

O-206-10

TRADE MARKS ACT 1994

**IN THE MATTER OF
AN APPLICATION (2483233) BY KATY SALE TO REGISTER IN CLASSES 35
& 41 THE TRADE MARK:**



AND

**OPPOSITION THERETO (UNDER NO 98865)
BY PARTY PRINCESS (UK) LIMITED**

TRADE MARKS ACT 1994

In the matter of an application by Katy Sale to register in classes 35 & 41 the trade mark:



and

opposition thereto (under no 98865) by Party Princess (UK) Limited

Background and the pleadings

1) Ms Katy Sale is the applicant for the trade mark the subject of these proceedings. She applied for the trade mark on 26 March 2008. The services for which Ms Sale seeks registration now stand as:

Class 35: The bringing together, for the benefit of others, of soaps, perfumery, essential oils, cosmetics, hair lotions, candles and wicks for lighting, hand tools and implements, cutlery, magnetic data carriers, recording discs, CDs, DVDs, tapes, cassettes, cartridges, precious metals and their alloys and goods in precious metals or coated therewith, jewellery, precious stones, horological and chronometric instruments, musical instrument, paper, cardboard and goods made from these materials, printed matter, photographs; stationery, adhesives for stationery or household purposes, artists' materials, paint brushes, instructional and teaching material, glitter, articles of leather and imitations of leather, travelling bags, cases, travel cases, luggage, suitcases, holdalls, haversacks, knapsacks, portmanteaux, valises, bags, handbags, shoulder bags, toilet bags, carrier bags, rucksacks, backpacks, bumbags, sportsbags, casual bags, briefcases, attache cases, music cases, satchels, beauty cases, carriers, for suits, for shirts and for dresses, tie cases, notecases, notebook holders, document cases and holders, wallets, pocket wallets, purses, pouches, umbrellas, household or kitchen utensils and containers textiles and textile goods, household linen, clothing, footwear, fancy dress outfits, wands, tiaras and crowns, wings, headgear, lace and embroidery, ribbons and braid, badges for wear, games and playthings, gymnastic and sporting articles, decorations for Christmas trees, gifts, gifts for children, gifts for teenagers and gifts for women, foodstuffs, beverages enabling customers to conveniently view

and purchase those goods in a department store or general merchandise store or a market stall or a general merchandise Internet website, by mail order, by means of telecommunications, or from a general merchandise catalogue by mail order.

Class 41:Arranging, organising and planning of parties; arranging, organising and planning of entertainment for others; consulting services in the field of party planning; advisory, consultancy and information services relating to all the aforesaid services.

2) I say “now stand” because the services in class 41 originally also included the term “provision of party entertainment”. However, this term was deemed to have been withdrawn by Ms Sale following a preliminary indication issued by the Intellectual Property Office in relation to a ground of opposition under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). This is in accordance with rule 19 of the Trade Marks Rules 2008 (as amended).

3) Party Princess (UK) Limited (“Party”) oppose the registration of Ms Sale’s trade mark. Its pleaded case is made under sections 5(2)(b) and 5(4)(a) of the Act. The section 5(2)(b) ground was made only in relation to “provision of party entertainment” and, given the preliminary indication referred to in the preceding paragraph, and given that term subsequently being deemed withdrawn by Ms Sale, I need say nothing more about this ground of opposition. There is nothing left to determine in relation to it. The ground under section 5(4)(a) is made, though, against all of the services in Ms Sale’s application. Party claim that it began trading under the term PARTY PRINCESS in July 2005 in relation to various party related services. Its claim is based on the law of passing-off. It also highlights an instance of confusion whereby a bank which both sides use paid monies into the wrong account.

4) Ms Sale filed a counterstatement denying the grounds of opposition. She does not believe that Party has the necessary level of goodwill (and puts it to proof on its claim) and nor does she believe that there will be any deception or confusion. I note that although made in relation to the section 5(2) ground of opposition, reference is made to the nature of the marks and the fact that they both contain descriptive/generic elements.

