

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2116524
BY PRUE THEOBALDS LIMITED**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No 47266
BY DAISY & TOM LIMITED**

TRADE MARKS ACT 1994
IN THE MATTER of Application No 2116524
by Prue Theobalds Limited

and

IN THE MATTER OF Opposition thereto under No 47266
by Daisy & Tom Limited

Background

1. On 22 November 1996 Prue Theobalds Limited applied under the Trade Marks Act 1994 to register a series of trade marks shown below in respect of a specification of goods which reads:

Class 9

Alarms; automatic and coin-operated amusement machines; animated cartoons; anti-glare glasses; audiovisual teaching apparatus; bells (signal); calculating machines; cameras; cases for mathematical instruments; counters; dog whistles; dosage dispensers; floats for bathing and swimming; holograms; juke boxes; kaleidoscopes; letter scales; lifebelts and lifejackets; magic lanterns; mathematical apparatus and instruments; measuring instruments; megaphones; mirrors(optics); phonograph records; protective helmets; receivers; record players; reflecting discs for wear for the prevention of traffic accidents; luminous or mechanical road signs; rulers; luminous signs; swimming belts and swimming jackets; tape recorders; teaching apparatus; telephone apparatus; video tapes and audio recordings on tape or disc; water wings; weighing apparatus, instruments and machines.

Class 16

Adhesives, adhesive bands and adhesive tapes, all for stationery or household purposes; albums; almanacs; announcement cards; arithmetical tables; atlases; bags of paper or plastics for packaging purposes; paper bibs; loose-leaf binders; blackboards; paper blinds; blotters; book-binding materials; book end books, booklets and bookmarkers; wrappers of paper or cardboard; boxes of cardboard or paper; plastic bubble packs for wrapping or packaging; calendars; cardboard articles; cards; playing cards; catalogues; marking chalk; charts; paper coasters; stationery covers; paper cutters (office requisites); diagrams document files (stationery); drawing instruments, drawing materials, pads and pins; painters' easels; embroidery designs (patterns); engravings; envelopes (stationery); erasing products; etchings; fabrics for book-binding; paper face towels; figurines and statuettes of papier mache; paper flower-pot covers; folders (stationery); terrestrial globes; glue and gum for stationery or household purposes; graphic representations and reproductions; greeting cards; handbooks and manuals; handwriting specimens for copying; hat boxes of cardboard; index cards (stationery); ink and inking pads; jackets for papers; paper knives (office

requisites); labels (not of textile); magazines and periodicals; mathematical sets; modelling clay, modelling materials, modelling paste and modelling wax; paper napkins; newspapers; note books; type; office requisites (except furniture); stationery and writing pads; paint boxes; painters' brushes and easels; paintings and pictures; paper, paper clasps, paper clips; paperweights; papier mache; pastels, crayons; pastes for stationery or household purposes; dress-making patterns; pens and pen cases; pencils, pencil holders and pencil sharpeners; paper place mats; paper handkerchiefs; portraits; postcards; posters; printed matter and printed publications; portable printing sets; graphic reproductions; rubber erasers; stationery and stationery supplies for schools; silver paper; slate pencils; song books; stamp pads; stands for pens and pencils; stencils and stencil cases; paper table cloths and paper table linen; teaching materials (except apparatus); theatre sets; tickets; paper towels; tracing paper and tracing patterns; transfers; transparencies; water colours; wood for modelling; wrappers and wrapping paper; writing cases and writing materials; writing chalk, writing pads, writing paper, writing slates and writing tablets; but not including instructional manuals for use with computer programs.

Class 20

Cushions and mattresses (not for medical purposes); armchairs; works of art of wood, wax, plaster or plastic; sleeping bags; barrels and baskets (not of metal); bassinets; bedsteads and bed fittings (not of metal); beds and bedding (except linen); beehives; benches; bins and boxes (not of metal); display boards; picture frames and picture frame brackets; busts of wood, wax, plaster or plastic; cabinet work; cases of wood or plastic; chairs and seats; chests of drawers; chests (not of metal); clothes hooks (not of metal); clothes pegs; coat hangers; coat hooks (not of metal); coatstands; containers and closures (not of metal); costume stands; cots and cradles; covers for clothing; cupboards; curtain rails; deck chairs; plastic decorations for foodstuffs; desks; display boards and stands; divans; dog kennels; door fittings (not of metal); doors for furniture; dressing tables; drinking straws; easy chairs; edgings of plastic for furniture; embroidery frames; fans for personal use; figurines and statuettes of wood, wax, plaster or plastic; domestic fire screens; fittings, not of metal, for furniture and windows; flagpoles; flower pot pedestals; footstools; furniture; furniture shelves; glass mirrors; hampers; handles (not of metal); hat stands; furniture head-rests; hinges and hooks (not of metal); non-luminous house numbers (not of metal); nesting boxes for birds and household pets; jewellery cases and caskets (not of precious metal); keyboards, not of metal, for hanging keys; ladders (not of metal); letter boxes (not of metal or masonry); library shelves; lockers; magazine racks; decorative mobiles; mouldings for picture frames; articles made of mother of pearl; nameplates and number plates (not of metal); pins and pegs (not of metal); pillows; placards of wood or plastics; decorative wall plaques (not of metal); plate racks; playpens; poles (not of metal); furniture racks; curtain rails and rods; reels of wood or plastics for yarn, silk, cord, etc.; screens; seats and settees; shells; showcases; sideboards; sofas; costume stands; statues of wood, wax, plaster or plastic; steps (not of metal); tables; trays (not of metal); umbrella stands; wax figures; wickerwork; wood ribbon; writing desks.

