

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2250127
IN THE NAME OF AXEL E. HERTLEIN TO REGISTER A TRADE MARK
IN CLASS 34**

**AND IN THE MATTER OF OPPOSITION THERETO UNDER No. 52294 BY
ROTHMANS OF PALL MALL LIMITED (LONDON) AND ROTHMANS OF
PALL MALL LIMITED (SWITZERLAND) AS JOINT OPPONENTS**

DECISION

Introduction

1. This appeal concerns an application by Axel E. Hertlein (“the Applicant”) to register the trade mark FAIRLIGHT in Class 34 in respect of the following goods:

tobacco; piped tobacco, cigarettes; smokers articles; matches.
2. On the 20th March 2001 notice of opposition to the application was filed by Rothmans of Pall Mall Limited (London) and Rothmans of Pall Mall (Switzerland) (“the Opponents”).
3. The Opponents raised grounds of opposition under section 5(4)(a) of the Trade Marks Act 1994 (“the Act”) on the basis that the use of the trade mark in the United Kingdom was liable to be prevented by the law of passing off, and under section 3(6) of the Act on the basis the application was made in bad faith.

4. The matter came on for hearing before Ann Corbett, the Hearing Officer acting for the Registrar. By a written decision dated the 16th September 2003 she dismissed the opposition. On the 14th October 2003 the Opponents gave notice of their intention to appeal against that decision to an Appointed Person under section 76 of the Act.
5. The matter came on for a hearing before me on Monday the 23rd February 2004. At that hearing the Applicant was represented by Mr. Stobbs of Bolt Wade & Tennant, the Opponents by Mr. Malynicz of Counsel, instructed by BATMark Limited, and the Registrar by Mr. Edenborough of Counsel. At the hearing the Registrar requested that I refer the appeal to the High Court pursuant to section 76(3) of the Act. Both the Applicant and the Opponents opposed that request.
6. Having heard submissions from all parties, I indicated that I intended to refer the appeal to the Court and that I would give my reasons in writing. That I now do.

Background

7. The Opponents are the manufacturers of the ROTHMANS King Size Filter brand of cigarettes. The Hearing Officer found that the Opponents had established at the relevant date a reputation and goodwill in connection with the mark ROTHMANS and in connection with the trade dress and get up of the ROTHMANS King Size Filter cigarette pack.
8. The Applicant has applied for registration of the trade mark FAIRLIGHT alone. The opposition is not based upon any suggestion that the use of the word FAIRLIGHT itself might lead to passing off but rather on the basis that the Applicant intends to use the mark in a deceptive manner and, in particular, in combination with a get up which, say the Opponents, is deceptively similar to that of the ROTHMANS King Size Filter cigarette pack.
9. The Opponents' concern arises because of the activities of the Applicant in Germany and Austria. In those countries the Applicant is already engaged in

the manufacture and sale of FAIRLIGHT cigarettes in the offending get up and the Opponents believe that the advertising and promotional materials released by the Applicant reveal that he intends to use the mark FAIRLIGHT in a similar way in the United Kingdom. The Applicant has not filed any evidence answering or refuting the contentions advanced by the Opponents.

10. The Hearing Officer concluded that it was far from clear to her that the Applicant had entirely “clean hands” in the way he advertised his goods and, moreover, that she was left feeling somewhat uneasy about the Applicant’s business methods and behaviour. Nevertheless, she rejected both grounds of opposition. In summary, she considered that in determining the issue under section 5(4)(a) of the Act it was necessary to consider a normal and fair use of the mark the subject of the application. In her view, the adoption of a deceptive get up in association with the mark applied for could not be regarded as a normal and fair use of that mark. Similarly, in relation to the objection under section 3(6) of the Act, the Hearing Officer found that it could not be said that the application for the mark FAIRLIGHT was made in bad faith, and that remained the case even if the Applicant intended to use that mark in connection with other deceptive material.

Applicable principles

11. Section 76 of the Act provides:

"(3) Where an appeal is made to an appointed person, he may refer the appeal to the court if—

- (a) it appears to him that a point of general legal importance is involved,*
- (b) the registrar requests that it be so referred, or*
- (c) such a request is made by any party to the proceedings before the registrar in which the decision appealed against was made."*

12. Before doing so, the Appointed Person must give the appellant and any other party to the appeal an opportunity to make representations as to whether the appeal should be referred to the court.

