

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No 2004470  
by The Alliance of Independent Retailers Limited to  
register a trade mark in Class 16**

**AND IN THE MATTER OF Opposition No 46590  
by Reed Business Publishing Limited**

### **Background**

1. On 3 December 1994, The Alliance of Independent Retailers Ltd applied to register the words INDEPENDENT RETAILER in Class 16 in respect of:-

“Printed publications, all in magazine format”

2. On 6 March 1998, Reed Business Information Limited filed notice of opposition. The grounds of opposition are, in summary, that:-

- a. the mark consists exclusively of a sign which a) may serve in trade to designate characteristics of the goods, b) is customary in the current language of the trade, and c) is devoid of any distinctive character;
- b. registration should therefore be refused under Section 3(1)(b)-(d) of the Act;
- c. the mark is of such a nature as to deceive the public and should be refused under Section 3(3)(b) of the Act;
- d. the mark is liable to cause confusion with earlier trade marks 2003866, 1323569, 1537340, 1555855 and 1573186 and should be refused under Section 5(2)(b) of the Act.

3. I will return to the details of these earlier marks later. It is sufficient for me to note at this stage that they are all in Class 16, they all consist of or contain the word “Independent”, and only 2003866 is claimed to be the mark of the opponent.

4. The applicant admits the existence of the trade marks listed in the notice of opposition but denies all the grounds stated therein. Both sides seek an award of costs.

5. The matter came before me on 25 November 1999 when the applicant was represented by Mr P Darlington of Trade Mark Consultants Co, and the opponent was represented by Mr Bernard of f J Cleveland.

### **Opponent’s Evidence**

6. The opponent's evidence consists of a Statutory Declaration dated 28 July 1997 by Lee Martin Curtis, who is a Trade Marks Assistant employed by fJ Cleveland. He details various enquiries he made which revealed that the words "Independent Retailer" are a generic description of a retail business which is not part of one of the large chains. I do not intend to go his evidence in any more detail because, before me, it has common ground that this is so.

7. Mr Curtis provides details of a magazine entitled "The Independent Electrical Retailer". He provides (as exhibit LMC5) copies of the front pages of two editions from early 1995.

8. Mr Curtis also exhibits (at LMC4) a copy of "Willings Press Guide" from 1997. The applicant's mark is listed. It's magazine is described as being free to members of The Alliance of Independent Retailers and as having an annual subscription fee of £40. Circulation is recorded as 25,720 with a note that the figure is provided by the publisher.

9. The opponent has also filed a Statutory Declaration dated 16 September 1997 by Robert Perkins, who says he is the publisher of Independent Retail News magazine, which is the new name given to the opponent's "Independent Grocer" magazine "since December 1994". Mr Perkins provides further evidence of the generic nature of "Independent Retailer" for a type of retail outlet. He also provides evidence of another magazine which uses these words on its cover. He exhibits a copy of the cover of a January 1997 edition of "Asian Convenience Retailer", which carries the strap line "Top Magazine for Asian Independent Retailers".

### **Applicant's Evidence**

10. The applicant's evidence consists of a Statutory Declaration dated 18 February 1998 by Peter Martin Darlington, the applicant's Trade Mark Agent.

11. The substance of Mr Darlington's evidence is that:-

- a) although "Independent Retailer" is generic of a type of retail outlet it is not generic or descriptive of printed publications;
- b) it is common practice in the trade for magazines to have titles which describe their subject matter;
- c) this does not prevent them from functioning as trade marks (he provides a number of relevant examples - including some of the opponent's other trade marks - which have been registered as trade marks because of distinctiveness acquired through use);
- d) the mark has become distinctive through use.

12. In support of the last point he exhibits a copy of a Statutory Declaration dated 12 September 1996 by Beryl Lucy Davis. Ms Davis is the Chief Executive of the Alliance of Independent Retailers. The original declaration was submitted to the Examiner during the examination procedure in support of the applicant's claim that its mark had acquired a distinctive character through use.

13. Paragraphs 2 to 7 of Ms Davis's evidence are set out below.

"2. My company is a trade organisation and adopted the trade mark INDEPENDENT RETAILER for a magazine that was first published in 1984 and has been continuously used since then. I attach hereto labelled Document A of Exhibit BLD1, copies of the front cover of my company's magazine which was originally published in newspaper format and later changed to a magazine. The mark is also used in connection with the activities of the Alliance of Independent Retailers & Businesses and the National Retail Trade Centre.

