

**TRADE MARKS ACT 1994**

**IN THE MATTER OF Application N<sup>o</sup>: 2203017  
in the name of Readmans Limited**

**and**

**Opposition thereto under N<sup>o</sup>: 50538 by  
Westpoint Stevens Incorporated.**

1. The mark shown below was applied for on 14<sup>th</sup> July 1999 by Readmans Limited, of Balme Road, Bradford Road, Cleckheaton, West Yorkshire, BD19 4EW. The goods specified are 'Household textile articles; bed linen, bed covers, bed sheets, bed blankets, pillow cases, duvets and duvet covers; valances and towels; all consisting wholly or principally of Egyptian textiles' in Class 24.



2. The opponents, Westpoint Stevens Incorporated, a US firm, claiming registrations and reputation in relation to manufacture and retail of household textile articles under the trade mark LUXOR '..in the United States and throughout the world ..', oppose on the following grounds:

'The Opponent has been trading in the mark LUXOR since June 1981 and like many other of the Westpoint Stevens brands has become very well-known both in the UK and around the world. ... The Opponent contends that having regard to the foregoing, the registration of the Applicant's mark would be contrary to a rule of law protecting an unregistered mark or other sign (in particular to section 56 of the Trade Marks Act 1994). **Therefore a grant of registration of this Application would be contrary to Section 5(4) Trade Marks Act 1994.**

The Opponent is a company incorporated in a Convention country. It contends that **its trade mark LUXOR is entitled to protection under the Paris Convention as being a well-known trade mark in the sense of article 6 bis of the Convention.** The proprietor of a mark which is so entitled to protection under article 6bis of the Paris Convention is entitled to restrain by injunction in the UK the use of any mark which is identical or similar to his mark in respect of identical or similar goods or services, where the use is likely to cause confusion'. (Emphasis mine)

The opponents also claim that the application is made in bad faith. This was not raised again by them, no evidence was submitted and I therefore have not considered it further. Such an accusation places a significant onus on the person making it, which the opponents have not begun to address.

3. A Counterstatement was provided by the applicants, in which the grounds are denied. An award of costs was requested by both parties. No hearing was desired by either, and my decision here is based on a careful examination of the evidence submitted.
4. In reference to the opponents' ground under s. 56, this section states:

55.-(1) In this Act –

(a) “the Paris Convention” means the Paris Convention for the Protection of Industrial Property of March 20th 1883, as revised or amended from time to time, and

(b) a “Convention country” means a country, other than the United Kingdom, which is a party to that Convention.

..... ,

56.-(1) References in this Act to a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who

(a) is a national of a Convention country, or

(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

(2) The proprietor of a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark is entitled to restrain by injunction the use in the United Kingdom of a trade mark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.

This right is subject to section 48 (effect of acquiescence by proprietor of earlier trade mark).

(3) Nothing in subsection (2) affects the continuation of any *bona fide* use of a trade mark begun before the commencement of this section’.

5. Thus, for the purposes of ss. 55 and 56 the opponents need to show *inter alia* that their mark is a ‘well-known mark in the United Kingdom’.

6. S. 5(4)(a) of the Act states:

‘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 a unregistered trade mark or other sign used in the course of trade..’

Following from *Wild Child* [1998] RPC 455, at page 460ff, to succeed in a passing off action, it is necessary for the opponents to establish, at the relevant date (14<sup>th</sup> July 1999) that: (i) they had acquired goodwill under their mark; (ii) that use of the applicants’ mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.

7. Consequently, both the grounds pleaded require different species of public awareness of the opponents’ mark, LUXOR, in the UK. However, they together turn on the evidence submitted to establish this. Of that evidence, in their one Statutory Declaration (by Mr. Alastair Henderson their Managing Director) the applicants state:

‘In summary, the evidence as presented does not convince me that LUXOR is a well known Trade Mark in the United Kingdom ... No evidence has been adduced to substantiate the claim that UK customers/tourists have been exposed to the Trade Mark..’

I agree. The opponents make significant claims in their three Statutory Declarations, which are not sustained by the material they submit in support.