Class 24

Adhesive fabrics for application by heat; banners; bath linen; bed clothes, bed covers and bed linen; bedspreads; bunting; calico; dish cloths; cloth; cotton fabrics; coverlets; loose covers for furniture; crepe fabric; curtains; damask; eiderdowns; traced cloth for embroidery; fabric; fabric for boots and shoes; fabric of imitation leather skins; face towels; felt; fibreglass fabrics for textile use; flags (not of paper); flannel; friezes; gauze; glass-cloth; gummed cloth (other than for stationery); handkerchiefs of textile; household linen; Jersey and knitted fabric; cloth labels; linen cloth; textile materials; mattress covers; washing mitts; mosquito nets; oilcloth for use as tablecloths; pillowcases; plastic material for use as a substitute for fabrics; quilts; rags; rayon fabric; travelling rugs and lap-ropes; table runners; serviettes of textile; silk cloth; silk fabrics for printing patterns; sheeting for sleeping bags; table cloths (not of paper); table napkins of textile; taffeta; linen ticks; towels of textile; tulle; upholstery fabrics; velvet; wall hangings of textile; woollen cloth and fabric.

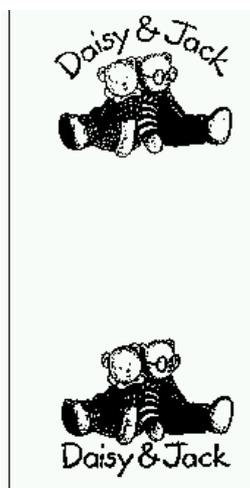
Class 25

Clothing for men, women and children; sports clothing; footwear for indoor or outdoor use; parts of clothing and parts of footwear; headgear; babies' diapers and babies' napkins of textile material; paper clothing.

Class 28

Archery implements; backgammon games; bats and balls for games; bar-bells; batting gloves; decorations for Christmas trees; exercise bicycles; billiard balls, billiard cues and cue tips, billiard markers, billiard tables and table cushions, billiards; bladders of balls for games; building blocks (toys) and building games; bob-sleighs; body-building and body-training apparatus; Christmas crackers and bonbons; skating boots with skates attached; bowling apparatus and machinery; candle holders for Christmas trees; chalk for billiard cues; checkerboards; checkers; chess games and chessboards; chest expanders; Christmas trees of synthetic materials and Christmas tree stands; golf clubs and golf bags; conjuring apparatus; toy fireworks; counters for games; coverings for skis; creels; cricket bags and cricket equipment; cups for dice; dice; discuses for sports; dolls, dolls' beds, dolls' clothes, dolls' feeding bottles, dolls' houses and dolls' rooms; dominoes; draughts and draughtboards; dumb-bells; fencing gauntlets, fencing masks and fencing foils; fish hooks and fishing tackle, floats for fishing; flippers for swimming; tables for indoor football; games and marbles for games; fencing gloves and gauntlets; gloves for games; gut for fishing; gut for rackets; gymnastic appliances and apparatus; hang gliders; hockey sticks; ice skates; practical jokes (novelties); kites and kite reels; landing nets for anglers; fishing lines; marionettes; theatrical masks and toy masks; model vehicles; nets for sports; ninepins; novelties (souvenirs); parlour games; physical exercise apparatus and machines for physical exercise; play balloons; swimming pools (sports or play articles); plush toys; rackets; guts and strings for rackets, rattles (playthings); reels for fishing; body rehabilitation apparatus; ring games; rocking horses; fishing rods; roller skates; rollers for stationary exercise bicycles; sailboards; scooters (toys); shuttlecocks; skis; skittles; sleighs (sports articles); soft toys; artificial snow for Christmas trees; spinning tops (toys); surf boards; surf skis; swings; tables for table tennis; tables for indoor football; Teddy

bears; tennis nets; toys and toys for domestic pets; but not including guns and parts and fittings for guns and not including water bottles and outfits containing cap rifles, cap pistols, holders and canteens.



