

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 2057273  
BY INTERACTIVE MEDIA SERVICES LIMITED**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 46848  
BY INDEPENDENT MEDIA SUPPORT LIMITED**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 2057273  
BY INTERACTIVE MEDIA SERVICES LIMITED**

5

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 46848  
BY INDEPENDENT MEDIA SUPPORT LIMITED**

10

**BACKGROUND**

15

On 17 February 1996 Interactive Media Services Limited applied under the Trade Marks Act 1994 to register the trade mark:-



20

Following amendments the application was published with the following specifications of goods:

**Class 35**

25

Telephone answering; transmission, provision or display of information for business or domestic purposes; business promotion services provided by telephone, telex, facsimile, computer network or by audio or visual means.

**Class 38**

30

Telephone communication services; message handling; automatic telephone call handling; electronic message delivery and message sending services; electronic order transmission; telecommunication, facsimile, telex, telephone, telegraph, Internet, message transmission services.

**Class 39**

35

Message collection, message supply.

**Class 41**

40

Information and entertainment services provided by telephone, telex, facsimile, computer network or by audio or visual means.

The application is numbered 2057273.

On 16 May 1997 Independent Media Support Limited filed notice of opposition to this application. The grounds of opposition in summary are:

45

- (i) Under Section 3(3)(b) Owing to the similarity of the trade mark in suit with that used by the opponent and the services for which the

respective trade marks are used the trade mark in suit is calculated to deceive and cause confusion.

5 (ii) Under Section 3(4) The use of the trade mark in suit would be likely to deceive or cause confusion and so would be disentitled to protection in a Court of Justice.

10 (iii) Under Section 3(6) The trade mark in suit is not a trade mark to which the applicants are entitled.

(iv) Under Section 5(4)(a) Owing to the goodwill which the opponents have in their trade mark IMS use of the trade mark in suit is liable to be prevented by virtue of the law of passing-off.

15 The opponents also ask for the exercise of the Registrar's discretion. As there is no power to refuse an application which otherwise meets the requirements of the Act I need say no more about this aspect of the opponents' case.

The applicants filed a counterstatement denying the grounds of opposition.

20 Both sides seek an award of costs.

The matter came to be heard on 7 July 1999 when the applicants were represented by Ms Wingfield of Appleyard Lees and the opponents were represented by Mr Burkill of Counsel, instructed by Hughes, Clark & Co.

## OPPONENTS' EVIDENCE

30 This consists of a Statutory Declaration executed by Sylvia Sheridan on 17 October 1997. Ms Sheridan is the Managing Director of the opponents. She declares that her declaration is made from her own knowledge or from the records of the opponents, to which she has access.

35 Ms Sheridan states that she founded the opponents in 1989 for the purpose of providing services to businesses which needed broadcast support services in the form of telephone help lines and educational fact sheets. She goes on to declare that in 1991 the opponents expanded into providing subtitling services for the deaf and hearing-impaired and translation subtitling.

40 Ms Sheridan goes on to comment on the increasing requirements for subtitling and deaf signing in the broadcast media. She states that the opponents introduced the subtitling of television commercials in the United Kingdom in 1991 and lists some of their clients.

45 Ms Sheridan states that the opponents supply subtitles for HTV, S4C, RTE Teilifis na Gaeilge, NBC Europe, MTV and Warner Bros in a variety of languages. She declares that the opponents also subtitle corporate videos. Ms Sheridan exhibits as SS1 a list of the clients of the opponents.

Ms Sheridan states that since 1989 the opponents have traded prominently under the name IMS, using it in written and oral form. She exhibits as SS2 samples of IMS stationery.

Ms Sheridan declares that the opponents have acquired a widespread reputation amongst users of the visual media, be it in television, cinema, video films or the Internet, as a provider of subtitling. She states that these services have been supplied in London, Cardiff, Newcastle and Galway.

5 Ms Sheridan declares that by virtue of the use of the trade mark IMS by the opponents in respect of community education matters in broadcasting, production and design of information materials for the media, the provision of telephone information systems and multi-lingual, deaf and hard of hearing subtitling that they have acquired a considerable reputation and goodwill in the IMS trade mark and the services and business associated with it.

10 Ms Sheridan concludes by stating that the distinction between the media in which goods and services are provided is becomingly increasingly blurred.

**APPLICANTS' EVIDENCE**

15 This consists of a Statutory Declaration executed by Antony D Moss on 17 March 1998. Mr Moss is the Marketing Director of the applicants. He has held a senior position with the applicants for eight years. He states that he has unreserved access to the books and records of the applicants.

