refers to www.joysleep.co.uk. The brochure is said to have been distributed during the period 2006-2008.
- SS10: Copies of advertisements. Pages 1-5 are after the relevant date. Pages 6 & 7 are so poorly photocopied they cannot be read. Page 8 shows an advertisement dated April 2013 in the Hampstead Highgate Express which shows use of device 1 & 2 in relation to beds and bedding. Page 9 shows an advertisement dated August

2012 in the Enfield Independent which shows use of device 1 in relation to tables, chairs, beds, wardrobes and display cabinets / sideboards. Page 10 shows a public notice advising that the company Joysleep (2010) Ltd had applied for a licence to use a unit for operating goods vehicles. Pages 11-13 are dated after the relevant date. None of these advertisements or invoices features the name JFL. They do use device 2 and mention the Joysleep Leather and Furniture Centre and also refer to www.joysleep.co.uk.

LL's Evidence

9) LL filed a witness statement, dated 20 June 2016, by Amer Khan who states he is a Director of LL, a position he has held since its incorporation, and that he is authorised to speak on behalf of the company. He states that the company has been trading since early 2013 and was incorporated in October 2013. He states that since it began trading it has sold bedding, including pillows, duvets, sheets and duvet covers. They sell only via the internet via Amazon, eBay and its own website (www.love2sleep.co.uk). He states that all the products sold by his company have had the trade mark JOYSLEEP upon them, and that from its incorporation to the date of his statement the total sales have been approximately £2.5 million. He states that he believes that the two parties are in different markets, with JFL selling furniture from its stores in North London and his company selling bedding via the internet. He contends that other retailers of beds such as DREAMS and BENSONS have their name on the store front but sell products which carry other brands names. He provides the following exhibits:

- AK1: Pages from the websites of LL, Amazon and eBay, all dated June 2016. These show the company name, a description of the product and occasionally the words "by Joysleep" at the end of the description.
- AK2: More pages from Amazon which shows LL's products. Again in the written description the company name is used, but on the actual products the mark "JOYSLEEP" is prominent. These are dated June 2016.
- AK3: Further examples of the packaging which shows use of JOYSLEEP, dated June 2016.

- AK4: Copies of pages from the websites of DREAMS and BENSONS dated June 2016.

JFL's Evidence in reply

10) JFL filed three witness statements. The first dated, 9 August 2016, is by Rosemary Cardas, JFL's Trade Mark Attorney. She comments on the evidence of LL questioning the assertion that retailers of furniture do not sell bedding. She exhibits 153 pages from the internet which she maintains disproves this, but all are either undated or dated after the relevant date.

11) The second witness statement, dated 20 July 2016, is by Ketan Patel, a store administrator employed by JFL. He states that a customer who purchased a bed from JFL later contacted him having seen LL's bedding on the internet to see if they were the products of JFL. He does not mention making a note of the conversation at the time, but can somehow recall both the forename and surname of the customer, but only vaguely recall the date of the conversation. He also states that a courier company, INTERLINK, delivered a lost parcel to his store believing that it was sent by his company when it contained products made and sent by LL. He backs this up by providing photographs of the parcel and its contents.

12) The third witness statement, dated 19 July 2016, is by Rishim Mannathukaran a solicitor employed by JFL. He states that he has worked for JFL for twelve years. He states that the customer services department of JFL received a complaint about the quality of its goods in April 2015, but it transpired that the goods were those of LL. Mr Mannathukaran did not speak to the customer himself and so this is hearsay, and will be given less weight in my findings.

Additional Evidence of JFL

13) By way of a letter dated 14 November 2016 JFL sought to file what its trade mark agent referred to as additional evidence. This includes a statement from Mr Shah who has previously provided evidence in this case. However, it is not a properly sworn

statement. Mr Shah states that he answered a telephone call from a customer inquiring where a quilt he had ordered from Amazon had not arrived. It transpired that the order was placed with LL but the customer assumed that he had ordered from JFL. The letter from Messrs Keltie also includes documents from Companies House which it is claimed show that Mr Khan is not a director of LL as he claimed when providing his evidence. These documents are not attached to a witness statement by the Trade Mark Attorney as one would expect from a professional trade mark company. I allowed the statement of Mr Shah to be considered as “hearsay” evidence despite its shortcomings. The documents showing that Mr Khan is not a director registered at Companies House (CH) was countered by Mr Hall who confirmed that Mr Khan is the marketing director and so, although not registered with CH, did confirm in his statement that he was authorised to speak for the company.

14) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

15) At the hearing Ms Clarke sought permission to file a document from CH which shows that JFL was incorporated on 2 March 2010 and that its previous name was Joysleep (2010) Limited during the period 2 March 2010 to 28 June 2012. She had handed a copy to Mr Hall in the ante room and had yet to send a copy to the Registry. She accepted that the timing was ridiculous but she had only been given the document the night before by her instructing agent, and had wanted to check its authenticity this morning prior to presenting it. I accept that Ms Clarke has accepted as promptly as she could in the invidious circumstances which she found herself.

16) It was clear that, on the evidence filed prior to the hearing, JFL could not prove any goodwill and so would clearly lose the case. The document was therefore crucial to its case. As such I reluctantly agreed to allow the document into the proceedings even though this clearly disadvantaged LL, as to do otherwise would simply lead to further proceedings and add to the costs of both parties.

17) The only ground of invalidity under section 47 is based upon section 5(4)(a). The legislation reads:

“Section 47 states:

47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Union.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

And:

“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

18) Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

19) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be

completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

20) First I must determine the date at which JFL’s claim is to be assessed; this is known as the material date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an

action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.'

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.' "

21) The mark in suit was applied for on 19 March 2014, and is, therefore, the material date. However, if LL had used its trade mark prior to this then this use must also be taken into account. It could, for example, establish that LL is the senior user, or that there had

been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that LL's use would not be liable to be prevented by the law of passing-off – the comments in *Croom's Trade Mark Application [2005] RPC 2* and *Daimlerchrysler AG v Javid Alavi (T/A Merc) [2001] RPC 42* refer. Whilst LL provided a witness statement which claimed that it began using the mark in suit in 2013, this was not corroborated by the exhibits all of which are dated in 2016. I accept that the statement made in the evidence of LL was not challenged but I take into account the comments of Mr Daniel Alexander Q.C. as the Appointed Person in *Awareness Limited v Plymouth City Council*, Case BL O/230/13, where he stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

22) Whilst the above comments were made in relation to proof of use, the same holds true of any claim made before the Tribunal. Where a claim is made and it would be easy to corroborate that claim with documentation, the Tribunal is entitled attach less weight to claims if no such corroboration is filed. **The material date remains 19 March 2014.**

Goodwill

23) I now turn to consider the evidence filed by JFL to determine when it began use of its marks and upon which goods and services. In determining this I take into account of the

guidance in the case of *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

24) However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

25) I also look to *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, where Arnold J. summarised the case law on genuine use of trade marks. He said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with

the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

26) Although written in relation to proof of use, the criteria are relevant in determining what goodwill exists and, if it does, in what goods and / or services. As I accept that the assignment provided at exhibit SS1 corroborates the claim that the goodwill was assigned from Joysleep Ltd to Joysleep (2010) Ltd, which then became JFL I have to consider all of the use filed by JFL in its evidence. JFL states that it used both the word only mark “JOYSLEEP” and also the two device marks shown earlier in this decision.

Device 1 has the word “JOYSLEEP” in large print above a depiction of a sofa with the word “limited” written in a smaller font beneath the sofa in a rectangular device. To my mind, the word “JOYSLEEP” is the dominant and distinctive element, although clearly the sofa, and the device with the word “limited” also have an independent distinctiveness. In respect of device 2 clearly the words “The Furniture Gallery” are distinctive and form a single image in the average consumer’s mind of an area where furniture can be viewed. The second part of the mark is the words “By Joysleep” in a hand written form, in a different colour. To my mind, the second set of words is at least equally distinctive as the first as it offers an indication of the provider of the viewing area and hence the origin of the services. Just as there are many art galleries there are many furniture galleries/shops where one can peruse furniture before purchasing it, the business is identified by the name over the door or in this case the second element in the mark. Taking all this into account I believe that JFL has, in its various iterations used the term “JOYSLEEP” to identify its services since 1978 as claimed, although the evidence only reflects the position since 2010. In reaching this view I am heartened by the contention put forward by Mr Hall in attempting to persuade me to reject the amendment to the pleadings. He stated that:

“The word JOYSLEEP features in both the Sofa and Furniture Gallery Logos, and the pleading relies on use of JOYSLEEP. Thus the Logos are in consideration in any event.”

27) The evidence shows that JFL (and its predecessors in business) had an average turnover of over £4 million per annum in the period 2010-2014 inclusive. The various exhibits show that JFL was a retailer of furniture including settees, tables, chairs, beds, mattresses, drawer units, wardrobes and cushions. I accept that the internet site was under the name “www.thefurnituregallery”, but on the actual site the full logo (device 2) was used, and it was clearly displayed upon the retail outlets. I do not consider that there can be any doubt that JFL has used the term JOYSLEEP in respect of retailing the goods listed earlier in this paragraph. At the hearing LL referred me to the comments of the European Court of Justice in *Celine* (C-17/06):

“21. The purpose of a company, trade or shop name is not, of itself, to distinguish goods or services (see, to that effect, Case C-23/01 Robelco [2002] ECR I-10913,

paragraph 34, and Anheuser-Busch, paragraph 64). The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. Accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being 'in relation to goods or services' within the meaning of Article 5(1) of the directive.

22. Conversely, there is use 'in relation to goods' within the meaning of Article 5(1) of the directive where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets (see, to that effect, Arsenal Football Club, paragraph 41, and Adam Opel, paragraph 20).

23. In addition, even where the sign is not affixed, there is use 'in relation to goods or services' within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party.”

28) And also to the comments of the General Court in the context of genuine use in *Strategi Group* (T-92/09):

“23. In that regard, the Court of Justice has stated, with regard to Article 5(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989, L 40, p. 1), that the purpose of a company, trade or shop name is not, of itself, to distinguish goods or services. The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. Accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being 'in relation to goods or services' (Céline, paragraph 21).

24. Conversely, there is use 'in relation to goods' where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets. In addition, even where the sign is not affixed, there is use 'in relation to

goods or services' within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party (see Céline, paragraphs 22 and 23)."

29) Mr Hall contended that these cases show that use of a shop name does not act as a badge of origin for the goods sold. I accept that the goods sold by JFL have third party names upon them. Mr Hall also contended that the reputation and goodwill of JFL was geographically limited, and suggested they be restricted to "Middlesex, Essex, Berkshire and London areas". He referred me to *Redd Solicitors LLP v Red Legal Ltd and Martin Crighton* [2012] EWPC 54 and also *Caspian Pizza Ltd v Shah* [2015] EWHC 3567 (IPEC). However, to my mind neither of these cases is on all fours with the instant case. I have noted in my summary of the evidence that there are delivery notes covering a very wide area, albeit mostly in the South-East of England. Given that the stores are effectively around the edge of London close to the M25 it is not surprising that its customers come from a very large geographical, highly populated area. The area suggested by LL covers approximately 20%-25% of the population of the UK, whilst LL sells mostly via the internet and must necessarily sell into the same area. I reject the notion of restricting the goodwill of JFL as suggested. **I conclude that JFL has shown it has goodwill in the mark JOYSLEEP in respect of retailing settees, tables, chairs, beds, mattresses, drawer units, wardrobes and cushions amongst a substantial proportion of the population of the UK since at least 2010.**

MISREPRESENTATION

30) In *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, Morritt L.J. stated that:

"There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

"is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the

public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

“The role of the court, including this court, was emphasised by *Lord Diplock in GE Trade Mark* [1973] R.P.C. 297 at page 321 where he said:

‘where the goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a “jury question”. By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

The question does not cease to be a “jury question” when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge's approach to the question should be the same as that of a jury. He, too, would be a

potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.”

