

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION UNDER NO. 10491  
BY DIALOG ABC LIMITED FOR REVOCATION OF TRADE MARK  
NUMBER 1429292 IN THE NAME OF PUBLICIS LIMITED

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**DECISION**

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Introduction

1. This is an appeal from a decision of Mr. MacGillivray, the Hearing Officer acting for the Registrar, in which he refused an application for revocation of trade mark registration No. 1429292 in respect of the word DIALOGUE registered in Class 35 in respect of:

“Advertising services; public relations services, promotional services and marketing; all relating to advertising; all included in Class 35.”

2. The mark was registered on the 25<sup>th</sup> June 1990 and the registration stands in the name of Publicis Limited (“the Proprietor”). Dialog ABC Limited (“the Applicant”) is an intervener in these proceedings originally brought by Dialog Limited, a company now in liquidation.
3. The application for revocation was made under section 46(1)(b) of the Trade Marks Act, 1994 (“the Act”) on the ground that the trade mark had not been put to bona fide use in the United Kingdom in relation to any of the services

for which it was registered for an uninterrupted period of five years prior to the making of the application. Alternatively, if use of the trade mark in respect of any services was shown, the application for revocation sought to limit the specification to those services only, pursuant to section 46(5) of the Act.

4. The Hearing Officer refused the application. In August 2001 the Applicant gave notice of appeal to an Appointed Person. On the appeal the Applicant was represented by Mr. Cooke of Nabarro Nathanson and the Proprietor was represented by Mr. Edenborough, instructed by Forrester Ketley & Co.

#### Background

5. In 1986 the Proprietor established a subsidiary public relations company under the name Publicis Dialogue and for some years it traded under the DIALOGUE name, providing public relations services and related advertising services.
6. In 1995 the business of Publicis Dialogue was closed and, following a management buy out, a new company called The Dialogue Agency Limited began to trade.
7. There is no doubt that from 1995 The Dialogue Agency Limited provided public relations services under the trade mark THE DIALOGUE AGENCY. The parties disagreed as to whether this constituted use of the trade mark DIALOGUE and whether and to what extent the company provided advertising services.

### The Decision of the Hearing Officer

8. Accordingly, a number of issues fell to be determined by the Hearing Officer. So far as relevant on this appeal they may be summarised as follows. First, he had to consider whether or not use of the trade mark THE DIALOGUE AGENCY constituted use of the registered trade mark DIALOGUE in the light of section 46(2) of the Act. He concluded that it did.
9. Secondly, he had to consider whether use of the trade mark by The Dialogue Agency Limited was with the consent of the Proprietor. He concluded that it was.
10. Finally, he had to consider whether the trade mark had been used in relation to all the services for which it was registered or, as the Applicant claimed, for public relations services only. On this issue he decided that the mark had been used within the relevant period on all services covered by the specification for which the mark was registered.
11. The Hearing Officer therefore concluded that the application for revocation failed and that the specification of services should not be limited.

### The Appeal

12. Both parties agreed that on this appeal that I should follow the approach explained by Pumfrey J. in *South Cone Incorporated v. Jack Bessant & Others* (a decision of 25<sup>th</sup> July 2001), at paragraph 6:

*"My approach will be as follows. Findings of primary fact will not be disturbed unless the hearing officer made an error of principle or was plainly wrong on the evidence. His inferences from the primary facts may be reconsidered, but weight will be given to his experience. No question of the exercise of a discretion arises. In this way, error will be corrected, but a different appreciation will not be substituted for that of the hearing officer if he has arrived at his conclusion without error."*

13. The Applicant submitted that the Hearing Officer erred in each of the following respects:

- (a) In considering whether use of the trade mark THE DIALOGUE AGENCY constituted use of the trade mark DIALOGUE, he failed to apply the correct test under section 46(2) of the Act and consequently arrived at the wrong conclusion.
- (b) He wrongly decided that use of the trade mark by The Dialogue Agency Limited took place with the consent of the Proprietor and, in particular, failed to appreciate what is required to establish consent under section 46(1)(a) of the Act in the light of the judgment of the European Court of Justice (ECJ) of the 20<sup>th</sup> November 2001 in case C-414/99, *Zeno Davidoff SA v. A&G Imports Limited* (and related cases C-415/99 and C-416/99).
- (c) He wrongly found that the trade mark had been used in relation to services other than "public relations services"; and he failed to scrutinise the extent of use in relation to all the services in the specification.

