

**TRADE MARKS ACT 1938 (AS AMENDED)
AND TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 1581973
BY PILE FABRIC DYERS LIMITED TO REGISTER THE MARK
STORY FABRICS IN CLASS 24**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 43113
BY BORDEN DECORATIVE PRODUCTS LIMITED**

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DECISION

On 16 August 1994 Courtaulds Textiles (Holdings) Limited applied to register the mark STORY FABRICS for a specification of goods which reads “All goods included in Class 24; but not including any such goods for making up into articles of clothing.” The application is numbered 1581973. As a result of assignments this application now stands in the name of Pile Fabric Dyers Ltd.

On 14 September 1995 Borden Decorative Products Ltd filed notice of opposition to this application. The opponents say that they have used the mark STOREYS and variants thereof since at least 1971. The mark has been used in relation to wall coverings and appears on pattern books which contain both wall coverings and fabric goods. As a result the opponents say that registration of the mark applied for should be refused under Section 11. They also ask for the application to be refused in the exercise of the Registrar’s discretion.

The applicants filed a counterstatement denying the above grounds and claiming use themselves since at least the year 1955.

Both sides ask for an award of costs in their favour.

Both sides filed evidence and the matter came to be heard on 7 July 1999. The applicants were represented by Dr M Harrison of Jordans and the opponents by Mr R S Grimshaw of Mewburn Ellis.

By the time this matter came to be heard, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly all references in the later parts of this decision are references to the provisions of the old law.

Opponent's evidence

The opponents filed statutory declarations by John Yates and Roger Grimshaw.

5 Mr Yates is Company Secretary of Borden Decorative Products Ltd. He had held his position
for three years at the time of filing his declaration and been associated with the company for
eighteen years. He says that the marks STOREY and STOREYS have been used in the UK
since 1850. Until 1982 the marks were used by Storey Brothers & Company Limited. In
10 1982 Storey Brothers & Company Limited split into Storey Industrial Products Limited and
Storeys Decorative Products Limited. Between 1982 and 1991, the marks were used by
Storeys Decorative Products Limited. In 1991, Storeys Decorative Products Limited
transferred all assets and liabilities to Borden Decorative Products Limited and the STOREYS
mark has been used by Borden Decorative Products Limited since that date. Use of the marks
15 STOREY/STOREYS is said to have been continuous since 1850. The mark is used in relation
to residential and industrial textiles and wall coverings and Mr Yates claims it has established a
strong reputation through use throughout the whole of the United Kingdom.

Turnover is said to be as follows:

	<u>Year</u>	<u>Turnover (£)</u>
	1987	19,851,750 approx
	1988	20,007,000 approx
	1989	25,231,500 approx
25	1990	27,330,750 approx
	1991	30,557,550 approx
	1992	26,984,250 approx
	1993	28,554,750 approx

30 The mark has been used on labels or tags attached to the goods and on the packaging of the
products, stationery, invoices etc.

An example is shown at Exhibit JY1.

35 Promotional expenditure is said to be as follows:-

	<u>Year</u>	<u>Promotional Costs (£)</u>
	1986	32,000
	1987	34,000
40	1988	36,000
	1989	38,000
	1990	42,000
	1991	45,000
	1992	48,000
45	1993	50,000

5 The products are advertised in the national press and occasionally on television. Goods bearing the STOREYS mark have been exhibited at major exhibitions including the Heimtex Exhibition for at least the last seven years. Finally, Mr Yates notes the specification applied for and says that in his company's industry, the term "fabrics" is used generically to refer to textile goods. He exhibits an example of such use at JY2.

10 Mr Grimshaw is the registered trade mark agent who represents the opponents in these proceedings. He describes a questionnaire survey he arranged to be conducted involving 72 entries from the publication "Yellow Pages" from the sections headed "Wallpaper/paint retailers" and "Soft Furnishing retailers".

