

O-103-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2326263
BY KOFI KUSITOR TO REGISTER THE TRADE MARK
BLACK ENTERPRISE IN CLASS 16**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO
92116 BY EARL G GRAVES PUBLISHING CO., INC**

TRADE MARKS ACT 1994

IN THE MATTER OF Application No. 2326263 By Kofi Kusitor to register the Trade Mark BLACK ENTERPRISE in Class 16

And

IN THE MATTER OF Opposition thereto under No. 92116 by Earl G Graves Publishing Co., Inc

Background

1. On 12 March 2003 Kofi Kusitor applied to register the mark BLACK ENTERPRISE in respect of ‘newspapers’ in Class 16. The application is numbered 2326263.
2. On 14 November 2003 Earl G Graves Publishing Co., Inc (Graves) filed notice of opposition to the application. The single ground of opposition is under Section 5(4)(a) of the Act based on the opponent’s use in the UK of an identical sign in relation to magazines and books since at least 1998. Graves’ position is summarized as follows:

“The Opponent is the publisher of the well-known BLACK ENTERPRISE magazine which has been sold, distributed and is available for sale throughout the United Kingdom. The Opponent has also published a number of books which include in their title the trade mark BLACK ENTERPRISE which are also offered for sale in the United Kingdom together with their magazine via Internet websites such as www.uk-websitedirectory.co.uk, www.amazon.co.uk and www.netmagazines.com. The Opponent has featured in articles published in the following British newspapers; The Independent, The Financial Times, The Times, The Wall Street Journal (Europe) and The Journal.”
3. Mr Kusitor filed a counterstatement which, in effect, denies the above ground. Mr Kusitor claims to have used the name BLACK ENTERPRISE in the UK since 1999 and to have an internet domain name registration incorporating those words. Specifically, his use is said to be in relation to news, information and business events for major African Caribbean entrepreneurs and businesses across the UK.
4. Both sides ask for an award of costs in their favour. Both sides filed evidence. Neither side has asked to be heard but written submissions have been received from Withers & Rogers, the opponent’s professional representatives in this matter, under cover of a letter dated 26 January 2005. I might just say that those submissions are written in terms that are, in part, appropriate to an objection based on an earlier trade mark rather

than an earlier right. Thus, there are references to the *Canon* case and Section 5(1) of the Act. No such case has been pleaded. Nor does it appear to be available to the opponent.

5. Acting on behalf of the Registrar and with the above material in mind I give this decision.

The law and relevant authorities

6. Section 5(4)(a) of the Act reads:

“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
- (b)

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.”

7. The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] RPC 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

- (1) that the opponent’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 applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponent; and
- (3) that the opponent has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the applicant’s misrepresentation.

8. In *REEF Trade Mark*[2002] RPC 19 Mr Justice Pumfrey observed that:

“There is one major problem in assessing a passing off 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 section 11 of the 1938 Act (see *Smith Hayden (OVAX)* (1946) 63 RPC 96 as qualified by *BALI* [1969] RPC 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.

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."

9. The above passage sets out the evidential burden on an opponent relying on a passing off claim and also refers to the necessity of establishing the claim at the relevant date. The Act is silent on the matter of the relevant date but Article 4.4(b) of First Council Directive 89/104 makes the position clear:

"(b) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent mark;"

10. The relevant date here, therefore, is 12 March 2003.

Decision

11. The opponent's evidence is contained in a witness statement of Helen Cawley of Withers & Rogers, Graves' professional representatives in this matter. The first exhibit (HC1) to this witness statement is a declaration by Derrick Godfrey an executive with Earl G Graves Ltd.

12. Mr Godfrey's declaration sets out the background and history to the BLACK ENTERPRISE sign commencing with the first use of the magazine bearing that name in 1970.

13. The magazine focuses on providing information and news promoting black entrepreneurship and financial empowerment. It would seem that almost all of the information given relates to Graves' US business and it is clear from the evidence that BLACK ENTERPRISE has become a successful and diversified brand in that country. I note, for instance, that paid circulation of the magazine (I take this to be mainly in the US) is approximately 500,000 and has topped 400,000 each year for the past five years (Mr Godfrey is writing in April 2004). The magazine is said to have been distributed to

readers in the UK through newsstand and subscription sales. As a general indication of the worth and appeal of BLACK ENTERPRISE as a brand name, yearly sales of BLACK ENTERPRISE magazines and books alone are said to exceed \$50 million with promotional expenses running at in excess of \$1 million per year.

