

**TRADE MARKS ACT 1938 (AS AMENDED)
AND TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 1526943
BY 1-800-FLOWERS INC.**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 42900
BY PHONENAMES LIMITED**

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BACKGROUND

800 Flowers Inc. applied on 13 February 1993, under Section 17(1) of the Trade Marks Act 1938 (as amended) to register the trade mark 800-FLOWERS, in respect of the following services:-

receiving and transfer of orders for flowers and floral products; all included in Class 35.

The application was the subject of a disclaimer under the provisions of Section 14 of the Act:-

Registration of this mark shall give no right to the exclusive use, separately, of the numeral "800" and the word "FLOWERS".

On 3 July 1995, Phonenames Limited filed notice of opposition. The grounds upon which the opposition is based are, in summary:-

1. Under Section 10 because the trade mark is not capable of distinguishing the services of the applicant.
2. Under Section 11 because of the rights the opponents have in the alpha-numeric phone number 0800 3569377, which translates into the alpha-numeric 0800 FLOWERS.
3. Under Section 12(3) because of the applications for registration filed by the opponents.
4. Under Section 17 and Section 68 because the applicant cannot claim to be the proprietor of the trade mark nor has the applicant any intention of using the trade mark.

The opponents ask the Registrar to refuse the application in the exercise of his discretion and to award costs in their favour.

The applicants filed a counter-statement denying these grounds asking the Registrar to register the trade mark and award costs in their favour.

5 The later filed trade marks the opponents rely upon in support of their opposition under Section 12(3) are shown at Annex A to this decision.

10 The matter came to be heard on 27 October 1998 when the applicants were represented by Mr Geoffrey Hobbs, of Queens Counsel, instructed by William Jones, their trade marks agent, and the opponents by Mr David Kitchen of Queens Counsel, instructed by f j Cleveland & Co.

15 By the time this matter came to be heard, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly, all references in the later parts of this decision are references to the provisions of the old law.

OPPONENTS' EVIDENCE

20 This consists of a Statutory Declaration dated 30 December 1996 by Mr James Francis Zockoll, of Surbiton, Surrey. He is the Chairman of The Zockoll Group Limited, one of its wholly owned subsidiaries is Dyno-Rod Plc and another is Phonenames Limited (the opponents) which is a company responsible for promoting and marketing the alpha-numeric concept. This involves educating the consumer about what numbers go with which letters to form a standard keypad. It is also necessary to educate the consumer to use the letter "O" (not the number "0") when dialling a phonename. The Zockoll Group leases telephone numbers from service providers and licenses them to third parties through the opponents. There is an inter-company charge to the opponents for the Zockoll Group's services. The opponents, however, receive a royalty from, for example, Dyno-Rod for the exclusive use of the alpha-numeric "0800 DYNO-ROD" and "0800 DYNA-ROD" telephone numbers in the United Kingdom.

35 The opponents, states Mr Zockoll, intend to licence or franchise the use of trade names. The opponents have uninterrupted rights to use, for example, the telephone number 0800 758 6237 which translates to the phone name 0800 PLUMBER. This will be licensed along with the trade mark 800 PLUMBER. In this matter he has consciously distinguished between phone names (which are prefixed 0800 or 0500) and trade marks (prefixed 800 or 500) as a matter of policy. There are, he says, two concepts in summary:-

- 40
- a) Origin dependent routing;
 - b) Central telemarketing.

He goes on to explain each in turn.

Origin dependent routing

5 The opponents create a particular word or words out of alpha-numeric phone numbers. For each number 700 possible words exist. Having created the word, the opponents then apply for the trade mark registration of the letters comprising this word along with the 800 prefix. For example 800 BROKER. A trading company is created using the same trade name 800 BROKER and the opponents as subscribers to the phone name 0800 BROKER will permit this company, which is termed a “trading company” to use the trading name in this case 800 BROKER. The trading company then creates, designs and plans a national network of
10 brokers around the trading name 800 BROKER.

15 Once the potential size of the market has been determined, the Country is split into as many areas as are necessary to provide the best broker service, eg, if there were 50 relevant areas in England, British Telecom would then be asked to design a telephone network so that all the calls in England would pass directly to the closest 800 BROKER to the individual caller. This is what is known as Origin Dependent Routing and is a service provided by the telephone service providers such as British Telecom in the United Kingdom and AT&T in the United States. What happens is that a central computer recognises the area of origin of the telephone call and directs the call to a broker in the local region.
20

The opponents will have no control over the differing brokering businesses, they will be entirely independent. However, the opponents will still be the subscriber paying British Telecom for the line and will assist all of the different brokers in marketing their businesses by making use of the same phonename and trade mark. The way in which this is done is
25 illustrated at Exhibit JFZ1 which is a schedule setting out the interaction between the opponents, The Zockoll Group and the licensees. In the example shown a small brokering businesses gain the benefits of economies of scale of a large company while retaining their separate identities and independence. The opponents are responsible for all national promotion marketing and advertising of the business 800 BROKER while the local broker will
30 be responsible for Yellow Pages and local promotions. The same analogy applies to flowers delivery business, and to the use of 0800 FLOWERS.

Central Telemarketing

35 This involves the trading company creating and designing a national business around a phone name, for example 0800 PLUMBER. Once the size of the market is determined and the number of plumbers required to fulfil the potential of that market determined, a recruitment programme for plumbers for a national network would commence. Once it is in place, the trading company markets and advertises on a national basis the telephone number
40 0800 PLUMBER. All telephone enquiries go to a central telephone number which takes down all the details of the work on a main computer and then dispatches them through a modem line to the local 0800 PLUMBER. Zockoll is always the subscriber to British Telecom and is responsible for all payments. There is no licensing of the telephone number at all. There is a franchise arrangement in respect of the trade name between the trading company and the
45 individual plumbers in respect of a particular area of operation. The telephone line remains with Zockoll who is the subscriber and with whom British Telecom would deal.