Use in a form not altering the distinctive character of the mark – section 46(2)

14. Both before the Hearing Officer and on appeal, the Proprietor only relied upon evidence of use of the mark THE DIALOGUE AGENCY. The Hearing Officer therefore had to consider whether use of the mark THE DIALOGUE AGENCY constituted use of the registered mark DIALOGUE, taking into account section 46(2) of the Act. This provides, so far as relevant, that 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.
  
15. The Hearing Officer referred to the decision of Lloyd J. in *ELLE Trade Marks* [1997] FSR 529. He then reasoned as follows:

“32. As the mark in suit (DIALOGUE) is registered as a single word, the distinctive character of the mark must be the word itself. Does the addition of the words THE and AGENCY to make up the totality THE DIALOGUE AGENCY alter the distinctive character of the mark? In my opinion the answer is no. The additional elements are both non-distinctive, the word “agency” merely indicating a service sector business, and the only trade mark element within the totality is the word DIALOGUE. As it is the word DIALOGUE which makes the major indeed the only trade mark contribution to the mark THE DIALOGUE AGENCY, I see no reason why a member of the public should not take the mark, in totality, as a badge of origin having essentially the same trade mark characteristics as the word DIALOGUE.”

16. The Applicant referred me to a decision of Mr. Simon Thorley Q.C, sitting as an Appointed Person, in *BUD Trade Mark*, given on the 3<sup>rd</sup> December 2001. This was not, of course, available to the Hearing Officer. In paragraph 22 of his decision Mr. Thorley QC said:

“Next, it is to be noted that the language of section 46(2) does not use a comparative when defining alterations that can be

accepted. It does not state that the alteration must not “substantially” alter the distinctive character. The requirement is that the alternative form may only differ in elements which do not alter the distinctive character of the mark. In my judgment this is indicative that the subsection is of narrow scope. Alterations which would be immaterial for the purpose of infringement, in that the alleged infringing mark was confusingly similar to the registered mark, are irrelevant. It is thus necessary for any Tribunal seeking to apply section 46(2) to determine what is the distinctive character of the mark and which are the elements that, in combination, contribute to that distinctive character. Thereafter it must enquire whether any alteration to any of those elements is of sufficient immateriality as not to alter that overall distinctive character.”

17. The Applicant submitted as follows. The Hearing Officer fell into error in considering whether the trade mark THE DIALOGUE AGENCY would be taken by a member of the public, in totality, as a badge of origin having essentially the same trade mark characteristics as the word DIALOGUE. He ought to have considered whether or not there was any alteration to the distinctive character of the mark. Had he done so he ought to have found that the inter-relationship of the words THE and AGENCY with the word DIALOGUE contributed to the distinctive nature of the mark THE DIALOGUE AGENCY and altered the distinctive character of the mark DIALOGUE alone.
  
18. I believe that the correct approach under section 46(2) is to consider the mark which is being used and the elements which render it different from the mark which is registered, and seek to determine whether or not those elements do alter the distinctive character of the mark which is registered. If the distinctive character of the mark is altered, then section 46(2) cannot avail the proprietor.

Accordingly I agree with Mr. Thorley, Q.C that the sub-section is of relatively narrow scope.

