

**IN THE MATTER OF Application
No 2103948 by William Leith to register
a trade mark in Classes 22 and 42**

**AND IN THE MATTER OF Opposition
No 46494 by Anchor Industries Incorporated
#**

Decision

1. On 10 December 1999 I heard an opposition by Anchor Industries Incorporated to an application by William Leith to register the trade mark shown below.



2. The opponent was represented at the hearing by Ms D McFarland of counsel, instructed by Sceptre. The applicant was not present or represented.

3. For the reasons I gave at the hearing, and which are recorded in the attached approved transcript, I decided that the ground of opposition under Section 3(6) of the Act was successful. The application is therefore refused.

4. The opponent having been successful is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of £1000.

Dated this 31 Day of January 2000

**Allan James
For the Registrar
The Comptroller General**

On 28 June, 1996 William Leith applied for the registration of a trade mark in Classes 22 and 42. The trade mark in question consists of a device within which appear the words “WILLIAM LEITH” and also the words “NEW CENTURY MARQUEES”. A copy of the trade mark in question will be annexed to this decision.

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The specification of goods and services is marquees, awnings, tents, parts of fittings for the aforesaid goods in Class 22, and in Class 42, marquee, awning and tent hire and rental services.

10 The application was published for opposition purposes and opposition was received from Anchor Industries Incorporated, which is an American corporation incorporated in Indiana.

The grounds of opposition, in so far as they were pursued before me, are as follows. Firstly, under Section 5(2)(b) of the Act on the grounds that the mark is confusingly similar with
15 earlier Trade Mark No 2027494. This consists of the word “CENTURY” and it is registered in Class 22 for essentially identical goods with effect from 19 July, 1995. Secondly, under Section 5(4)(a) of the Act, on the grounds that the use of the mark would be liable to be prevented by the law of passing off in the light of the opponent’s earlier use of the trade
20 marks CENTURY and NEW CENTURY. Thirdly, that the application has been made in bad faith. Fourthly, that the applicant had no bona fide intention to use the mark at the date of the application, and the application should accordingly be refused under Section 32(3) of the Act.

The applicant denies all the grounds of opposition. Both sides have asked for an award of costs. The opponent has been represented at the hearing today. The applicant indicated the
25 day before the hearing that he did not intend to be present or represented.

The opponent’s evidence consists of an affidavit dated 20 November, 1997 by Peter B Mogavero. Mr Mogavero is the President of Anchor Industries Inc. Paragraph 7 of his evidence is as follows:

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“In 1989 a marquee with original design features in the shape of the roof was designed for Anchor. This design of marquee was and is marketed and sold under the Trade

Mark NEW CENTURY. In the United Kingdom the first sale of a NEW CENTURY marquee was made in November 1990. Since at least April 1993, NEW CENTURY Marquees have been extensively advertised in the United Kingdom by means of presentations at Trade Fairs and Shows, distribution of advertising material and personal marketing by our Agent. A copy of a promotional leaflet for NEW CENTURY marquees dated 1990 is attached as Exhibit PBM2 hereto. A promotional leaflet for NEW CENTURY Marquees dated 1993 is attached as Exhibit PBM3 hereto.”

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10 The dates referred to in Mr Mogavero’s evidence are in fact the dates of the copyright claims which feature in both the publications that I have just mentioned.

The promotional leaflet which makes up Exhibit PBM3 carries a USA address. Although there is space for agents’ details to be given, no such details appear.

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Paragraphs 8 to 10 of Mr Mogavero’s evidence are as follows:

“8. Approximate turnover figures in relation to goods sold in the UK under the Marks CENTURY and NEW CENTURY are as follows:

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1990	-	\$15,286.00
1991	-	NOT AVAILABLE
1992	-	\$32,100.00
1993	-	\$21,597.00
1994	-	\$38,715.65
1995	-	\$46,366.40
1996	-	\$64,390.00

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9. Advertising expenditure in recent years in the UK has been of the order of £6,000 - £8,000 per year.