The Zockoll Group is the holding and parent company, and also the subscriber for all the telephone numbers in the United Kingdom. The opponents, Phonenames Ltd, is a wholly owned subsidiary and is responsible for the promotion and marketing of the phonenames business. It will receive a royalty from its licensees for use of the trade marks, slogans and phonenames and receive royalties from subsidiary companies of The Zockoll Group, who also make use of the phonenames, trade marks and slogans.

Mr Zockoll states that the concept is extremely convenient for the public, who will have a free telephone service to access companies just by remembering their name or the name of their product or service. It is convenient and of significant value for small companies who can be licensed by The Zockoll Group for use of a generic phonename as it offers them great opportunities to establish a valuable brand which normally they could not afford. Many such opportunities would be lost if the market for generic phonenames did not exist. The concept of telemarketing is becoming increasingly popular, not least because of the convenience to the consumer.

The business of Phonenames therefore identifies companies, products and services which fall into a specific business sector, for example, Building Societies. The generic words used every day in such a business are then identified e.g. MORTGAGE and HOME LOANS. The opponents then request from a service provider, like British Telecom, the telephone number from an alpha-numeric keypad that corresponds to the letters making up the words MORTGAGE and HOME LOANS (phonenames). When the number is secured, they create from scratch service marks and marketing slogans allied to the Building Society. In the United Kingdom they then apply for trade mark registration of the phonename and, where appropriate, the marketing slogan. Mr Zockoll examples the word MORTGAGE where the phonename would be 800 MORTGAGE, the slogan would be "dial 'M' for MORTGAGE" or "just call our phonename" and the service mark would be a combination of a device mark (a keypad and a finger tip above it) and the phonename and the slogan or any of these components individually. All these creative ideas are then packaged and presented to Building Societies on a licensing arrangement.

The origins of this business lie in the fact that the average member of the public will not easily remember a variety of telephone numbers over and above his own home or office number and a few he or she dials frequently. Generic phonenames on the other hand are much easier to remember and are used frequently in our every day environment. Anybody requiring, for example, plumbing services, would find it easier to remember "PLUMBER" than, say, "0800 353487" and having the inconvenience of having to refer to Yellow Pages or Telephone Directories. British Telecom started to promote awareness of the use of freefone 0800 alpha-numeric numbers, with the use of an alpha-numeric telephone keypad, in early 1993. When The Zockoll Group first heard of the British Telecom's promotion they sought to protect the freefone numbers "0800 DRAINS" and "0800 DYNO-ROD". Having done that they realised the potential for the generic phonenames business and decided to expand it into a separate business, hence the formation of Phonenames Limited.

The service providers, such as British Telecom and Mercury, provide freefone 0800 numbers (or 0500 numbers in the case of Mercury) on request. They do not know what generic phonenames the numbers may convert into because there are many permutations. The

responsibility of the service provider is therefore to issue telephone numbers and not generic phonenames. Service providers do provide customers with the option of a "choice" of telephone numbers but alpha- numerics are not offered as part of this service, thus customers have requested cosmetically attractive numbers on the lines of "1800-12-12-12" or
5 "1800-800-800. Few customers have realised that converting choice random numbers into a generic phonename would be of greater value and could lead to a valuable brand.

Mr Zockoll believes that the generic phonenames concept was set to expand significantly in the United Kingdom and throughout the European Union. He states that on Sunday
10 26 November 1995 he saw for the first time in a UK newspaper an advertisement making use of a freefone 0800 phonename. He goes on to exhibit at JFZ2 a copy of this advertisement by Vauxhall for the VECTRA car in The Sunday Times on 26 November 1995 inviting callers to call "0800" VECTRA". This is, he says, the first indication of a large company, such as Vauxhall, testing a phonename in the marketplace.

Mr Zockoll goes on to say that his company has been issued with a very large number of choice generic phonenames from both British Telecom and Mercury in the United Kingdom and have invested in extensive communications and cabling equipment, sophisticated software and hardware. They have also been engaged in a marketing operation to involve all the major
20 mobile and hand held telephone manufacturers encouraging them to introduce alpha- numerics on keyboards on both regular and mobile telephones. They have also applied to register approximately 250 phonenames as trade marks. These applications have covered phonenames with the prefix "0800", "0500" as well as the prefix "800" and "500". They have also applied to register the word phonename and the device mark of a hand dialling a phonename on a
25 telephone keypad. Some of these applications for registration have been accepted and published.

In September 1993 the opponents applied for the first batch of 0800 numbers from British Telecom, namely 134 numbers. The opponents have continued to build up their stock of
30 0800 numbers with both British Telecom and Mercury since that date. In particular the numbers 0800 356 9377 (0800 FLOWERS) was requested on 5 November 1993 and on 27 November 1993 Mr Radley of the opponents received confirmation that the order for this number had been accepted. It was subsequently connected on 17 January 1994. Mr Zockoll states that he instructed Lesley Hall of Clyde & Co. to check the position of the Trade Marks
35 Registry in respect of 21 phonenames and asked her to apply to register 0800 FLOWERS as a trade mark, if there was no existing registration. Copies of correspondence concerning these enquiries are exhibited at JFZ4. He was subsequently informed by Hyde Heide & O'Donnell, trade mark agents who were instructed by him in place of Clyde & Co, that there was an existing application to register 800 FLOWERS trade mark by 800-Flowers Inc. which had
40 been made on 13 February 1993.

Mr Zockoll states that he has his own plans for the flower business in the United Kingdom. He has studied the business and trade and how Interflora works - at one stage there was the possibility of his taking over Interflora but discussions and negotiations on that matter have
45 terminated. He then provides some background to the discussions he had with 800-FLOWERS Inc, on the possibility of them taking a licence agreement with Phonenames Limited, and he spells out some of the benefits that he considers would have accrued. In

Mr Zockoll's view, the trade mark 800 FLOWERS cannot be used in the United Kingdom in the same way as it is being used by the applicant in the United States, which is based on the telephone number 1-800 FLOWERS, because they have no right to use the corresponding alpha-numeric telephone number. Any use by the applicant of the trade mark 800 FLOWERS would therefore cause total confusion. Since May 1994 there have been extensive discussions between the opponents and the applicants with the aim of reaching some accommodation. Exhibited at JFZ5 is a bundle of correspondence between the parties. Details of the negotiations and exchanges of correspondence are set out in Mr Zockoll's declaration but, in the event, no agreement was reached and finally Mr Zockoll ended all negotiations.

