

IN THE MATTER OF APPLICATION
No. 2046730A by Paco Rabanne Parfums
to register a trade mark in Class 25

AND IN THE MATTER OF Opposition
thereto by Paco Holdings Ltd

1. On 29 November 1995, Paco Rabanne Parfums of France applied for the registration of the registration shown below.

The logo for Paco Rabanne features the word "paco" in a large, bold, lowercase sans-serif font. Below it, the words "paco rabanne" are written in a smaller, lowercase sans-serif font. The "paco" part is significantly larger and more prominent than the "paco rabanne" part.

2. The application was made in Classes 9, 18 and 25, but was subsequently divided. For present purposes I need only consider the divisional application number 2046730A which covers Class 25. The specification of goods in Class 25 is as follows:

Suits, trousers, dresses, skirts, shirts, blouses, t-shirts, neckties, scarves, gloves, coats, jackets, parkas, blousons, waistcoats, raincoats, pullovers, shorts, housecoats, bathrobes, smocks, stockings, socks, tights, swimsuits, shoes and sports shoes, hats, caps, wallets, hoods.

3. The application claims priority under Section 35 of the Act based upon earlier filing for the same trade mark in France under number 95/581608. The priority date claimed is 21 July 1995. The applicant subsequently substantiated the priority claim by filing a certified copy of the relevant priority documents.

4. On 20 August 1996, Paco Holdings Limited filed Notice of Opposition. The grounds of opposition are in summary:

- i) The opponent is the applicant for registration for two trade marks consisting of the word PACO and PACO LIFE IN COLOUR, both of which were filed on 18 October 1991 and (at the time of filing the Notice of Opposition) were still pending. The opponent therefore claims to be the proprietor of “earlier trade marks” under the provisions of Section 6(2) of the Trade Marks Act 1994. The opponent claims there is a likelihood of confusion between its earlier trade marks and the mark applied for under number 2046730A and the latter should therefore be refused under Section 5(2)(b) of the Trade Marks Act 1994.
- ii) The trade marks PACO LIFE IN COLOUR and PACO have been used by the opponent, or with his consent, in the United Kingdom since as least as early as 1987 in relation to articles of clothing. Registration of the application number 2046730A may therefore have a prejudicial effect on the opponent’s business.
- iii) Registration of application no. 2046730 would be contrary to Section 5(3)(b) of the Trade Marks Act 1994 because the trade mark which is the subject of the application is similar to the opponent’s trade marks. The opponent’s trade marks have a reputation in the United Kingdom and the use of the trade mark PACO PACO RABANNE by the applicant without due course will take unfair advantage of, and be detrimental to, the distinctive character or the repute of the opponent’s trade marks.
- iv) Registration of the application would be contrary to Section 3(3)(b) of the Trade Marks Act 1994 because the trade mark is of such a nature as to deceive the public.
- v) Registration of the application would be contrary to Section 3(6) of the Trade Marks Act 1994 because the trade mark application was made in bad faith.

5. The applicant denies the grounds of opposition. Both sides seek an award of costs. The opposition proceedings were subsequently consolidated with other opposition proceedings between the parties in relation to another application made by the applicant to register the trade mark XSPR PACO RABANNE in Class 25. The opponent has subsequently indicated that this opposition is not being maintained. I need, therefore, say no more about it. I mention it merely to explain why the opponent's evidence, which I will come to in a moment, contains references to both trade marks.

Opponent's evidence

6. The opponent's evidence consists of a Statutory Declaration dated 14 October 1997 by Thomas Arthur Jones. Mr Jones is the Managing Director of Paco Holdings Limited. He says that:

“The trade marks PACO and PACO LIFE IN COLOUR have been used by my company and its subsidiaries throughout the United Kingdom since at least as early as 1987 in relation to a broad range of articles of clothing. These trade marks have been used in various forms and shown to me marked Exhibit TAJ1 is a representative sample of these various forms.