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10. Sales of CENTURY marquees and NEW CENTURY marquees were made to the Applicant for Trade Mark Application No 2103948 William Leith himself, from 1990. Sales of CENTURY marquees to William Leith in 1990 totalled \$15,286. Sales of CENTURY marquees to William Leith in 1992 totalled \$32,100. Copies of sales invoices evidencing sales to Mr Leith in 1993 are attached as Exhibit PBM4 hereto.”

Despite what Mr Mogavero says in paragraph 7 of his evidence, it appears from these later statements that the marquees sold to the applicant in 1990 and 1992 were in fact sold under the trade mark CENTURY rather than NEW CENTURY.

The sale in 1993 appears to have been of a marquee under the trade mark NEW CENTURY. This is confirmed by the invoices that make up Exhibit PBM4, and also by correspondence included within Exhibit PBM5, in particular two letters from Mr Leith himself to the opponent dated 9 November, 1993 and 8 April, 1994. In the earlier letter Mr Leith confirms that he has transferred the sum of \$42,000 to the opponent as payment for NEW CENTURY and FIESTA marquees. It is clear that Mr Leith’s use of these terms is as trade marks.

In the later letter of April, 1994 Mr Leith refers to a conversation with a member of the opponent’s staff and expresses disappointment that the possibility of a licence to manufacture a range of Anchor products has not progressed further.

Paragraphs 12 and 13 of Mr Mogavero’s evidence are as follows:

“12. It was brought to our attention in March 1996 that William Leith was using the Trade Mark NEW CENTURY in relation to tents he was hiring or offering for hire, without identifying or acknowledging Anchor as the proprietor of that Trade Mark. It was also brought to our attention that Mr Leith had copied the design of Anchor’s NEW CENTURY marquee, and was using the Trade Mark NEW CENTURY in relation to the hiring and offering for hire of such copies. At that time solicitors acting on behalf of Anchor wrote to William Leith

requiring him to cease such use of the Trade Mark NEW CENTURY. A copy of this letter is enclosed herewith as Exhibit PBM6.

13. William Leith declined to comply with this request.”

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The applicant’s evidence takes the form of an affidavit dated 1 June, 1998 by William Leith. He says that William Leith is a company incorporated in Scotland with unlimited liability. He explains that the principal business of the company is the hiring of marquees, and that although the company is involved in the manufacture and sale of marquees, this represents only around 5 per cent of the applicant’s business.

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In relation to Mr Mogavero’s evidence he says: “I do not doubt that the name “Century” has been used by Anchor since 1990.

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I cannot say when they first marketed in the United Kingdom marquees under the name “NEW CENTURY”. There appears to be no evidence of this being tendered. The sale literature produced seems to be specifically targeted to the American market. It is however, clear that the sales in 1990 and 1992 were sales to my company and were the only sales secured by Anchor in the United Kingdom in those two years. I note there is no information available for 1991 and I suspect this is because my Company did not buy a marquee from them in 1991 and there was no other sales made.

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I would note that turnover in the United Kingdom has been increasing, notwithstanding the fact that since 1992 I have not purchased any marquees from Anchor.” In fact, that appears to be incorrect. The letters I referred to earlier show that Mr Leith did purchase a further marquee from the opponents in 1993. Mr Leith continues to say that he does not dispute the alleged sale to William Leith, and this appears to include the claim in paragraph 10 of Mr Mogavero’s evidence that a sale took place in 1993.

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Mr Leith continues: “I would also refer to the correspondence which forms Exhibit PMB6 being a letter dated 19 March 1996 from Anchor’s solicitors within the United Kingdom to

my Company objecting to the use of the description ‘New Century’ being applied to
marquees being offered for hire by my company. Although a threat of legal action was given
notice of which expired on the 1 April 1996 no such proceedings have been taken no steps
have therefore been pursued by Anchor to protect this alleged breach of their trade mark. In
5 the circumstances I would submit that there is no strong evidence that they value their trade
mark sufficiently to take enforcement steps to prevent its abuse.”

I turn then to the decision. The relevant date for the decision in this case is 28 June, 1996,
which is the date of the application in suit. The grounds of opposition must be decided as at
10 that date.