2. The application is numbered 2116524.

3. The application was accepted and published and on 29 July 1997, Daisy & Tom Limited filed notice of opposition to the application. The original statement of grounds set out various grounds of opposition. Two earlier trade marks were referred to in the statement of grounds. The proprietor of these trade marks was shown as D C Thomson Limited. Subsequently, an amendment was made to the statement of grounds to show the opponents as the proprietor of these earlier trade marks. At the hearing only two of the grounds of opposition were pursued, these can be summarised as follows:

- (a) under section 5(2)(b) of the Trade Marks Act 1994 in that the trade mark the subject of the application is similar to the opponents' earlier trade marks and is to be registered for goods identical or similar to the goods and services for which the earlier trade marks are protected;
- (b) under section 3(6) of the Act, the relevant part of the opponents' amended statement of grounds reads:

“The grant of the Application would offend against section 3(6) of the Act inter alia on the grounds:

- (i) that at the application date, the marks shown in the Application were not being used and neither was there any bona fide intention that they should be used in connection with all the goods for which the Application has been advertised;
- (ii) that the marks shown in the Application were applied for by the Applicant knowing of the Opponent's prior and exclusive

rights to the DAISY & TOM marks and the earlier trade marks or the Applicant should have known of such rights.”

4. The applicants filed a counterstatement denying the grounds of opposition. Both sides seek an award of costs. The matter came to be heard on 14 June 2001 when the opponents were represented by Mr Buehrlen of W H Beck Greener and the applicants by Mr Brown of Alpha & Omega.

Evidence

5. Both parties filed evidence in the proceedings. The opponents' evidence consists of a statutory declaration by Mr Timothy John Stuart Waterstone together with eleven exhibits and is dated 2 April 1998. Mr Waterstone is the Chairman of Daisy and Tom Limited, the opponents in this matter. The applicants' evidence consists of a statutory declaration together with fifteen exhibits by Mr Christopher Douglas Maxwell-Stewart. This is dated 3 July 1998. Mr Maxwell-Stewart is the Company Secretary of Prue Theobalds Limited, the applicants in this matter. In reply to the applicants' evidence, the opponents filed a further statutory declaration by Mr Waterstone dated 13 January 1999 and a statutory declaration by Ms Sian Elizabeth Thomas dated 13 January 1999.

6. In addition to this evidence, the opponents filed two statutory declarations by Mr Ian Bartlett, a partner with W H Beck Greener & Co, the opponents' representatives in this matter. Mr Bartlett's declarations exhibit copies of the opponents' applications for a Community Trade Mark and confirms that the applications have proceeded to registration.

7. I need not summarise the evidence but will refer to it where necessary as part of my decision, however, from the evidence, the following facts emerge.

8. Daisy & Tom Limited was set up in April 1996, the Chairman Mr Waterstone was the founder of the Waterstone bookselling chain which was sold to W H Smith in 1993. The concept was to provide a single store selling a wide range of up-market products and services intended to appeal to small children and their families. The name Daisy & Tom and the associated logo was devised by Mr Waterstone and his wife in around October 1995. The name was considered to be particularly appropriate from a marketing point of view because it was suggestive of traditional values. However, the first store was not opened until July 1997, in London. The evidence of Mr Waterstone clearly shows that there was a large amount of publicity surrounding the opening of this store and the opening of a second store in Manchester in November 1997. That said, the relevant date in these proceedings is the date of the application, that is 22 November 1996. As of that date, the use of Daisy & Tom had been limited to a few press articles outlining Mr Waterstone's plans for the Daisy & Tom stores and some advertisements seeking employees.

9. Prue Theobalds Limited was set up to develop the business potential behind Prue Theobalds, an illustrator and author of children's books. The applicants have also acted in arranging various licences such as textiles, die-cut puzzles, enamelled jewellery, decorative tinware, wooden products and children's textiles; see paragraph 11 of Mr Maxwell-Stewart's declaration. In 1995 the applicants decided to develop a series of books about a brother and

sister. Originally the names were intended to be “Max & Daisy” but in February 1996 the name Jack was chosen and a decision was taken to reverse the names by Rosemary Lanning of Upland Books. Two books were written, completed and edited by February 1996. Again it should be noted that the books were not published until February 1997, although the applicants did exhibit at the European Licensing Fair at the National Exhibition Centre in Birmingham from 8 - 10 September 1996. As a result, it is said that negotiations started with several parties who expressed an interest in using the Daisy & Jack characters on their merchandise. They also exhibited at the Frankfurt Book Fair in October 1996.

10. From the above summary one can see that at the relevant date in the proceedings, there had been minimal use of the trade marks by either party.