The trade marks PACO and PACO LIFE IN COLOUR have also been used by my company and its subsidiaries in various countries abroad, particularly in the Republic of Ireland. Shown to me and marked Exhibit TAJ2 is a list of the trade marks registrations of PACO and PACO LIFE IN COLOUR abroad. All these registrations are in the name of Paco Wholesale Limited.

My company sought to register the trade marks PACO and PACO LIFE IN COLOUR in the United Kingdom under numbers 1480272 and 2480031 (sic - this should be 1480031). These applications met with objection under Section 12(1) of the Trade Marks Act 1938 (as amended) because of registration no. 1066343 for the trade mark PACO RABANNE (stylised) owned by Paco Rabanne Parfums. Subsequently my company abandoned application nos. 1480272 and 1480031 and refiled the application under nos. 2101219 and 2101220. These applications were advertised for opposition purposes in Trade Mark Journal no. 6139 on page 10725. These applications have been opposed by Paco Rabanne Parfums.”

7. Mr Jones continues:

“The founder of my company was Mr Paco Graves, an Irish clothing designer. Mr Paco Graves is known as Paco.

Clothing bearing the trade mark PACO and PACO LIFE IN COLOUR are sold in shops owned by my company or its subsidiaries or franchisees. There are forty seven such shops in various towns and cities throughout the United Kingdom.

My company has experienced rising sales of clothing under the PACO and PACO LIFE IN COLOUR trade marks since 1989. The approximate annual turnover figures since 1989 have been as follows:

<u>Year</u>	<u>Turnover</u>
1989	500,000
1990	1,000,000
1991	2,300,000
1992	5,500,000
1993	10,200,00
1994	12,000,000
1995	14,100,000
1996	16,500,000

My company and its subsidiaries do not keep precise advertising/promotional figures, but these figures amount to 1-1½ % of the turnover figures.

My company and its subsidiaries have advertised and promoted the trade marks PACO and PACO LIFE IN COLOUR extensively throughout the United Kingdom. In particular advertisements have been placed in the local press in several areas including Coventry, Lincolnshire, Chester, Worcester, Glasgow, Cheltenham, Bristol, Aberdeen, Manchester, Yorkshire, Nottingham, Manchester, Hanley, Bromley, Darlington, Cambridge, Birmingham and South Wales. Additionally, these trade marks have been promoted in the magazines Retailings and Annabel. Shown to me and marked as Exhibit TAJ3 is a random sample of such advertisements.”

8. Exhibit TAJ3 to Mr Jones’ declaration includes a number of advertisements featuring the PACO and PACO LIFE IN COLOUR marks. Unfortunately, only one of the advertisements is dated. This is a promotion which appeared in the 9 October 1993 edition of Weekend

Times. Three other copies of advertisements have dates applied to them by the opponent. A promotion which appeared in Annabel magazine is said to have occurred in October 1993. Two further articles from Cambridge Evening News and the Northern Echo are said to be from December 1992. There is no indication of the dates of the other advertisements, although it would appear from the content of some of the articles that they were written during the recession that occurred during the early 1990's. It is clear from these advertisements that the opponent opened a number of retail outlets in the UK during 1992.

9. There is also a copy of an article about the company which appeared in Retailing in July 1992. The article in Retailing states that:

“There are already a number of franchises in the UK and Ireland and there are also plans to open more here. The cost of taking up a franchise can be up to £70,000 but Graves says that most make their money back in three years.

Graves is aiming for some 75 shops in the UK by mid-1994 and eventually 300 or so shops world-wide. He adds that when he moved the business from its Irish base to Scotland - where the companies Head Office is - he saw the move merely as a stepping stone for wider expansion.”

10. The article from the Cambridge Evening News describes the opening of a franchise in Cambridge. It says that PACO now has 46 shops, with nearly 20 of the branches opened this year (1992). However, it also refers to the opponent opening branches in New York, Spain and Japan. It is not therefore clear how many of the branches described in the article are actually situated in the United Kingdom.