14. Whilst Mr Godfrey's evidence mainly provides background information on the brand and its development and success in the US, it is Ms Cawley's witness statement that primarily focuses on the position in the UK market.

15. Ms Cawley, firstly, picks up on Mr Godfrey's statement that the magazine BLACK ENTERPRISE has been distributed in the UK via newsstands and subscriptions since at least 1997. She says that from as early as August 1997 the magazine had its retail price displayed in pounds sterling. Furthermore, since 1999, books have been published by John Wiley and Sons and sold in the UK under the same mark. In support of these claims Ms Cawley produces the following exhibits:

HC2 - cover pages of 16 sample issues of the BLACK ENTERPRISE magazine covering the period from August 1997 to May 2002;

HC3 - a sample of the magazine (the May 1998 edition);

HC4 - copies of book covers showing use of the mark. There are five such covers shown;

HC5 - a print out from the archived website of John Wiley & Sons showing examples of the books offered for sale on the latter's website;

HC6 - a list of direct subscribers to the opponent's BLACK ENTERPRISE magazine. The list includes subscribers throughout the UK including London, Sheffield, Birmingham, Scotland and Northern Ireland. Ms Cawley says there are over 100 subscribers in the UK;

HC7 - the results of a WHOIS search conducted on the Network Solutions website showing that the website www.blackenterprise.com is registered to a subsidiary company of the opponent. The domain name was registered on 17 November 1995 and is accessible from anywhere in the world. Ms Cawley suggests that the opponent thus has rights dating back to 1995 in the UK;

HC8 - pages from the www.blackenterprise.com website including a subscription page which Ms Cawley says, shows that the magazine is circulated in the UK.

16. With that general overview of the opponent's evidence in mind I go on to consider the claim to goodwill.

17. There can be no dispute that from August 1997 Grave's BLACK ENTERPRISE magazine has carried a UK cover price. In fact the cover pages consistently show prices in US and Canadian dollars, pounds sterling and what I take to be South African rands. The existence of a sterling price on the cover of a magazine does not in itself indicate what steps the publisher has taken to actively promote and make the magazine available in this country. Furthermore, in this case, save for the subscribers' list which I will comment on below, there is no information on the value or volume of sales or anything to indicate the number of outlets for the magazine in this country.

18. HC3 is a copy of the magazine itself. The opponent has not drawn my attention to any particular aspect of the content of the magazine which might suggest it is directed at the UK market. I have considered the content, advertising etc of the magazine and am of the view that it is overwhelmingly written and presented from the perspective of, and for, the African American businessperson. It is true, as Mr Godfrey has pointed out in paragraph 7 of his declaration, that well-known international companies advertise in the magazine but they do so with US phone numbers etc. A few articles have an international dimension. Thus, there are International Business pages (66-72) but as the side note to the article indicates it is written from the point of view of Black American business people and what they will need to 'launch your enterprise on foreign shares'. This is not to suggest that the magazine would not be of interest to people overseas but I find little in it that suggest a UK or even European audience is being particularly targeted.

19. It will be convenient at this point to consider HC6, the subscriber list as this seems to me to be the high point of the opponent's case in establishing that they have customers and, therefore, goodwill in the country. The list of 100 or so names with UK addresses needs to be put into context. Mr Godfrey has said that paid circulation of the magazine has been in the region of 400,000 to 500,000. That suggests that it is a substantial and successful publication. Yet I note from HC6 that subscription numbers in many overseas countries are very small – for instance, 10 in Japan, 9 in Germany and single figure numbers in a number of other European countries. It seems extremely unlikely that such small-scale sales are the result of active marketing in the countries concerned.

20. The numbers for the UK are somewhat larger, with a high proportion of subscribers being in London or the South East. No indication is given as to how these subscriptions came about or how long standing they are. Are they the result of an active marketing programme directed at the UK, casual acquaintance with the magazine in the US, or US business people working in the UK who were previously subscribers in the US? There is a further problem in that the listing carries the date 11/17/03. On the assumption that that means 17 November 2003 the listing was produced some eight months after the material date. It may be representative of the position at the earlier date but I cannot with confidence say that is the case.