Decision

11. The grounds of opposition pursued by the opponents were those under section 3(6) and 5(2) of the Trade Marks Act 1994. The relevant provisions read as follows:

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

“5.- (1)

(2) A trade mark shall not be registered if because -

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

12. The term ‘earlier trade mark’ is defined in section 6 of the Act as follows:

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

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,”

13. At the hearing Mr Buehrlen sought to deal first with his clients' objections under section 3(6), however, I will first consider his clients' ground of opposition under section 5(2)(b). In determining the question under section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG* [2000] E.T.M.R. 723. It is clear from these cases that:-

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v. Puma AG* page 224;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG* page 224, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* page 84, paragraph 27.
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG* page 224;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG* page 224;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* page 7, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG* page 8, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG* page 224;
- (h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v. Adidas AG* page 732, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* page 9

paragraph 29.

14. The likelihood of confusion must be appreciated globally taking into account the various factors listed above. As the opponents' use at the relevant date only consisted of some advertisements for employees and some pre-launch reviews in newspapers, Mr Buehrlen, quite properly, did not seek to rely on any reputation the opponents may now have in their mark. I must therefore consider notional and fair use of the both the applicants' and opponents' trade marks in respect of the goods for which they are respectively applied for and registered. I must take into account that a lesser degree of similarity between the trade marks can be offset by a greater degree of similarity between the goods.

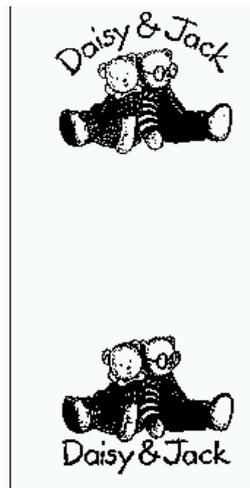
15. It was common ground between the parties that the goods for which the applicants seek protection in classes 16, 20, 24, 25 and 28 can all be considered as identical or similar to the goods covered by the opponents' specification in those classes. For example, the opponents' specification in class 24 covers "Textiles and Textile goods, not included in other classes; bed and table covers. Whilst the applicants' specification in class 24 covers inter alia: Adhesive fabrics for application by heat; banners; bath linen; bed clothes, bed covers and bed linen; bedspreads; bunting; calico; dish cloths; cloth; cotton fabrics; coverlets; loose covers for furniture; crepe fabric; curtains; damask; eiderdowns; etc etc.

16. In respect of the applicants' specification in class 9 I have more difficulty. The opponents' specification in class 9 is limited to "Videos; educational software; computer games; CD-ROMs". The applicants' specification covers goods such as alarms, anti-glare glasses, bells, dog whistles, floats for bathing which cannot in my view be considered to be similar goods. Mr Buehrlen conceded that in respect of this class, his objection under section 5(2)(b) could not extend to all the goods covered. However, he argued that certain of the applicants' goods were identical or similar to those goods covered by his clients' earlier trade mark. I agree with his analysis. It seems to me that the following terms could be considered identical or similar to opponents' goods and services; animated cartoons; audio-visual teaching apparatus; phonograph records; teaching apparatus; video tapes and audio recordings on tape or disc.

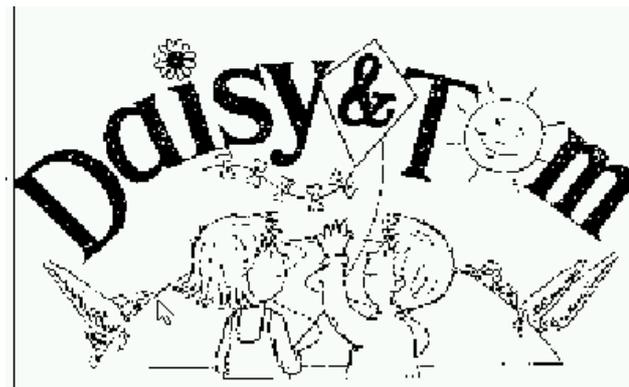
17. With these considerations in mind, I go on to consider the visual, aural and conceptual similarities between the two trade marks taking into account the importance to be attached to those different elements in relation to the goods to which the trade marks are to be applied. I must judge the matter through the eyes of the average consumer of the products in question and take into account the fact that the average consumer rarely has an opportunity to see the trade marks side by side but instead must carry around with them an imperfect picture of them he/she has kept in their mind, so called imperfect recollection.

18. The opponents seek to rely on two Community Trade Marks. Both are earlier trade marks within the meaning of section 6 of the Act. Both cover the same goods and services. It seems to me that the opponents can be in no better position than with their trade mark CTM 265108. For ease of reference I reproduce the applicants' and opponents' trade marks below.

Applicants' trade mark



Opponents' trade mark



Specifications

AS ABOVE

Class 3

Toiletries.

Class 5

Food for babies; pharmaceutical and sanitary preparations.

Class 9

Videos; educational software; computer games; CD-ROMs.

Class 16

Paper, cardboard and goods from these materials, not included in other classes; books and other printed matter; stationery; artists' materials; paint brushes; instructional and teaching material (except apparatus).