8. The first Declaration is by Michael J Velsmid, the opponents’ President. It clear from this Declaration that the opponents have a large commercial operation in the USA. There is no such in the UK, though the thrust of the opponents’ case is that the extent of their business in the US is enough to create an awareness amongst UK citizens. In particular:

- They own three retail outlets in New York (Albany, Long Island and Harriman) which are all, apparently, very popular tourist destinations especially with UK tourists who come to New York purely to shop; there are also five shops in Florida where there is a large UK tourist and ex-pat customer base.
- From November 1998 onwards, goods bearing the Trade Mark were featured on the opponents Web-site and could be bought on-line. Since then UK user sessions are calculated as 681 with an average of 17 hits per user. Mr. Velsmid states: ‘It is clear from this that each user has visited most if not all of the pages of the Web-site and will therefore have entered into contact with the Trade Mark on-line’. Advertisements from the website are provided in Exhibits MJV4 and MJV5. None are before the relevant date.

9. Mr. Velsmid completes his Declaration with the statement:

‘the Trade Mark is well-known in the United States ... and ... because of the way that the Goods bearing the Trade Mark are and have been sold, i.e. in major US department stores, in the Opponent’s outlet stores and over the Internet, it is clear that UK customers will have

come into contact with the Trade Mark. As a result the Trade Mark was well-known in the United Kingdom at the date of the Application..’

I do not consider that any such inference is justified on the basis of his evidence. Further material is appended to the opponents’ next Statutory Declaration, by their ‘Vice President of Bath Merchandising’, Mr. George F. Dickson, but this does not take the opponents any further forward. Again, reference is made to their business and registrations in the US, and the argument advanced that there has been ‘bleed across’ to UK consumers from this market (see paragraph 7). Mr. Dickson completes his evidence by stating:

‘As a result of over 40 years of continuous sale of products bearing the Trade Mark, the Trade Mark is well-known in the United States. Moreover, because of the way that the Goods bearing the Trade Mark are sold, i.e. in major US department stores as set out in paragraph 7 above, through the Opponent’s own retail outlets and over the Internet, as set out in the Statutory Declaration of Michael J. Velsmid, UK customers will have come into contact with the Trade Mark. On the basis of the above I believe that the Trade Mark was well known in the United Kingdom on or before 14 July 1999, the date of filing of the Application, the subject of this Opposition. The Trade Mark is owned by a corporation based in the United States of America, which, I am advised by the Opponent’s solicitors is a member of the Paris Conventions’.

10. Finally, the opponents’ Assistant General Counsel, Ms. Barbara Kolsun, comments on Mr. Henderson’s Declaration, to little overall effect on the result of this decision, and makes much the same points as the other two Declarants.
11. I wish to deal with s. 56 first. The following is from a decision of the Registry (*AHP Dermakind SIRIS O/112/00*):

‘63. It is convenient at this point to weigh this evidence against that which is required to demonstrate that a mark is “well known” for the purposes of the Paris Convention. In *General Motors Corporation v Yplon SA* (1999 ETMR page 122), Advocate General Jacobs considered what is necessary to show a “reputation” for the purposes of Article 5(2) of EC Directive 104/89 (Section 5(3) of the 1994 Act). In so doing he also considered the difference between marks with a “reputation” and marks which are “well known”. The relevant part of his opinion is reproduced below.

“Marks with a reputation and well-known marks.

30. Both in the proceedings before the Court, and in general debate on the issue, attention has focussed on the relationship between “marks with a reputation” in Article 4(4)(a) and Article 5(2) of the Directive and well-known marks in the sense used in Article 6 *bis* of the Paris Convention for the Protection of Industrial Property. Well-known marks in that sense are referred to in Article 4(2)(d) of the Directive.

31. General Motors, the Belgian and Netherlands Governments and the Commission submit that the condition in the Directive that a mark should have a “reputation” is a less stringent requirement than the requirement of being well known. That also appears to be the view taken in the 1995 WIPO Memorandum on well-known marks.