5) Only Party filed evidence, I will return to its contents shortly. Neither side requested a hearing and neither side filed written submissions in lieu of a hearing.

Section 5(4)(a) of the Act

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

“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 elements of passing-off (often referred to as the classic trinity) can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, Lord Oliver summarised the position quite succinctly when he stated:

“The law of passing off can be summarised in one short general proposition--no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff...Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

8) Matters must be assessed at a material date. In terms of this I note the judgment of the General Court in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07 where it was stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (Cadbury Schweppes v Pub Squash (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

9) The date of filing of Ms Sale’s application (26 March 2008) is, therefore, the material date. However, if Ms Sale’s mark had been used prior to this then such use must also be taken into account. It could establish that Ms Sale is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed which, in turn, could mean that the use of the mark could not be prevented under the law of passing-off at the material date¹. However, Ms Sale has filed no evidence herself so there is nothing to take into account.

10) The first requirement is that Party must establish that its business had a goodwill as of 26 March 2008. Such goodwill must be associated with the sign PARTY PRINCESS. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 at 223 as:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first.”

11) The relevant case-law notes that to qualify for protection under the law of passing-off, any goodwill must be of more than a trivial nature². However, being a small player does not rule out the law of passing-off from being relied upon - it can be used to protect a limited goodwill³.

12) In terms of what is required by way of evidence to prove the existence of a goodwill, I note the judgment of Pumfrey J in *South Cone Inc v Jack Bessant*,

¹ See, for instance: *Croom’s Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42.

² *Hart v Relentless Records* [2002] EWHC 1984

³ See, for instance, *Stannard v Reay* [1967] FSR 140, *Teleworks v Telework Group* [2002] RPC 27 and *Stacey v 2020 Communications* [1991] FSR 49).

Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership) [2002] RPC 19 (“*South Cone*”) where he stated:

“27 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 s 11 of the 1938 Act (see *Smith Hayden (OVAX)* (1946) 63 RPC 97 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.

28 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.”

13) The above statement should not, though, be regarded as setting out a prescriptive formula for the establishment of goodwill. For example, Professor Annand (sitting as the appointed person) accepted in *Loaded* (BL O/191/02) that proof of goodwill could be accomplished by other means. The position was summed up by Mr Justice Floyd when he stated (when commenting on *South Cone*) in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat):

“8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

14) It is, therefore, a matter of considering the evidence as a whole and determining whether Party has established that (at the material date) it had a business with more than a trivial goodwill associated with the sign in question.

15) That brings me to the evidence filed by Party to establish its goodwill. The evidence is in the form of a witness statement from Ms Brenda Guy. She clearly works for Party but does not say in what capacity. The following information is then given:

- That the business name Party Princess was first used in the UK in July 2005 when the domain name was purchased from Serve 360. Evidence is provided showing that the domain name is www.party-princess.net. An invoice dated 25 June 2005 relates to domain name registration and an invoice dated 22 July 2005 relates to web-hosting.
- That the business name Party Princess was registered with the National Business Register on 20 July 2005. A copy invoice from the National Business Register is provided.
- That confusion has arisen between Party Princess and Princess Parties when monies meant for Princess Parties was put into the bank account of Party Princess. Proof of this is provided by way of two letters addressed to Ms Guy from the Co-operative bank. The mistake occurred on 23 April 2007 which was rectified on 17 July 2007.
- That the amount of £2000 is spent, annually (and before the relevant date), on promoting the services of Party Princess children's makeover and face-painting parties.
- That Party has gained sister branches through franchising who have expressed concern over confusion in the names. Ms Guy is also concerned.
- That Party registered its own trade mark in November 2007 (in classes 41 & 44). This is the mark that was relied upon under section 5(2) of the Act.

16) As can be seen from the *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* case, goodwill relates to the attractive force which brings in custom. To that extent, whilst the registration of a domain name (and its hosting) and the registration as a business name, provides background information, these acts create no form of goodwill in themselves. The same can be said for the operation of a bank account.