11. Mr Jones continues:

“The clothing sold by my company and its subsidiaries have been advertised on local radio stations including those based in Norwich, Bath, York, Stratford and Chester.

My company and its subsidiaries also advertised to promote the PACO and PACO LIFE IN COLOUR trade marks in newspapers and magazines in the Republic of Ireland (IT magazine, U magazine, Sunday World, Sunday Tribune, Sunday Independent. The North side people and Irish Store) and on RTE - Radio Telefis Eireann - the national broadcaster in Ireland and local radio programmes.

Material in these sources also reaches the United Kingdom, in particular Northern Ireland.

My company has also been featured on the Clothes Show programme on BBC1 television.

By reason of such use as aforesaid I believe my company enjoys a considerable reputation and goodwill in the United Kingdom in the trade marks PACO and PACO LIFE IN COLOUR in respect of articles of clothing.

It is against this background that Paco Rabanne Parfums applied to register the trade marks XSPR PACO RABANNE and PACO PACO RABANNE in the United Kingdom in respect of various articles of clothing.

Clearly the trade marks for which Paco Rabanne Parfums sought registration and those in respect of which my company has a reputation and goodwill contain the word PACO. I am concerned that members of the public may believe that there is a connection between my company and Paco Rabanne Parfums because of the common use of the word PACO..”

Applicant’s Evidence

12. The applicant’s evidence consists of a declaration by Jacques Jorand. M. Jorand is the General Manager of Paco Rabanne Parfums. The most relevant parts of his evidence are as follows:

“The applicant is a very well known fashion house selling perfumes and perfumery as well as clothing for men and women, fashion accessories, sunglasses and leather goods. The founder and chief designer of the opponent company, Mr Paco Rabanne, is a well known fashion designer who is very often referred to simply as ‘Paco’ and there is now produced and shown to me an exhibit marked JJ1 being press article showing Mr Paco Rabanne referred to simply as ‘Paco’.”

13. The press articles contained within JJ1 cover a range of dates, many of which are after the date of the application under opposition. Some of the articles are in foreign publications. Of those that are in the UK and before the relevant date, the name PACO is invariably used together with, or following on from an earlier reference or picture of Mr Paco Rabanne.

14. M. Jorand continues as follows:

“The applicant expanded its original perfume business into other areas of fashion and luxury goods and has produced clothing since the 1960s. Goods bearing trade marks incorporating the word PACO “the trade marks” include perfumes and toiletries; leather goods and other accessories for men and women; spectacle frames and sunglasses; articles of clothing for men and women. Articles of clothing bearing the trade mark PACO RABANNE have been available in the United Kingdom since at least as early as 1974.

There is now produced and shown to me an exhibit marked JJ2 being printouts of the trade marks registered in the United Kingdom in the name of the applicant and showing that the trade mark PACO RABANNE has been registered in the United Kingdom since 1969.”

15. It is clear from Exhibit JJ2 that the mark PACO RABANNE has been registered in the UK under number 1066343 since 28 July 1976. The registration is in Class 25 and covers articles of clothing for men and women. The registration includes a disclaimer of any right to the exclusive use of the word “paco”.

16. M. Jorand continues:

“The wholesale values of applicants sales of items marked with the trade marks in the United Kingdom have, in recent years, been:-

<u>Year</u>	<u>£</u>
1987	8,245,392
1988	8,384,361
1989	8,337,547
1990	7,773,953
1991	7,096,556
1992	6,541,482
1993	5,341,203
1994	8,1069,340
1995	10,135,868
1996	10,988,294

These figures are wholesale values and in order to arrive at retail values the above figure should be doubled, giving an annual figure of over £20,000,000 in recent years.

Sales of items bearing the trade marks have been made in all parts of the United Kingdom including Scotland, Northern Ireland, Wales, Northern England, The Midlands, East Anglia, London and the South East and South West England. There is now produced and shown to me an exhibit marked JJ3 being a selection of copy invoices showing sales of articles of PACO RABANNE clothing in the UK. Each article of clothing bears two labels, one sewn into the garment and another non-textile label attached to the garment.”