20 Mr Moss states that the applicants were established in 1992 and operate in the telecommunication and telephone information market with emphasis on the provision of telecommunication services and the provision of information and entertainment. He states that the applicants first used the trade mark in suit in 1992. He declares that it has been used in relation to the following services: telephone communication services; provision of telephone lines; telephone answering and message handling; automatic telephone call handling; electronic message delivery and message sending services; electronic order transmission; telecommunication, facsimile, telex, telephone, telegraph, computer network, message collection, supply and transmission services; transmission, provision or display of information for business or domestic purposes; business promotion services provided by telephone, telex, facsimile, computer network or by audio or visual means; information and entertainment services.

30 Mr Moss states that the trade mark in suit has been used in both written and oral form, He goes on to declare that the trade mark in suit has been advertised and promoted by advertisements in the national press and marketing magazines. He exhibits as ADM4 copies of advertisements. He also exhibits as ADM5a examples of brochures that have been used to promote the services under the trade mark. Mr Moss states that promotional videos and pens have been produced, samples of which have been exhibited as ADM5b.

40 Mr Moss declares that the approximate annual expenditure on advertising and promoting services under the trade mark in suit since 1994 is as follows (the applicants' advertising expenditure records do not go back before this time):

Year	Expenditure (£)
1994/95	85,000
1995/96	111,000

1996/97	106,000
---------	---------

The approximate turnover in services provided under the trade mark in suit in the United Kingdom is declared by Mr Moss as follows:

5

Year	Turnover (million £)
1992-93	6.2
1993-94	7.4
1994-95	10.0
1995-96	11.4
1996-97	12.5

10

Mr Moss declares that services under the trade mark in suit have been provided throughout the United Kingdom. He exhibits as ADM6 a selection of current and past clients.

15

Mr Moss declares that he has read the Statutory Declaration of Ms Sheridan of 17 October 1997. He goes on to state that until the present opposition was filed that he had not been aware of the existence of the opponents. He declares that from the opponents' evidence it appears that they are active only in the field of subtitling. He also exhibits as ADM7 copies of the Reports and Accounts of the opponents, which Mr Moss states support his view that the principal activity of the opponents is subtitling.

20

Mr Moss declares that, from his knowledge and experience in the field of telecommunications and the provision of information and entertainment services, he believes that the services of the applicants and the provision of subtitling services are discrete activities involving totally different markets.

25

Mr Moss notes that a number of the applicants' clients have been clients of the opponents. Sheet 2/2 to exhibit ADM6 gives details of these common clients.

30

Mr Moss exhibits as ADM8 a copy of a page from a Limited Company Index which lists inter alia a company with the name IMS Subtitling Limited, with registration number 3088698. He states that any reputation claimed by the opponents would be diluted by the existence, and possible use of the trade mark IMS, by IMS Subtitling Limited.

35

Finally Mr Moss exhibits as ADM9 a statement by Michael Tully, Director of Telecommunications of the Direct Marketing Association. In this statement Mr Tully states that he recognises the trade mark in suit in relation to the services listed above at page 3 line 24 et seq as being that of the applicants.

40

#### **OPPONENTS' EVIDENCE IN REPLY**

This consists of a further Statutory Declaration by Sylvia Sheridan, executed on 13 September

1998.

Ms Sheridan declares that she does not agree with Mr Moss's comments in paragraph 14 of his declaration in relation to the discrete nature of the areas of activity of the respective parties. She exhibits as SS1 a statement from Helen Watts of Meridian Broadcasting in relation to an example of confusion between the two parties.

Ms Sheridan refers to IMS Subtitling Limited. She states that the company is wholly owned by herself and her husband, 99 shares resting with her and 1 with her husband. She goes on to state that the company was incorporated on 8 August 1995 and that the principal business is "other publishing".

Ms Sheridan comments on the statement of Mr Tully. She states that Mr Tully does not indicate the period for which he recognises the trade mark in suit as being the trade mark of the applicants.

This concludes my review of the evidence.

### **DECISION**

Mr Burkill stated that he would only be making submissions in respect of the Section 5(4)(a) ground of opposition. He stated that if the case failed on this ground it would fail on the others. I also consider that there was no evidence to support the other grounds of opposition. I therefore dismiss them.

Section 5(4)a reads:

" (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."

