

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2042246A  
IN THE NAME OF IPC MAGAZINES LIMITED**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NUMBER 48931 IN THE NAME OF  
LOADED RECORDS LIMITED**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF application No 2042246A  
in the name of IPC Magazines Limited**

**and**

**IN THE MATTER OF opposition thereto under No 48931  
in the name of Loaded Records Limited**

### **Background**

On 23 October 1995, IPC Magazines Limited applied to register the trade mark LOADED in Classes 9, 35, 41 and 42 in respect of the following goods:

- |                 |   |
|-----------------|---|
| <b>Class 9</b>  | Recorded tapes, discs and cassettes; CD-ROMS, interactive CD-ROMS; computer software and computer programs; information stored in or on electronic, magnetic and/or optical means |
| <b>Class 35</b> | Advertising, marketing and promotional services; computer-based storage and retrieval of business and advertising information.  |
| <b>Class 41</b> | Information and advisory services; all relating to entertainment, education, sport, recreation and fashion.   |
| <b>Class 42</b> | Information and advisory services; all relating to music, dance, art, literature and design, to food and drink, hotels and restaurants, to health and medical matters.            |

On 27 August 1998, Loaded Records Limited filed notice of opposition to this application, the grounds of opposition being in summary:

- 1. Under Section 3(1)(a)** because the trade mark applied for is not capable of distinguishing the goods of the application from those of the opponents.
- 2. Under Section 3(3)(b)** because the mark is of such a nature as to deceive the public as to the origin of the goods.
- 3. Under Section 3(4)** because use of the mark applied for would be prohibited by virtue of the goodwill possessed by the opponents.
- 4. Under Section 3(6)** because the application was made in bad faith.
- 5. Under Section 5(4)(a)** by virtue of the law of passing off.

**6. Under Section 5(4)(b)** because use of the trade mark applied for is liable to be prevented by virtue of an earlier right.

The Notice of Opposition was directed only to the goods set out in the application for registration falling in Class 9. The application was subsequently divided with Class 9 allocated number 2042246A and Classes 35, 41 and 42 allocated number 2042246B. No opposition having been filed against 2042246B that application has proceeded to registration.

The applicants filed a Counterstatement in which they deny all of the grounds on which the opposition is based.

Both sides request that costs be awarded in their favour.

Both sides filed evidence in these proceedings. The matter came to be heard on 5 April 2001, when the applicants were represented by Mr Alan Bernard of F j Cleveland, their trade mark attorneys, and the opponents by Ms Emma Hodson of Castles, their trade mark attorneys.

### **Opponents' evidence**

This consists of a Statutory Declaration dated 3 June 1999 and comes from Jeremy Charles Reid, Managing Director of Loaded Records Limited. Mr Reid confirms that the information contained within his Declaration comes from his own knowledge, his company's records or directly from employees of his company.

Mr Reid says that the trade mark and company name LOADED was first used in the United Kingdom in relation to recorded discs and CDs (compact discs) in 1990. He refers to exhibit JCR1 which consists of photocopies of record sleeves. The sleeves have the word LOADED in a slightly stylized script along one side, and show the centre of a record bearing, inter alia, details of the tracks, artists and two occurrences of the word LOADED.

Mr Reid sets out the turnover generated by the sale of recorded discs and CDs for the years 1990 to 1998, which is as follows:

1990	£53,031
1991	£70,184
1992	£33,177
1993	£90,231
1994	£133,915
1995	£177,801
1996	£257,351
1997	£500,460
1998	£2,000,000

Mr Reid next refers to exhibit JCR2 which consists of the following invoices seemingly for the manufacture of recorded discs:

dated 20 May 1991 for 400 copies of "Plez "Can't Stop". The invoice is headed with the word LOADED in the stylized script earlier referred to.

dated 18 November 1992 for 200 copies of WILDTRAX Vol 1 (one of the record sleeves at exhibit JCR1). The invoice is headed Original Artists and refers to Loaded Records in the goods description.

Dated 22 January 1993 for 100 copies of LOAD4 Luke Slater Maiden Voyage (one of the record sleeves at exhibit JCR1). The invoice is headed Original Artists and refers to Loaded Records in the goods description.