Class 20

Furniture.

Class 24

Textiles and textile goods, not included in other classes; bed and table covers.

Class 25

Clothing, footwear, headgear.

Class 28

Games and playthings; gymnastic and sporting articles not included in other classes.

Class 41

Educational services; providing and arranging of exhibitions; entertainment; sporting and cultural activities; providing of recreational facilities.

Class 42

Catering, canteen, beverage parlour, ice cream parlour and restaurant services; hairdressing.

19. Visually, the two trade marks have several differences. The applicants' mark consists of two teddy bears sat back to back with the words Daisy & Jack. The opponents' mark consists of two children playing with a kite in a stylised park landscape together with the words Daisy & Tom. The dot on the i of Daisy is a daisy motif and the O in Tom has a stylised sun with a smiling face. The case law of the ECJ informs us that the average consumer normally perceives a mark as a whole. I must judge the visual similarities with reference to the overall impression created by the marks but bear in mind the distinctive and dominant components. In my view the dominant components of the two marks are the words Daisy & Jack and Daisy & Tom. Whilst the visual elements that accompany these words cannot be discounted altogether, they consist of fairly typical elements, teddy bears and children playing, that might be used in relation to goods intended to appeal to children or those purchasing for children. There are clearly greater visual similarities between the words Daisy & Jack and Daisy & Tom. They share the same first element accompanied by the & symbol. The second element is a monosyllabic boy's name. Of these elements, it seems to me that the name Daisy would be the dominant one. Daisy is not a common girl's name, it is slightly archaic and as such, it would in my view have a strong visual impact on the average consumer. That said, taken as a whole, what is the visual impact of the two trade marks?

20. The likelihood of confusion between the two trade marks is slight when they are considered side by side but this is such a case where the consumer is unlikely to see the two trade marks together. If I allow for imperfect recollection, as I must, the answer is in my view

less clear cut. As I have set out above, the visual elements of the two marks are not very striking or unusual in the context of the goods for which registration is sought. Taking into account the close similarity of the goods for which registration is sought I find that there is a likelihood of visual confusion between the two trade marks.

21. Aurally, the applicants' trade mark would be referred to as Daisy and Jack and the opponents' as Daisy and Tom. As above, it is clear that the first element of both marks are identical. The word Daisy is in my view distinctive and as it is the first element of the mark it will in oral use also be the dominant element of the mark. As Mr Brown pointed out, children are increasingly sophisticated customers and might well differentiate between the two trade marks. However, customers of both parties goods would include, parents, relatives and godparents looking to purchase goods for a child. The goods might be recommended by a parent or friend as a suitable gift. I find that in such oral use the Daisy element of the mark would be the part that such an average consumer is likely to remember. It is unusual whereas the names Tom and Jack are in common usage as boy's names. The average consumer could be expected to remember that the trade mark is Daisy & but would not in my view remember whether the trade mark was Tom, Jack or another short common male name. As such I find that the trade marks are aurally very similar.

22. Conceptually, both trade marks make use of common semantic imagery concerned with childhood. The ECJ found that trade marks with analogous semantic content can result in a likelihood of confusion. In this case, the imagery distinguishes the two trade marks to some extent. However, both also use the name Daisy & together with a short boy's name. As such I find that there is some conceptual similarity between the two trade marks.

23. I am comforted in my view by the evidence that has been filed in these proceedings. Mr Maxwell Stewart, the applicants' deponent, wrote to the opponents in a letter dated 29 January 1997. The letter referred to the development of the Daisy & Jack books and suggested that the books would sell well in the opponents' shops. The letter is at exhibit TW11 and states:

"It was with a mixture of enthusiasm and concern that I discovered last Autumn that Tim Waterstone was opening a chain of shops with the name Daisy & Tom.

The enthusiasm was because we know that children's books and other merchandise deserve a much better profile than they have received over the last decade and Tim Waterstone has a track record which gives confidence that his venture in this field will give a much needed boost to the sector.

The concern was because I had long planned a series of books by Prue Theobalds with two character teddy bears and as events have turned out, it could be thought that we had jumped on Tim Waterstone's band waggon.

.....The gestation period for her [Prue Theobalds] new character books was four years. The names Daisy & Jack were finally decided early in 1996 and, thereafter, the die was cast as the films were made for the printings for the first two titles. So we have a coincidence of a similar pair of names.

Happily the Daisy & Jack characters and logo are very different from Tim Waterstone's Daisy & Tom characters and logo.....”