He exhibits:-

15 RSG1 - details of the companies to whom letters were sent

RSG2 - a copy of the letter and questionnaire used

RSG3 - 23 of the questionnaires returned

20 RSG4 - 4 further returned questionnaires, the originals of which are currently with the parties from whom statutory declarations are being sought

RSG5 - a statutory declaration by Mr D Putt

25 Applicant's evidence

The applicants filed statutory declaration by Philip John Grundy and Andrew Robert Davies.

30 Mr Grundy is the Managing Director of Pile Fabric Dyers Ltd. He describes the process by which devolution of title passed from the original applicants to his company. Briefly Courtaulds Textiles (Holdings) Ltd assigned the mark to JR & A Smith Ltd on 7 July 1995 and Pile Fabric purchased the equipment, stock and goodwill of the latter company (in administrative receivership) relating to Story Velvet. By a further agreement dated 18 October 1996 the mark applied for was assigned to Pile Fabric. Copy of the assignment document is exhibited (PJG1). The current applicants say they have continued to use the mark since 22 March 1996.

40 Finally, Mr Grundy denies that the opponents' evidence supports the claim made, namely that the name STOREY has been used since 1850. He considers that the respective products are sufficiently distinct to avoid confusion.

45 Mr Davies is the Finance Director of Courtaulds Furnishings, a division of Courtaulds Textiles (Holdings) Ltd. He says that during the period July 1992 to September 1994 he was the Finance Director of the Story Fabric branch of Courtaulds Textiles. The company acquired Story Fabrics Limited in 1985 and continued to use the name in connection with its products

until the business of Story Fabrics (a trading division of Courtaulds Textiles) was sold to J R & A Smith Limited in September 1994. He says he has access to the books of account and records relating to this period and the facts of his Declaration are within his own knowledge.

5 He confirms that the Story Fabric mark was used by Courtaulds Textiles throughout the United Kingdom and Northern Ireland where Story Velvet, Story Prints and Story Weaves were sold through retailers. The name 'Story' is said to have been used in connection with these products since 1920. The main customers for the products were small independent curtain makers.

10 The turnover of goods sold in the United Kingdom under the Story Fabrics mark for the years leading up to the sale of the business was as follows:

	<u>Turnover (£)</u>
15 1 January 1992 to 31 December 1992	2,819,000
1 January 1993 to 31 December 1993	2,815,000
1 January 1994 to 1 September 1994	1,197,000

20 Figures are not available for the earlier period as Courtaulds Textiles' central accounting systems were changed and only six historical years data is retained in the current system.

During the same period the following amounts were spent by Courtaulds Textiles in advertising and at exhibitions using the Story Fabrics name and mark:

	<u>Promotional Expenses</u>
25 1 January 1992 to 31 December 1993	£121,000
1 January 1993 to 31 December 1993	£97,000
1 January 1994 to 1 September 1994	£4,000

30 Catalogues and leaflets were produced using the Story Fabrics name but Mr Davies says that these items were not retained following the sale of the business. He adds that from his personal experience he can recall such promotional material and says that the Story mark featured prominently. While the name was also regularly used in advertisements in the national press no copies have been retained of the adverts. The mark was also used at
35 exhibitions throughout Europe during the period, in particular at the Heimtextil in Germany, at Decosit in Belgium and at the Home Interiors Exhibition at Olympia, London.

In support of this he exhibits (AD1) copies of a credit note, invoice, statement and order form all of which were used by Courtaulds and all of which show the Story Fabrics name
40 prominently. He also exhibits (AD2) a copy of an original estimate (said to be dated 5 November 1920) showing the name of Story & Company and relating to velvet lining. This is the company that subsequently became Story Fabrics Ltd.

45 He concludes by suggesting that the opponents' evidence does not support Mr Yates' claim to use since 1850. In his view it shows current rather than historic use. He believes that there is a distinction in the minds of the public between wall coverings and fabric sufficient to avoid confusion.

