

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No 2200317  
by Owen Lewis Richardson to register a trade mark  
in Class 7**

**AND IN THE MATTER OF Opposition thereto under  
No 50419 by Alouette Innovation Limited**

### **Background**

1. On 16 June 1999, Owen Lewis Richardson applied to register the trade mark DRILLVAC in Class 7 for:

Housings and removable covers for drilling machine and machine tools.

2. On 18 November 1999, Alouette Innovation Limited filed Notice of Opposition to the proposed registration.

3. The grounds of opposition are, in summary, that in or around September 1998, the opponent introduced a new product onto the UK market under the mark DRILL-VAC. The product in question was a drill dust extractor. By 16 June 1999, the opponent had issued promotional material for its products and placed advertisements in various publications. In addition 65 of the DRILL-VAC extractors had been "put into circulation."

4. In consequence, the opponent claims that by 16 June 1999 it had acquired a reputation and goodwill under the mark DRILL-VAC.

5. The opponent claims that the applicant's use of the mark applied for would have amounted to a misrepresentation liable to damage the opponent's goodwill. Use of the applicant's mark is therefore liable to be restrained by the law of passing off and registration should therefore be refused under Section 5(4)(a) of the Trade Marks Act 1994.

6. The opponent further claims that the application was made in bad faith and should be refused under Section 3(6) of the Act because, contrary to the statement in the form of application, the applicant has no bona fide intention to use the mark in the UK in respect of the goods listed in the application.

7. In support of this ground the opponent points out the applicant is the proprietor of the mark DRILLVAC in Australia and that the UK application was made shortly after the circulation of trade magazines featuring the opponent's mark and product.

8. The applicant responded denying that the opponent possesses a goodwill or reputation in the mark DRILL-VAC or that registration would be contrary to a Section 5(4)(a) of the Act.

9. In response to the allegation of bad faith, the applicant states that he had a genuine intention to use the mark DRILLVAC in the UK, and that plans to seek protection for the mark in the UK existed at a date which preceded the circulation of the trade magazines referred to by the opponent.

10. Both sides seek an award of costs.

11. The matter came to be heard on 6 December 2001, when the applicant was represented via a teleconference facility by Mr A Gallafent of Urquhart-Dykes and Lord. The opponent chose not to be represented.

### **Section 5(4)(a) - The Law**

12. I find it convenient to turn first to the ground of opposition under Section 5(4)(a) of the Act, which is as follows:

*"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) 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."*

13. In order to succeed the opponent must be able to show that it was the proprietor of an 'earlier right.' It is clear from the grounds of opposition that the 'earlier right' claimed by the opponent is based upon its claim to possess a common law passing off right in the unregistered trade mark DRILL-VAC. According to Article 4(4)(b) of European Directive 104/89 (which provides the basis for the national law in this area) the 'earlier right' in question must have existed prior to the date of the application under opposition. In this case that means prior to 16 June 1999. Hereinafter I will refer to this as 'the relevant date.'

14. Mr Gallafent suggested that the law was as set out in Reckitt & Colman v Borden [1990] RPC 341. I have not had the benefit of submissions from the opponent, but I do not believe that there is any real doubt as to the requirements for passing off. In order to succeed an opponent must be able to show a) goodwill in the UK identified by some distinctive indicia, b) misrepresentation by the defendant (in this case the applicant) causing or likely to lead to deception (whether intentional or not), and c) which is liable to damage the claimant's (opponent's ) goodwill.

## The Facts

15. The grounds of opposition are supported by two statutory declarations by Richard Alexander Smith, who is a company director of Alouette Innovation Limited, the opponent. The primary facts which emerge from this evidence about the position at the relevant date are that:

- i) The opponent started to make preparations to market a drill dust extraction devices under the mark DRILL-VAC in March 1998;
- ii) By December 1998, component suppliers had delivered to the opponent sufficient components to produce 500-1000 such devices, including packaging materials and component parts bearing the trade mark DRILL-VAC;
- iii) On 3 December 1998, the opponent sent some promotional material for its DRILL-VAC product to 899 of its existing UK customers with mail order forms for return;
- iv) As a result of this promotion 3 orders for 5 DRILL-VAC devices (each costing £15) had been received by the opponent by 18 December 1998;
- v) Between December 1998 and March 1999, the opponent looked for ways to commercialise its products and contacts were made and samples of the product sent to Dyson Appliances Limited and Black and Decker; recognition of the product was also sought from the Designs Council;
- vi) On 22 April 1999, the opponent issued a press release and provided a sample of the DRILL-VAC product to three UK trade magazines, which it also paid to advertise the product; these publications are issued free to recipients and have a combined circulation of around 28K;
- vii) Two of the magazines ('Hardware & Garden Review' and 'DIY Superstore') containing advertisements for the DRILL-VAC product were in circulation by 10 June 1999; the other ('DIY Week') was in circulation by 11 June 1999; all three featured the DRILL-VAC product in internal pages devoted to new products;
- viii) On 22 April 1999, the opponent also issued press releases about its new product to the BBC Good Homes magazine and the Daily Telegraph Magazine; the BBC magazine subsequently featured the DRILL-VAC product, but not until after the relevant date;
- ix) On 16 June 1999, the opponent attended a meeting with the Sales Manager of Power Devil and JCB Power Tools in order to promote its DRILL-VAC product, at which samples of the product were provided; although the meeting was on the relevant date, arrangements for the meeting had been made at an earlier date;
- x) 65 DRILL-VAC units had been sold or distributed to independent third parties by the relevant date.