Mr Zockoll states that it is not appropriate for any company to own a trade mark consisting of the numbers 800 and a generic name and use it without owning the alpha-numeric equivalent telephone number, especially as they are both one and the same. It was irresponsible for 800 FLOWERS Inc to apply for the registration for the trade mark 800 FLOWERS without having first secured the phone number 0800 356 937 (FLOWERS). They have also failed to secure it by negotiation. Thus the applicant can never use the trade mark in the way it is used in the United States of America as customers can not use the telephone number nor will any of the florists within their network be able to use the trade mark. Thus any registration would be likely to deceive or cause confusion.

APPLICANTS' EVIDENCE

The applicants' evidence consists of a Statutory Declaration dated 3 June 1997 by Christopher G McCann of Westbury, New York, United States of America. He states that he is Vice President of 1-800 Flowers Inc and that he has been employed by the company in his current position, since 1986. The facts set out in the declaration are within his personal knowledge or have been extracted from the records of his company to which he has access.

Mr McCann states that his company applied for registration of the trade mark 800-FLOWERS on 13 February 1993 and this was accepted and advertised in the Trade Marks Journal of 13 July 1994. He goes on to set out the history of 1-800 Flowers Inc which began in 1976 when Mr McCann's brother James purchased a flower shop. During the following years the family was involved in building up a chain of retail floral stores under the name FLORA PLENTY. In 1986 they purchased an interest in 800 Flowers by purchasing stock in a corporation whose family assets were its registered United States services marks DIAL 800-FLOWERS and 800-FLOWERS. They also had the right to use the telephone number 1-800-356-9377, which corresponds to 1-800-FLOWERS. Since that time the applicants have invested millions of dollars and enormous amounts of time and effort to enhance the name and brand recognition throughout the United States. 800 FLOWERS is the mnemonic for the toll free number by which customers can place orders with the applicant, but it is also the applicant's corporate and trade name as well as an internationally recognised and well known trade mark. Customers do business because of the world renown of the company name and trade mark 800-FLOWERS. In that connection advertising efforts have occurred at national, regional and local levels and has involved all mediums including television, radio, print, billboards and, more recently, on the "Internet". Advertising and promotional efforts have been devoted to establishing positive consumer association between the products, the trade name of the company and the 800-FLOWERS brand.

Mr McCann goes on to describe the business of his company which is providing fresh cut flowers, plants and floral bouquets and gifts by means of a marketing system accessed by telephoning the toll free number 1-800-FLOWERS, or other telephone numbers, by using the "Internet" or through customers visiting some of the company's retail outlets. At any given time the applicant has more than 400 telerepresentatives and support staff on duty and at peak holiday periods the number can increase to 1,200. In addition to telemarketing the company participates in several interactive and on-line services including American On-line and Microsoft network. Mr McCann exhibits at CGM1 company literature evidencing the activities of his company under the trade mark 800-FLOWERS.

Mr McCann states that his company has a customer database containing the names of 3 million customers. Recognition of the trade mark and association of the trade mark with his company goes wider than that because of the recipients of the floral tributes, etc who will in turn make the activities of his company known to friends, family, etc. Figures for 1994 show that 4 million calls were received through the company's telephone number 1-800-FLOWERS. He goes on to state that in 1986 sales amounted to less than \$500,000 but, in the fiscal year ending June 30 1993 sales exceeded \$50 million and by June 30 1994 they had exceeded \$80 million. By June 30 1997 it is projected that sales will exceed \$350 million.

Mr McCann goes on to say that his company advertises goods and services available under the trade mark 800-FLOWERS in various publications and exhibits copies at CGM2 of advertisements and editorials over the period 1988 to 1995. Some of these publications were either circulated around the world, including the United Kingdom, have United Kingdom subscribers or are available to passengers on flights into and out of the United Kingdom and Ireland. Advertising campaigns have also used television commercials and the company has appeared in a series of television commercials as part of an advertising campaign for AT&T. In the edition of Advertising Age dated 27 March 1995 the applicant was ranked as 28th top brand of the 40 brands on cable TV. (All of this advertising and promotion would appear to me to have been in the United States).

Mr McCann goes on to set out some of the international business activities carried out under the trade mark 800-FLOWERS. First of all he states that his company has a large volume of international sales under the trade mark. The sales were taking place in over 85 countries, details are shown at CGM3. This shows, on the basis of a run done on 8 January 1995, that 33 orders were sent to the United Kingdom, with a further 35 to Scotland and 8 to Wales. As a further indication of his company's international activities, Mr McCann exhibits at CGM4 details of trade marks applied for and registered outside the United States. He goes on to say that his company has invested substantial efforts and sums of money on advertising campaigns, spending over \$60 million over the last 3 years advertising in approximately 15 national markets, including the United Kingdom. Interactive and on-line services from which information about his company and services offered under the name and trade mark 800-FLOWERS can be obtained are accessible from the United Kingdom. As a result, the trade mark is widely recognised in the United States and with increased travel opportunities and international communication links much more widely.

Mr McCann states that the services of his company under the company name and the trade mark 800-FLOWERS are available in the United Kingdom and were so prior to 1993 when

the registration in suit was applied for. His company receives orders from US citizens for delivery of goods to residents in the United Kingdom and orders such as these over a 6 month period up until March 1997 amounted to 5,600 orders, totalling approximately \$430,000. He states that this does not include Mother's Day which is one of the biggest occasions in the year for his company. At CGM5 he exhibits details of the some of the UK customers making use of his company's services together with details of orders sent to the United Kingdom.