Opponents' evidence in reply

Mr Yates, who filed an earlier declaration on the opponents' behalf filed a further statutory declaration by way of evidence in reply. In summary he

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- notes that the applicants' evidence refers to 'Story Velvet' whereas the mark applied for is STORY FABRICS and that there is no evidence of an assignment of rights from Courtaulds Textiles (Holdings) Ltd to JR & A Smith

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- comments on the breadth of the applicants' specification and reiterates that this conflicts with his company's residential and industrial textiles products and wall coverings.

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- says that Mr Davies refers to Story Velvet, Story Prints and Story Weaves along with the name STORY. He expresses doubt about the actual mark of interest to the applicants

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- says that his company frequently promotes matching/co-ordinating wall coverings and fabrics and that more generally customers expect furnishings to complement one another

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- gives further information about the corporate history of Story (Fabrics) Ltd and their predecessors. He says that according to Company House records the assets of Story (Fabrics) Ltd from 1987 to 1990 remained at £2,621 (in fact this figure should be £2,621,000) when the company was effectively dormant. It is said to have still been a non-trading company in 1992 and was finally struck off the Register of Companies and dissolved in 1994. (Exhibit JY1 is a Companies House microfiche record in support of these points).

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- suggests that Mr Davies claim that Courtaulds continued to use the name until 1994 is not substantiated by evidence other than turnover figures

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- offers further comment on the parties' respective position as established by the evidence. He suggests that the applicants' evidence merely shows use of the words STORY FABRICS as part of the company address and not as a trade mark; that only two items are dated prior to the relevant date; and that it is not clear that the evidence relates to Class 24 goods

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That completes my review of the evidence.

Section 11 reads

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"11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design."

The established test for an objection under this Section is set down in Smith Hayden and Company Ltd's application (Volume 1946 63 RPC 101) later adapted by Lord Upjohn in the BALI trade mark case 1969 RPC 496. Adapted to the matter in hand the test may be expressed as follows:-

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Having regard to the user of the mark STOREY (or STOREYS), is the tribunal satisfied that the mark applied for, STORY FABRICS, if used in a normal and fair manner in connection with any goods covered by the registration proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

The applicants position is that the Section 11 ground has not been made out or, in the event that I find otherwise, they are nevertheless entitled to registration by virtue of the honest concurrent use provisions of Section 12(2).

It is not, I think, disputed that the mark applied for, consisting as it does of the word STORY together with the name of the goods, is confusingly similar to the opponents' marks. The issue before me is, essentially, whether use of the mark in relation to the goods applied for is likely to lead to deception or confusion having regard to the goods in respect of which the opponents have used their mark. From the evidence it is apparent that the opponents' use is on a fairly substantial scale and of some considerable duration. The mark is said to have been used in relation to wallcoverings and fabrics since 1850 and furnishings for at least the last 25 years. The applicants do not, I think, dispute the existence or nature of the opponents' trade though they consider the opponents' main business to be wallcoverings. Mr Davies also suggests that they have shown current rather than historic use. That may be true but it would be unreasonable to expect full historical data (even if it were available) given the lengthy history of the company. The turnover and promotional expenditure since 1987 establishes a sufficient basis for their claim. Rather more supporting material would have helped to flesh out the opponents' case but I am prepared to take exhibits JY 1 and 2 at face value. The latter in particular, whilst primarily intended to show how the term 'fabrics' is used in the trade, also refers to and illustrates a range of such goods designed to co-ordinate with wallcoverings.

