

TRADE MARKS ACT 1994

IN THE MATTER OF Application No2057091 by Front Page Limited to register a trade mark in Class 42

AND IN THE MATTER OF Opposition thereto under No 47216 by Microsoft Corporation

Background

1. On 16 February 1996, Front Page Limited applied to register the trade mark FRONT PAGE in Class 42 in respect of:

Graphic design services, design services, artwork design and printing services, typesetting services, origination services, scanning services, film separation services, desktop publishing services, colour separation services, design and production of magazines, brochures, catalogues, company literature and newsletters, commercial design services, copy writing services, editing of written text, illustrating services, packaging design services, photo-composition of text, typographic services.

2. The application faced objections on the grounds of lack of distinctiveness and the applicant therefore filed evidence of use of the mark in an effort to demonstrate that the mark had acquired a distinctive character through use before the date of the application.

3. The application was subsequently accepted and published for opposition purposes in respect of::

Class 41:

Desktop publishing services

Class 42:

Graphic design services, artwork design services, typesetting services, design of magazines, brochures, catalogues, company literature and newsletters, copy writing services, editing of written text, illustrating services, packaging design services, photo-composition of text; typographic services; design services relating to Internet web pages and CD-ROM based graphics.

4. On 16 July 1997, Microsoft Corporation filed Notice of Opposition to the application. The grounds of opposition are, in summary, that:

- (1) contrary to section 3(1) the mark consists exclusively of the words "FRONT" "PAGE" being descriptive of all services covered by the Application and further and in particular in relation to "design services relating to Internet web pages and CD-ROM based graphics" the Applicant has failed to establish by evidence that the mark had acquired a distinctive character before the date of

the Application;

- (2) contrary to section 3(6) the Applicant does not have a bona fide intention to use the mark across the full width of the specification sought, in particular in relation to: "design services relating to Internet web pages and CD-ROM based graphics";
- (3) the registration would be contrary to section 5(4) in that having regard to the Opponent and the Opponent's predecessor in title's goodwill and reputation any use by the Applicant in relation to "design services relating to Internet web pages and CD-ROM based graphics" would constitute passing off;
- (4) the registration would be contrary to section 39 in that the Application has been amended by extending the goods and services covered by the application.

5. The applicant filed a Counterstatement denying the grounds of opposition. Both sides seek an award of costs.

6. The matter came to be heard on 21 June 2001 when the applicant was represented by Mr R Miller QC., instructed by Fitzpatrick's and the opponent was represented by Mr M Vanhegan of Counsel, instructed by Withers & Rogers.

7. The opponent subsequently filed evidence in the form of:

- 1) a declaration and two affidavits by John B Mason, who is, inter alia, the Assistant Corporate Secretary of Microsoft Corporation;
- 2) two declarations and an affidavit by James R Bartlett, the Chief Executive Officer of ZBR Publications Inc., which manufactured a software product for the opponent's predecessor in business;
- 3) a Statutory Declaration by Mark Alan Armitage, who is a Trade Mark Attorney and Partner in Withers & Rogers;
- 4) a Statutory Declaration by Roy Lane, who is a Research Manager employed by Carnation International Group Limited, a firm of corporate enquiry agents;
- 5) a Statutory Declaration by Roland Mallinson who is a solicitor employed by Linklaters & Alliance, who act for Microsoft.

8. The applicant also filed evidence in the form of:

- 1) two Statutory Declarations by Ian Douglas McMillan, a Director of Front Page Limited;
- 2) a Statutory Declaration by Paul Stephen Edgehill, a commercial investigator for PSE Consulting International;

3) four Statutory Declarations by John M King, Ian Rowland-Hill, Jo Rzymunska and Neil Rosie, who all worked for customers of Front Page Limited around the relevant date in these proceedings;

4) an affidavit by Stephen J Cullen and a Statutory Declaration by Ross John Ward Blyth, who are both lawyers - the latter acts for the applicant.

