

O-397-03
TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 81217
BY CROWNCOM LIMITED FOR A DECLARATION OF
INVALIDITY IN RESPECT OF REGISTRATION NO 2297132
STANDING IN THE NAME OF MAJESTIC TOWELS LIMITED

TRADE MARKS ACT 1994

IN THE MATTER OF Application No 81217

By **CROWNCOM Limited** for a declaration of
invalidity in respect of registration number **2297132**
standing in the name of **Majestic Towels Limited**

1. The mark **BLACKJACK** is registered under No 2297132 in respect of “textile goods, including towels and towelling products” in Class 24. It has a filing date of 5 April 2002. It stands in the name of Majestic Towels Limited (Majestic).

2. By application dated 10 April 2003 Crowncom Limited (Crowncom) applied for this registration to be declared invalid. They ask for a declaration of invalidity under Section 47(1) of the Act on the basis that the mark was registered contrary to Section

3. Specifically it is said that:

“2. The registered trade mark was not at any material time capable of distinguishing the proprietor’s goods from those of other undertakings and is devoid of distinctive character because the trade mark was in use by other companies for at least nine years before being registered and does not therefore meet the requirements of Section 3(1)(a) and (b) of the Trade mark Act 1994.

3. The registered trade mark consists of the prefix Black Jack which is common to the trade for Hairdressing, and the word Black Jack which is a generic term for the following goods Tinting Towels, whence its continued existence as a registered trade mark is contrary to the provisions of Section 3(1)(d) of the Trade Marks Act 1994.

4. It is submitted that the registered trade mark has not been used to an extent that to have acquired a distinctive character, and should be declared invalid under Section 47(1) of the Trade Marks Act with an award of costs to the applicants.”

3. Majestic filed a counterstatement denying the above grounds. Specifically, they say that:

“a) The mark **BLACKJACK** is a sign which was at all times, and is, capable of distinguishing the goods of **Majestic Towels Limited** from goods of others,

b) There has not been any use by other companies which renders the mark **BLACKJACK** devoid of distinctive character and

c) The mark **BLACKJACK** is not common to the hairdressing trade other than as a Trade Mark identifying the goods of **Majestic Towels Limited**. We deny that **BLACKJACK** is or ever has been a generic term for tinting towels. Certain other parties may be using the mark at this time but, if so, they are doing so without the knowledge or consent of **Majestic Towels Limited**.”

4. Both sides ask for an award of costs in their favour. Only Crowncom has filed evidence. I will come to this below.

5. The parties were invited to say whether they wished to be heard or to offer written submissions. Neither side has requested a hearing. Written submissions have been received from Withers & Rogers on behalf of Majestic under cover of their letter of 13 November 2003. Acting on behalf of the Registrar and with the above material in mind I give this decision.

The Law

6. The relevant Sections of the Act read as follows:

Section 47(1)

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.”

Section 3(1)

“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)
- (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.”

Crowncom’s Evidence

7. This comes in the form of a statutory declaration by Imran Simjee, a director of Crowncom Ltd. It will be convenient to record verbatim the substance of what he has to say:

“3. The proprietors have used the trade marks “Black Jack” in the United Kingdom ever since the company was formed in 1992. The forerunners of the company have been using the name for many years prior to 1992 and the name has been in use for this particular variety of towel in the hairdressing trade at the time when the forerunners started handling this item.

4. The proprietaries [sic] are manufacturers and supplier of bed linen, blankets and towels for domestic use as well as towels and napkins for hairdressing, health and beauty salons. Attached to this declaration at Evidence No 1 (20 sheets) are copies of customers orders and sales invoices showing orders and sales of goods under the trade mark.

5. There is now produced to me marked Evidence No 3 a bundle of specimen labels/flash which shows the manner in which the said trade mark is used.

