

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION **m** 2102052
BY MASTERING COMÉRCIO, EMPREENDIMENTOS E PARTICIPAÇÕES LTDA
TO REGISTER THE TRADE MARK

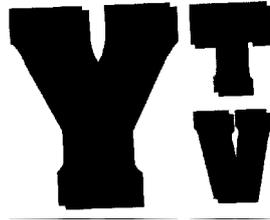
YTV AND DEVICE

AND

IN THE MATTER OF OPPOSITION BY
YORKSHIRE TELEVISION LIMITED
THERE TO UNDER OPPOSITION **m** 45971

DECISION

Mastering Comércio, Empreendimentos E Participações Ltda. applied on 6 June 1996 to register the trade mark:



in class 38. Following examination the application was advertised for the following goods:

5 'Communication services, namely telephonic and broadcast services via cable, satellite and television.'

The application is opposed by Yorkshire Television Limited on the following grounds:

10 ! s 3(3)(a) as the Applicant's mark is identical to the Opponents' mark and therefore it is likely to deceive the public by causing confusion given the reputation of the Opponents' mark in the United Kingdom,

! s 5(4)(a) and (b) in that the Opponents are the proprietors of an earlier right,

! s 5(1), 5(2) and 5(3) because the Opponents' mark is an earlier trade mark within the meaning of s 6(1)(c) and entitled to protection under the terms of the Paris Convention,

15 ! s 3(6) as the Applicants are not the true proprietors of the trade mark YTV in the United Kingdom.

20 The Opponents also ask for the registration to be refused in the exercise of the Registrar's judgement and discretion, but I am unable to consider this further as such discretion does not exist under the 1994 Act; an application can only be refused if it fails to comply with the requirements of the Act and Rules in one or more respects.

A counter statement is provided by the Applicants denying the grounds of opposition. Both Opponents and Applicants ask for their costs.

Neither party has requested a hearing and both accept that the Registrar should make his decision on the basis of the submitted, written evidence.

25 Turning to the first ground for opposition, s 3(3) of the Act states:

(3) A trade mark shall not be registered if it is -

(a) contrary to public policy or to accepted principles of morality, or

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or services).

5 The Opponents refer to clause (a), and say that the Applicants' mark is identical to theirs and therefore likely to deceive the public, given the reputation their mark has in the UK (paragraph 2, statement of grounds). Though deception of the public is mentioned in clause (b) - and it may be the Opponents intended to refer to this clause instead of (a) - nothing they say is, anyhow, relevant to s 3(a) or (b). S 3 of the Act deals with 'absolute' grounds for the refusal of the registration of a mark, that is, those concerned with the nature of the mark itself.
10 Comparative, or relative grounds for refusal, are applicable to s 5. S 3(a) is relevant to marks that might be offensive by popular convention in one way or another, while s 3(b) would, for example, prohibit the use of names that indicated a particular desirable quality in the goods or services that they do not possess. I therefore dismiss this ground of opposition.

Sections 5(4)(a) and (b) are:

15 '(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 a unregistered trade mark or other sign used in the course of trade, or

20 (b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

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.'

25 In their statement of grounds the Opponents submit that they are the proprietors of an earlier right under the meaning of s 5(4) of the Act and therefore registration of the Applicant's mark, given the reputation established by the Opponents in the United Kingdom, is contrary to both s 5(4)(a) and (b). In his Statutory Declaration Mr Fiddes for the Opponents states:

30 'From the evidence of use set out in Mr Carlton's Declaration [for the Opponents, see below] it is quite clear that the Opponents have an earlier right, as defined in Section 5(4) of the ..Act..'

35 As the Opponents mention their reputation in the UK, and this is relevant to the law of passing off in s 5(4)(a), I propose to consider whether, at the date of application, use of the Applicant's mark was liable to have been prevented by the law of passing off. No evidence has been put before me that shows Yorkshire Television possess an earlier right in terms of the law of copyright, design right or registered designs, nor have they made any claim that they have, and I will not consider s 5(4)(b) any further.

Geoffrey Hobbs QC, acting as the 'Appointed Person', summed up the current law under

Section 5(4)(a) of the Act in the WILD CHILD¹. He stated that:

5 ‘A helpful summary of the elements of an action for passing off can be found in Halsbury’s
Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given
with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd -v-
Borden Inc [1990] RPC 341 and Erven Warnink BV -v- J Townend & Sons (Hull) Ltd
[1979] ACT 731 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:

- 10 (1) that the plaintiff’s goods or services have acquired a goodwill or
reputation in the market and are known by some distinguishing
feature;
- 15 (2) that there is a misrepresentation by the defendant (whether or not
intentional) leading or likely to lead the public to believe that 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.

20 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
25 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”

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;

30 “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

¹WILD CHILD [1998] 14 RPC, 455.

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.”

This can be summarised under the headings ‘Reputation’ (goodwill), ‘Deception’ and ‘Damage’.