Mr McCann goes on to state that his company is aware of the activities of the opponents, Phonenames Ltd. He says that it is evident that the opponents are warehousing large numbers of trade marks for the sole purpose of licensing them or selling them to companies involved in the fields of activities covered by the trade marks. The opponents are not themselves carrying on a business in the field of interest to his company, but merely wish to prevent the activities of his company under the trade mark and company name 800-FLOWERS in the United Kingdom.

He believes that the opponents were aware of his company's activities under the company name and the trade mark 800-FLOWERS before they applied to British Telecom for the telephone number corresponding to 800-FLOWERS. He also believes that the opponents were aware of his company and their trade marks before they made an application to register the trade marks in the United Kingdom. As evidence of this he exhibits at CGM6 which sets out details of applications made in the United Kingdom for trade marks incorporating references to flora products or gifts in the name of the opponents. When compared with exhibit CGM4 he states that it can be seen that the opponents have attempted to obtain protection in the United Kingdom for the trade marks of the applicant or similar. There has been, admits Mr McCann, attempts to negotiate a settlement however these have come to nought.

Turning to the opponents' evidence Mr McCann states that his company has already established an international business in floristry under the company name and trade mark 800-FLOWERS. Therefore, whilst the opponents may have acquired rights from British Telecom to use the telephone number 0800 356 9377, they have not got the right to make use of the applicant's company name or the trade mark 800-FLOWERS. He states that he is aware that the opponents were involved in litigation with Irish Telecom who have withdrawn their permission for the opponents to make use of the telephone number corresponding to the trade mark and company name 800-FLOWERS. He understands that all alpha-numeric telephone numbers remain the property of telecommunication companies and can be withdrawn and re-allocated.

Mr McCann further comments on the evidence of Mr Zockoll by noting that the former states that the opponents applied for their first batch of 0800 numbers in September 1993 and the opponents first noticed an advert in the United Kingdom making use of 0800 Phonenames in November 1995. He restates that his company applied for registration of the trade mark 800-FLOWERS on 13 February 1993 and an advertisement for its services appeared in the Independent newspaper on 2 November 1994 under that trade mark. A copy of this advertisement is exhibited at CGM2. Thus the application for registration and use of the trade mark in the United Kingdom by the applicants predates the acquisition of and use of the 0800 numbers in the United Kingdom by the opponents.

OPPONENTS' EVIDENCE IN REPLY

This consists of a further Statutory Declaration dated 4 February 1998 by Mr J F Zockoll. He first of all comments on the services for which registration is sought which, in his view are for services which are outwith those of interest to the applicants. Mr Zockoll also exhibits at JFZ1 a copy of a Statutory Declaration and exhibits submitted in support of applications for registration by his company; some of the detail and exhibits were also filed in other proceedings between the parties before the Registrar. These he considers demonstrates that the applicants' business operated only within the United States of America. He makes a number of observations on the content of Mr McCann's declaration in the same vein ie that the 0800 Flowers business was one which operated in the United States only. The fact that some travellers to that country might see some of the applicants' advertising or that people in the United States could access their website did not in his view make theirs an international business.

Of all the examples intended to highlight the reputation of 1-800 FLOWERS, Inc. in the United Kingdom, says Mr Zockoll, only one British publication refers to the trade mark 800-FLOWERS. This is the advertisement appearing in 'The Independent' on 2 November 1994, and yet the phone number referred to (1-800 356 9377) is prefixed by the US freephone number, followed by the phrase "Access via AT & TUSADirect". This is a system which is little known now, and would have been even less well known in 1994, whereby this US telephone company enables people living outside the USA to take advantage of freephone telephone numbers there. AT & T issues its customers with various access numbers for all countries in the world from Argentina to Venezuela, and from the United Kingdom it is possible to connect with freephone numbers in the USA by dialling either the codes 0800 89 0011 or 0500 89 0011 before dialling the local US number. In the case of "The Independent" advertisement exhibited as part of CGM2, any person who understood this system (and their numbers would be low) would be connected to the offices of 1-800 Flowers, Inc. in Westbury, New York. Thus any sales which resulted from this advertisement would have been made in the USA and not the UK. Therefore it is Mr Zockoll's view that part of the purpose of this advertisement was to promote goods and services available from the USA. This would seem to be consistent with the article also exhibited as CGM2 from the Northwest Arkansas Times dated 15 December 1994. This states that the President of the applicant company has some good ideas about "opening" floral delivery businesses in London in the summer of 1995; it will be noted that the business was still being considered at this time and has not yet got off the ground, nor can it, because 1-800 Flowers, Inc. do not have rights to the alpha-numeric telephone number 0800 FLOWERS in the United Kingdom.

He also believes that another reason for placing this advertisement in the "The Independent" at this time was to give credence to the application in suit. Although he cannot deny that this application was filed in February 1993, before his company acquired rights to the alpha-numeric telephone number 0800 FLOWERS, he notes that this tiny advertisement was not placed in "The Independent" until after my company had acquired rights to the phone number 0800 FLOWERS and, more significantly, until after 1-800 Flowers, Inc. realised this fact. He therefore believe that an important motivation for placing this advertisement was to show that 1-800 Flowers, Inc. had an intention to use the trade mark 800 FLOWERS in this country.

Mr Zockoll goes on to state that, in his view it is quite clear that the business of Mr McCann's company was built in the USA around the alpha-numeric phone number 1-800 FLOWERS. Thus the argument which is hinted at in paragraph 7 of Christopher McCann's Declaration, namely that the telemarketing system could work around "other telephone numbers", is flawed for the simple reason that the concept will only work around the corresponding free phone number.

Mr Zockoll further comments on the allegation by Mr McCann that his company is "warehousing" trade marks - which he denies - and he maintains his intention to run a floral business - in the United Kingdom using the alpha-numeric telephone number 800 FLOWERS, also to use the term as a trade mark. In his opinion, if his company spends time and money promoting the alpha-numeric concept, then they have every right to refer to their various telephone numbers in this way. This is particularly true in the case of 0800 FLOWERS as he was not aware that any other company has better rights than the opponents to this - or any similar mark - as a trade mark or company name in this country.