6. The approximate annual sales turnover of goods sold under the trade mark in the UK since 1992 has been as follows:

| | | | |
|---------|----------|-------|----------------|
| 1992/93 | 700 doz | @6.90 | less discounts |
| 1993/94 | 1100 doz | @6.90 | less discounts |
| 1994/95 | 1100 doz | @7.50 | less discounts |
| 1995/96 | 1100 doz | @7.50 | less discounts |
| 1996/97 | 1300 doz | @7.50 | less discounts |
| 1997/98 | 1400 doz | @8.40 | less discounts |
| 1998/99 | 1700 doz | @8.40 | less discounts |
| 1999/00 | 1700 doz | @8.40 | less discounts |
| 2000/01 | 1800 doz | @8.40 | less discounts |
| 2001/02 | 1800 doz | @8.40 | less discounts |
| 2002/03 | 2000 doz | @8.40 | less discounts |

7. On average approximately £2000.00 has been spent annually on advertising the proprietors goods/services under the trade mark in the UK. Advertisements appeared in various trade magazines. Examples of these magazines include Hairdressers Journal and Hair Flair. There is now produced and shown to me Evidence No 2 (10 sheets) containing specimen advertisements etc.

8. The goods in question have been sold/supplied in various towns and cities throughout the UK as shown in Evidence No 1. The goods of the trade mark publicised throughout the UK & EEC per the Proprietors flyers and price lists as Evidence No 2. Letters from a selection of the wholesalers who have been selling goods pertaining to the trade mark in question over a period of time as Evidence No 4. Also a letter from an importer who has been importing the goods under the same trade mark for the Hairdressing trade for many years.

9. There are other evidences marked and detailed in individual bundles as required.

We would also submit that our association with the owner of Majestic Towels goes a very long way back and that we also shared premises with them during the period 1992-93. They were fully aware of the generic use of the term **'Blackjack'** by **Crowncom Ltd** during this period and subsequently, and also by other suppliers in the hairdressing trade. Their registering of the term in 2002 was an attempt to claim a complete monopoly as you can see clearly by their letter demanding us to submit to their threats (Evidence 7)."

8. Majestic have made a number of criticisms of the evidence filed both in terms of form and content. I will deal with the specific criticisms to the extent necessary when I come to review the evidence in more detail. There is however, a general criticism that there are discrepancies between the evidence originally filed (I assume in draft form) and the subsequently filed statutory declaration. That may be so but if this point gave Majestic cause for concern it should have been raised and resolved one way or the other at the time rather than being left to written submissions.

DECISION

9. The grounds of objection call for Crowncom to show that BLACKJACK was not at the date of filing capable of distinguishing the proprietor's goods from those of other undertakings (Section 3(1)(a)); that it was devoid of distinctive character (Section 3(1)(b)); or that it was customary in the current language or in the bona fide and established practices of the trade (Section 3(1)(d)).

10. It seems to me that Crowncom face a fundamental difficulty in that their evidence fluctuates between two opposing positions – on the one hand they claim to be the proprietor of the trade mark BLACKJACK whilst on the other they refer to it being a generic term. Clearly it cannot be both. The evidence as drafted suggests that they are making a case for an earlier right of their own. However, as that is not the case pleaded, I am unable to deal with any such claim. I understand that Crowncom have represented themselves throughout the proceedings. That may in part explain the somewhat unusual course this case has taken.

11. I propose to consider each of the Exhibits in turn recognising in doing so that several of them have not been specifically referred to in the covering statutory declaration. Although the point has not been challenged this must, I think, cast doubt on the admissibility and/or weight to be given to these items.

Exhibit 1 – consists of some 20 customer orders (addressed to Crowncom) and sales invoices. The latter are not all on letter headed paper but I infer that they emanate from Crowncom. The customer orders refer to "Black Jack Tinting Towels" or "Black Jack Towels". The sales invoices simply refer to "Black Jack". Absent the applicants' claim to the contrary I would have taken Black Jack to be trade mark usage. I note that some of the sales invoices refer to Black Jack in circumstances which may be descriptive (simply because other items on the invoices refer to goods by colour alone). However, there are other references in the invoices to eg 'Yoshobori Half Towels' 'Spanish Silver' and 'Cosy Hair Turkish Grey' which may equally be considered trade mark usage.