I consider first the ground of opposition under Section 5(2)(b) of the Act. The relevant
provision is as follows:

15 “A trade mark shall not be registered if ... (b) it is similar to an earlier trade mark and
is to be registered for goods or services identical with or similar to those for which the
earlier trade mark is protected, there exists a likelihood of confusion on the part of the
public, which includes the likelihood of association with the earlier trade mark.”

20 The application under opposition has been filed in Classes 22 and 42. As I have already
mentioned, the goods at issue in Class 22 are identical and the services specified in Class 42
of the application are, in my view, similar to those goods. The question therefore turns on the
degree of resemblance between the trade marks and the resulting likelihood of confusion.
The appropriate test to be applied is that set out by the European Court of Justice in Sabel BV
25 v Puma AG Rudolph Dassler Sport [1998] RPC 199 at 224. The most relevant part of the
Court’s decision is as follows: “That global appreciation of the visual, aural or conceptual
similarity of the marks in question, must be based on the overall impression given by the
marks, bearing in mind, in particular, their distinctive and dominant components. The
wording of Article 4(1)(b) of the Directive - ‘... there exists a likelihood of confusion on the
30 part of the public...’ - shows that the perception of marks in the mind of the average consumer
of the type of goods or services in question plays a decisive role in the global appreciation of

the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.”

5 It is clear from that case that an earlier mark with a strongly distinctive character per se, or because of the use that has been made of it, is more likely to be the subject of confusion than a less distinctive trade mark. On behalf of the opponent Miss McFarland submitted that the opponent’s mark CENTURY was a highly distinctive trade mark. The word “CENTURY” is not descriptive of marquees or of the services related to the hire of such goods, and it therefore has a distinctive character. I do not believe that the opponent has shown that its
10 inherent distinctiveness has been enhanced to any significant degree by the use that has been made of the mark in the United Kingdom before the relevant date. In that context I bear in mind that the European Court of Justice has decided in a later case, known as Lloyd Schuhfabrik Meyer & Co GmbH [1999] ETMR 690, to which Miss McFarland drew my attention today, that a “reputation” for these purposes is deemed to be significant at the point
15 when a significant proportion of the relevant public have come to associate goods sold under the trade mark with the proprietor of that mark. I do not think that the opponent’s evidence of use is sufficient to establish that proposition.

20 It therefore seems to me that this is really a matter of a prima facie comparison of the two marks in question. I need to take a view on whether the word “CENTURY” is a dominant and distinctive component of the applicant’s trade mark and whether that is likely to lead to confusion with the opponent’s mark. In that connection I note that the European Court of Justice has stated in another case, Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc [1999] ETMR 1 that there is a likelihood of confusion if the resemblance between
25 the marks is sufficient to signal to the public that the goods or services provided under the respective marks originate from the same or commercially related undertakings.

30 Accordingly, if I reach the view that the applicant’s mark will send the message that the marquees in respect of which it is to be used are perhaps a “new” version of the opponent’s product, that will be sufficient for the opposition to succeed. However, it appears to me that in combination with the words “WILLIAM LEITH” the words “NEW CENTURY” create

something of a different impression, alluding to marquees for the new century. I think this is particularly so as a new century approaches. It seems to me that in these circumstances the word “CENTURY” solus is not a dominant component of the applicant’s mark. The position would, in my view, be different if the public could be expected to be aware of the opponent’s use of the second trade mark NEW CENTURY. However, that mark is not registered, and the issue therefore falls to be considered under Section 5(4)(a) of the Act and not under Section 5(2).

Miss McFarland also submitted that I should take into account the evidence that the applicant had copied a design right belonging to the opponent. She submitted that this was a further factor which was likely to lead to confusion. Again I do not think that is a relevant point under Section 5(2) because it would not represent normal and fair use of the mark applied for and any confusion which depended in part upon an infringement of a design right could not be said to be confusion that arose purely from the resemblance of the trade marks.

Accordingly, I have reached the view that the opposition under Section 5(2) does not succeed.

This brings me to the second ground under Section 5(4)(a). The relevant statutory provision is as follows:

“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 ...”