Mr Zockoll finally comments on the negotiations which took place between the parties; also on the contradictions he says there are as to the applicants' trade mark and company name which appear in Mr McCann's declaration and on the applicants' applications and registrations in other jurisdictions.

That concludes my review of the evidence.

DECISION

I begin by considering the grounds of opposition under Section 10 of the Act, which states:

"10 - (1) In order for a trade mark to be registrable in Part B of the register it must be capable, in relation to the goods in respect of which it is registered or proposed to be registered, of distinguishing goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to the limitations, in relation to use within the extent of the registration.

(2) In determining whether a trade mark is capable of distinguishing as aforesaid the tribunal may have regard to the extent to which -

(a) the trade mark is inherently capable of distinguishing as aforesaid; and

(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact capable of distinguishing as aforesaid.

(3) A trade mark may be registered in Part B notwithstanding any registration in Part A in the name of the same proprietor of the same trade mark or any part or parts thereof."

I first consider whether the trade mark the subject of the application, 800 FLOWERS, is prima facie acceptable in Part B of the Register. Mr Kitchin referred to the Torq-set case [1959] RPC 344 in which is set out the test to be applied for acceptance in Part B. It states:

5 “Part B of the Register is intended to comprise marks which in use can be demonstrated as affording an indication of trade origin without trespassing upon the legitimate freedom of other traders.”

10 Mr Kitchin submitted that the trade mark in suit was not such a trade mark. It represented the contraction of the alpha-numeric for 0800 Flowers and so was a term that other traders involved in the telephone ordering of flowers would legitimately wish to use; it consisted of the non-distinctive numeral 800 and the non-distinctive word FLOWERS. Mr Hobbs submitted that the public was not educated in the use of alpha-numeric telephone numbers and few people in the United Kingdom were therefore aware of their significance, thus its only
15 signification would be as a trade mark.

 I am not persuaded by Mr Hobbs’ argument. That only a minority of the population, however small, would be aware of whether a trade mark consists of non-distinctive elements is not relevant; the test is a matter of fact not of perception or general awareness amongst a relevant
20 public. I accept from the cases referred to by Mr Hobbs - Zockoll Group Ltd v. Mercury Communications Ltd [1988] FSR 354 at 356 and The Zockoll Group Limited Dyno-Rod Plc and Phone Names Limited v Telecom Eireann - that the majority of the population are not aware of alpha- numerics in relation to telephone numbers. However, I consider that the
25 OVEN CHIPS case (McCain v Country Fair (1981) RPC 69 C.A.) addresses this matter, where the trade mark was not considered capable of distinguishing as it was an apposite and appropriate description of the goods even though at the time of filing the application for the trade mark in question the public were not generally aware of the concept of chips that could be cooked in the oven.

30 However, neither am I persuaded by Mr Kitchin*s arguments that the trade mark in suit is not capable of distinguishing. That the trade mark consists of two non-distinctive elements is not disputed by the applicant or the Registrar, hence the application proceeding to advertisement on the basis of separate disclaimers of the numeral 800 and the word flowers under the provisions of Section 14 of the Act. Non-distinctive elements can combine to form a
35 distinctive whole (see the DIAMOND T case [1921] 38 RPC 373). And Mr Kitchin*s argument that the 800-FLOWERS is a natural contraction of the alpha-numeric for 0800-Flowers falls down when considered in the context in which this contraction might be used i.e. as a telephone number. 800-FLOWERS might bring to mind 0800-Flowers, but a telephone exchange will make no such connection (no pun intended); the dialler will either get
40 the unobtainable tone or the wrong number; neither of which can be considered to be a boon to the business of the applicant.

 If the trade mark in suit had simply been a telephone number or an alpha-numeric of a telephone number I would not have considered that it was acceptable under Section 10 of the
45 Act, but it is not either of these. I note Mr Hobbs’s references to several cases i.e. The Law Society of England and Wales v Griffiths [1995] RPC 16, Glev Pty Ltd v Foodmakers 1992 Ltd. (1996) 33 IPR 550, Pizza Pizza Ltd. v Registrar of Trade Marks (1989) IPR 181. These

do not assist in this case. In the first two cases the issues at stake were passing off and misleading and deceptive conduct; in the third case the applicant had made extensive use of the trade mark and it had become capable of distinguishing the applicants' goods and services. I do not consider that the use claimed in the United Kingdom in relation to the services
5 provided under the trade mark in suit is such that it would have overcome an objection based upon Section 10 if the trade mark had simply been a telephone number or an alpha-numeric of a telephone number.

10 I take the view that the term 800-FLOWERS represents an allusion to the service provided. Perhaps not the most covert and skilful of allusions, based upon the combination of two non-distinctive elements, but definitely an allusion. I find, therefore, that that trade mark is capable of distinguishing the services of the applicant from those of other providers and so I dismiss this ground of opposition based upon Section 10 of the Act.

15 I now turn to the objection under Section 11 of the Act, which states:

20 "It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design."

"Kerly's Law of Trade Marks and Trade Names" states:

25 "This section is directed to some positive objection to registration and not to mere lack of qualification. It contemplates some illegality or other disqualification inherent in the mark itself."

Further and of particular importance in this case "Kerly's" states:

30 "In relation to an application for registration, the primary question to be decided is whether the mark was deceptive (or otherwise "disentitled to protection") at the date of the application to register. It is submitted, however, that registration ought to be refused if the mark is deceptive at the date of the decision whether or not to register, regardless of the position at the date of application. Whether in such a case
35 registration necessarily is forbidden by section 11 is not clear; the section says "it shall not be lawful to register" (which would seem clearly to operate, at the moment of registration, notwithstanding that a completed registration will date back); but it applies only to marks "disentitled to protection in a court of justice," and those words seem applicable (in the light of G.E.) if and only if the proprietor is to blame for the
40 deceptiveness. Even, however, if the mark has become deceptive through no fault of the proprietor, it is submitted that registration of a deceptive mark should be refused as a matter of discretion."