Exhibit 2 – includes specimen advertisements from Crowncom. The advertisements contain various items of obviously trade mark matter (the words Crown, Crowncom and a tree device). The words BLACK JACK are given particular prominence in several of the advertisements. Again I would have taken this to be trade mark usage on the basis of the manner of presentation and the fact that obviously descriptive matter (tinting towels) follows in smaller type. There are also wholesale order forms and price lists with product descriptions listed. References to Black Jack in this context may be thought to be supportive of Crowncom’s case. But again the position is far from clear. Plainly descriptive matter such as ‘Deluxe Hair/Beauty Towels’ and ‘Velour beach towels’ appear on the listing along with what I take (absent explanation to the contrary) to be trade mark matter such as ‘Crown’, ‘Yoshobori’, ‘Siscomb’ etc.

Exhibit 3 – contains three examples of what are said to be “labels/flash which shows the manner in which the said trade mark is used”. The prominence and manner of presentation of BLACK JACK leads me to the view that the words are being used in a trade mark sense.

Exhibit 4 – consists of three ‘To whom it may concern letters’ from individuals in the hairdressing or hairdressing supply trades confirming that they have purchased goods from Crowncom and giving their views on what BLACK JACK means to them. The open letters are undated but are likely to have been solicited for the purposes of the proceedings. That being the case the contents should have been put into proper evidential form. That is to say the statements should have been made by statutory declaration, affidavit or witness statement in accordance with Rule 55 of the Trade Marks Rules 2000. In the circumstances I can give no weight to this evidence. I should add for the sake of completeness that Majestic’s written submissions make other detailed criticisms of this evidence. As it is fundamentally flawed I do not propose to rehearse these criticisms. The final item in this Exhibit is a letter from a firm of textile importers saying “I am enclosing samples of Black-Jack towels which I trust will be approved”. This letter appears to have been spontaneously generated and is eligible for consideration as part of Crowncom’s case. The contents of the latter are, however, inconclusive as to whether trade mark or descriptive use is involved.

Exhibit 5 – is not referred to in the covering declaration unless it is one of the unspecified items referred to in paragraph 9. A covering note to the Exhibit indicates that the contents are intended to show how Crowncom have been involved with the hairdressing trade and the importance to them of their trade in Black Jack tinting towels. As with much of the other material it is inconclusive as to the nature of the use of the words Black Jack.

Exhibit 6 – is not specifically referred to in the covering declaration. It shows two examples of usage of the term by Majestic. One is dated April 1994. The other is not dated. I note that both refer to black and white tinting towels or simply tinting towels followed by the words Blackjacks or Black Jacks in

brackets. In the context in which the words appear I believe this exhibit is marginally favourable to Crowncom's claim.

Exhibit 7 – is the first page of a letter presented to Crowncom for signature and inviting them, inter alia, to cease use of the trade mark BLACKJACK in return for Majestic not commencing legal proceedings. It is advanced as evidence of Majestic's threatening behaviour. It does not assist me in determining the issues at the heart of the dispute.

Exhibit 8 – is again not specifically referred to in the covering declaration. The three invoices/packing lists enclosed are from a manufacturer of towels in India and are addressed to Crowncom. The goods are described as cotton jacquard terry towels. Beneath that headline description are references to eg 'Dropbox', 'Black Jack', 'White', 'Lara' and 'Kitchen'. 'White' and 'Kitchen' appear to be no more than descriptive references respectively to colour and area of intended use. The other indicators are not obviously descriptive and, in my view, are more likely to be taken as trade mark indicators.

12. Turning to the grounds for invalidity it was indicated in *AD 2000 Trade mark* [1997] RPC 168 that "the requirements of Section 1(1) are satisfied even in cases where a sign represented graphically is only "capable" to the limited extent of being "not incapable" of distinguishing goods or services of one undertaking from those of other undertakings". The threshold test is generally accepted to be a low one. It is scarcely conceivable that the word BLACKJACK would fail to overcome this low level test.