The applicants for their part, have applied for all goods in Class 24 (with the limited exclusion only of goods for making up into articles of clothing). This is a very broad claim indeed and includes, for instance, wall hangings of textile. Although the opposition is based on Section 11 and not Section 12 the Registry has long held that wall hangings (e.g. wall paper on the one hand and fabric wall coverings on the other) are goods of the same description. That seems to me to be a pointer towards the closeness of the trade connection between such goods. Taken together with the opponents' position I do not see why any narrower view of the matter should prevail under Section 11 (albeit that it is not a goods of the same description argument). On that basis alone, and even assuming that the opponents' main business is wallcoverings, there is a conflict between the respective sets of goods. The opponents go further than this, of course, as their use encompasses fabrics and furnishings which thus further reinforces the clash. I do not lose sight of Dr Harrison's point that in practice these are two old established businesses that appear on the face of it to have co-existed for many years without confusion arising. But for reasons which I will consider in rather more detail below I do not think this disposes of the problem given that I must consider what it will be notionally

open to the applicants to do if they secure a registration. The applicants could have amended their specification so as to reflect more accurately the specific goods of interest to them in an effort to avoid the conflict with the opponents but they have declined to do so. I, therefore, find that the opposition succeeds under Section 11.

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I now turn to the applicants' claim under Section 12(2) which rests somewhat obliquely on the claim made in the counterstatement as to use of their mark. This Section reads:

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“12(2) In case of honest concurrent use, or of other special circumstances which in the opinion of the Court or the Registrar make it proper so to do, the Court or the Registrar may permit the registration by more than one proprietor in respect of:-

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- (a) the same goods
- (b) the same description of goods or
- (c) goods and services or descriptions of goods and services which are associated with each other

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of marks that are identical or nearly resemble each other, subject to such conditions and limitations, if any, as the Court or Registrar, as the case may be, may think it right to impose.”

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The main matters for consideration under Section 12(2) were laid down by Lord Tomlin in the *PIRIE* case 1933 RPC 147. They are:

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- (i) the extent of use in time and quantity and the area of trade;
- (ii) the degree of confusion likely to ensue from the resemblance of the marks, which is, to a large extent, indicative of the measure of public inconvenience;
- (iii) the honesty of the concurrent use;
- (iv) whether any instances of confusion have been proved;
- (v) the relative inconvenience which would be caused if the mark in suit was registered, subject if necessary to any conditions and limitations.

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I go on to consider the applicants' position in relation to each of the above criteria commencing with the extent of use etc. Where two traders are in closely related or overlapping product areas it is likely to be crucial to an applicants' case that he has carefully identified the precise goods in respect of which honest concurrent use is claimed and that the specification applied for matches those goods (so far as is practicable). I have two fundamental problems with the applicants' position - firstly the breadth of the specification applied for and secondly the difficulty of pinning down the actual goods to which their use relates. At the hearing Dr Harrison took the view that the specification was not overly wide, that Class 24 is a relatively small and concentrated class and that the applicants were entitled

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to a reasonably broad measure of protection. I disagree. I accept that Class 24 covers a narrower range of goods than certain other Classes but a cursory glance at the goods listed in the International Classification system (the Nice Classification) reveals a wide variety of items ranging from the 'raw' textiles and fabrics to diverse finished articles made from these materials. I can see nothing in the applicants' evidence to justify their position or to clarify the precise goods of interest. So far as their actual claims are concerned Mr Davies says that the mark was used by Courtaulds Textiles throughout the United Kingdom "where Story Velvet, Story Prints and Story Weaves were sold through retailers" and "the main customers of the product were small independent curtain makers". The exhibits do not shed much light on the matter. AD 1 contains four items - a credit note in respect of 'poly wallets'; an invoice for the supply of 1994 diaries; a statement after the material date with a handwritten note referring to 'bedlinen'; and an order form relating to boxes of files, dividers and pockets. The opponents rightly question the relevance of most of this material to Class 24 goods. AD 2 is said to be a copy of an original estimate relating to 'velvet lining and other items'. The opponents' own questionnaire survey threw up four respondents who appeared to associate the mark applied for with the applicants. In response to the question "do you associate the mark with any particular products?", one respondent answered 'No', one said 'Story', and two said 'Velvets' and 'Velvet Fabrics'. It is not altogether surprising, therefore that Mr Yates in the opponents' reply evidence surmises that the applicants, and their predecessor, only used STORY in relation to velvet which is used to make curtains. That is a possible interpretation of the evidence. For my part I am simply unable to make clear findings in relation to the goods given the uncertainties in the evidence and the fact that the applicants are persisting with a very broad claim.