45 I will return to the matter of the Registrar's discretion later in this decision. However, in relation to the primary objection under Section 11 I need to consider the position as at the date of filing or the date of this decision, if I consider that the trade mark has become deceptive due to the actions of the applicant.

The case of the opponents is built upon the premise that they have the right to use the telephone number 0800-3569377 (the alpha-numeric of 0800 Flowers) from British Telecommunications PLC. The opponent applied for the telephone number 0800-3569377 on 5 November 1993, the order was accepted on 27 November 1993 and the number was
5 connected sometime in January 1994 and has been maintained ever since. Mr Hobbs submitted that no one has the right to a telephone number, the telephone service provider could withdraw the number for a variety of reasons. He referred to the cases of *Timeload Ltd v. British Telecommunications PLC* [1995] EMLR 459 and *The Zockoll Group Ltd. v. Mercury Communications Ltd* (3 March 1998). In both of these cases the telephone service
10 providers had removed telephone numbers from their customers and in both cases the Court had upheld their right so to do. I accept therefore that telephone service providers have the right to discontinue provision of a telephone number in certain circumstances. However, many things in life are provisional and/or conditional; including, for example, agreements for registered users or licensees of trade marks. That at some future date British
15 Telecommunications PLC might wish to remove the telephone number from the opponents is not, I think, germane. The applicants have not denied that the opponents currently have the telephone number 0800-3569377 and have adduced no evidence to indicate that the telephone number is about to be or likely to be removed from the opponents. I therefore consider the issue as at the time of the Hearing and am not swayed by futurity in this regard.

20 Mr Kitchin argued that because the opponents now have obtained the telephone number 0800-3569377, the applicants' trade mark has become deceptive; the public would assume that the proprietor of the trade mark 800-FLOWERS and the users of the telephone number 0800-3569377 were the same, hence confusion and deception would arise. I can accept that
25 this might be the case but it is clearly of importance as to who possess the earlier right and what other circumstances surround the case. The applicants made their application for registration on 13 February 1993, so predating the application by the opponents for the telephone number 0800-3569377.

30 Both sides referred me to *British Telecommunications PLC and others v One in a Million Ltd* (23 July 1998) in support of their positions and also to *Aristoc Ltd v Rysta Ltd* [1945] 62 RPC. To a large extent I did not consider that the former case is directly applicable as the judgement stated "The domain names were registered to take advantage of the distinctive
35 character and reputation of the marks. That is unfair and detrimental." I have seen nothing before me that would lead me to conclude that the opponents applied for and obtained the telephone number 0800-3569377 in order to take advantage of the character and reputation of the trade mark in suit. Despite Mr Hobbs's references to *The Athletes Foot Marketing Associates Inc v. Cobra Sports Ltd* [1980] RPC 343, *Anheuser Busch Inc v. Budejovicky Budvar* [1984] FSR 413, *Jian Tools for Sales Inc v. Roderick Manhattan Group Ltd* [1995]
40 FSR 924 and *Globelegance BV v Sarkissan* [1974] RPC 603 and the *Pete Waterman Case* I am not persuaded that the evidence of use of the trade mark in suit at the relevant date was such that it enjoyed a reputation and had a distinctive character in the United Kingdom, whether accruing from use by residents in the United Kingdom or visitors to the
45 United Kingdom. The evidence is primarily of use of the trade mark in the United States of America and the fact that some deliveries took place in this country (and some orders were placed from within the United Kingdom, possibly using the AT & T facility) is merely

incidental use. Certainly not such as to enable the applicants to claim that they had established a reputation in the United Kingdom to the date they applied to register their trade mark.

5 However, in my opinion, the view that Mr Kitchin put forward inverts the decision in ‘One in
a Million’. He argues that an action by the opponents over eight months after the filing by
the applicants of the application renders the applicants* trade mark deceptive and confusing.
10 If one runs with the argument the plaintiffs in One in a Million Ltd were guilty of infringing
the rights of the appellants. In the circumstances, it seems to me that the applicants, if their
trade mark is registered, will have the right to stop anyone else using the trade mark 800-
FLOWERS in respect of the same or similar services for which the trade mark is registered
and that right will predate the right the opponents have obtained in respect of telephone
15 number 0800 3569377. Therefore, it is use of the alpha-numeric version of the telephone
number by the opponents which is likely to cause confusion and deception. However, I go on
to consider the other circumstances surrounding this aspect of the opponents’ case.

20 Insofar as the use of alpha- numerics as phonenames is concerned I have no doubt that the
public at large have yet to become accustomed to their use. No evidence has been adduced by
the opponents to show that, whatever may be the position in the United States of America,
they are a settled part of business practice here in the United Kingdom. And even if phone
names were increasingly becoming a feature of every day life I would not consider that a
phone name constructed from a telephone number should put the holder into an advantageous
25 position over the owner of a similar (or the same) earlier trade mark. Unless, of course, an
applicant for registration had by their actions put themselves in a position, as a result of some
illegality, of being disentitled to protection in a Court of Law. No evidence has been adduced
that they have done so in this case. Thus, there is no reason to believe that any use by the
applicants of their 800-FLOWERS trade mark is likely to lead to deception and confusion as
30 to source of origin in relation to the use by the opponent of the telephone number 0800-
3569377 and I have no evidence before me that the applicants have taken any action
themselves which would render the trade mark deceptive or in any way disentitled themselves
from protection. (Indeed the applicants’ interest in obtaining the telephone number 0800-
3569377 from the opponents indicates that they have attempted to take action to ensure no
confusion). I therefore dismiss the grounds of opposition found under Section 11 of the Act.