In a Statutory Declaration, Mr Simon Carlton for the Opponents says that Yorkshire Television has a national and international reputation as a broadcaster and programme producer. He refers to well known television programmes in the United Kingdom such as Heartbeat, Emmerdale, Touch of Frost and the quiz programme Countdown, all made by Yorkshire Television and says that the turnover for YTV in 1995 was £192,981,000, with profits before tax of £11,027,000. In 1996, the last year for which figures are available the turnover was £203,631,000 with £21,750,000 in profit.

As far as the mark YTV is concerned Mr Carlton says that, as far as he is aware, his Company first began using the sign in March 1967 and has made continuous use of the name since then. He explains that while his Company primarily trades under the name of Yorkshire Television, viewers and other television companies referred to it through its initials YTV. This is apparently typical of many other television companies such as London Weekend Television, referred to as LWT. He says his Company ‘effectively’ trades under the name of YTV. No exhibits are appended to the Statutory Declaration showing use of the YTV mark.

For the Applicants, a Statutory Declaration is enclosed from Mr Adilson Pontes Malta, the Director of Mastering Comércio, Empreendimentos E Participações Ltda. He says does not believe that the Opponents have adduced sufficient evidence to show that the mark YTV has been in use by their company in the UK since 1967 in relation to the production, distribution and broadcast of television programs. In particular, he refers to the lack of a breakdown of turnover and advertising figures for Opponents' of the last few years, that is, Mr Malta expects to see evidence of extensive advertising literature showing use of the mark, which should be 'readily available' if Yorkshire Television had been using the YTV mark for as long as they claim.

Mr Malta refers to an investigation carried out by Inquiry Agents (Probe) into use of the mark YTV by Yorkshire Television. This is reproduced in Exhibit YTV.1. He believes that the information obtained by Probe does not show that the YTV is recognized as a well known trade mark of Yorkshire Television or that it has a reputation in the UK.

Probe were asked by the Applicants to ascertain what usage, if any, has been made of the trade mark YTV by Yorkshire Television Limited. The following points are relevant:

- ! Yorkshire Television Limited is a subsidiary of Yorkshire Tyne Tees Television Holdings plc, with Tyne Tees Television Limited, the two merging to form this holding company in 1992 in the face of large increases in the cost of television licencing arrangements.
- ! All of three companies selling TV advertising space in the UK failed to associate Yorkshire Tyne Tees Television with the mark YTV. Certain 'sales literature' is referred too as containing no mention of the letters YTV. The Probe document does not indicate whether this comes from Yorkshire Tyne Tees Television or the companies selling TV advertising space.
- ! The marketing department of Yorkshire Tyne Tees Television forwarded a copy of its companies annual report to Probe and this contains references to two pension fund schemes for the two companies, differentiated by YTV (the Yorkshire Television scheme) and TTV (Tyne Tees Television scheme).
- ! The results of a telephone poll to one member of staff in 14 television UK broadcasters is given. Nine members of staff in the separate companies regard YTV as indicative of Yorkshire Television (though some said this was an industry abbreviation, not a trading name).
- ! Probe say the 'Leeds broadcaster' is known as Yorkshire TV and apparently 'they make use of a separate device mark which looks more like a V, rather than a Y.....This logo/device is used on all company literature and annual reports that we have obtained'. Copies of these documents were supplied by Probe, but not included in evidence.

Finally, the Probe report says that the reputation that Yorkshire Television has in the mark YTV appears to be gained simply by abbreviating the initials of the company as '..opposed to

creating rights to the mark by actual Usage and Exploitation of the mark..’.

‘Goodwill’ is a characteristic of a business that is part of its ‘property’ which the law of passing off is intended to protect, and a trade mark may be identified with that goodwill to the extent that it becomes synonymous with it. Despite the assertion by Mr Malta for the Applicants that it has not been shown that ‘YTV is recognized as a well known trade mark of Yorkshire Television or that it has a reputation in the UK’, it seems to me that the evidence suggests there is some recognition of these letters as being associated with Yorkshire Television. This certainly appears to be the case amongst Yorkshire Television’s competitors, where, based on the material produced by the Applicants, a majority of staff members contacted by way of the telephone poll regarded YTV as indicative of Yorkshire Television. Other evidence also supports an association, for example, Yorkshire Television’s use of the YTV mark in their pension scheme documentation, and the tendency in their business to make acronyms of company names (such as ‘LWT’ for London Weekend Television). Finally, whether YTV are used actively as a ‘trading name’ or not seems to me irrelevant; the mark is associated with Yorkshire Television, as an indicator of origin, though not universally. In view of this the letters YTV may be identified by some with the goodwill that Yorkshire Television has generated amongst its customers.

However, I believe this to be rather limited. Again referring to the telephone poll, a significant portion of the businesses contacted did not associate YTV with Yorkshire Television and it remains the case that the company do not use this acronym in their trading literature.

Turning now to the issue of deception or misrepresentation, I take the respective fields of activity of the Applicants and Opponents to be identical. The test for deception quoted in WILDCHILD above is that members of a relevant class will mistakenly infer from the Applicants use of the mark YTV that their products are from the same source as, or are connected with, the Opponents. The ‘relevant’ class in this case are Yorkshire Television’s customers. I take these to be those seeking television advertising space and ‘viewers’.