19. As to whether or not the Hearing Officer fell into error, I have found this a difficult question to answer. In the end, and not without some hesitation, I have concluded that he did not. The Hearing Officer asked himself whether or not the addition of the words THE and AGENCY to make up the totality THE DIALOGUE AGENCY altered the distinctive character of the mark. He concluded that the answer to that question was no. His reasons were that the additional elements were both non-distinctive and that the only trade mark element within the totality of the mark which was in fact used was the word DIALOGUE. He must have here had in mind the nature of the services for which the mark was registered. It is in the light of this reasoning that he concluded that he could see no reason why a member of the public should not take the mark, in totality, as a badge of origin, having essentially the same trade mark characteristics as the word DIALOGUE.

20. I believe that the Hearing Officer properly concluded that the mark used differed in elements which did not alter the distinctive character of the registered mark and in my judgment he was entitled to come to that conclusion.

Use of the mark with the Proprietor's consent – section 46(1)

21. The Hearing Officer then had to consider whether use of the mark by The Dialogue Agency Limited took place with the consent of the Proprietor.

22. Section 46(1) of the Act provides that the registration of a trade mark may be revoked on any of the following grounds:
- (a) that within the period of five years following the date of completion of the registration procedure, it has not 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, and there are no proper reasons for non-use;
  - (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;
23. Section 46(1)(a) and (b) implement Article 10(3) of Directive 89/104 (“the Directive”). The Applicant submitted that the word “consent” appears in five instances in the Directive in connection with *use* of a mark. These are Articles 5(1) and (2), 7(1), 10(3) and 12(2)(b). The Applicant further referred to the decision of the ECJ in *Davidoff*. The ECJ considered the meaning of “consent” in the context of Article 5(1) and Article 7(1). In particular, the ECJ was requested to give a preliminary ruling on the following, amongst other questions. Insofar as the Directive refers to goods being put on the market in the Community with the consent of the proprietor of the mark, is it to be interpreted as including consent given expressly or implicitly and directly or indirectly?
24. The ECJ concluded that on a proper construction of Article 7(1), the consent of the trade mark proprietor to the marketing within the European Economic Area of products bearing that mark which have previously been placed on the market outside the European Economic Area by that proprietor or with his consent may be implied, where it follows from facts and circumstances prior



to, simultaneous with or subsequent to the placing of the goods on the market outside the European Economic Area which, in the view of the national court, unequivocally demonstrate that the Proprietor has renounced his right to oppose placing the goods on the market within the European Economic Area. My attention was drawn, in particular, to the following paragraphs of the judgment.

“45. In view of its serious effect in extinguishing the exclusive rights of the proprietors of the trade marks in issue in the main proceedings (rights which enable them to control the initial marketing in the EEA), consent must be so expressed that an intention to renounce those rights is unequivocally demonstrated.

46. Such intention will normally be gathered from an express statement of consent. Nevertheless, it is conceivable that consent may, in some cases, be inferred from facts and circumstances prior to, simultaneous with or subsequent to the placing of the goods on the market outside the EEA which, in the view of the national court, unequivocally demonstrate that the proprietor has renounced his rights.

....

58. A rule of national law which proceeded upon the mere silence of the trade mark proprietor would not recognise implied consent but rather deemed consent. This would not meet the need for consent positively expressed required by Community Law.”

25. The Applicant submitted that the meaning of “consent” must be the same in Article 5(1), Article 7(1) and Article 10(3). Accordingly, it was submitted, there must be an *unequivocal* demonstration of consent. I see some considerable force in that submission, although it must be recognised that the cases before the ECJ were concerned with whether or not the proprietors had renounced their rights to control the initial marketing within the EEA. The ECJ

was clearly conscious that consent would have the serious effect of extinguishing the exclusive rights of the proprietors to control such initial marketing, and it was in this context that that the court concluded that consent must be so expressed that an intention to renounce the rights must be unequivocally demonstrated. In the event, I have come to the conclusion that I do not have to reach a final decision as to what is required to establish consent in circumstances which do not involve initial marketing in the EEA, and I prefer not to do so because, for the purposes of my decision, I am prepared to assume that consent must be unequivocally demonstrated.