No reference is made to any rule of law other than passing-off. Mr Geoffrey Hobbs QC set out the basis an action for passing-off in WILD CHILD Trade Mark (1998) RPC 455:

'A helpful summary of the elements of an action for passing-off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd -v- Borden Inc [1990] RPC 341 and Erven Warnink BV -v- J Townend & Sons (Hull) Ltd [1979] ACT 731 is (with footnotes omitted) as follows:

“The necessary elements of the action for passing-off have been restated by the House of Lords as being three in number:

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

The restatement of the elements of passing-off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of ‘passing-off’, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing-off which were not under consideration on the facts before the House”

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that;

“To establish a likelihood of deception or confusion in an action for passing-off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.” ’

Mr Burkill commented that the limited extent of the stylisation of the trade mark in suit could not lead to it not being considered similar to IMS in a non-stylised form. He also noted that the applicants used the trade mark in the non-stylised form. It strikes me that this would be considered normal and fair usage of the trade mark in suit. I readily accept that the slight stylisation of the trade mark in suit would not detract from confusion with the opponents’ use of the trade mark IMS. I do not consider that the close similarity between the trade marks is in dispute.

Mr Burkill submitted that the Section 5(4)(a) issue had to some extent arisen owing to the breadth of the applications in suit. I do not consider that the specifications in themselves are overly broad, and in relation to the evidence adduced by the applicants the specifications would not appear to be at all “excessive”.

Mr Burkill referred to *BBC v Talbot* (1981) FSR 228 and *Chelsea Man Menswear Limited v Chelsea Girl Limited* (1985) FSR 567 in support of his submissions. (The latter case went to the Court of Appeal and the decision of that court appears in (1987) RPC 189.) Mr Burkill considered that the former case showed that a limited amount of use of a trade mark was sufficient to demonstrate goodwill. This is a submission that I consider correct as has been evidenced in *Pete Waterman v CBS* (1993) EMLR 27 and *Jian Tools* (1995) FSR 924. It was submitted that the Chelsea Man case demonstrated that a party could rely on earlier use in a passing-off case where the other party had a greater turnover and reputation accrued from later use. It was further submitted that a later reputation by a larger concern should not be used to override the earlier goodwill of a smaller concern. The earlier goodwill of one party will not be subsumed by the later goodwill of another party. However, it is another matter if, even finding that there is an earlier goodwill, the classical passing-off tests will be satisfied in relation to confusion and damage. In *Stacey v 2020 Communications plc* (1991) FSR 49 at pages 53- 54, a similar situation arose and Merritt J stated:

“Fourthly, if there is error and confusion of that kind it is just as likely to occur the other way round, and insofar as there is competing business in this overlapping field, it will be the satisfied customers of the defendant who will recommend the defendant with the result that the business will go to the plaintiff. It is true that the defendants cannot complain of that, then given the comparative sizes of the businesses it is more likely on the whole to enure to the advantage of Mr Stacey than of the defendant.”

The evidence of the opponents is sparse in substantiated detail. There are no turnover figures, no advertising figures, no invoices, no brochures. However, the opponents in their evidence have supplied records of the opponents from Company's House. It is indicated from these records that the business of the opponents is that of subtitling. The records show that the opponents have certainly had a steady if not enormous turnover. The statements by the opponents in relation to their clients have not been challenged. The opponents have also stated that they commenced their business in subtitling in 1991; a time that would allow the acquisition of goodwill, and is clearly anterior to the first usage of the trade mark in suit by the applicants. The opponents have also exhibited examples of stationery which clearly indicates that they have used the trade mark IMS, if in a slightly stylised form. In the declaration of Ms Sheridan, she states that the opponents first used their trade mark in relation to broadcast support services in the form of telephone help lines and educational fact sheets. Other than this statement there is no corroborative evidence in relation to the nature and extent of the use. It is also unclear if such usage ended when the opponents entered into subtitling. I do not consider that there is any evidential basis for concluding that the opponents have a goodwill in relation to the usage in these areas. All substantiated evidence relates to subtitling; indeed Mr Burkill concentrated his submissions on this area of activity. Ms Wingfield attacked the paucity of evidence of the opponents and concluded that it did not demonstrate that they had acquired goodwill.

I consider that the evidence of the company records indicates that the opponents have accrued goodwill in relation to subtitling services. I consider it reasonable to surmise that subtitling is a specialist service and that there will not be many concerns involved in this area of activity. Consequently goodwill and reputation are likely to accrue with a limited usage.

Mr Burkill supplied a chart in which he indicated where the services of the application in suit would clash with the services of the opponents. This chart included services other than subtitling; as the opponents have failed to establish any goodwill in relation to any services other than subtitling it is not necessary for me to consider the area outwith subtitling services. I reproduce those parts of the chart relating to subtitling below:

Class 38	Electronic message delivery and message sending services
Class 38	Electronic order transmission
Classes 38 & 39	Telecommunication, facsimile, telex, telephone, telegraph, computer network, message collection, supply and transition services.
Class 35	Transmission, provision or display of information for business or domestic purposes
Class 35	Business promotion services provided by telephone, telex, facsimile, computer network or by audio or visual means. <i>Mr Burkill related these services of the applicants to the opponents' work in relation to television commercials and corporate videos.</i>
Class 41	Information and entertainment services.