3. My company's publication Independent Retailer is distributed throughout all parts of the United Kingdom and turnover figures for the five years immediately prior to the date of this application are as follows:

1990	£181,992
1991	£195,984
1992	£211,027
1993	£237,137
1994	£248,672

The magazine is distributed to members of the organisation who pay a yearly subscription.

4. The mark is extensively advertised throughout the UK in B.R.A.D., Shaws Retail Price Guide and Regional Free Newspapers in co-operation with the Newspaper Society. The advertising expenditure amounts to 4% of turnover and I enclose herewith as Document B of the accompanying Exhibit BLD1, a copy of an advertisement that appeared in Shaws Retail Price Guide.

5. My company also attends yearly trade fairs and exhibitions and has since 1983 attended at ShopEx (Intershop); Retail Solutions; Forecourt and Convenience Show; Neighbourhood Retailing Exhibition; Business Shows and Regional Exhibitions and by way of example I enclose herewith marked as Document C of the accompanying Exhibit BLD 1 copies of photographs of our various stands at some of these events.

6. My company's activities are also advertised in Yellow Pages, telephone directories, Business Pages and exhibition catalogues. The mark has also features as part of the Alliance of Independent Retailers & Business marketing and recruitment activities in newspapers and trade press. My company's activities are also recommended by various Government departments such as the DTI, Education and Health & Safety in text, business links, library, colleges, trade organisations and Chambers of Commerce.

7. As further examples of use of my company's trade mark I enclose the following documents as part of Exhibit BLD1:

Document D, a media information leaflet;  
Document E, copies of 1984, 1986 and 1993 advertising rate cards;  
Document F, copy of Feature Programme of 1989/90;

Document G, a breakdown of the circulation of INDEPENDENT RETAILER to various categories of trader in 1990;

Document H, copies of various mailshots.”

14. The more recent editions of the copies of the magazine contained in ‘Document A’ indicate that the title ‘Independent Retailer’ has been used in a slightly stylised format.

15. The copy of the advertisement from ‘Shaws Retail Price Guide which makes up Document B to exhibit BLD1 is undated. The advertisement asks readers to provide details of their business in order to get on the mailing list for a free monthly copy of the magazine. The magazine is described as “the only magazine written exclusively for independent retailers”.

16. The copies of photographs of exhibition stands which make up ‘Document C’ of exhibit BLD1 are also undated. Although there is one photograph showing someone reading the magazine, the exhibition stand appears primarily intended to promote the opponent’s organisation.

17. The copy of the Media Information leaflet which makes up ‘Document D’ to exhibit BLD1 is from the late 1980s. It suggests that the magazine is distributed through regional organisers, cash and carry outlets, to members of the National Retail Trade Centre, via “delivered wholesalers”, trade exhibitions and individual subscribers, as well as to members of the organisation. It mentions a ‘circulation target’ of 30,000 by mid 1989. This document appears to be aimed at potential advertisers.

18. The copy of the 1993 advertisers rate card in ‘Document E’ also talks of an “aimed” circulation of 30,000. ‘Document G’ contains a breakdown of the circulation. 28% are recorded as going to convenience stores. A similar percentage to the licensee and catering trade. 20% to chemist, forecourt and video retailers. 15% to hardware/electrical retailers, and 9% to toys and gifts traders. This breakdown is not dated.

## **Decision**

19. I will deal with the opposition under Section 3(1) first.

20. 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 mark 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.”

21. There is evidence that the term “independent retailer” appeared in publications prior to the relevant date of 3 December 1994. However, there is no evidence that it was being used customarily within the trade in relation to printed publications prior to the relevant date. The opposition under Section 3(1)(d) therefore fails.

22. I understood Mr Bernard to accept that the ground of opposition under Section 3(1)(b) stood or fell together with the opposition under Section 3(1)(c). In any event, in this particular case, that is my view.

23. The *prima facie* case therefore turns on whether the words “independent retailer” is a sign that may serve, in trade, to designate characteristics of the goods at issue. Mr Bernard said it was such a sign. He said the sign designated the ‘kind’, ‘intended purpose’ and another characteristic of goods - the intended reader. I believe those suggestions in fact go to the same point; whether a description of the intended reader of a publication is a characteristic of the goods.

