

O-234-04

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION NO. 2214371
IN THE NAME OF PROACTIVE AHEAD LIMITED**

AND

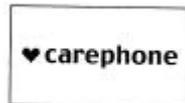
**IN THE MATTER OF AN APPLICATION FOR A
DECLARATION OF INVALIDITY NO. 81432
THERE TO BY DCI (EUROPE) LIMITED**

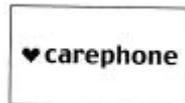
IN THE MATTER OF trade mark registration No. 2214371
in the name of Proactive Ahead Limited

AND

IN THE MATTER OF an application for a Declaration of Invalidity
No. 81432 thereto by DCI (Europe) Limited

BACKGROUND



1. The trade mark  was the subject of an application for registration filed on 15 November 1999 and has been registered since 28 April 2000 under number 2214371 and stands in the name of Proactive Ahead Limited. It is registered in respect of:

Class 38:
Telecommunications.

2. On 26 September 2003, DCI (Europe) Limited (subsequently referred to as DCI) filed an application for a declaration of invalidity of the registration. The action was filed on Form TM26(I) together with the appropriate fee. The statement of case accompanying the application set out the grounds of action, which are under sections 47(2)(b) and 5(4)(a) of the Act.

3. In the statement of case the applicant, DCI, asserted that they are a specialist service provider and software systems house, primarily operating within the telecommunications sector; including amongst its clients T-Mobile, Sony and O₂; that they first used the trade mark “CAREPHONE” in April 1997 and it had been in continuous use since that date; also that they have made significant use of the trade mark which has acquired a substantial reputation and goodwill.

4. On 2 October 2003 a copy of the application for invalidation and the statement of grounds were sent to the address for Proactive Ahead Limited recorded on the register. The documents were sent by recorded delivery but returned by Royal Mail marked “not called for”. The forms were then resent by normal mail to the same address. Proactive Ahead Limited did not file a counter-statement to defend their registration. The consequences of failure to defend the registration were set out in the letter dated 2 October 2003, namely that the application for declaration of invalidity could be granted in whole or in part.

5. It does not however follow that the uncontested nature of this action will automatically mean success for the applicant for invalidity and failure for the registered proprietor. The onus in these circumstances is on the applicant for invalidity to make the case that the registration should be declared invalid.

6. I am mindful of the decision in the *Firetrace Case* (BL 0/278/01) where the Hearing Officer stated:

“It is not sufficient to simply allege that a registration offends either Section 46 or 47 of the Act without doing more to prove that the allegation has substance. That said, when an application for revocation (other than non-use) or invalidation is made and the registered proprietors choose not to respond to such a request, I do not think that it is necessary for the applicants in those circumstances to have to fully substantiate their allegations beyond providing evidence which supports a prima facie case.”

7. The reason that the Hearing Officer arrived at this view is the statutory presumption in Section 72 of the Act which states:

“In all legal proceedings.....the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transaction of it.”

8. With this in mind, on 2 December 2003, the Registrar wrote to the applicant’s representative inviting them to file any evidence or make any submission which they felt would support their client’s application to, at the least, establish a prima facie case. They were also invited to state whether they wished to be heard or would accept a decision from the papers filed.

9. The period set for the filing of evidence was extended twice at the request of the applicant’s representative, such that the final deadline for filing of evidence was 13 May 2004.

10. On 1 April 2004 the applicant for invalidity provided a witness statement, with exhibits, to support the case the applicant alleged against the proprietor of the trade mark.

11. The evidence and exhibits submitted consist of a witness statement by Roger Frye, a director of DCI, dated 19 March 2004, and three exhibits. The witness statement first refers to the history of the applicant, DCI, stating that in 1994 a company called Cellphones Direct Limited was established, and when this was bought out by Martin Dawes plc in April 1997 the Cellphones Direct Limited management team founded DCI, originally under the name Bridge Trading International Limited, based on the Intellectual Property Rights of the software systems developed by Cellphones Direct Limited, including the CAREFONE system. The statement goes on to detail the turnover for CAREFONE products as £170,918 in 1998, £443,176 in 1999 and £633,859 in 2000 and also to assert that as the CAREFONE system has a high profile, investment and major clients in the telecommunications industry use of the proprietor’s trade mark would amount to misrepresentation likely to cause damage. Details of the three exhibits are as follows:

- Exhibit 1 – a copy of a Deloitte & Touche document, dated May 1996, produced for Cellphones Direct Limited and is a review of the CAREFONE system.
- Exhibit 2 – a copy of a document, in the witness statement stated as produced in December 1996 but undated, being a report on the systems in competition with CAREFONE.
- Exhibit 3 – a copy of a price list, dated 1 December 1998, relating to hardware, software, documentation, training, support, installation, commissioning and testing of the CAREFONE system.

12. Acting on behalf of the Registrar and after a careful study of the papers before me I give the following decision.

DECISION

13. The applicant claims that the registration should be declared invalid as per section 47 of the Act on the basis of the provisions of sections 3(6) and 5(4)(a). The relevant parts of the Act are as follows:

“47. - (1)

(2) The registration of a trade mark may be declared invalid on the ground-

(a) , or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

“5. - (1)

(2)

(3)

(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.”

14. With regard to section 5(4)(a) of the Act the requirements for this ground of action 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 these proceedings, the three elements that must be present can be summarised as follows:

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

15. In the statement of case it is asserted that the applicant has major clients, and T-Mobile, Sony and O₂ are listed, and in the witness statement Roger Frye, a director of DCI, states that the applicant has “clients that are major companies in the telecommunications industry”, however none of the exhibits support these claims. Likewise, in the witness statement figures for turnover are given but no invoices have been adduced amongst the exhibits to corroborate sales of the products and services. The first exhibit is a study of the CAREFONE system highlighting weaknesses and inefficiencies in the processes surrounding the CAREFONE system, this shows the CAREFONE system as a computer system providing the user with stock control, customer management, customer billing/invoicing and associated management data and statistics. The second exhibit gives significant details about the applicant’s business rivals but no relevant details about the CAREFONE system, except by analogy which confirms the findings in relation to exhibit 1. The third exhibit is a price list showing that under the CAREFONE trade mark computer hardware, software, training and other associated services are supplied to an end-user. None of the evidence shows the applicant providing a telecommunications service direct to the general public or business user, but providing goods and services to support the telecommunications industry supplying those services. As stated by Pumfrey J. in *REEF* Trade Mark [2002] RPC 19 at paragraphs 26 to 28:

“ As Mr Hobbs QC said in *Wild Child TM* [1998] R.P.C. 455, the registrar is often required to act upon evidence that might be regarded as less than perfect when judged by the standards applied in High Court proceedings. The second question follows: how cogent must the evidence be upon which the registrar should act in upholding an opposition on this ground?

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 [section 5(4)(a) TMA] are considerably more stringent than the enquiry under s. 11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 RPC 97 as qualified by *BALI trade Mark* [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. . . .”

16. In this instance the evidence does not, in my opinion, support the elements which must be present to substantiate this ground of action. No evidence has been provided to substantiate the claim to a reputation or goodwill in the trade mark, neither is there any evidence to demonstrate misrepresentation likely to cause confusion in the mind of the relevant public nor has any evidence been adduced to show that damage is likely to accrue from such misrepresentation. Therefore, I dismiss the application.

17. The applicant has been unsuccessful and in any case made no claim for costs on the statement of case, therefore I make no order as to costs.

Dated this 6th day of August 2004

**Graham Attfield
For the Registrar
the Comptroller-General**