32. In order to understand the relationship between the two terms, it is useful to consider the terms and purpose of the protection afforded to well-known marks under the Paris Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). Article 6 *bis* of the Paris Convention provides that well-known marks are to be protected against the registration or use of a “reproduction, an imitation, or a translation, liable to create confusion” in respect of identical or similar goods. That protection is extended by Article 16(3) of TRIPs to goods or services which are not similar to those in respect of which the mark is registered, provided that use of the mark would “indicate a connection between those goods or services and the owner of the registered trade mark and provided that the interests of the owner of the registered trade mark are likely to be damaged by such use”. The purpose of the protection afforded to well-known marks under those provisions appears to have been to provide special protection for well-known marks against exploitation in countries where they are not yet registered.

33. The protection of well-known marks under the Paris Convention and TRIPs is accordingly an exceptional type of protection afforded even to unregistered marks. It would not be surprising therefore if the requirement of being well-known imposed a relatively high standard for a mark to benefit from such exceptional protection. There is no such consideration in the case of marks with a reputation. Indeed as I shall suggest later, there is no need to impose such a high standard to satisfy the requirement of marks with a reputation in Article 5(2) of the Directive.”

64. The Advocate General concluded that a mark had a relevant “reputation” when it is known to a significant proportion of the relevant public. That view was subsequently confirmed by the Court of Justice (1999 ETMR 950).’

The Hearings Officer went on to say: ‘I do not believe that this case requires me to take a view on how far a “well known” mark sits above that of a mark that merely has a “reputation”. For even if I adopt the lower threshold the opponent has not crossed it’, and I think the same is true here. There is no evidence to show that the opponents’ mark, however well known in the United States, is so in the UK. This ground must fail.

12. In dealing with the next ground, passing off, I wish to refer to another Registry decision *Speciality Retail Group plc and Expressco Inc.* (The *Suit Express* Mark; SRIS O/124/00). In that matter, the opponent had a retail clothing business in the US, but no establishments in the UK. It was contended that it has a goodwill in the UK because it has customers here. The Hearings Officer was referred to the Decision of Sir Nicholas Browne-Wilkinson VC in *Pete Waterman Ltd and Others v CBS United Kingdom* (1993) EMLR 27, who concluded that the law is as follows:

‘The presence of customers in this country is sufficient to constitute the carrying on of business here whether or not there is otherwise a place of business here and whether or not the services are provided here. Once it is found that there are customers, it is open to find that there is a business here to which the local goodwill is attached.’ (My emphasis).

13. This means that the presence of customers here in the UK is enough to give rise to an enquiry of fact as to whether the claimant’s business extends to the UK with associated local goodwill. In *Suit Express*, the evidence of goodwill was as follows:

'.. around 320 persons "resident in England and Scotland" had taken out the opponent's in-house store card prior to the relevant date. ... over \$200K dollars were made on these cards up to July 1995. Mr Tritton criticised this evidence. He pointed out that the source material has not been disclosed with the result that it is not possible to ascertain what, where, when or by whom these purchases were made. I believe there is some force in that submission. Without further details, the opponent's evidence of customers resident in the UK is not firmly established'.

14. The evidence in the instant case does not even get as far as this: the opponents make rather vague references to UK 'ex-pats', and to tourists visiting the locations in the US where they have retail sites: no evidence showing purchases are provided. And even if there were, I do not believe it would help the opponents. In *Suit Express*, the Hearings Officer commented that such purchases '..should be considered to form part of the American goodwill', and not part of that in the UK. He added:

'I dare say that retailers based outside the jurisdiction, who positively attract sufficient UK visitors so as to properly regard the UK as part of their catchment area, may be able to show that they have a business and goodwill in the UK even though located abroad (certain hypermarkets based in or around the French Channel ports spring to mind). It is doubtful whether an overseas retail outlet that UK residents have used casually whilst on business or holiday abroad can be said to be in business here merely because those customers returned here after doing business with the retailer whilst abroad'.