24. The reply from Ms Thomas of Daisy & Tom is exhibited at CDMS 7. It is dated 31 January 1997 and states:

“.....Both David Morton, Daisy & Tom's Merchandise Manager for books, and I have looked at the Daisy & Jack samples, but I'm afraid we feel that while it would be wonderful to be able to stock all the children's books available we do have to be somewhat more restrictive in our range. As we will have our own series of Daisy & Tom books it could possibly be rather confusing to also stock the Daisy & Jack titles -”

25. The letter ends wishing Mr Maxwell-Stewart success with Daisy & Jack.

26. Mr Buehrlen relied heavily on these letters as showing the unprompted response of two persons experienced in the field of children's merchandising to the use of the trade marks Daisy & Jack and Daisy & Tom. Both, in his submission, saw the danger of confusion before any “lawyers got involved”. Whilst I do not place too much weight on these comments, they do support my own view that the two trade marks in use are very close and that there is a likelihood of confusion. As such, I do not find it surprising that Mr Maxwell-Stewart thought that some might come to the conclusion that he had jumped on Tim Waterstone's band wagon. Where I would disagree with his analysis is in his distinction between the two trade marks when taken as a whole. Thus, whilst I find that there are some differences between the two trade marks, the overall impression created by them would in my view result in a likelihood of confusion within the meaning of section 5(2)(b) of the Trade Marks Act 1994. As such I find that the opponents' ground of opposition under this section is made out in so far as it relates to similar or identical goods.

27. Mr Brown made reference to the decision of the Hearing Officer in invalidity proceedings GANN RESPOND (SRIS O/180/00). The mark in question was GANN RESPOND and the applicants for invalidity sought to rely on the trade mark GAN MINSTER. The Hearing Officer found that the application for invalidity under section 5(2)(b) failed. I do not find the Hearing Officer's decisions to be of any assistance as the facts here are very different. The services covered by the two trade marks in GANN RESPOND were merely similar and the Hearing Officer concluded that the words RESPOND and MINSTER bring to mind completely different images that will remain in the public's mind. As the services in question were financial/insurance services, he concluded customers would be more attentive. He also found that the meaning of the marks came from the suffix and not the prefix.

28. Given my finding above with regard to the similarity of the goods I find that the opposition succeeds under section 5(2)(b) in respect of all the classes with the exception of class 9. In respect of class 9, I find that it succeeds in so far as the application covers:

animated cartoons; audio-visual teaching apparatus; phonograph records; teaching apparatus; video tapes and audio recordings on tape or disc.

29. I will deal with the consequence of my decision under section 5(2)(b) at the end of the decision but will go on to consider the opponents' objection under section 3(6). Mr Buehrlen sought to dissect his clients' objection into three main lines of attack. Two of these were based on paragraph 4(i) of the opponents' statement of grounds. This reads:

“(i) that at the application date, the marks shown in the Application were not being used and neither was there any bona fide intention that they should be used in connection with all the goods for which the Application has been advertised;”

30. Under this head, Mr Buehrlen contended that at the date of application, the applicants did not have a bona fide intention to use the trade mark in respect of all the goods for which the application had been made and that the applicants did not intend to use the trade mark in the form shown on the application. On the first of these points Mr Buehrlen referred to the provisions of section 32(3) of the Act. This reads:

‘The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used.’

31. It was his contention that the applicants had no intention to use the trade mark on many of the goods listed in their specification. From the evidence he submitted that the applicants' true intentions related to books and the gift trade. Taking particular examples from the applicants' specification Mr Buehrlen noted that the application was in respect of “gut for tennis racquets, exercise bicycles, fencing gauntlets and fencing masks”. He noted that such products were not those that one would normally target at the age range of 3 - 8 which the applicants' evidence suggested as being the target range for the Daisy & Jack books. As such he argued that the application had been made in bad faith.

32. Section 32(3) sets out a requirement for an application to register a trade mark. The application form used in this case contains a statement in accordance with that section which has been signed by Alpha & Omega on behalf of the applicants for registration. Any challenge that this statement was made in bad faith falls to be considered under section 3(6) of the Act; *Attaboy Trade Mark Application* SRIS 0/156/97. Mr Buehrlen acknowledged that the applicants had identified some licensees in their evidence. He accepted that such use would be within the genuine intention of the applicants and so satisfy the requirements of section 32(3). However, on examining the applicants' specification he argued that some of the goods must be intended for speculative licensees and I was referred to the decision of the registrar in *PUSSY GALORE* [1967] R.P.C. 265 @ page 267 where it states:

“The applicants, as I understand, admit that at the time of making the application in suit, they intended to use their best endeavours to find others who would use the mark, under suitable control, eventually as registered users. There was therefore no intention to use the mark, but only the intention to seek out others who would be prepared to do so and this speculative element in my view deprives the applicant's intention of that firmness which is necessary to satisfy section 17(1).”

33. The decision of the registrar was upheld by Mr G.W.Tooley Q.C. sitting as the Board of

Trade at page 270 he stated:

“I therefore conclude that the applicants have not qualified themselves to apply for the mark in question. Their intentions, as presumed for the purposes of the present enquiry, are not adequate to comply with the provisions of section 17(1).”