13. It is apparent from the words of section 76 that the Appointed Person has a discretion to refer an appeal to the court if it appears to him that a point of general legal importance is involved or if the Registrar or any party to the proceedings requests that the appeal be so transferred. In *Academy Trade Mark* [2000] RPC 35 Mr. Simon Thorley QC, sitting as an Appointed Person, explained some of the matters which it may be relevant to take into account in the exercise of that discretion. In an interim decision in the case of *Elizabeth Emanuel Trade Mark*, dated 27th June 2003, I referred to that authority and identified the following general principles which I believe are relevant to the present case:

- (a) The Appointed Person has a discretion whether or not to refer an appeal to the Court; he has that discretion even if it appears to him that a point of general legal importance is involved.
- (b) The power of referral to the Court should be used sparingly, otherwise the clear object of the legislation to provide a relatively inexpensive, quick and final resolution of appeals by a specialist tribunal will be defeated.
- (c) It will be very rare to make a reference in circumstances where a point of general legal importance cannot be identified.
- (d) The costs and expenses of the party not seeking to refer should be taken into account; this is a matter which may be of particular significance in a case where the party in question is an individual or small company or partnership.
- (e) Regard must be had to the public interest generally. There is a public interest in having any uncertainty as to the state of the Register resolved as soon as possible. On the other hand there is a public interest in having important points of law decided by the higher courts.
- (f) The attitude of the Registrar is important but not decisive.

The decision to refer

14. It was contended on behalf of the Applicant that this case raises no point of general legal importance because the Hearing Officer was clearly correct in deciding that the grounds of objection under section 5(4) and section 3(6) are

concerned only with the mark the subject of the application and not other ancillary material that may be used in conjunction with it. I have some considerable sympathy with this submission but, in the light of the submissions advanced on behalf of the Opponents and the Registrar, I have come to the conclusion that the contentions advanced by the Opponents do raise issues of general legal importance. Under section 5(4) the issue arises as to whether it is appropriate to consider a normal and fair use of the mark applied for, or whether some other test is appropriate and, in either event, how wide the scope of the enquiry should be. Is it enough to satisfy the prohibition that the applicant intends to use the mark applied for as part of a trade dress which is calculated to lead to passing off? Similar questions arise under section 3(6). Is it appropriate to consider an intention of the applicant to use a mark in conjunction with other deceptive material? It was submitted on behalf of the Registrar that all these issues are arguable and matters upon which the Registrar would welcome the guidance of the High Court.

15. It was also submitted on behalf of the Applicant that I should decline to make a reference because it had not been shown that the get up used in connection with FAIRLIGHT cigarettes was likely to lead to passing off in any event. I am unable to accept this submission. The Hearing Officer made no express findings on this issue beyond the general observations to which I have referred. But I have reviewed the materials relied upon by the Opponents and I believe it is clearly arguable that the FAIRLIGHT get up is calculated to cause deception. It seems to me that this is a matter which should be considered by the tribunal determining the appeal. In the light of argument that tribunal can then either determine the issue or remit it back to the Registrar for further consideration.
16. I must also consider cost and expense. Plainly a reference to the High Court will result in an increase in both. In the context of this case, however, I do not believe that this is a matter which should deter me from making a reference. The Opponents are both substantial companies. The Applicant is an individual and it was submitted that he would not be able to afford representation if I referred the appeal. But this submission was not supported by evidence and

appears somewhat inconsistent with the fact that the Applicant is already using the mark abroad and defending proceedings in two other jurisdictions.

17. I am also conscious that the power to refer should be used sparingly and of the public interest in having uncertainty as to the state of the Register resolved as soon as possible. Referral of this matter to the High Court would involve some delay. However I do not believe that the case is unduly complex and I think it ought to be capable of resolution relatively quickly. Moreover I also believe it important that the Registrar has submitted this case raises points which are of general importance and on which the guidance of the High Court would be welcome. This is, to my mind, a point which carries considerable weight.
18. In all these circumstances I have come to the conclusion that this appeal must be referred to the High Court and I so direct. With the agreement of the parties I also direct that the costs of this hearing be reserved to the Judge hearing the appeal.

David Kitchin QC

3rd March 2004