15. Then there is, of course, the Opponents' Website. Mr. Henderson makes the comment:

'.. in paragraphs 4 and 5 [of his Declaration], Mr. Veldsmid indicates that LUXOR has been on the world wide web since 1998 and that since that date some 681 hits have been occasioned from the United Kingdom. As a percentage of the overall total UK population of 56 million this is a significantly low figure. Even more so if you consider that some of those 681 browsers may not have come into direct contact with the LUXOR Trade Mark on the website itself. Indeed, the fact that no sales have been occasioned from the United Kingdom via the website or BED BATH & BEYOND's website is again an indication that exposure to the brand in terms of UK customers is particularly small, if not, non-existent. In short, it suggests lack of awareness of the brand in the United Kingdom'.

16. There is no material evidence of sales to customers in the UK. There may well have been some small exposure to consumers in the UK of the mark – though, as Mr. Henderson states, there is no evidence of this – but that cannot amount to a trading goodwill in the United Kingdom. This ground fails at the first hurdle, and the opposition fails.

17. Before dealing with the issue of costs, I wish to make two final reference to the case law. The following is from *800 Flowers TM* [2000] ETMR 369:

'Mr. Hobbs submitted that any use of a trade mark on any website, wherever the owner of the site was, was potentially a trade mark infringement anywhere in the world because website use is in an omnipresent cyberspace: that placing a trade mark on a website was "putting a tentacle" into the computer user's premises. I questioned this with an example: a fishmonger in Bootle who put his wares and prices on his own website, for instance, for

local delivery, can hardly be said to be trying to sell fish to the whole world or even the whole country and if any web surfer in some other country happens upon that website he will simply say, "this is not for me" and move on. For trade mark laws to intrude where a website owner is not intending to address the world but only a local clientele and where anyone seeing the site would so understand him would be absurd. So I think that the mere fact that websites can be accessed anywhere in the world does not mean, for trade mark purposes, that the law should regard them as being used everywhere in the world. It all depends upon the circumstances, particularly the intention of the website owner and what the reader will understand if he accesses the site. In other fields of law publication on a website may well amount to a universal publication, but I am not concerned with that.'

13. Jacob J, who presided over the above case, added in *Euromarket Designs Incorporated v Peters and another* [2000] All ER (D) 1050, where the defendant, based in Ireland, was using a trade mark (Crate and Barrel) on its website:

'24. Whether one gets there by a search or by direct use of the address, is it rational to say that the defendants are using the words "Crate & Barrel" in the UK in the course of trade in goods? If it is, it must follow that the defendants' are using the words in every other country of the world. Miss Vitoria says that the internet is accessible to the whole world. So it follows that any user will regard any web site as being "for him" absent a reason to doubt the same. She accepted that my Bootle fishmonger example in 800-Flowers is that sort of case but no more. I think it is not as simple as that. In 800-Flowers I rejected the suggestion that the website owner should be regarded as putting a tentacle onto the user's screen. Mr. Miller here used another analogy. He said using the internet was more like the user focussing a super-telescope into the site concerned; he asked me to imagine such a telescope set up on the Welsh hills overlooking the Irish Sea. I think Mr. Miller's analogy is apt in this case. Via the web you can look into the defendants' shop in Dublin. Indeed the very language of the internet conveys the idea of the user going to the site "visit" is the word. Other cases would be different - a well-known example, for instance, is Amazon.com. Based in the US it has actively gone out to seek world-wide trade, not just by use of the name on the internet but by advertising its business here, and offering and operating a real service of supply of books to this country. These defendants have done none of that.'

18. Though the above cases were on very different grounds to this one, the principals established in these quotations are, in my view relevant here. On the evidence I have before me, there is nothing that leads me to conclude that the opponents primary intention was anything other than a trade in the US via their website. Examining the Exhibits at MJV4 and MJV5, both contain prices in US dollars and both have 'store locators' 'button' on the website, i.e. for the opponents' establishments in America. Trade abroad would, no doubt, have not been refused, but seems ancillary to the primary purpose of facilitating 'e-commerce' in the US. And there is no evidence that trade other than this has occurred, despite the limited number of 'hits' the website has received from the UK.

19. Finally, costs. The applicant having successfully defended the application is entitled to a contribution towards costs. I order the opponent to pay the applicant the sum of £550. This sum to be paid within seven days of the expiry of the appeal or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 30th Day of January 2002.**

**Dr W J Trott  
Principal Hearing Officer  
For the Registrar, the Comptroller General**