9. I have carefully reviewed all this evidence. There is no need for me to summarise it in detail at this stage. I will return to the detail of the evidence at the points in my decision at which it is relevant. The following general background information is sufficient to explain the circumstances that resulted in these proceedings.

10. The applicant is a graphic design company which has operated under the name FRONT PAGE since 1990.

11. The opponent is the successor in title to Vermeer Technologies, Inc. (Vermeer), which it acquired on 12 January 1996. It appears that towards the end of 1995, Vermeer launched an Internet web page design software product into the US market under the mark FRONT PAGE. The opponent contends that four such packages of this software were shipped to UK users in November of 1995, but this is disputed.

12. This application was made in February 1996. About a month later on 27 March 1996, apparently provoked by a press release issued by Microsoft following its acquisition of Vermeer (which I have not seen), solicitors acting for the applicant wrote to Microsoft drawing attention to the applicant's business as, inter alia, "publishers of Internet web pages" and asking Microsoft to desist from the use of the name FRONT PAGE. Correspondence continued between the parties until July 1997 when this opposition was filed.

13. During the course of this correspondence, Microsoft's solicitors wrote to the applicant's solicitors on 12 February 1997 pointing out that this application did not include the design of Internet web pages. However, by that time the applicant had already responded to a challenge from the Examiner about the width of two of the terms in the original specification - "design services" and "commercial design services" - replacing them with "electronic design services". This term was limited again on 19 December 1996 to "design services relating to Internet web pages and CD-ROM based graphics", which appeared in the published specification.

Section 39

14. I find it convenient to start off with the Section 39 ground of opposition. Section 39(1) and (2) of the Act are as follows:

“39.-(1) The applicant may at any time withdraw his application or restrict the goods or services covered by the application.

If the application has been published, the withdrawal or restriction shall also be published.

(2) In other respects, an application may be amended, at the request of the applicant, only by correcting-

- (a) the name or address of the applicant,
- (b) errors of wording or of copying, or
- (c) obvious mistakes,

and then only where the correction does not substantially affect the identity of the trade mark or extend the goods or services covered by the application.”

15. The opponent's argument is that by adding the term "design services relating to Internet web pages and CD-ROM based graphics" the applicant has extended the services covered by the application contrary to Section 39(2) of the Act.

16. I rejected this ground of opposition at the hearing because it is clear that the term the opponent objects to is subsumed within the broader terms "design services" and/or "commercial design services" in the original specification. The substitution of the more specific description of services is therefore a restriction of the services listed in the application under Section 39(1) of the Act rather than an extension of those services.

Section 3(1)

17. Section 3(1) of the Act is as follows:

“3.-(1) The following shall not be registered -

- (a) signs which do not satisfy the requirements of section 1(1),
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

18. Counsel for the opponent put the case like this in his skeleton argument::

"Prima facie the mark applied for is contrary to Sections 3(1)(b) and (c) namely being, words which may be required to be used in trade to designate e.g. front page design or front page printing services."

19. The objection appears to be that the mark designates a characteristic of the services, in which case the objection under Section 3(1)(b) appears to add nothing to the objection under Section 3(1)(c).

20. Counsel for the applicant put his case like this:

“The argument advanced by the Office in the course of prosecution of the Application was that the mark FRONT PAGE is descriptive in that any graphic designer who undertakes to lay out front pages of publications as part of his work should be free to describe the service which he provides as a "front page design service".

Of course the Applicant accepts that there will always be a "front page" to every bundle of papers. Nevertheless it is submitted that FRONT PAGE does not describe the services in respect of which registration is sought. Indeed there is no evidence that the skills required of a graphic designer in order to design a front page of a publication are any different to the skills required to design any other page and, as a matter of common sense, one would not expect there to be any difference at all. But it is only by distinguishing between the front page and other pages that one can conclude that a graphic designer might wish to say he provides a front page design service. In the real World this is not going to happen. The mark FRONT PAGE is therefore an excellent mark from a legal point of view because, although alluding to something which may be a feature of certain types of design contract, it is not in fact descriptive of the services provided.