The exhibit also includes a list headed EXPORT/VAN SALES for June 1995 for LOADED records. The list refers to WILDTRAX in LP (long play record) and CD, 956 units in all. The remainder of the exhibit originates from after the relevant date and contains no evidence that can be taken into account. Mr Reid goes on to refer to exhibit JCR3 which consists of a list of records and CDs produced by his company. The list is headed LOADED (in the same stylized script referred to earlier) and gives the names of artists and titles of records dating from 1990 through to 1999. An entry for 1995 refers to records, CDs and music cassettes.

Mr Reid next refers to an information pack available from his company, a copy of which is shown as exhibit JCR4. The exhibit includes:

an introduction referring to the "birth" of LOADED in 1990.

an article headed Brighton Rock which refers to the "up and coming label LOADED" as having been started in 1992 and includes an interview question "And dance's direction in 1994?" which would seem to date the exhibit as that year or earlier.

dance sales chart from 17 to 23 June 1995 listing "Sex On The Streets" at number one, and COWBOY/LOADED as the record label.

dance sales/album chart from 22 September to 29 September 1993 listing "WILDTRAX Vol 3" as a new entry at number 3, LOADED shown as the label (confirms year of release in exhibit JCR3).

dance singles chart from The Official Music Week Charts 18 December 1993 listing "Rock the Discotheque" as a new entry at number 21, LOADED shown as the label. (confirms year of release in exhibit JCR3).

Buzz Chart for 6 to 13 October 1994 listing "Tessier Ashpool" as a new entry at number 4 LOADED PROMO shown as the label. (confirms year of release in exhibit JCR3).

MIXMAG club chart for 9 to 16 September 1993 listing "My Dance" at position 12 having been in the charts for 3 weeks. LOADED shown as the label. (confirms year of release given in exhibit JCR3).

Press release dated 26 June 1995 announcing the release of Best of Wildtrax and referring to the first volume as having been released in 1992.

The exhibit includes reviews of the above record releases, in most instances showing the label as LOADED and also contains other undated charts. If taken in conjunction with JCR3 would confirm releases under the LOADED label dating from 1991 (Wildtrax Vol 1)

Mr Reid says that the exhibit shows that recorded discs bearing the LOADED trade mark have featured in top positions in record charts attesting to its reputation in the United Kingdom since 1990. He refers to his company's website and to exhibit JCR5 which consists of a download from the site. The exhibit is headed LOADED RECORDS WORLD WIDE WEBSITE and gives details of new record releases from May 1999.

Mr Reid refers to his company's promotional activities which he says includes the publication of material, maintenance of a website and press coverage. He gives the approximate annual expenditure on goods bearing the LOADED trade mark as follows:

1990	£7,995
1991	£10,528
1992	£4,977
1993	£13,535
1994	£20,087
1995	£26,670
1996	£38,603
1997	£75,069

Mr Reid says that to the best of his knowledge sales of goods under the LOADED trade mark have taken place throughout the United Kingdom.

Mr Reid goes on to claim that his company has accrued a reputation and goodwill in the trade mark and company name LOADED in the United Kingdom dating from 1990, and that his company is the rightful proprietors of the trade mark in relation to recorded discs, tapes and CDs.

### **Applicant's evidence**

This consists of two Statutory Declarations. The first is dated 23 December 1999 and comes from Adrian Pettett, who confirms that he was a Marketing Manager with IPC Magazines Limited from March 1992 to October 1996, and a Publisher from October 1998 to date. Mr Pettett confirms that the information contained within his Declaration comes from the company records or from his own knowledge based on his employment with IPC.

Mr Pettett. says that his company has produced a monthly magazine under the title LOADED since April 1994, and that it is aimed at young men between the ages of 20 - 35 but is read by others. He says the subject matter of the magazine has always reflected the interests of its intended readership and includes features on, inter alia, fashion, celebrities, travel, lifestyle, sport and music, the name having been chosen because of its many connotations and its relevance to its market and audience. Mr Pettett. says that his company has sought to obtain trade mark

protection for various goods that they have sold or have plans to sell or licence under the LOADED trade mark and made the application in suit in good faith. He confirms that at the time that the application was made the individuals involved in the LOADED publication in IPC were not, to his knowledge, aware of anyone using LOADED in relation to the goods covered by the application.