## Arguments of the Parties

16. As a result of these facts the opponent claims that it enjoyed a goodwill and reputation amongst its existing customers and within the trade under the mark DRILL-VAC at the relevant date.

17. Before me, Mr Gallafent was unable to say that there was any significant difference between the respective marks of the parties, and he realistically accepted that there was no material difference between the goods in respect of which the opponent has applied the trade mark DRILL-VAC, and the goods in respect of which the applicant seeks to register its trade mark.

18. Mr Gallafent argued that the opponent's evidence was insufficient to establish that it enjoyed any goodwill or reputation under the trade mark DRILL-VAC at the relevant date. In support of that submission Mr Gallafent pointed out that:

a) because the opponent had not provided details of the 899 existing customers to which it had offered its new DRILL-VAC product in December 1998, it was impossible to know whether these were ordinary customers for drilling apparatus;

b) although the opponent claims that 65 units bearing the DRILL-VAC had been put into circulation by the relevant date, it appears that most of these were free samples or for demonstration purposes; only 5 units were definitely sold;

c) there is no way of knowing how many of the 28K recipients of the three free trade magazines carrying adverts for the opponent's DRILL-VAC product which were circulated just before the relevant date would have read the adverts prior to the relevant date or at all.

## Decision

19. If the opponent can make good its claim to have acquired a goodwill and reputation under its mark at the relevant date, the requirements for misrepresentation and damage can be inferred in circumstances where both the respective marks and the goods are essentially the same; per Jacob J. in Minerva Trade Mark [2000] 734.

20. The real issue is therefore whether the opponent's evidence is sufficient to support its claim to have acquired a goodwill and reputation under the trade mark DRILL-VAC by the relevant date.

21. The extent of the opponent's use before the relevant date is plainly limited. The requirement that the claimant's mark must be distinctive to a section of the relevant market, is considered in Christopher Wadlow's 'The Law of Passing Off'. He states, at page 362, that:

*"It is impossible to give an a priori definition of what number or proportion of the market counts as substantial. The standard varies from case to case, but two contrasting situations may be distinguished. If the mark is arbitrary, then provided it*

*means something to a proportion of the public which is not trivial then it probably does not matter that to the majority it conveys nothing at all. Arbitrary marks have been protected despite user being on such a small scale that they can have been distinctive to very few. On the other hand, if the mark is prima facie ill-adapted to distinguish the plaintiff's goods, for instance because it is descriptive, distinctive of a third party in another field, or very simple, then a much larger proportion are required to use or recognise it in a trade mark sense. Relief has been refused although a mark which was descriptive in its origins had almost certainly become distinctive to the majority of purchasers."*

22. Although the marks at issue allude to the purpose of the goods they are, in my view, only indirectly descriptive. Having applied to register the trade mark DRILLVAC as an unused mark the applicant cannot and does not contend that the mark DRILL-VAC is unpossessed of an inherently distinctive character. Consequently, if the opponent's mark had come to identify a goodwill and reputation with a relevant section of the public by the relevant date, the opposition should not fail simply because of the limited extent of the goodwill and reputation.

23. The opponent's evidence establishes sales of just a handful of products under the mark DRILL-VAC by the relevant date. These sales were made to just three of the opponent's existing customers. The absence of more customers is not necessarily fatal to the opponent's case. In BBC v Talbot [1981] FSR 228, the claimant was able to establish that a mark had become distinctive through advertising before any sales occurred. The opponent's evidence demonstrates that goods were available for sale at the time of its advertisement to its existing customers.

24. There is nothing about the order forms (copies of which are exhibited as AIL 34-36 to Mr Smith's first declaration) which indicates that the customers are retailers in drilling apparatus rather than end users. None of the three customers provide a business name in their order form and the size of their orders does not suggest that these were orders from retailers. I am prepared to infer that if the opponent took the time and trouble to send 899 of its existing customers details and an order form for its latest product that it considered those persons to be at least potential customers for its DRILL-VAC product.

25. Apart from its mail shot to existing customers, the remainder of the opponent's promotion of its DRILL-VAC product prior to the relevant date was directed at the trade. The opponent's efforts to commercialise its product through economic liaisons with other traders in power tools and electrical products may have resulted in some recognition of the DRILL-VAC mark by the relevant date, but the most significant evidence, in my view, is that of the advertisements placed in the trade press that went into circulation just a few days before the relevant date.