21. The other exhibit which is advanced as evidence that the magazine invites subscribers in the UK is HC8. This is a website subscription form. It invites potential subscribers to complete the normal name and address details. This is followed by footnotes directed at Canadian and International subscribers (some text has been lost in

the photocopying process). Beneath it is what I take to be a drop down menu inviting potential subscribers to choose from a list of countries. For the purpose of the screen print filed in evidence the box shows 'England'. Somewhat curiously (as the magazine cover itself has prices in four currencies) the subscription rates are only given in dollars. Thus, even under the 'Outside of the US' heading a figure of \$29.95 is given for a year's subscription. That rather suggests that UK subscribers have done so through an essentially US based and dollar priced website as no UK based or sterling priced subscription site has been mentioned and subscribers by their very nature will not be picking up the magazine from newsstands (the latter being the only other distribution outlet that is mentioned). I also bear in mind that the need for care when considering website usage was brought out in *1-800 Flowers Inc v Phonenames Ltd*, [2000] E.T.M.R. 369, where Mr Justice Jacob (as he was then) said:

“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.”

22. In addition to the magazine trade the opponent relies upon the distribution of books in the UK. The evidence in support of this is exhibits HC4 and 5. There is no evidence that there has been active promotion of the books or that any actual sales have taken place. The mere presence of a book name on a publisher's website does not in itself mean a great deal. Nor does the existence of the photograph of book covers support the claim that the books were distributed in the UK.

23. The passage from *REEF* referred to above stresses the need for an opponent to properly substantiate its case. It is also the case that the law of passing off does not protect a goodwill of trivial extent (*Hart v Relentless Records Ltd*, [2003] F.S.R. 36 at paragraph 62). Even taking the most generous view possible of the evidence, Graves would struggle to reach that threshold level. But I am not in any case satisfied that the opponent has discharged the onus of substantiating the underlying claim. The evidence lacks crucial supporting information that would enable me to satisfy myself that the requisite goodwill existed at the relevant point in time. The high point of Graves's case is the UK subscriber list but the numbers are modest and, taking the evidence in the round, it is insufficient (and insufficiently explained) to carry the opponent's case. The lack of explanatory detail as to how these subscriptions came about also raises the question as to whether this trade should more properly be regarded as an extension of the opponent's US business rather than giving rise to goodwill in the UK (as to which see *Anheuser-Busch Inc v. Budejovicky Budvar NP* [1984] F.S.R. 413 and *Pete Waterman Ltd & Others v. CBS United Kingdom Ltd* [1993] EMLR 27). However, on the limited information available I do not need to reach a concluded view on that particular point.

24. The failure to properly substantiate and explain what is at best a very small amount of business in this country is sufficient to decide the matter in the applicant's favour. This case turns critically on the issue of goodwill but I will comment briefly on the issues of misrepresentation and damage in case the matter goes to appeal and I am found to be wrong on the goodwill point. The applicant has sought in his counterstatement and evidence to stress that his interest is in a newspaper and not a magazine and by implication that he will not be trespassing on the opponent's goodwill. That seems to me to be altogether too fine a distinction. The application is for a mark that is identical to the opponent's sign and is tendered for registration in respect of goods that are quite closely associated with magazines. Many newspapers, for instance, carry magazine inserts as the opponent's written submissions rightly point out.

25. BLACK ENTERPRISE is a combination of words that appear to be apt for use in referring to the content of books and magazines of the kind at issue, so care must be taken in the degree of protection afforded to it (see *Office Cleaning Services Ltd v. Westminster Window & General Cleaners Ltd*, [1946] 63 R.P.C. 39). Nevertheless, the applied for mark is identical to the opponent's sign. Had goodwill been established then it would have followed that use of the applicant's mark would have constituted a misrepresentation. In those circumstances it would also have been a natural inference that the opponent's goodwill would be damaged (see *Mecklermedia Corporation v. D. C. Congress* [1997] F.S.R. 627). The applicant's own use, which hitherto appears to have been in relation to a business awards scheme rather than a newspaper, would not have saved him in those circumstances.

26. In the event the opposition fails. The applicant is entitled to a contribution towards his costs. I order the opponent to pay the applicant the sum of **£1250**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of the case if any appeal against the decision is unsuccessful.

Dated this 18th day of April 2005

M REYNOLDS
For the Registrar
The Comptroller-General