I turn to the grounds of opposition under Section 12(3) of the Act, which states:

35 “12(3) Where separate applications are made by different persons to be registered as
proprietors respectively of marks that are identical or nearly resemble each other, in
respect of-

- 40 a. the same goods
- b. the same description of goods, or
- 45 c. goods and services or descriptions of goods and services which are
associated with each other,

the Registrar may refuse to register any of them until their rights have been determined by the Court, or have been settled by agreement in a manner approved by him or on an appeal (which may be brought either to the Board of Trade or to the Court at the option of the appellant) by the Board or the Court, as the case may be.”

5

Mr Kitchin accepted that this ground of opposition was contingent upon the success of the others and did not pursue it at the Hearing. As I have found under Section 11 that the opponent has not accrued an earlier right from the possession of the telephone number 0800-3569377 - and as the opponent has demonstrated no reputation or use at the relevant

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date in relation to an identical or confusingly similar trade mark I must find against the opponent in respect of the grounds of opposition under Section 12(3) of the Act.

The next grounds of opposition that I turn to are under Section 17 and 68 of the Act. Much of the argument treated these grounds of opposition in tandem and as being interrelated.

15

Consequently I have also dealt with these grounds of opposition as being interrelated. The actual ground of opposition under Section 17 is based on Section 17(1) which states:

17. - (1) 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 in writing to the Registrar in the prescribed manner for registration either in Part A or in Part B of the register.

20

“Kerly*s Law of Trade Marks and Trade Names” in relation to this part of the Act states:

“The words in this section really mean no more than “claiming that he is entitled to be registered as the proprietor.” Nevertheless, it would seem to be settled that the claim must in some sense be a justified one, if the registration is to stand; whether by virtue of the section or under its general jurisdiction, the court will expunge a registration if the applicant for it could not in good faith make this claim”.

25

The relevant part of Section 68 of the Act relates to the definition of a service mark and states:

“service mark” means a mark (including a device, name, signature, word letter, numeral or any combination thereof) used or proposed to be used in relation to services for the purpose of indicating, or so as to indicated, that a particular person is connected, in the course of business, with the provision of those services, whether with or without any indication of the identity of that person.”

35

Mr Hobbs submitted that Section 17(1) directly relates to Section 26(1)(a) of the Act and should be considered upon the same basis. I do not see that one part of the Act is a corollary of the other and whilst I can accept that an applicant who has no right to use a trade mark may not have a bona fide intention to use it I do not consider that this assists me in my

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deliberations. The issue of proprietorship is not a specific issue of Section 26(1)(a). I note from the Thermax case [1985] RPC 403 that the grounds of rectification under Section 26(1)(a) were upheld but the grounds under Section 17(1) were not.

The opponents argued that the application should be refused under Section 17(1) and Section 68 on two grounds, which are not dependant on one another or mutually exclusive.

First, that the applicants have not used the trade mark on the services encompassed by the specification nor do they have any intention of doing so and second, that as the opponents possess the 0800-3569377 telephone number the applicants cannot claim to be proprietors of the trade mark in suit.

5 Also in his skeleton argument and his submission, Mr Kitchin used the grounds of opposition under Sections 17 and 68 to object to the application upon the basis of the classification of the services. This matter was not raised at any earlier stage. It is clear from the Wild Child Case [1998] RPC 455 that any pleadings should be clearly focused and identified. I do not consider that trying to introduce the issue of whether the services are in the correct class under cover of Sections 17 and 68 at such a late stage is acceptable. This was a matter before the opponents from the date of advertisement and if they wished to raise the issue they should have done so at an earlier stage, for which there was ample opportunity, and which would have allowed the applicants to consider the position. I decline therefore to consider the issue of whether the services are in the appropriate class. However, for the state of completeness I would note that the issue of the correct allocation of class is one for the Registrar (Section 3 of the Act relates, a power which was confirmed in the unreported decision in relation to application no. 1066091 INSTANT WHIP.) In this case the examiner of the application, acting for the Registrar, and the Acceptance Committee of the Registrar had decided that the specification and class were appropriate to one another.

20 Mr Kitchin asserted that without possession of the telephone number 0800-3569377 the applicants could not use the trade mark in suit, and that the application was contingent on possession of the telephone number. Mr Kitchin referred to the Thermax case [1985] RPC 403 in relation to contingent use of a trade mark. However, in the Thermax case the applicant was dependant on a technical problem being solved and so the application was merely contingent and did not amount to bona fide intention to use. This is not a parallel to the current application which is for a service that is quite readily available and is not contingent on any factor beyond the control of the applicant. The assertion that possession of the telephone number 0800-3569377 is required for the service to be provided is contrary to the evidence that has been provided. The advertisement in the Independent on 2 November 1994 (in exhibit CGM2) is evidence that possession of the telephone number is not essential to use of the trade mark. I am also struck by the various references in exhibit CGM2 to 800-FLOWERS. Clearly in the context of its being used as a trade mark, it is identifying the provider of the service. There is no dispute that the applicants would find it very useful to also have the 0800-3569377 telephone number but use of the trade mark is not contingent upon it. I can see no reason why the trade mark in suit cannot be used in relation to a telephone number other than 0800-3569377; especially when the majority of the population are not educated in the use of alpha- numerics (and who may not even possess telephones with alpha-numeric annotations).

40 Mr Kitchin also referred to Imperial Group v Philip Morris [1982] FSR 72 and Electolux v Electrix [1954] 71 RPC 23 C.A. in relation to the issue of bona fide use. I have considered these cases but do not find that they indicate to me that I should consider that on the facts before me that the applicant has no bona fide intention to use the trade mark in suit. If the argument on contingent use fails the argument based on the two cases above fails because the argument as to the bona fide intent to use is based on the alleged contingency of possession of the telephone number.

Mr Hobbs referred me to Al Bassam Trade Mark [1995] RPC 511 in relation to the ownership of a trade mark. I take particular note of the following passages from that decision:

at page 522 line 14 et seq:

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“The case to which I have referred (and there are others to the like effect) show that it is firmly established at the time when the Act of 1875 was passed that a trader acquired a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and of the extent of his trade and that such right of property would be protected by injunction restraining any other person from using the mark.”