34. Reference was also made to *Ducker's Trade mark (Notox)* [1928] 45 R.P.C. 105 and *Rawhide Trade Mark* [1962] R.P.C. 133. These authorities are all based on the requirements of previous Trade Mark Acts and I do not find them to be of much assistance when interpreting the requirements of sections 32(3) and 3(6) of the 1994 Act. In particular, I note that under the Trade Marks Act 1938, section 17(1) stated:

‘Any person claiming to be the proprietor of a trade mark used or proposed to be used by him who is desirous of registering it must apply.....’

35. The wording of this provision refers to a trade mark used or proposed to be used by him. The wording of section 32(3) clearly envisages use, by the applicant or with his consent. This wording in my view represents a relaxing of the rules concerning the licensing and use of registered trade marks. In particular I note that under the 1938 Act, where the proprietor did not possess the intention to use the mark himself at the time of the application then an application could be made under the provisions of section 29(1)(a) or (b). Section 29(1)(b) made provision for the filing of an application accompanied by an application to register a person as a registered user of the mark. The provisions relating to registered users of trade marks were dispensed with under the 1994 Act.

36. I also note the comments of Mr Simon Thorley sitting as the Appointed Person in *Magic Ball Trade Mark* SRIS O/297/00 at paragraph 31 where he states:

“I do not believe that it is otherwise than in accordance with standards of acceptable commercial behaviour for traders to apply for registration of a trade mark not only in relation to those goods upon which they have a current concrete intention to use the mark but also in relation to other similar goods upon which they have a real but contingent interest to use the mark.”

37. It seems to me that an applicant with a real but contingent interest to use the mark himself or for the mark to be used with his consent, fulfills the requirements of section 32(3) of the Act and so such an application cannot be one made in bad faith contrary to section 3(6). I believe Mr Buehrlen accepted that line of reasoning but maintained his contention that the applicants' specification went beyond contingent interest, for example dog kennels. Can the applicants be said to have a *bona fide* intention to use the mark on all the goods covered in their application?

38. The allegation has been made in the statement of grounds and I believe that the applicants can have been in no doubt that the opponents were challenging their statement on the Form TM3 that they intended to use the trade mark. It is clearly set out in the wording used by the opponents at paragraph 4(i) of the statement of grounds. That allegation was subject to the following rebuttal by the applicants in their counter-statement. Paragraph 3 of which reads:

“The grant of the present application will not offend against any of the provisions of the Act. In particular, it will not offend against any of the provision of Sections 3 and 5 of the Act. The opponents are aware of the Applicants’ use of the “Daisy & Jack” marks on goods which they produce themselves. They are also aware that the Applicants have a steadily increasing number of licensees who produce goods bearing the Applicants’ trade mark...”

39. An allegation has been made and that has been rebutted. Where does the onus lie? In opposition proceedings, it is for the opponents to satisfy the registrar that the ground of opposition is made out. An objection under section 3(6) can be a difficult one to substantiate. It is difficult for the opponents to prove a negative; that the applicants did not have an intention to use. In contrast, one could argue, and Mr Brown accepted, that it would be an easy matter for the applicants to have filed a statutory declaration or witness statement stating that they did intend to use the mark in respect of all the goods for which registration is sought.

40. That said, no evidence was filed by the opponents directed to this ground. Given the difficulty in showing that the applicants did not intend to use this is perhaps not surprising. Instead, the opponents seek to rely on the use set out in the applicants’ evidence as being indicative of the applicants’ true intentions. However, as the opponents did not address this ground in their evidence, it could be said that there was no onus on the applicants to deal with it in their evidence.

41. Mr Buehrlen made reference in his skeleton argument to two registry decisions on section 3(6), *YOOHOO Trade mark* SRIS 0/100/97 and *RASTAPLAST Trade mark application* SRIS 0/214/97. In both proceedings, one of the grounds pleaded was that the registered proprietors/applicants did not have a *bona fide* intention to use the trade mark in respect of the goods for which registration was sought. The Hearing Officer in both cases found that the case under section 3(6) had been made out. However, in *YOOHOO*, the registered proprietor took no part in the proceedings. No TM8 or counter-statement was filed to rebut the applicants’ pleaded case. In *RASTAPLAST*, whilst a counter-statement was filed rebutting the opponents’ objection under section 3(6), the opponents filed evidence of an investigation into the business interests of the applicants which they contended showed that the applicants had no interest in the medical field. In the face of this evidence, the Hearing Officer noted that the applicants had filed no evidence in rebuttal of the opponents’ claims. It follows that I do not find either case to be of much assistance in deciding the issue before me.

42. As noted above, the onus in opposition proceedings rests on the opponents and, in the absence of any evidence directed to this ground, I think that I should be slow to infer that the application was made in bad faith in respect of some of the goods for which registration is sought. As such, I am unwilling to uphold the opposition on this ground.