Mr Pettett. goes on to set out the turnover (revenue) for sales of the magazine for the years 1994 to 1998, and which for 1994 (the only period clearly prior to the relevant date) amounted to £1,205,000 which he apports as 71.6% derived from copy sales and 28.3% from advertising revenue. He says that in his experience magazines can quickly establish themselves and build a strong reputation in the market. He sets out 6 monthly circulation figures taken from external independent audit by ABC, the industry standard, for the period June 1994 (launch date) to December 1998, which for the period to June 1995 were as follows:

Launch June 1994	69,400	copies per issue
July - Dec 1994	95,800	copies per issue
Jan - Jun 1995	127,700	copies per issue

Mr Pettett. gives the amounts spent on promotion of the magazine for the years 1994 to 1998, and which for 1994 (the only period clearly prior to the relevant date) amounted to £275,000 with £98,000 on sale or return. The figures for 1995 and after show a rapid increase. He says that there has been extensive promotion of the magazine through advertisements in other publications and posters. Mr Pettett. says that LOADED magazine has become somewhat notorious, and he refers to exhibit AP1 which consists of articles about LOADED magazine that have appeared in the press although other than the feature from 8 September 1994 edition of the Independent these originate from after the relevant date. The Independent refers to LOADED magazine as being 5 months old with a circulation of 69,000 and rising and as being targeted at “urbane, style-conscious aspirational 25-35 male”.

Mr Pettett. goes on to refer to exhibit AP2 which consists of promotional material for the magazine detailing the awards that it has received, inter alia, PPA consumer magazine of the year for the years 1995 and 1996, and comments about the magazine taken from articles in other publications. The exhibit also contains a comparison of LOADED magazines and other men’s lifestyle magazines showing it to be highest in the categories shown, a reader profile taken in the period July 95 - June 1996 confirming its readership as being primarily in the 15 – 34 age group, and details from ABC confirming a total circulation of 323,115 (July – December 1995). Part of the exhibit is an undated note from James Brown, Editor of LOADED magazine, in which he recounts that The Sunday Times has branded LOADED as the most influential magazine of the 90s and goes on to say “So whether its football, fashion, film or food, you can guarantee that LOADED’s coverage will be fresh, feisty and unpredictable”. Mr Pettett. mentions a number of events at which the magazine has been the named sponsor, although other than July 1995 Phoenix Music Festival all are from after the relevant date.

Mr Pettett. describes LOADED as a lifestyle magazine that covers many broad subjects, and that in every issue the section entitled Hedonist’s Handbook features music and musicians. Exhibit AP3 consists of copies of that section taken from the June 1994 and January 1995 editions of

LOADED magazine, and which show that the magazine carries features and reviews related to music.

Mr Pettett. says that the applicants had always intended to offer a greater range of merchandise, referring to the advertisement of T-shirts and polo shirts in the July and August 1995 editions of LOADED, saying that some 10,000 were sold, and the sale of an unspecified quantity of jackets from February to September 1996, exhibit AP4 being a copy of the advertisement for the jackets. The advertisement is for two styles of jackets, both of which bear the word LOADED on the front. He goes on to say that in the latter part of 1995 the publishers of LOADED magazine were receiving regular enquiries from companies wishing to have a license to use LOADED, referring to licenses that have been given for computer mouse mats, CD case carriers, travel kits, mugs ashtrays, polo shirts, T-shirts and jackets, although Mr Pettett. gives no other details.

Mr Pettett. refers to the opponent's claim to have used the word LOADED on its recorded music products. He concludes his declaration by stating that he has not been made aware of any instances of confusion.

The second Statutory Declaration is dated 25 December 1999 and comes from Jennifer Marian Noel, a Trade Mark Assistant with FJ Cleveland & Co.

Ms Noel refers to exhibit JMN1 which consists of a copy of the Report and Accounts for LOADED Records Limited for the period 20 January 1998 to 31 March 1998. The accounts say that the company was incorporated on 19 May 1997 and commenced business on 20 January 1998.

### **Opponent's evidence in reply**

This consists of a second Statutory Declaration from Jeremy Charles Reid, and dated 12 July 2000.

Mr Reid refers to his earlier Declaration in which he said that he founded the Loaded record label in 1990 in partnership with Tim Jeffrey, saying that when Loaded Records Limited was incorporated in 1997 all goodwill in the LOADED trade mark and trading name accrued to this limited company.