The Opponent particularly complains that the Application seeks to cover "design services relating to Internet web pages and CD-ROM based graphics". The complaint that a FRONT PAGE is descriptive of these services does not withstand analysis. A "front page" in the context of Internet web pages or CD-ROM based graphics is quite meaningless. A CD-ROM will display its contents in the order it is programmed to display them or in the order selected by the user. There is no "front page". And, so far as concerns the Internet, the first page on screen at any web site is always called "the home page", not "the front page". Again "the front page" is meaningless in this context.

21. There is no evidence that the words “front page” are used, in trade, to designate characteristics of design or printing services. Further, for the reasons given by Mr Miller, it seems inherently unlikely that there are businesses who specialise in the design or printing of “front pages.” It is not therefore possible to conclude that the words FRONT PAGE may serve, in trade, to designate the kind of services listed in the application, including the design of Internet web pages and CD-ROM based graphics. This objection was and is, in my view, ill founded.

22. Mr Vanhegan developed an alternative line of attack at the hearing. He said that FRONT PAGE was equivalent to "high impact" and capable of sending the same laudatory message to the relevant class of persons. On this basis he submitted, if I understood him correctly, that the words FRONT PAGE may serve, in trade, to designate the quality of the services in question. I do not accept this. Again there is no evidence to support the submission and, for

my part, I would regard the mark as alluding rather than describing the quality of the services.

23. I conclude that the trade mark is not excluded from registration by Section 3(1)(c) of the Act and there is no alternative basis for refusal under Section 3(1)(b). In that event, there is no need for me to consider whether the applicant's use qualifies the mark for registration under the proviso to Section 3(1).

Section 5(4)(a)

24. Section 5(4)(a) is 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, or
- (b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

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."

25. It is clear from Article 4(4)(b) of Directive EC/104/89 (upon which Section 5(4)(a) of the Act is based) and the use of the description "earlier right" that to succeed in an opposition under this provision the opponent would have had to be in a position to prohibit use of the applicant's mark at the date of application - 16 February 1996.

26. The requirements for success in a passing-off action are well established, 1) Goodwill identified by some distinctive indicia, 2) misrepresentation by the defendant (applicant) (whether intentional or not) resulting in or likely to result in confusion and deception about the trade source of the applicant's goods, resulting in c) damage to the opponent's goodwill.

27. Intellectual property rights are territorially limited and the key question in this case is therefore whether the opponent or its predecessor had established a goodwill in the UK by the relevant date.

28. The opponent relies upon the evidence of Mark Armitage, its UK Trade Mark Attorney, to show that the opponent's predecessor first used the mark FRONT PAGE in August 1995 in relation to the software product described above. However, as Mr Miller pointed out, Mr Armitage has no first hand knowledge of these matters and he bases his evidence on various press releases prepared by the opponent and its predecessor, which he exhibits at MAA2. Whether these press releases are factual or whether they were actually issued or not is irrelevant because it is obvious from documents that they are addressed to the US market - all the prices are in dollars. There is no evidence that these releases were picked up and reported to the public in the UK.

29. Mr John Mason of Microsoft gives evidence that the opponent sold approximately US\$ 3,430 worth of software in the UK under the name FRONT PAGE in 1996. As the software appears to sell for \$600 per package, this appears to represent just a handful of sales in the UK in 1996. By way of contrast, sales in the UK in 1997 amounted to \$2.68M. Further, Mr Mason does not say when the product was launched in the UK during 1996, so it could well be the case that all the sales claimed occurred after the relevant date of 16 February 1996.

30. Despite the opponent having filed nine declarations and affidavits in support of its opposition, Mr Vanhegan sought to rely upon the evidence of Mr Edgehill, one of the *applicant's* witnesses, to identify a UK launch date for the opponent's software product.