24. The answer to that may vary depending on the facts of the case. In this case there is no doubt that the content of the applicant’s publication is determined by those issues which relate to the independent retailers’ business. The applicant’s evidence trumpets this fact. The name of a market sector is apt to designate a trade journal aimed at that sector. The words ‘independent retailer’ do not, therefore, merely describe the target reader. They also designate the content and characteristics of the publication. The content of a publication clearly determines the kind of publication that it is, and also its intended purpose. I need not go further. This is a sign that may serve in trade to designate characteristics of the goods at issue. If confirmation of this be needed, I need look no further than the use by another trader of ‘Independent Electrical Retailer’ to characterise the nature of a similar trade journal.

25. Indeed, Mr Darlington argued only lightly to the contrary. In the end I understood him to accept that the application could not succeed without evidence of acquired distinctiveness through use.

26. The European Court of Justice has recently provided guidance on the meaning of Article 3(3) of Directive 89/104/EEC (the proviso to Section 3(1) of the Act is intended to implement Article 3(3) of the Directive, with which it is identical). The following extract from the Court’s findings in *Windsurfing Chiemsee v Boots and Attenberger* - joined cases C/108 and 109/97 - sets out the relevant points.

“49. In determining whether a mark has acquired distinctive character following the use made of it, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking, and thus to distinguish that product from goods of other undertakings.

51. In assessing the distinctive character of a mark in respect of which registration has been

applied for, the following may also be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.

52. If, on the basis of those factors, the competent authority finds that the relevant class of persons, or at least a significant proportion thereof, identify goods as originating from a particular undertaking because of the trade mark, it must hold that the requirement for registering the mark laid down in Article 3(3) of the Directive is satisfied.

27. Mr Darlington based his case under the proviso to Section 3(1) on:-

- a) the evidence that descriptive titles of magazines can and do function as trade marks for such goods;
- b) the applicant's evidence of use of the mark for 10 years before the relevant date.

28. Mr Darlington submitted that the mark at issue was not so descriptive that the applicant's use over 10 years was insufficient to turn it into a trade mark.

29. Mr Bernard made a number of criticisms of the applicant's evidence. The most significant are that:-

- a) the applicant's magazine appeared to be a free magazine issued to members of the Alliance of Independent Retailers;
- b) the basis of the turnover figures provided in paragraph 3 of Ms Davis's declaration was not clear;
- c) the amount spent promoting the mark - said to be 4% of turnover - was very small;
- d) the absence of a charge for the magazine, combined with the fact that it was focussed on the applicant's own members, limited the impact that the mark was likely to have made in the relevant market.

30. In my view there is some force in these criticisms. It is not clear what the basis is of the applicant's turnover figures. The only indication given in Ms Davis's evidence is her statement that members pay an annual subscription. It is not clear whether that is for membership of the Alliance or for the magazine or for both. Without knowing what the subscription fee is it is impossible to ascertain the circulation of the applicant's magazine.

31. Mr Darlington pointed to claims in documents in the applicant's evidence that its magazine is distributed outside its membership, and the reference in Willings Press Guide to a circulation of 25,000. However, as Mr Bernard pointed out, these

documents are not evidence of the truth of their contents. Documents aimed at attracting advertisers can be expected to put a positive gloss on the breadth and extent of the circulation. The entry in Willings Press Guide is dated 1997, some 2-3 years after the relevant date. And the circulation figures given there were provided by the publisher not an independent source. The proper place for evidence of this nature is in the applicant's sworn evidence. It is not there.

32. I accept Mr Bernard's submission that the sum claimed to have been spent on advertising is small. Further, it is not clear whether the 4% of turnover ( £8-10k ) reflects the promotional activity at the date of the declaration, at the time of filing. or throughout the period for which turnover figures have been provided. The only example of an advertisement provided (from Shaw's Retail Price Guide) is undated.

33. There is a general lack of distinction in Ms Davis's evidence between activities and steps taken to provide awareness of her organisation and those taken to promote the name 'Independent Retailer as a trade mark for its magazine.

34. It is common ground that the relevant public in this case is retailers and those with a particular interest in retailing.

35. The applicant's evidence does not tell me the proportion of retailers (or independent retailers) who are members of its organisation. Nor can I form a reliable view on the proportion of the relevant public who are likely to have encountered the applicant's advertising from the evidence filed.

36. If, as seems likely, the principal readership is the applicant's own members, the effect of the use that has taken place must be discounted. There must be more doubt about whether a sign has in fact come to distinguishing the applicant's magazines from those of other traders in the marketplace if, in reality, it has mainly been sent directly to the applicant's own members. In these circumstances the name of the magazine will not have been relied upon to the usual extent to distinguish the applicant's publication from those of other traders.