17. The copy invoices all bear the trade mark PACO RABANNE in straight forward typeface. The majority of them are from the 1980s and are in respect of small quantities of costumes, jackets and dresses that were delivered to individual addresses in the UK. There are also copies of a couple of invoices addressed to places in London. These are dated 1991 and 1992. Again, relatively small quantities of goods are involved.

18. M. Jorand continues:

“Advertising has been in newspapers and magazines including Cosmopolitan, Arena, GQ, Mail on Sunday, The Independent and the Sunday Times. There is now produced and shown to me as an exhibit marked JJ5 being advertisements that have appeared in the press in the United Kingdom featuring the applicant’s name and trade mark. In addition the applicant has advertised by poster campaigns including the sides of large city buses. Goods bearing the trade mark have been advertised on television in the United Kingdom.”

19. Most of the advertisements in exhibit JJ5 are dated after the date of the application. I do not therefore find them of much assistance. The most helpful item within exhibit JJ5 is actually a copy of an article that appeared in the Guardian Weekend on June 10 1995. It features Mr Paco Rabanne and a number of his high fashion dresses. The article describes his career as follows:

“As a couturier Paco Rabanne has enjoyed almost as many resurrections as his claimed reincarnations. Over 30 years he has repeatedly risen from the ashes of modish neglect to thrill jaded gourmets of the gown trade with his melange of medieval armour and forward to the past futuristic creations. His designs for Vadim’s film, Barbarella owed more to Flash Gordon of the 30s than 60s

psychedelic. But the instability is in the customer. His signature link dresses hardly change; he uses different materials in basically the same shapes.

His current collection is mini skirted 60s; pink stretch tartan hipster trousers with gold buckles; mini dresses, gymslip style; shrunken t-shirts with diamante lamè, halter neck dresses. These are all small, tight, short numbers which pretty well exclude the middle-aged or indeed young fast food junkies. Joseph's in Sloane Street is the only place in Britain you can find them..”

20. M Jorand further states that:

“The applicant has by virtue of the very large turnover of luxury products it has sold in the United Kingdom, achieved a considerable reputation which predates the claimed reputation of the opponent by at least 15 years. It is increasingly the case that the public expects the products which fall into the area of fashion and luxury fields and bear the same trade mark or come from the same company. Fashion houses such as Dior and Calvin Klein, among many others, sell perfumery, sunglasses, jewellery, leather goods and articles of clothing under their main trade marks and in particular the areas of perfume and clothing are associated in the minds of consumers. It is my belief that the great and primary reputation of the applicant as a perfume house spills over into the area of clothing and in the present case is reinforced by the fact that the applicant actually sells articles of clothing and has done so for many years.

I have read the Statutory Declaration made by Mr T A Jones on behalf of the opponent; I note the opponent claims to have 47 shops in the United Kingdom but it is not clear how long there have been that many shops and whether the number of outlets has been a steady increase or whether the number has also at times decreased.”

Decision

21. I will hereinafter refer to the applicant as “Holdings” and the opponent as “Rabanne”.

22. The matter came to be heard on 22 July 1999 when Holdings was represented by Mr J Baldwin QC, instructed by Cruickshank and Fairweather, and Rabanne was represented by Mr M Edenborough of Counsel, instructed by Mewburn Ellis.

23. At the outset Mr Baldwin indicated that Holdings was not pursuing the grounds of

opposition under Sections 3(3)(b), 5(3) or the opposition under Section 5(2)(b) based upon its earlier applications 1480031 and 1480272. The reason for dropping the last mentioned ground is that these applications have subsequently been withdrawn. Consequently, they are not “earlier trade marks.” Nevertheless, Mr Baldwin submitted that Holdings was, nevertheless, the proprietor of an “earlier trade mark” because Holdings’ PACO and PACO LIFE IN COLOUR marks are well known in the UK and therefore constituted “earlier trade marks” by virtue of Section 6(1)(c) of the Act, which is as follows:

6(1) In this Act an “earlier trade mark” means-

(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark.