26. The Hearing Officer first of all addressed the evidence on this issue. He referred to the statutory declarations of Mr. Whitworth ( the Group Finance Director of the Proprietor) and Mr. Haigh (a Director of The Dialogue Agency Limited). Both gave express evidence that the mark was being used with the consent of the Proprietor. He also referred to Exhibit JCBW2 which contained a press statement announcing that from 1<sup>st</sup> February 1995, the Proprietor agreed to transfer the business and goodwill of Publicis Dialogue to The Dialogue Agency Limited.

27. The Hearing Officer continued in paragraph 37 of his decision:

“Section 46 does not contain any references to licences but is clear in specifying ‘consent’ which, I believe, is wider in meaning than license under the Act. I am fortified in this view by the following comment on Section 46(1)(a) from the publication ‘Notes on the Trade Marks Act 1994’ (which was prepared for the use of Parliament during the passage of the Bill) that “... [use] may be by the proprietor or with his consent, which includes use by a licensee.””

The Applicant criticised this paragraph of the decision, in my view rightly. It is clear that when resolving ambiguities in relation to provisions of the Act that are derived from the Directive, regard should be had to the language of the Directive and not to external materials such as Parliamentary notes.

28. The Hearing Officer reached his conclusion as follows:

“45. Notwithstanding that a licence is not relevant in relation to use of a mark for the purposes of Section 46(1)(a) or (b), neither the proprietor nor The Dialogue Agency Limited, have submitted evidence of a written contractual agreement in relation to consent or the use of the mark. However, consent can be granted on the basis of a verbal agreement or contract.

46. What am I to make of the position in relation to consent in this case? The mark THE DIALOGUE AGENCY has been in use since 1995 by The Dialogue Agency Limited with the knowledge and approval of the proprietor of the mark in suit. This must infer that the proprietor consents to such use and is consistent with the statements of Mr. Whitworth and Mr. Haigh. Furthermore, it seems to me, in light of my earlier comments on the issue, that consent by a registered proprietor to another party is not negated by a registered proprietor failing to exercise any control over the quality of the services to which the other party applies the mark through a licence arrangement.”

29. The Applicant submitted that the Hearing Officer here fell into error in that he inferred consent based upon the fact that The Dialogue Agency Limited had used the mark in issue with the knowledge and approval of the Proprietor. This, the Applicant submitted, could not amount to an unequivocal demonstration that the Proprietor had renounced his rights.

30. I believe this criticism has some merit quite irrespective of the reasoning of the ECJ in *Davidoff*. The fact that another person has used a mark to the

knowledge of the Proprietor does not of itself establish that such use took place with consent. It may demonstrate no more than a failure by the proprietor to take any action to enforce or protect his rights.

31. Nevertheless, I believe that the Hearing Officer did come to the right conclusion in the light of the clear evidence given on behalf of the Proprietor on the one hand and the user of the mark on the other. As I have indicated, both Mr. Whitworth and Mr. Haigh gave direct and unchallenged evidence that use of the mark took place with the consent of the Proprietor. No application was made to cross-examine either deponent. In the light of this evidence, and the facts outlined in the press statement, I believe that the Hearing Officer was bound to come to the conclusion that the use did take place with the consent of the Proprietor. I have also taken into account the fact that there was no evidence that the Proprietor demonstrated any control over the use of the mark. As noted by the Hearing Officer, the question of whether the registered proprietor has exercised sufficient control over the use of his trade mark is a matter which may be raised by way of an attack under section 46(1)(d). This is not a matter which could be determinative of the issue of whether or not consent was given under section 46(1)(a) and (b) of the Act, although I accept that it is one of the background facts against which the issue must be determined.

Use in relation to “advertising services”

32. The final issue considered by the Hearing Officer was whether the mark THE DIALOGUE AGENCY had been used in relation to all the services for which

the mark was registered, or, as the Applicant claimed, for public relations services only.