37. In Dualit Ltd v Rowlett Catering Appliances Ltd (5 July 1999, unreported), Mr Justice Lloyd decided (at paragraph 29 of his decision) that the onus is upon the applicant to show that his mark has acquired a distinctive character through use.

38. In my view the applicant has not discharged that onus and the opposition under Section 3(1)(b) & (c) therefore succeeds.

39. In the light of that finding I do not need to deal with the other grounds of opposition. However, I think it appropriate to record the conclusions on these matters that I expressed during the hearing.

40. Section 3(3)(b) of the Act is as follows:-

A trade mark shall not be registered if it is -

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).

41. The opponent's case, as it was put to me by Mr Bernard, is that the mark would be deceptive if used on publications unconnected with independent retailers.

42. However, it seems to me that it would be more accurate to say that the applicant's mark is only apt for use in a particular market sector than that the mark is, by its nature, liable to deceive the public. What would be the point of using the mark on any other type of publication? Section 3(3)(b) is intended to protect the public from deception. There is no public interest issue here. The mark has no capacity to deceive. The specification is not unduly wide. This ground of opposition fails.

43. The opposition under s5(2)(b) also fails. The opponent claims to be the proprietor of registration 2003866. The mark is INDEPENDENT GROCER and it is claimed to be registered for 'printed publications, all relating to grocery or the grocery trade'.

44. The opponent has not provided a certified extract from the register confirming the existence of this registration or its effective date. However, Mr Darlington generously did not dispute its existence or that it was of an earlier date. He said it was not confusingly similar. I agree with him.

45. I was told that the mark was registered on evidence of acquired distinctiveness but there is no such evidence before me. In assessing the likelihood of confusion it is necessary to assess the distinctive character of the earlier mark: Sabel v Puma 1999 RPC P199. This includes an assessment of whether or not the earlier mark does or does not contain an element descriptive of the goods Lloyd Schuhfabrik Meyer GmbH v Klijsen Handel NV, European Court of Justice, Case C-342/97, 22 June 1999.

46. The opponent's mark is also descriptive. I must assume it is validly registered. However, in this sort of case relatively small differences between such marks are sufficient to avoid any likelihood of confusion. I doubt whether I would have come to a different view even if there was evidence that the earlier mark was highly distinctive in fact at the relevant date.

47. Registration 1573186 is said to consist of the mark INDEPENDENT. The opponent's pleadings suggest that it is registered for 'Cards for use in connection with arranging discounts on the provision of goods and services; all included in Class 16'. I do not know who the proprietor is but it is common ground that it is neither of the parties and that it is an earlier trade mark.

48. I do not consider the goods for which it is registered to be similar for those for which the applicant seeks registration.

49. Registration 1537340 consists of the mark 'THE INDEPENDENT MAGAZINE'. It is common ground that it is an earlier mark and that it is registered for 'printed publications all in magazine format; all included in Class 16'. I was told that this mark, and two other similar marks in Class 16 which the opponent also relies upon, are owned by Independent Newspapers PLC. It is also common ground that the application in suit proceeded to publication under Section 7(1) of the Act on the basis of 'honest concurrent use' with these three marks.

50. Section 7(1) and (2) of the Act is set out below.

7.-(1) This section applies where on an application for the registration of a trade mark it appears to the registrar-

- (a) that there is an earlier trade mark in relation to which the conditions set out in Section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the conditions set out in Section 5(4) is satisfied,

but the applicant shows to the satisfaction of the registrar that there has been honest concurrent use of the trade mark for which registration is sought.

(2) In that case the registrar shall not refuse the application by reason of the earlier trade mark or other earlier right unless objection on that ground is raised in opposition proceedings by the proprietor of that earlier trade mark or other earlier right.

51. In general, it is not necessary for an opponent to be the proprietor of the earlier marks he relies upon under Section 5. However, it is clear from Section 7(2) of the Act that where the Registrar has been satisfied that there has been honest concurrent use, only the proprietor of the earlier marks can rely upon the earlier mark(s) concerned in an opposition. The opponent is not the proprietor of these earlier trade marks. Mr Bernard sought to argue that the Registrar should not have been satisfied that the applicant had made honest concurrent use of his mark. In the light of s7(2) I doubt whether it is open to the opponent to raise that matter as a ground of opposition. Even if it is, it was not pleaded and I do not therefore intend to consider the submission.

### **Costs**

52. The opposition under s3(1)(b) and (c) has succeeded. The other grounds have failed. The opponent is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of £600.

**Dated this 1 Day of December 1999**

**Allan James  
For the Registrar**