Considering the latter first, I have seen no evidence that will lead me to conclude that viewers would identify YTV with Yorkshire Television. There is some evidence that competitors and probably others in the industry do equate YTV with the Opponents. However, the business in which Yorkshire Television is engaged involves relatively few ‘players’ and it seems to me very unlikely that potential advertisers would be confused as to whom they were conducting their business, particularly in view of the large sums of money involved. As the Opponents are inviting me to find that they would succeed in a passing off action *quia timet* the likelihood of misrepresentation must be more fully established. Though I am prepared to believe there may be some superficial confusion, I find it difficult to infer that this will lead to real deception. I must therefore conclude that the damage from this type of confusion would be below that of *de minimus* and this ground of opposition thus fails.

In the next ground of opposition, the Opponents claim protections 5(1), 5(2) and 5(3) because the Opponents’ mark is an earlier trade mark within the meaning of s 6(1)(c) and entitled to protection under the terms of the Paris Convention. S 6(1)(c) provides that an ‘earlier trade mark’ is *inter alia*:

‘...a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark.’

A definition of the Paris Convention is given in s 55(1):

5 ‘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.’

10 Section 56 expands on this:

‘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

15 (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.’

Reading together s55(1)(b) and s 56(1) shows that to receive the protection granted by the Paris Convention the mark must be:

20 ! well known in the UK and

! possessed by a person who is a national of, or is domiciled or has a ‘real and effective industrial or commercial establishment’ in a country which is a party to the Convention (excluding the UK).

25 The evidence does not enable me to conclude that the mark YTV is well known in the UK. However, this is not the key point on which this ground of opposition turns, as Yorkshire Television do not appear to comply with the requirements of the second bullet point above: the UK is excluded from the definition of a convention country and there is nothing in the material before me that shows they have the requisite characteristics of one that is not. In view of this I must conclude that Yorkshire Television do not possess an earlier mark and their
30 grounds of opposition fail under s 5(1), 5(2) and 5(3).

Finally, I wish to consider the Opponents’ case under s 3(6) where they state that the application has been made in bad faith. Section 3(6) of the Act reads as follows:-

‘A trade mark shall not be registered if or to the extent that the application is made in bad faith’

The Act does not indicate what is meant by ‘bad faith’ and it must therefore be for the Registrar or the Court to decide in a particular case what this amounts to. However, in the ‘Notes on the Trade Marks Act 1994’² one of the examples given where bad faith might be found is ‘..where the applicant has no bona fide intention to use the mark..’

5 Mr Fiddes refers to copies of two letters provided in evidence, one from the Radio Authority (RA) and the other from Independent Television Commission (ITC), who are the relevant bodies responsible for the licensing of both television broadcasting services and radio broadcasting services. The letter from the ITC simply states that it has not licensed ‘the body to which you refer to provided a television broadcasting service’, while that from the Radio
10 Authority says that the Opponents have not applied or been granted a licence in the UK under Part III of the Broadcasting Act 1990.

Mr Fiddes contention is that this correspondence clearly indicates that the applicants do not have the right to offer the services claimed within their specification of services as set out in their application and also that the provision of such services would be unlawful under the
15 relevant legislation. He states further that as Applicants have made no application for the relevant licence, it is clear that at the date of application for these marks they had no *bona fide* intention to use the mark in relation to the services claimed. Use, in Mr Fiddes view, would be illegal and therefore contrary to ss 3(4) and 3(6) of the Act.

Section 3(4) was not included in the Statement of Grounds. However, I do think anything
20 turns on its inclusion now, as s 3(4) is concerned with laws which actually prohibit the use of a trade mark *per se*, for example, the Trade Descriptions Act 1968 or the Olympic Symbol (Protection) Act 1995. Whether the Applicants are lawfully able or unable to provide broadcasting services is irrelevant to s 3(4).

In his Statutory declaration Mr Malta says that his Company intends to use the mark applied
25 for in relation to communication services, that is, telephonic and broadcasting services and broadcasting services via cable, satellite and television. He says that his company aims to commence using this mark in the UK once registration is achieved. Application from the Independent Television Company and/or Radio Authority awaits registration.

I have no evidence before me that the Applicants are not serious in their aim to furnish the
30 above services, nor that this aim was invalid at the time they made their application. They have explained why they have not, as yet, applied for a license to the ITC or RA and it seems to me that the application for the YTV mark could be one in a sequence of commercial steps of which such a license application is another. I therefore dismiss this ground of opposition.

I therefore find the Opponents unsuccessful in their opposition under Section 3(6) of the Act
35 and, as a result the opposition fails.

²A publication called ‘Notes on the Trade Marks Act 1994’ which was prepared for the use by Parliament during passage of the Bill.

The Applicants, having been successful in these proceedings, are entitled to a contribution towards the costs of opposing the application. I therefore order the Opponents to pay to the Applicant the sum of £435.00

Dated this 4th day of February 1999

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