26. The combined circulation of the trade magazines in question is around 28K. The applicant points out that not all of these magazines would have been read before the relevant date, and being free publications, some may have been immediately discarded. And not all of those who did read these magazines prior to the relevant date would have noticed the opponent's advertisements. The applicant says that some of the magazines would have been read by several people within an organisation and therefore the true number of people exposed to its

advertisements is really larger than the bare circulation figures.

27. There is some truth in each of these points. I am prepared to accept that the opponent's advertisement would have come to the notice of a significant proportion of the 'larger than 28K' readership of these trade magazines. It is impossible to say how many people that would have been but the likelihood is that it would have been a substantial number. The opponent must have expected this to be the case and that is why it was prepared to pay these magazines to carry these advertisements.

28. The test I am applying requires me to determine the matter at the relevant date, which as I have already noted is within a few days of the opponent's advertisements appearing in three trade journals. The applicant argues that the timing favours him, but it appears to me that in one respect it favours the opponent because it means that the opponent's advertisements would have been fresh in the mind of many in the DIY and power tool trade at the relevant date, and the applicant's use of a virtually identical mark on essentially the same goods at that date would therefore have been liable to benefit from the opponent's advertising through (unintentional) deception.

29. This finding assumes that retailers of DIY goods and/or power tools can also be regarded as potential customers of such goods. In my view the opponent's evidence supports that conclusion. If, as I am notionally required to consider, the applicant had launched its own product in the UK at the relevant date, I see no reason why it would not have reached the end customer through some of the traders which read the magazines in question. It may well be that such persons are less likely than the end consumer to be confused about the trade source of the goods they deal in, but where the respective marks and goods are essentially the same, anyone is liable to be deceived.

30. I conclude that the opponent's limited sales and promotion of its mark to its existing customers combined with the trade advertising and promotion that took place just before the relevant date was sufficient to generate goodwill and reputation under the mark DRILL-VAC in the UK by the relevant date. Consequently, use by the applicant of the mark DRILLVAC at that date in respect of the goods listed in the application was liable to be restrained by the law of passing off. The opposition under s5(4)(a) therefore succeeds.

### **Section 3(6)**

31. In the light of this finding there is strictly no need for me to consider the opponent's further ground of opposition under Section 3(6) of the Act. However, as it involves an allegation of bad faith I will deal with it briefly.

32. The opponent's pleading links its allegation of a false statement by the applicant about his intention to use the mark in the UK to a) a corresponding registration in the applicant's name in Australia, and b) the applicant's knowledge of the opponent's activities in the UK through the circulation of trade magazines.

33. The applicant has not filed any evidence himself. One of his UK Trade Mark Attorneys, a Mr Headley Austin, filed a witness statement which states that:

*"In..... the amended Statement of Grounds, and in the un-sworn correspondence between the attorneys for the opponents and the Registrar there have been allusions to it being no coincidence that the above application was filed within a few days of publication of the DIY Superstore and Hardware and Garden Review Issues referred to in..... the Statutory Declaration. Attached hereto and marked HWA1 is a copy of a letter from the Australian attorney for the applicant instructing Urquhart-Dykes & Lord to conduct a search on the mark DRILLVAC. This clearly shows that the applicant had plans to apply for and use the mark DRILLVAC in UK at least as early as 10 March 1999, considerably before the applicant could have become aware of the opponent's activities. Indeed, Mr Richardson's intentions concerning the UK market for a product that falls within the specification of goods for application 2200317 may be judged by the fact that Design Registration 2057841 (mentioned in the 10 March 1999 letter) was applied for on 23 July 1996. A copy of the details for that registration from the Design Registry Computer via the Internet are attached hereto, marked HWA2".*

34. Mr Smith filed evidence in reply from the opponent arguing that the design in question corresponded with a discontinued product which had previously been commercialised in Australia by a company called 3M. Mr Smith also reports the result of a commercial investigations undertaken on behalf of the opponent, which is said to have revealed that the applicant is "associated" with Minair PYT Limited, an Australian company which supplied 3M with its DRILLVAC product.

35. It is not entirely clear but I believe that the inference I am being asked to draw is that the discontinuation of the 3M DRILLVAC product in Australia can be taken as meaning that sales by the applicant under the same mark in the UK was never on the cards.

36. This line of argument is based upon a series of assumptions and inferences. It is also something of a development of the pleaded case. I do not think it establishes even a prima facie case of bad faith for the applicant to answer.

37. The evidence given by the applicant's UK Trade Mark Attorney shows that his firm were instructed before the trade magazines carrying the opponent's advertisements could possibly have reached the applicant. That is enough to dispose of the pleaded Section 3(6) objection. People do not file trade mark applications for nothing. If it was not a defensive application inspired by knowledge of the opponent's plans in the UK there is no basis to reject the obvious reason for the application; namely that the applicant intended to use or licence his mark for the UK market.

**Costs**

38. The opposition having succeeded, the opponent is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of £700. This sum to be paid within 7 days of the end of the period allowed for appeal.

**Dated this 11<sup>TH</sup> day of March 2002**

**Allan James  
For the Registrar**