33. The Hearing Officer referred to the evidence of use and, in particular, to the use of the mark in connection with two accounts, namely the Alaska Seafood Marketing Institute and Consorzio del Proscuitto di Parma. The Hearing Officer reached the following conclusions in relation to these accounts:

“52. On Parma Ham (Exhibit DEBH1), there are booklets entitled “Public relations proposals” covering the years 1996 to 1999. These demonstrate a wide range of activities undertaken/proposed in promoting the Parma Ham product, including:

- (i) The Parma Ham Information Service which covers all media relations, issues press releases and encourages consumers and trade journalists to contact the service for information and recipes;
- (ii) arranging reader offers in both the general consumer and trade press to promote product awareness;
- (iii) organising press trips, tastings and events, principally for food writers, to secure press coverage for the product.

53. On ASMI (Exhibit DEBH2), similar Evaluation and Proposal Reports have been produced covering a wide range of activities, which include:

- (i) the preparation of advertorials containing recipes for national magazines e.g. Weight Watchers, BBC Good Food, The Guardian Weekend Supplement;
- (ii) schools promotion, intended for ASMI's branded partners to reach a wide number of young consumers;
- (iii) arranging joint promotions e.g. with TGI Fridays.”

34. The Hearing Officer then concluded on this issue:

“54. Mrs. Cookson contends that the activities undertaken by The Dialogue Agency are essentially restricted to public

relations. However, my view from the evidence is that they go far wider and in addition to public relations, involve advertising (the promotion of goods through impersonal media) e.g through advertorials containing recipes, and reader offers. Also they involve promotional services and marketing in relation to publicising and promoting goods for customers. Furthermore, I have no doubt that the use is genuine, given the nature and quantity of the relevant use.”

35. The Applicant criticised the Hearing Officer for failing properly to distinguish between advertising services on the one hand and public relations services on the other and referred me in this connection to the decision of Jacob J. in *Avnet Inc. v. Isoact Limited* [1998] FSR 16. In particular I was referred to the following passage in the judgment at page 19:

“The answer I think depends on how widely one construes this expression “advertising and promotional services”. It is not an unimportant question, because definitions of services, which I think cover six of the classifications in the respect of which trade marks can be registered, are inherently less precise than specifications of goods. They can be, and generally are, rather precise, such as “boots and shoes”.

In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.

Here, “advertising and promotional services” requires one to look at the essence of what the defendant is doing. The essence of what these defendants are doing is not providing advertising and promotional services in a way that, for example, an advertising agent does. They do no more than provide a place where their customers can put up whatever they like. They are not assisting the customers to write their copy, they suggest their customers can write their own copy if they want to. But they are not in any way even requiring their customers or expecting their customers to put up advertisements. The customers can put up whatever they like. I do not think that in substance what these defendants are doing is providing “advertising and promotional services”.”

36. The Applicant submitted that the Hearing Officer failed to look at the essence of what The Dialogue Agency had done and adopted a much too broad interpretation of the expression “advertising services”.
37. I have carefully considered the evidence and exhibits before the Hearing Officer. I accept that it appears that the larger part of the activity of The Dialogue Agency appears to have been in connection with public relations services. Nevertheless, I also believe that the company has made genuine use of the mark in relation to advertising services including, in particular, the production of press releases, the arrangement of reader offers to both the general consumer and trade press and the preparation of advertorials. Although the Hearing Officer did not refer to the decision of Jacob J. in *Avnet*, I do not believe he in any way fell into error in this aspect of the decision and that he was fully entitled to come to the conclusion which he did.

### Conclusion

38. In all these circumstances the appeal must be dismissed. I order the Applicant to pay to the Proprietor the sum of £850, to be paid on the same basis as ordered by the Hearing Officer.

DAVID KITCHIN, QC

15<sup>TH</sup> February 2002