31) It is well established that it is not necessary for the parties to a passing-off action to be in the same area of trade or even a related area of trade (*Harrods Ltd v Harrodian School Ltd* [1996] RPC 697 (CA)). In the instant case JFL retails furniture including beds, mattresses and cushions which have third party labels upon them in its retail outlets and its internet site under the marks shown in the paragraph below, whilst LL manufactures (or has purchases in) bedding in classes 20, 22 and 24. Currently it sells these items of bedding upon the internet. The field of activity of the two parties must be considered to be close as consumers who purchase a bed or mattress will also, at some point, require bedding to be used with such items.

32) For ease of reference the marks of the two parties are shown below:

LL's mark	JFL's marks	
JOYSLEEP	JOYSLEEP	

33) Earlier in this decision (at paragraphs 26-29) I analysed the marks of JFL and concluded that they had goodwill in the word JOYSLEEP for retailing of various items of furniture including beds, mattresses and cushions. It is clear that the distinctive element of both parties marks is the term “JOYSLEEP” although JFL’s last two mark also have other elements which for the most part would be seen as descriptive of the goods (device 1) or descriptive of the building/internet site (device2). Because of this, use of the registered mark, whether actual or on a fair and notional basis would result in JFL’s customers and potential customers being deceived into thinking that the goods of LL are

those of JFL. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will occur.

34) Consequently, in the instant case, as JFL has established a goodwill and shown deception, then damage can be considered as the automatic sequitur in relation to the goods in classes 20, 22 and 24 and the three elements of the classic trinity of passing-off will have been established. The use of the mark in suit in relation to the goods for which it is registered will erode the distinctiveness of JFL's earlier mark and/or result in a loss of control of the goodwill associated with the mark JOYSLEEP. **The invalidity under Section 5(4)(a) therefore succeeds in respect of the goods in classes 20, 22 and 24.**

35) So far in this decision I have not dealt with the services under class 40 for which the mark in suit is registered. In their skeleton argument and at the hearing JFL was virtually silent regarding these services. The only comment made was as follows:

"We say that the only area where I should say that you might ask whether I am pushing my case that far is in relation to flame-proofing of bedding. I cannot see at the moment that that is really what my friend's clients do, either, and I do not claim that my clients have any particular interest in the flame-proofing business.

I cannot actually see what it means. I assume it simply means that you use particular materials that are flame-proof when you make your bed. If that is right and it relates to the services of manufacturing beds, I am not sure that I do not have a case in relation as that as well. I can see that that might be an area where you might take the view that I am in slightly more difficulty because it is a specific trade. Presumably, there are people out there who will apply spray coatings or some sort of other substance and, thereby flame-proof a bed which was not formerly flame-proofed. But if it says it extends to making and selling beds, then that is, obviously, a very different matter."

36) Whilst I accept that the services in class 40 relate to bedding, they are to my mind, highly specialised. There is no evidence that these services are the type to be used by the general public, instead it is my opinion, that they are likely to be provided to businesses who are manufacturing bedding who then wish to ensure that said bedding is

flame proof. In the absence of any evidence or contentions to the contrary **I find that there would be no deception in relation to use of the mark in suit in relation to “Flame proofing of bedding” in class 40.**

CONCLUSION

37) The invalidity action under Section 5(4)(a) has been successful in relation to the goods in classes 20, 22 and 24 and the registration in relation to these goods will be deemed to have never been made. The mark will remain on the register in relation to the services in class 40.

COSTS

38) As JFL has for the most part been successful it would normally be entitled to a contribution towards its costs. However, the case has been managed so badly it has caused LL considerable extra time and therefore costs in having to deal with last minute changes and filings of additional evidence which could and should have been foreseen at the very beginning of the case and dealt with in the usual evidence rounds. I even considered carefully whether to award costs to LL despite the fact that it lost most of its registration. However, I have decided not to favour either side with an award of costs.

Dated this 11TH day of January 2017



G W Salthouse
For the Registrar
the Comptroller-General