13. The real issue is whether the word BLACKJACK (or words BLACK JACK) has become customary in the trade to describe a certain type of towel. If that point is established then Crowncom would succeed under Section 3(1)(d) and the mark would also be devoid of distinctive character for the purposes of Section 3(1)(b). Strictly they are separate grounds of objection but in the circumstance of this case I believe they go hand in hand. I say that because there is nothing in the word BLACKJACK that obviously relates to or describes a characteristic of towels, or at least, there is no evidence that consumers would approach the word with any such expectations or understanding in mind. It is not a word such as 'cotton' or 'bath' which respectively describe the material from which a towel can be made or the purpose it might serve.

14. However, that is not fatal to Crowncom's case. Even if BLACK JACK is not a word that is recognised by end consumers but it is nevertheless shown to be customary in the language of the trade (suppliers, wholesalers, retailers etc) it will attract an objection under Section 3(1)(d). The leading guidance from the European Court of Justice on Article 3(1)(d) (equivalent to Section 3(1)(d) of the UK Act) is contained in *Merz & Krell GmbH & Co*, [2002] ETMR 21:

"41. It follows that Article 3(1)(d) of the Directive must be interpreted as meaning that it subjects refusal to register a trade mark to the sole condition that the signs or indications of which the trade mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect

of which registration of that mark is sought. It is immaterial, when that provision is applied, whether the signs or indication in question describe the properties or characteristics of those goods or services.”

15. It is clear from the final sentence of the above paragraph that a mark is subject to refusal or invalidation under this head if it is customary in the language of the trade irrespective of whether it describes the properties or characteristics of the goods. Crowncom’s statement of grounds claims that BLACK JACK is a generic term for tinting towels. That is the issue addressed by the evidence. The onus is on Crowncom to make out their case.

16. It seems to me that a claim that a word or words have become customary in the trade is likely to require evidence from the trade or a representative part thereof as an underpinning minimum. It will be difficult though not perhaps impossible for a case to be made based purely on evidence from the party making the claim even if that party is itself engaged in the relevant trade. Most of the evidence in this case comes from Crowncom or that company’s customers and suppliers (who might be expected to adopt Crowncom’s own usage and terms). As I have also indicated in my review of the supporting exhibits even on the basis of this material I have difficulty in accepting that a prima facie case has been made out. The usage shown is either in a form that readily lends itself to being perceived as trade mark usage or, taken at its highest, is ambiguous as to whether it is generic/descriptive use or trade mark usage. That is particularly the case because the invoices, order forms etc which list products appear to do so by a mixture of what to the untutored eye is a mixture of descriptive and brand usage. That being the case it is not possible to determine which camp BLACKJACK falls into.

17. That would not in itself matter if there were persuasive evidence from third parties familiar with the trade (and, preferably, demonstrably independent of Crowncom) to clarify the nature of the usage. Exhibit 4, which may have been intended to address this need, fails to do so for the reasons given above. That leaves Exhibit 6 – two of Majestic’s own advertisements. As I have indicated above I find that the references to BLACKJACKS/BLACK JACKS in these advertisements convey an ambiguous message as to the nature of the usage. But that is an insufficient basis on which to invalidate the trade mark.

18. I find myself having to determine the outcome of the case on the basis of evidence that is in certain key respects deficient in form and inconclusive in terms of establishing what it sets out to achieve. Consideration of the matter could, it seems to me, have been greatly assisted by properly filed evidence from independent members of the trade, trade associations, the trade press or such like to clarify what (if anything) the term BLACKJACK means to the trade. In all the circumstances there is no course open to me other than to find that the application for a declaration of invalidity fails under Section 3(1)(d) and by implication also under Section 3(1)(b).

19. The registered proprietors are entitled to a contribution to their costs. I order the applicants for a declaration of invalidity to pay the registered proprietors the sum of £900. 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 22nd day of December 2003

**M REYNOLDS
for the Registrar
the Comptroller General**