24. Mr Edenborough objected that this was not covered by Holdings’ pleadings. He argued that no amendment of the pleadings should be allowed because the matter had been raised too late in the day, and also because it was not clear from Holdings’ evidence that the opponent met the qualifying conditions for protection under the Paris Convention.

25. The relevant qualifying conditions are set out in Section 56(1) of the Act which is as follows:

56(1) References in this Act to a trade mark which is entitled to protection under the Paris Convention as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who-

(a) is a national of a Convention country, or

(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

26. The term “Convention country” is defined in Section 55(1) of the Act as a country which is

a party to the Paris Convention, other than the United Kingdom. Mr Edenborough point out that according to Mr Jones' evidence, all the foreign registrations for the marks PACO and PACO LIFE IN COLOUR are in the name of Paco Wholesale Limited. He said that there was no evidence that this company was incorporated outside the United Kingdom and in a Convention country.

27. Mr Baldwin had to accept that point, but contended that, on a fair reading of the evidence, there was an inference that Paco Wholesale Limited had a place of business in Ireland. In Mr Baldwin's submission, Holdings claim that their mark was entitled to protection as a "well known mark" was covered by the pleadings. He referred me to Holdings' claim to have a reputation, as set out in the third pleading, and the reference to Section 5(2)(b) in the first of Holdings' pleadings.

28. I rejected that submission. It is not open to opponents to conduct a word search through their pleadings in order to piece together further grounds of opposition. Holdings claim to a "reputation" under their marks was clearly linked to the ground of opposition under Section 5(3), which has now been dropped. The requirements to establish a reputation that is relevant under Section 5(2) were set out by the European Court of Justice in *Canon v MGM* (1999 ETMR 1). The owner of the earlier trade mark is required to demonstrate that the mark identifies his products to a "significant proportion" of the relevant public. The requirement to establish that a mark is "well known" in the United Kingdom will not be any less than this. If anything, it is likely to be a more onerous requirement. For reasons I will explain later, Holdings' evidence could not support such a claim. Further, I noted that the article from *Retailing* dated July 1992 (quoted above) recorded Mr Paco Graves as having said that he had moved his business from its Irish base to Scotland. Indeed, the application form gives an address for the applicant in Scotland.

29. I concluded that:

- i) The attempt to base the opposition under Section 5(2)(b) of the Act on the fact that Holdings' mark was well-known in the United Kingdom and entitled to

protection under Section 56 of the Act, was outside the opponent's pleadings;

- ii) It was not clear that Holdings or its subsidiary Paco Wholesale Limited met the necessary conditions for protection under the Paris Convention;
- iii) In any event, Holdings' evidence was insufficient to establish that the mark PACO was well-known in the United Kingdom.

30. It follows that there is no longer a basis for the opposition under Section 5(2)(b) of the Act and that ground of opposition must therefore fail.

Section 3(6)

31. The opposition under Section 3(6) of the Act was not particularised in the Notice of Opposition. The case, as I understood it from Mr Baldwin at the Hearing, was that Parfums was aware of Holdings earlier applications to register the marks PACO and PACO LIFE IN COLOUR under the Trade Marks Act 1938. Holdings sought the consent of Parfums to the registration of those marks. This was refused. Parfums subsequently filed this application for a mark with the Paco element much enlarged. The purpose of this was merely to prevent the registration of Holdings own applications under the 1994 Act. Parfums had no intention of using the mark applied for itself. Mr Baldwin concluded that Rabanne's application was "an attempt to take something which belongs to us". The application was therefore made in bad faith.

32. Mr Edenborough submitted that the grounds described by Mr Baldwin as an absolute ground objection under Section 3(6) was a matter more properly considered under Section 5(4)(a). He pointed out that no opposition had been filed under Section 5(4)(a) of the Act. There was therefore no allegation that the use of the mark applied for was liable to be prevented by the law of passing off. He further suggested that it was Holdings use of the PACO mark which was liable to cause confusion with Parfums earlier use of its PACO RABANNE mark. Mr Edenborough reminded me of the evidence which showed that Paco

Rabanne was sometimes referred to simply as “Paco.” He said this was the real reason behind the adoption of the mark by Parfums.