Mr Reid accepts that since 1994, IPC have published a magazine under the name LOADED, although says that it is a general interest magazine which does not principally relate to music and does not offer recordings for sale. He goes on to say that it does not automatically follow that the applicants should be granted a monopoly in the magazine name for any product they may directly or indirectly feature, particularly as his company has made bona fide use of the name LOADED for some 5 years prior to the relevant date. He questions Mr Pettett.'s statement that at the time of filing the applicants had no knowledge of anyone using LOADED in relation to the goods of the application. He comments that the turnover, copy sales, advertising, circulation and promotional figures he gives relate to the magazine alone, and notes that Mr Pettett. makes no reference to the mark LOADED having been used on any of the goods covered by the application, only that they may wish to licence the mark for such use. Mr Reid also notes that there is no

evidence to support the applicant's claim to have sponsored, inter alia, The Phoenix Music Festival in 1995, which in any case is some five years after his company first used the name.

Mr Reid reiterates the statement that LOADED magazine being a "general interest" publication it naturally contains articles on music, He goes on to say that the magazine articles feature third party products but does not refer to any sound recordings being available under the mark LOADED for purchase from the magazine, and he restates the opponent's claim to prior use of the mark and company name LOADED in respect of such goods dating from 1990. Mr Reid asserts that as a consequence of his company's use, any use of the mark applied for by the applicants in respect of any goods covered by the application would lead to confusion.

Mr Reid refutes the applicant's claims to not having any knowledge of his company at the date of application, referring to the fact that LOADED magazine have reviewed his company's recordings, as evidenced by exhibit JCR6.. The exhibit consists of a copy of the October 1995 edition of LOADED magazine and in a section entitled "The Brahms and Playlist" there is a review of "Stomp Ramp (Loaded)", referring to it as "The label with the familiar name". The exhibit also contains a similar review in a copy of the January 1996 edition of LOADED, Mr Reid saying that the magazine continues to review his company's recordings. He concludes his Declaration by commenting that the copy of his company's accounts exhibited by Jennifer Marion Noel relate to a very limited period.

That concludes my review of the evidence insofar as it is relevant to these proceedings.

### **Decision**

In her skeleton arguments submitted prior to the hearing Ms Hodson withdrew all but the ground under Section 5(4)(a). That section reads as follows:

**5.(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,

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.

The opponents contend that they would succeed in an action for passing off against the applicants should their mark be used in the United Kingdom. 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 Warnik BV - v - J. Townend & Sons (Hull) Ltd [1979] AC 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 the 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.”

The opponents claim use of the word LOADED as a trade mark and company name from 1990, firstly through a partnership formed by Jeremy Reid and Tim Jeffrey, and from 1997 through a company incorporated under the name of Loaded Records Limited which Mr Reid says inherited all goodwill in the LOADED trade mark and trading name accrued by the partnership. Although there is no documentation to confirm this course of events, there is no indication that the partnership continued independently once the company was formed, and given that both partners are co-directors of the company it seems reasonable to infer that they brought with them any reputation and goodwill that the partnership may have previously built.

That the opponents have been using the word LOADED in connection with sound recordings is, in my view established by the evidence. The first page of exhibit JCR2 is an invoice dated 20 May 1991 and relates to 400 copies of “Plez, Can’t Stop”. The invoice is headed with the word LOADED in a slightly stylized script and is made out to Movement Soul in London. Mr Barnard invited me to take this as a “constructed” invoice with the details having been photocopied onto paper headed with the word LOADED in the same way that the press pack at exhibit JCR4 had been. The press pack clearly contains copies of information taken from other sources, reproduced onto paper bearing LOADED, but I see no reason why this should be so in the case of the invoice.

Mr Barnard also noted that the record labels shown as exhibit JCR1 are undated, and submitted that they could be re-releases and should not be taken as establishing use at the date of release shown, inter alia, in exhibit JCR3. The discography shown in JC3 contains one example of a re-release “Best of Wildtrax” which has two entries in 1995 but showing two different catalogue numbers; LOAD 20 and LOADW1CD/LP/MC, whereas the record labels at exhibit JCR1 show the original catalogue numbers (L002 and LOAD4) for the release shown. The style in which the word LOADED is represented on the labels is identical to that on the invoice mentioned above, and consistently throughout the evidence, and I would say that it is more than reasonable to infer that the opponents have been using the word LOADED (in this style) from the outset, and from the evidence, from at least as early as May 1991.