Mr Geoffrey Hobbs QC provided a helpful analysis of the requirements for a passing off right in his decision in AD2000 Trade Mark [1997] RPC 168. In essence the three limbs of the test are goodwill, misrepresentation and damage. In order to establish a goodwill in the UK a party must show that they have customers in the United Kingdom, or at least that they have used their mark in the UK with the intention of attracting customers to their goods or services. It is clear on the evidence that the opponent has at least one customer in the UK,

Mr Leith himself. Indeed, it appears from Mr Leith's evidence that there must be more than one customer because the opponent's sales in 1994 and 1995 were clearly not to him.

Beyond that it is difficult to be clear about the extent of the opponent's goodwill. Although they claim to have advertised the mark extensively, they have provided no details of this advertising, no details of the trade exhibitions they claim to have attended, and no details of their UK agent. The only sales invoices provided are to Mr Leith. Further, there is a lack of distinction in Mr Mogavero's evidence between the claims he makes in relation to the use of the mark CENTURY and the mark NEW CENTURY.

I am prepared to accept that at the relevant date the opponent had some goodwill in the UK. I do not think it is clear whether there were any other UK customers, or potential customers, who had been exposed to their mark NEW CENTURY. That is an important point in the light of my earlier decision with regard to the confusability of the mark CENTURY and the mark applied for. As in a passing off action, the onus under Section 5(4)(a) is upon the opponent to make out its case. In my view, the opponent has not established that it enjoyed an actionable goodwill under the trade mark NEW CENTURY at the relevant date. There is no doubt it had at least one customer, Mr Leith, but he is hardly relevant for these purposes because he himself is hardly likely to be confused or the subject of passing off. It follows from what I have said that the second ground of opposition is not successful.

That brings me to the ground of opposition under Section 3(6). The relevant provision here is as follows: "A trade mark shall not be registered if or to the extent that the application is made in bad faith." Lindsay J considered the matter in *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367. He felt that bad faith included acts of dishonesty and also dealings which fell short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the area being examined. The relevant facts in this case are that (a) Mr Leith was aware that NEW CENTURY was the opponent's trade mark in the United States of America; (b) he knew that the opponent had started to trade in the United Kingdom under the trade mark, he was himself a customer; (c) he should have been aware that the opponent could be expected to expand that trade, if it had not already done so;

(d) he had previously proposed a licence arrangement with the opponent. The terms of the proposed licence are not clear. It was apparently in relation to a proposal that he should manufacture goods in the UK. Whether it was in relation to the design of the marquees or the use of the trade mark (or both) is less clear. In any event, the licence did not proceed.

5 Mr Leith subsequently adopted the sign NEW CENTURY MARQUEES as his own trade mark, and he used it in the UK. When he was challenged about this he sought to register the mark in combination with his own name. In my view, the mark he has applied to register is confusingly similar with the mark NEW CENTURY.

10 It follows from that that if this application were successful he would be in a position to prevent the opponent from registering their mark in the United Kingdom, and possibly from using it here. In my view the application has been made in bad faith. It is difficult to see how a person who applies to register a mark in his own name which he has previously recognised as the property of a potential overseas principal can be said to be acting in accordance with
15 acceptable standards of commercial behaviour. I do not believe that combining the mark with the applicant's own name is any answer to that criticism.

It follows from what I have said that the opposition under Section 3(6) in relation to the Class 22 section of the application succeeds.

20 There is, as I have already observed, a close connection between the services specified in Class 42 and the goods listed in Class 22 of the application. It is clear from Mr Leith's own evidence that it is the practice in this trade for traders in marquees to also engage in their hire. It therefore seems to me that the application, so far as it relates to Class 42, has also been
25 made in bad faith, and that the application should be refused in total.

During the course of the hearing Miss McFarland raised another point as to whether Section 32(3) of the Act provided an alternative ground of refusal in circumstances where the applicant could be said to have no bona fide intention to use the mark. It was suggested that
30 this might present a lower threshold than a finding of bad faith under Section 3(6). I am doubtful whether that is an alternative ground of opposition. In the event I do not need to

decide the point because I have reached the clear view that the opposition under Section 3(6) succeeds.

5 That brings me to the question of costs. The opposition having succeeded, the opponent is entitled to a contribution towards its costs on the Registrar's normal scale I will therefore order the applicant to pay the opponent the sum of £1,000 as a contribution towards their costs.