33. Holdings’ evidence of its use and reputation in the United Kingdom was much criticised by Mr Edenborough. In my view, with some justification. Although Holdings claims to have used the trade marks PACO and PACO LIFE IN COLOUR in the UK since 1987, the evidence of use of the marks is full of ambiguities. It is by no means clear when the various retail outlets under the marks were opened in the United Kingdom. This is compounded by a substantial absence of dated material in the exhibits to Mr Jones’ declaration. Holdings claims to have business in other countries. In the light of this I find it quite remarkable that Mr Jones’ declaration does not even contain an indication of the currency applicable to the turnover figures supplied.

34. Parties to opposition proceedings are naturally keen to put their most favourable case forward. It is not unusual to see figures for “worldwide” turnover. Where this results in substantial ambiguity as to the extent of an opponent’s business in the UK, the tribunal may conclude that the evidence cannot be relied upon at all. I am quite unable to form a reliable view of the extent of Holdings’ business in the UK at the relevant date on the basis of the evidence before me.

35. In the event, these matters are immaterial because Holdings has not asserted any passing-off right. But if it not claimed that Rabanne’s use of the PACO PACO RABANNE mark is liable to take the benefit of Holdings goodwill, what else can it be that Parfums are taking which belongs to Holdings? Mr Baldwin was not able, to my mind, to satisfactorily answer this question at the Hearing. There is no property right in an unregistered trade mark. The suggestion that the application under opposition is a mere tactic designed to frustrate Holdings own applications is not supported by the evidence. Indeed, Exhibit JJ1 to M. Jorand’s declaration includes a copy of a French advertisement which shows the mark applied for in use in 1997 (probably in France) in relation to perfumes.

36. Mr Baldwin protested that Rabanne’s evidence did not include an unambiguous statement

of their intention to use the PACO PACO RABANNE mark in respect of clothing. That might have been a good point if the opponent had specifically challenged the absence of any bona fide intention to use the mark in their pleadings or even in their own evidence. There is no such challenge. The closest Holdings get to this is in the following passage of Mr Jones evidence:

“As far as I am aware Paco Rabanne Parfums had not used its XSPR PACO RABANNE and PACO PACO RABANNE trade marks in the United Kingdom before applications were made to register these trade marks on 3 January 1995 and 2 November 1995, respectively. Certainly, there is no mention of these applications being accepted by reasons of use.”

37. To which M Jorand responds:

“The comment made in Clause 19 of Mr Jones’s Declaration is not one I entirely understand. I am advised there is under the United Kingdom law no need to file evidence of use of a trade mark unless such evidence is specifically requested by the Registrar. I know of no reason why that should have been so in the case of the application under opposition. Nevertheless, the applicant did sell articles of clothing in the United Kingdom prior to the filing of these applications as evidenced in this application.”

38. It appears to me that M Jorand had not understood that Holdings was claiming that the statement on the application form to the effect that Rabanne had used, or had a bona fide intention to use, the PACO PACO RABANNE mark, had been made in bad faith. That is entirely understandable. In the absence of any particularisation of the Section 3(6) ground in Holdings’ pleadings, it is by no means self evident that such a challenge should be ‘read into’ the above statement in Mr Jones’s declaration. If opponents fail to make their grounds of objection clear, they can hardly expect this tribunal to draw a negative inference if the objection is not answered clearly.

39. For the reasons given above, I conclude that Holdings has not made out its ground of opposition under Section 3(6) of the Act, which fails accordingly.

40. The opposition having failed Parfums is entitled to a contribution towards its costs. I

order Holdings to pay Parfums the sum of £1,000 as a contribution towards its costs.

Dated this 13 Day of October 1999

Allan James

For the Registrar

The Comptroller General