43. The opponents also suggest that the applicants had no intention to use the trade mark in the form in which it is shown on the application form. I questioned Mr Buehrlen as to whether this ground had been pleaded. He read from the opponents statement of case. It is shown above but I reproduce it here:

“(i) that at the application date, **the marks shown in the Application were not being**

used and neither was there any bona fide intention that they should be used in connection with all the goods for which the Application has been advertised;” [my emphasis].

44. Mr Brown argued that it was not immediately apparent from the wording of this ground that the opponents alleged that the applicants had no intention to use the mark as applied for. I must agree. If the opponents had intended to raise this objection then it could have been worded to set out the opponents’ contentions more clearly. Section 3(6) raises serious questions and an applicant should be left in no doubt as to the case to be answered. Even so, in my view exhibit CDMS6 does show use of the mark as applied for on a number of textile products. The applicants have five years within which to put their trade mark to genuine use and exhibit CDMS6 is in my view enough to satisfy me that the applicants did intend to use the mark as applied for.

45. The opponents’ final objection under section 3(6) is found in paragraph 4(ii) of their statement of case:

“(ii) that the marks shown in the Application were applied for by the Applicant knowing of the Opponent’s prior and exclusive rights to the DAISY & TOM marks and the earlier trade marks or the Applicant should have known of such rights.”

46. I was referred to and take account of the guidance of Mr Justice Lindsay in *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] R.P.C. 367 at page 379. Here, defining bad faith, he stated:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealing which falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

47. Mr Buehrlen accepted that the evidence showed that the opponents and the applicants had both devised their marks independently of one another at around the same time. Both had made preparations to commence trading before becoming aware of the other. However, it was his submission that on hearing about the plans of opponents to use the trade mark Daisy & Tom, the applicants acted in bad faith in then seeking registration of their trade mark.

48. I reject this line of reasoning. It seems to me that a decision by the applicants to seek to protect the work that they had invested in their trade mark by seeking registration cannot be said to fall “*short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined*”. On the contrary, their decision to seek to protect their mark seems entirely reasonable and circumspect. As such, I find that the opponents’ ground of opposition under section 3(6) must be dismissed.

49. I should also mention that the applicants appear in their evidence to raise two issues in their defence. Reference is made in the statutory declaration of Mr Maxwell-Stewart to use of a trade mark DAISY DAISY. He also refers to the fact that the opponents did not object to the use of DAISY & JACK when made aware of the applicants' proposed use in the letter shown at exhibit TW11; reference is also made to the letter of Ms Thomas sent in reply, at exhibit CDMS7. Mr Buehrlen dealt with both points in his skeleton and at the hearings but neither point was pursued by Mr Brown in his submissions. It is sufficient for me to say that on the evidence that was before me I cannot find that any reputation the applicants may or may not have had in DAISY DAISY could have assisted them here. Equally, the letter from Ms Thomas cannot in my view be taken to show that the opponents acquiesced or consented to the application in suit.

50. I have found that the opponents have succeeded in part with their objection under section 5(2)(b). The application is to be refused in respect of all classes with the exception of part of class 9. The application may proceed in respect of the following specification in Class 9:

Alarms; automatic and coin-operated amusement machines; anti-glare glasses; bells (signal); calculating machines; cameras; cases for mathematical instruments; counters; dog whistles; dosage dispensers; floats for bathing and swimming; holograms; juke boxes; kaleidoscopes; letter scales; lifebelts and lifejackets; magic lanterns; mathematical apparatus and instruments; measuring instruments; megaphones; mirrors (optics); protective helmets; receivers; record players; reflecting discs for wear for the prevention of traffic accidents; luminous or mechanical road signs; rulers; luminous signs; swimming belts and swimming jackets; tape recorders; telephone apparatus; water wings; weighing apparatus, instruments and machines.

51. The applicants should file a Form TM21 within one month of the expiry of the appeal period from this decision, restricting their specification to Class 9 and for the wording shown above. If no Form TM21 is filed, the application will be refused in its entirety.

52. The opponents, have been successful and are entitled to a contribution towards their costs. At the hearing Mr Buehrlen sought a higher award than would normally be the case. He sought an award in the region of £3000 - £4000. In part, this was based on the quantity of evidence that the opponents had filed. The opponents' evidence is certainly thorough. It runs to some 4 ring binders of exhibits. One exhibit consists of some 446 pages. That said, I felt no need to summarise this evidence and indeed, Mr Buehrlen did not refer me to much of it; that is not surprising given the fact that most of it is outside the relevant date and could not be considered. Therefore, I see no reason to increase the award of costs in this case and order that the applicants pay the opponents the sum of £835 as a contribution towards their costs. This sum is 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 17th day of August 2001

**S P Rowan
For the Registrar
the Comptroller General**