Mr Barnard sought to persuade me that the opponent’s turnover had not been derived from sales within the United Kingdom, but rather from export. Some but not all of the invoices shown in exhibit JCR2 are marked as being export sales but in all but one instance are endorsed as having been supplied to traders within the United Kingdom. I accept that these are likely to be record shops, wholesalers and the like, and not the record buying public, but does this matter?

Although I have no evidence of how the recording industry gets its products to the market, it seems unlikely that they would sell directly to the end consumer. The public would have contact

with the word LOADED being used in connection with sound recordings through the reviews and sales charts, and on the recordings themselves, all of which mention the label alongside the artist, although I accept that to the public it is likely to be the artist rather than the label which is the attractive force. However, to the intermediary supplier it seems quite feasible that a label itself can establish a level of goodwill and reputation, for example, as a producer at the cutting edge of music or that finds or produces fresh talent. The turnover to the relevant date is not massive for the industry as a whole, but as Ms Hodson argued, this is a particular genre of music. It seems to me that by virtue of the high position reached in the sales charts by LOADED recordings, that the label is likely to have established a reputation and goodwill in this sector of the business.

The application is for the ordinary English word LOADED and could be said to have some descriptive connotations (media that has music/programs loaded), but in my view is more likely to be taken as fanciful with no obvious reasons for use in connection with the goods in question. The opponents claim earlier use of the same word, and in respect of the same goods and it is clear from exhibit JCR6 that in October 1995 the applicants magazine carried a review of the opponent's release of "Stomp Ramp (Loaded)", even referring to it as "The label with the familiar name". Although this is the same month in which the application was made, it seems likely that the review was written earlier which establishes that at the relevant date the applicants were well aware of the opponent's use of LOADED in respect of sound recordings, but nonetheless sought to gain a monopoly for themselves. The opponents having satisfied me that they have the requisite reputation and goodwill in the mark, and given that the respective marks and goods are the same, then there must be a finding that the likely misrepresentation will lead the public into believing that the goods of the applicants were those of the opponents.

The opponents make much of their licencing activities but have provided little in the way of useful detail to assist. Nor does the bald fact that they feature music in the magazine, for if it did, magazines would have a licence to prevent use of their name, or similar names in respect of any products they feature or review.

Ms Hodson indicated that the opponent's reputation rested in the production of a particular genre of hard core dance music aimed at clubbers in the late teens to early thirties, and submitted that the opponents would suffer damage through a diversion of orders. This is the same market as LOADED magazine, and presumably, any sound recordings that they may intend to sell or licence under the LOADED mark, and given that identical marks and goods are involved this may well lead to the applicant's goods being bought in the belief that they are from the opponents, although not by the public who as I have said are likely to identify with the artist and may not even know the name of the label. This is a more likely scenario in respect of a wholesaler or high street record shop who are likely to be well aware of the various record labels and assumes that the applicant's business is, or is in some way associated with the opponent's. They may well purchase goods as a repeat customer or on the strength of the opponent's reputation from their knowledge of the sales charts. Granting registration of the mark will place the opponent's reputation at the mercy of a business over which it has no control.

Taking all factors into account, I come to the view that the opposition under Section 5(4)(a) succeeds, but not in respect of the application in its entirety. The opponent's reputation and goodwill subsist in respect of sound recordings, be it in record, compact disc or cassette tape form, whereas the application also covers goods which I would not consider to be either the same

nor similar. Consequently, if the applicants file a Form TM21 within one month from the end of the appeal period to reduce their application to a specification of:

Computer software and computer programs; information stored in or on electronic, magnetic and/or optical means.

I will, in the event of no appeal, allow this application to proceed to registration. If the applicants fail to file the Form TM21 within one month from the end of the appeal period, the application will be refused in its entirety.

The opposition having been successful, I order the applicants to pay the opponents the sum of £835 as a contribution towards their costs. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 14<sup>th</sup> day of August 2001**

**Mike Foley  
for the Registrar  
The Comptroller General**