17) In terms of actual custom, no information is provided. There are no annual turnover figures. There are no numbers of customers who have used the services of Party. There are no numbers of parties which have been arranged. There is a claim that £2000 is spent, annually, on promotion. However, whilst this may be true, no information is provided as to the method of promotion used nor is there any information showing the advertising it provides which would, at the least, have demonstrated the manner in which Party communicates its business to the public. It could be argued that promotion will have led to some form of custom. However, with what I regard to be relatively low levels of promotional expenditure, it is not a safe inference that this will, inevitably, have led to a goodwill of more than a trivial nature. This is more so when one bears in mind

that the tribunal has not even been shown the promotional material relating to the promotion claimed to have taken place.

18) I do not ignore the references to the existence of franchisees. However, this, again, does not in itself demonstrate a goodwill. There is no information as to the number of franchisees or where they are based. There is no information as to whether the franchises have traded to any real extent. There is no information that the franchises took out their agreements on the back of a business with an established goodwill.

19) A goodwill can be established and proven through various evidential materials. However, I am left with the overwhelming view that the evidence filed by Party falls well short of that required. The evidence does not present a prima facie case that a goodwill was in existence at the material date. I accept that the evidence must be looked at in totality, but even doing that, I am not persuaded that the evidence has established a protectable goodwill associated with any sign let alone the sign in question. **The opposition under section 5(4)(a) fails on this point as without a goodwill there can be no misrepresentation and damage.**

20) In any event, even if I accepted that Party had a goodwill associated, to some extent, with the sign PARTY PRINCESS, misrepresentation may not have necessarily followed. In its comments on whether there was a likelihood of confusion, Ms Sale referred to the descriptive nature of the words in the respective signs/marks and that her mark was only accepted for registration on the basis of the accompanying device element. I think I can take it on judicial notice that children, particularly young girls, have a fondness for princesses, particularly the traditional fairytale type princess. It is also common knowledge that children's parties will often be based on a particular theme. It is, therefore, no stretch of the imagination to see that the use of the word princess in the sign/mark will be indicative of the theme of the party to which the respective services relate. This is particularly the case in relation to Ms Sale's mark, less so in relation to the sign of Party, although, it still sends an allusive message of such.

21) Of relevance here is the judgment in *Office Cleaning Services Limited v Westminster Window & General Cleaners Limited* (1946) 63 R.P.C. 39. In this case the differences between "Office Cleaning Services Limited" and "Office Cleaning Association," even though the former was well-known, was held to be enough to avoid passing off. Lord Simmonds stated:

"Where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a

trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered."

22) This may be a case in point. The signs/marks are such that one would expect the public to display a greater degree of discrimination. That is not to say that misrepresentation could never result on the basis of any goodwill Party may possess, but in the case before me the nature of the words in the signs/marks, together with the fact that Ms Sale's mark has an additional device element (even if it reinforces the princess message), reduces significantly the prospect of a misrepresentation occurring. Having said all that, I can make no formal finding on misrepresentation as it is very difficult to make an objective determination without seeing the manner in which Party communicates its business to the public. This emphasises the key finding under the goodwill heading and the primary reason why the opposition fails.

Outcome and costs

23) Prior to this substantive decision on the ground under section 5(4)(a), Party had been successful under section 5(2)(b), or, at least, the preliminary indication led to Ms Sale deeming one of her terms withdrawn. Ms Sale has, though, been successful in relation to section 5(4)(a) with the result that the remainder of her specification (as set out in paragraph 1 above) remains untouched. In relation to costs, I believe that neither side should be favoured with an award of costs, both having achieved a measure of success. Whilst the bulk of Ms Sale's services remain, and whilst the pursuit of the section 5(4)(a) ground by Party was through the potentially more onerous route of evidence, Ms Sale has played little part in the proceedings, so, even though she has won more than she has lost (in respect of terms in specifications) I see no need to award costs in her favour.

Dated this 24 day of June 2010

**Oliver Morris
For the Registrar
The Comptroller-General**