(The Class 41 specification is in fact qualified (see above) and the Class 38 specification refers to the Internet rather than computer network.)

Mr Burkill referred to the penumbra which accrued to goodwill in relation to the issues of deception and damage. He referred to *BBC v Talbot* in relation to this issue, in particular that the

goods at issue were sufficiently related, although not directly related. I have no doubt that in relation to passing-off the area of potential conflict is less circumscribed than issues relating to Section 5(2); the matter at issue is whether there is damage and confusion in relation to the goodwill. Although there are clearly limits to this penumbra. In *Harrods Limited v Harrodian School Limited* (1996) RPC 697 at page 712 Millett LJ stated that, “To be known to everyone is not to be known for everything”. Immediately prior to this Millet LJ states, “The name “Harrods” may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing.” In the instant case the opponents are obviously not in the position of being famous to everyone; taking into account the evidence before me the radii of their goodwill will be very limited. Having decided that the opponents have established goodwill in respect of subtitling I have to go on to consider the issues of confusion or deception.

In this matter I consider that Mr Burkill went too wide in his submissions whilst Ms Wingfield was too restrictive. The latter submitting that the opponents had only claimed usage in relation to subtitling services for the deaf and hard of hearing and translation subtitling, and argued that any goodwill or reputation would be restricted to these specific services . I consider that the opponents can lay claim to a goodwill which will engender a likelihood of deception in relation to all subtitling services. In my own experience non-deaf and hearing impaired people make use of the subtitling that is available on television. It is probable that the non-translation services were designed for the hearing impaired originally but this has not restricted their usage by others. Translation subtitling also is a two way process e.g. foreign language films into English and English into another language. Mr Burkill submitted that because the subtitling services were often effected by use of Teletext, or a similar system, that the opponents were supplying Teletext services. I find this argument syllogistic. The opponents supply a discrete and specialised service that others then make use of, they are not broadcasters, or no evidence has been adduced to show that they are, they cannot lay claim to the chosen end use of their service. In the same way because they make use of video tapes it could not be claimed reasonably that they have a reputation in relation to video tapes, whether blank or bearing images and sound. This issue of the penumbra is particularly important as it will define the extent, if any, that any confusion will arise in relation to the trade mark in suit.

As I have said above I consider the area of activity of the opponents a very specialised and discrete activity. I do not consider that it is a reasonable extrapolation to state that because they have acquired goodwill in relation to the business of subtitling that this can be considered to give rise to confusion in any activity where subtitling might be used. So in Class 35 because the opponents subtitle videos for businesses it is not reasonable to consider that their goodwill, and subsequently the danger of confusion, would extend into the services of the application in suit. It would even be a greater step to argue that there would likely to be damage to the goodwill of the opponents. In considering the penumbra of the goodwill I also take into account that there has ,besides one statement, been no evidence submitted as to actual confusion; and that confusion in the words of Merrit J was “the wrong way round” (*Stacey v 2020 Communications*). This despite the fact that the parties share common clients. In relation to the other classes, with the exception of Class 41, the limit of the goodwill of the opponents leads me to the conclusion that it cannot be reasonably argued that there is a likelihood of confusion and so in relation to these classes the opposition must be dismissed.

As per Article 13 of First Council Directive 89/104/EEC I can only refuse an application in respect

of those parts of the specification(s) for which the opposition is sustained. In the instant case I find that this relates only to Class 41, and not all of the Class 41 specification. Elements of the specification could give rise to a likelihood of confusion; subsequent to this confusion there would be a likelihood of damage e.g. arising from a confusion of the parties which might lead to a loss of business, or the opponents suffering in that their reputation could be impugned. Although I emphasize that there is nothing in the instant case to suggest that the applicants are other than a very reputable company; I simply note the possibility, which was what I am required to consider. Mr Burkill expressed himself as being loath to see an exclusion clause being used in order to overcome the opposition, he preferred that a positively limited specification should be used, if appropriate. I need to consider what form the specification should take in order that it is no longer subject to objection under Section 5(4)(b). If an exclusion clause is the most effective way of effecting this it is appropriate to make use of such a clause. Having stated that the demonstrable goodwill of the opponents is very narrow I am content to adopt an exclusion clause, and so satisfy the onus that falls upon me under Article 13.

The application will proceed to registration with the following exclusion added to the end of the Class 41 specification

;but not including subtitling services

The opponents have been successful only to a limited extent; and that limited success is limited to one class out of four. However, the opponents have been successful in what I infer was their key area of concern. In these circumstances I do not consider it appropriate to make an award of costs to either party.

Dated this 26 day of July 1999

DW Landau  
For the Registrar  
the Comptroller General.