31. Mr Paul Edgehill is a commercial investigator employed by the applicant's UK Trade Mark Attorneys to investigate the opponent's use of FRONT PAGE for software. His report (exhibit PSE1 to his declaration) concludes that the Vermeer never launched its FRONT PAGE software in the UK market and that Microsoft's launch in the UK occurred in March 1996. At that stage it appears to have been only a 'Beta' product. Mr Edgehill says that his investigation reveals that FRONT PAGE was not launched as a fully integrated Microsoft product until September 1996.

32. Mr Miller pointed out that Mr Edgehill's evidence was hearsay. However, even if Mr Edgehill's report is entirely accurate, all it shows is that the opponent's earliest launch of its FRONT PAGE software occurred after the relevant date in these proceedings. There is no evidence that the UK launch was preceded by any promotional activity which could have generated goodwill in the UK before the relevant date.

33. The only evidence that could possibly support the opponent's case is that of Mr James Bartlett. He is the Chief Executive Officer of ZBR Publications, Inc., which was responsible for the manufacture and distribution of the FRONT PAGE software product for Vermeer, the opponent's predecessor. He says that this was the only product produced and distributed for Vermeer. Mr Bartlett attaches (as exhibit JRB1) a copy of the "Vermeer Shipping Report for 1995" which purports to show that four shipments of this software were made to persons in the UK in 1995.

34. Mr Miller speculated that these could be sales made to persons in the USA and simply shipped to the UK for use here. Mr Vanhegan relied upon Jian Tools For Sales, Inc. v Roderick Manhattan Group Ltd And Another, 1995 FSR 924, as support for the submission that, although the existence of goodwill in the UK depends upon having customers here, sales to UK customers "made abroad should not be disregarded unless they were purchases which no member of the general public could make." (See headnote 3 on page 925). I do not find it easy to reconcile this finding with Jacob J's conclusions in the case of Euromarket Designs Inc. v Peters and Crate & Barrel Ltd 2001 FSR 288. In that case Jacob J. decided that the claimants sales through its US shops to customers with a UK address should not to be regarded as use in the UK for the purpose of maintaining its UK trade mark registration.

36. I do not need to reconcile these findings because, even if I accept Knox J.'s view of the law as correct, it cannot help the opponent on the facts of this case. This is because:

- a) there is no evidence that the four software packages shipped ever arrived in the UK;
- b) there is no evidence that they were sold under the mark FRONT PAGE or that they carried that mark if or when they arrived in the UK;
- c) there is no evidence that the four individuals with UK addresses were customers rather than trade associates of Vermeer - there are no relevant invoices;
- d) the evidence appears unreliable because one of the shipments is recorded as having shipped the software in January 1995 whereas the product does not appear to have even been launched in the US until later in 1995;
- e) In the absence of evidence of spillover reputation from the USA or any promotional activity in the UK before the relevant date, four sales of software considered in isolation is, in any event, *de minimis*.

36. The onus is on the opponent to establish its case under Section 5(4)(a). I do not find the evidence sufficient to establish that the opponent or its predecessor had established goodwill in the UK under the mark FRONTPAGE at the relevant date. Consequently, the Section 5(4)(a) ground of opposition falls at the first hurdle.

Section 3(6)

37. Section 3(6) is as follows:

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

38. Section 32(3) of the Act is as follows:

“32.- (3) 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.”

39. The opponent contends that the applicant had no *bona fide* intention to use the mark FRONT PAGE in relation to "design services relating to Internet Web Pager CD-ROM based graphics" at the date of the application. Following the reasoning of Mr Geoffrey Hobbs Q.C. in DEMON ALE 2000 RPC 345, the application for registration of FRONT PAGE for those services should therefore be refused.

40. I rejected this ground of opposition at the hearing for the following reasons.

41. The opponent relies upon the evidence of Mr Roy Lane who, at the request of the opponent's solicitors, conducted an investigation into the applicant's business. His report is exhibited at RL1 to his statutory declaration. It is not very revealing. Mr Lane says that "we" (I assume for present purposes that this includes him) visited the applicant's premises with a "cover story". He continues:

"We were introduced to the Director Ian McMillan, who was accompanied by a female in her mid twenties, she did not give her name.