So far as (ii) is concerned the specification as it stands would allow the applicants to operate in the same or a closely related goods area to the opponents. Given the closeness of the marks there would inevitably be a high risk of confusion.

Given the claimed length of the applicants' use and the fact that it is not suggested that there was any improper motive on the applicants' part in their choice of mark, I conclude that their use has been entirely honest (iii).

In relation to (iv), no actual instances of confusion in the course of trade have been drawn to my attention. But that is not conclusive particularly if the applicants' business has been more narrowly based than their specification suggests. Two issues fall for consideration. Firstly both companies appear to have participated in the Heimtex or Heimtextil exhibition (thought to be one and the same event). Dr Harrison suggested that this confirmed that there was no danger of confusion. However neither side has said what goods they were exhibiting so the risk of confusion cannot be properly assessed. On the other hand the mere fact that both companies were at the same exhibition suggests that in a trading sense there is an actual or potential overlap between their activities which could result in confusion.

There is also the matter of the questionnaire survey conducted by the opponents. I have already referred to the fact that four respondents knew of the applicants but, in so far as products are mentioned, only in the context of velvet fabrics. A further four respondents referred to Storey (with an 'e') or gave other indications that they associated the applicant's mark with the opponents. One further respondent, Mr Putt, returned the form with the

question “Do you mean STORY FABRICS or STOREY FABRICS?” Mr Putt eventually filed a short declaration confirming his familiarity with the opponents’ goods and saying “I feel that the mark STORY FABRICS if used in relation to household textile articles or wallcoverings would be likely to be linked or confused with STOREYS products. If a party other than STOREYS were to use the mark STORY FABRICS in relation to such goods I would regard it as an attempt to ride on the back of STOREYs reputation”. Dr Harrison sought to turn this to the applicants’ advantage by saying that it showed Mr Putt was not ultimately confused. It must be borne in mind that the circumstances were such (an unsolicited questionnaire) that Mr Putt would have been likely to exercise some care in his response if he harboured doubts. I conclude that he did at least have cause to wonder (see JELLINEK’S Trade Mark, (1946) 63 RPC 59 at page 78 and Hack’s application to register BLACK MAGIC, (1941) 58 RPC 91 at page 102). In the normal circumstances of trade the sort of warning signs that a questionnaire might give would not necessarily be present and this would compound the problem. Even so I would be reluctant to place too much weight on the evidence of one individual or on the results of a questionnaire that was limited in scope and elicited a relatively small number of responses. It does, however, provide a measure of support for my own view on the matter of confusion.

Finally under (v) there is some risk of inconvenience to both parties as matters stand. If I allow the applicants to proceed for what I regard as an unjustifiably broad specification it could cause actual damage to the opponents’ trade. On the other hand the applicants will be inconvenienced if they do not secure a trade mark registration which recognises their long established business. On balance I judge the greater inconvenience to rest with the opponents not least because the applicants have the opportunity to refile.

The onus is on the applicants to persuade me that they should have a registration. Taking all the above criteria into account and the discretion available to me I am not persuaded that they are entitled to proceed on the basis of Section 12(2) for the specification as filed. It would, of course, be open to me to allow the application to go forward for a more limited specification but the applicants have not indicated any willingness to do so and for my part I cannot confidently construct a specification based on the evidence available (and in the absence of assistance from the supporting exhibits). I am conscious of the fact that this produces an unhappy result for the applicants given a trading history that goes back to 1920 but this decision does not prevent them re-applying for a specification of goods which more accurately reflects their actual trade.

In the event, therefore, the opposition succeeds. The opponents are entitled to a contribution towards their costs. In all the circumstances I order the applicants to pay the opponents the sum of £835.

Dated this 23 day of July 1999

**M REYNOLDS
For the Registrar
The Comptroller General**