We then had a conversation concerning our cover story and the provision of a brochure etc and, during this conversation, introduced the subject of the Internet and possible advertising through this means etc, however neither Mr McMillan nor his companion showed any interest in the Internet and did not indicate the subject company was in any way using the medium.

On leaving we were given a copy of the company brochure which does not indicate any use by the company of the Internet."

42. I am doubtful whether Mr Lane's evidence presents even a *prima facie* case for the applicant to answer.

43. Mr MacMillan of Front Page Limited filed evidence in response in which he says:

"While I did not take Brian Walker and his colleague to be anything other than what they said they were, they had no business cards or existing company literature nor did they have a written brief about the work they required us to do. Both were dressed in dark suits and had an established business air about them, and they looked like the kind of people who would have been well prepared for such a meeting.

That first impression did not tally with their inability to answer questions about their business, product, or target market for the publicity material they asked for. They were asked if they had a logo or corporate identity, if there was a message they wanted to emphasise and if they needed any of our copywriting services, but none of these questions were answered with any level of credibility. In retrospect I now know that they were acting on a false premise but, at the time, they gave all the signs of a potentially difficult client. Additionally, at the time, we were exceptionally busy and right in the middle of the CD Rom production for Disney, a single project that was worth over £40,000 to us. To have someone sitting on the other side of the table talking about a £600 leaflet, and being very vague about it, was hardly an attractive proposition by comparison. In my experience, such a project as described by Brian Walker is an unattractive combination of high maintenance and low margin. I left Morag to wind up the meeting, hence the response being from her via the fax on the costs asked for by Brian Walker.

In ten years of business, Brian Walker and his colleague were the only ones to have come off the street. We refused to see the subjects in the first instance because we were busy and it was most unusual for potential clients to arrive unannounced at reception. When we did meet the subjects, this earlier experience only added to our impression that they were rather small time and too small to warrant a great deal of attention."

44. Mr MacMillan provides further relevant evidence in his first statutory declaration in these proceedings (23 December 1998). He explains how his company purchased a CD Writer in

1994 and a Unix based Silicon Graphics Indy Computer in December 1995. He says that the CD Writer was to be used for, inter alia, devising multi-media projects for his existing client base, while the 'SG' Indy Computer was purchased with a view to designing web pages and providing Internet access over and above that available on the firms existing Macintosh computers.

45. Mr MacMillan further states that:

"While Front Page had successfully begun to work on graphic design CD-ROM projects by 1995, selling Internet design to clients was much more difficult. In July 1995, we were contacted by Neil Rosie of Lithgow Aqua Services to provide a new corporate identity for his firm. Front Page responded with a quotation for various products and services, including the design, creation and maintenance of an Internet web site. A true and correct copy of the said quotation dated 24 July 1995 is now produced to me, marked "Exhibit FP8".

46. Mr MacMillan says that the work for Lithgow Aqua Services did not, in the end, proceed.

47. The evidence of John M King, Ian Rowland-Hill, Jo Rzymowska and Neil Rosie, all customers of Front Page Limited, generally supports Mr MacMillan's evidence, but does not take it any further.

48. Even if I am wrong and the opponent has established a *prima facie* case of bad faith, I believe that Mr MacMillan's evidence is sufficient to demonstrate that the applicant had an intention to use the mark in respect of "design services relating to Internet Web pages and CD-ROM based graphics" at the date of the application. The extent to which the mark had already been used in relation to these services at the relevant date is more debatable, but as an intention to use is sufficient to defeat the Section 3(6) ground of opposition, there is no need to decide that point.

Costs

49. The opposition having failed, the applicant is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of £1500 as a contribution to the costs of these proceedings. This to be paid within even days of the end of the period allowed for appeal.

Dated this 4TH Day of September 2001

**Allan James
For the Registrar
The Comptroller General**