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and at page 522 line 40 et seq:

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“In my view it is plain that the proprietor is he who satisfies the principles of the common law to which I have referred. Accordingly in the case of a used mark, as in this case, the owner or proprietor is he who first used it in relation to goods for the purpose indicated in the definition of trade mark contained in Section 68 which I have already quoted. Ownership of the mark is a different concept of distinctiveness of the mark, the principles applicable to the two concepts are different and I do not see how one can determine whether there is likely to be confusion without first deciding who is the proprietor.”

20

and at page 524 line 52 et seq:

25

“only Courtaulds have any goodwill or business in the United Kingdom in which there could have been use in accordance with common law principles.”

30

In relation to the trade mark in suit it is clear that only the applicants can claim any good will in the mark in the United Kingdom. This might not be extensive but is a fact. Also the applicant can claim first use in relation to the services.

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Mr Kitchin attacked the application under Section 68 upon the basis of the Dee case [1990] RPC 159. In particular the grounds for the attack revolved around the following in the headnote:

“Held, *dismissing the further appeals,*

40

(1) The criteria which have to be satisfied if a mark is to qualify as a registrable service mark are:

(i) there must be a business providing the service or services in respect of which registration is sought:

(ii) that service or those services must be provided for money or money's worth;

*(iii) the proprietor of the mark must be connected with the provision of those services;
and*

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*(iv) the proprietor of the mark must use or propose to use the mark to indicate his
connection in the course of business with the provision of that service or those
services.”*

10 I find from the evidence presented to me that the application satisfies the four criteria above.
The applicant has a business providing services for which registration is sought and they have
some use of the trade mark on the relevant services in the United Kingdom. In relation to the
issue of the service being provided for money or money's worth I note in exhibit CGM1 of the
applicants the brochure date Spring '97 “make every occasion memorable” that in relation to
15 ordering information specific reference is made to service charges, in relation to international
deliveries, there is also a relay fee. In my view, the applicants are the proprietors of the trade
mark in suit and therefore of the application for registration.

20 For the reasons set out above, I find that the grounds of opposition under Sections 17 and 68
of the Act are not made out and are therefore dismissed.

I turn now to the issue of the Registrar's discretion. In view of the Section 11 objection and
the comments in Kerly's referred to above in relation to this I must consider whether I should
exercise the discretion to find against the applicant on the basis that the trade mark in suit has
25 become deceptive through no fault of the proprietor owing to the action of the opponents in
obtaining from British Telecommunications Plc use of the telephone number 0800-3569377.
As already indicated, I consider that any deception that is likely to arise is from the action of
the opponent in using the telephone number as a phone name. It would be to invert the basis
of trade mark law to penalise one party for the potentially deceptive action of another.
30 Therefore I do not intend to exercise my discretion in favour of the opponent.

In the counterstatement of the applicants the opponents were attacked under Section 28(6) of
the Act upon the basis that through their applications for trade marks they had sought to
traffic in trade and service marks. For the record, I consider, from the Statutory Declaration
35 of Mr Zockoll of 30 September 1996, that the systems that the opponents have developed in
relation to their trade mark applications i.e. origin dependent routing and central telemarketing
that they are not involved in the trafficking of trade and service marks.

The applicants having succeeded in these proceedings I turn to the issue of costs. At the
40 Hearing Mr Hobbs requested that as the Section 12 issue had not been argued that this should
be reflected in the costs, that a sign should be given that proceedings should not be burdened
with points that are not run. This is a fair comment. All too often the Hearing Officer and a
party prepare for a hearing on the basis that all of the grounds set out in the pleadings are to
be the subject of submissions and then find that one or more grounds are not in the end
45 pursued by the other side. This is wasteful in terms of time and money to all concerned. In
this particular case, it would have been helpful if the opponent had, in advance, informed both
the Trade Marks Registry and the applicants or their representatives that the ground of

opposition based upon Section 12 was not being pursued. I think that there was therefore some inconvenience to the applicants. However, I think that this inconvenience was minimal and therefore whilst I am prepared to increase the costs awarded against the opponent I am not minded to add significantly to the amount calculated from the scale. The sum to be awarded will therefore be increased by £15.

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The opponents having failed in all the grounds of their opposition are ordered to pay to the applicants the sum of £650.

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Dated this 17 day of December 1998

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**M KNIGHT
Principal Hearing Officer
For the Registrar
The Comptroller General**

ANNEX A.

7. The Opponents are Applicants in respect of inter alia the following applications:-

| Application no. | Filing Date | Mark | Class |
|-----------------|-------------|--|-------|
| 1561937 | 10.2.94 | 0500 FLOWERS | 38 |
| 1562094 | 10.2.94 | 0500 4 FLOWERS | 38 |
| 1572869 | 20.5.94 | DIAL FLOWERS 0800 FLOWERS DEVICE | 39 |
| 1572868 | 20.5.94 | DIAL FLOWERS 0800 FLOWERS | 31 |
| 1575285 | 14.6.94 | 0500 FLOWERS AND DEVICE | 39 |
| 1575284 | 14.6.94 | 0500 FLOWERS AND DEVICE | 31 |
| 1575463 | 15.6.94 | 0500 FLOWERS | 39 |
| 1575462 | 15.6.94 | 0500 FLOWERS | 31 |
| 1577419 | 5.7.94 | 0800 FLOWERS AND DEVICE | 39 |
| 1577418 | 5.7.94 | 0800 FLOWERS AND DEVICE | 38 |
| 1577417 | 5.7.94 | 0800 FLOWERS AND DEVICE | 31 |
| 1577416 | 5.7.94 | 0800 FLOWERS | 39 |
| 1577415 | 5.7.94 | 0800 FLOWERS | 38 |
| 1577414 | 5.7.94 | 0800 FLOWERS | 31 |
| 1579731 | 26.7.94 | DIAL 0800 FLOWERS DEVICE | 31 |
| 1579732 | 26.7.94 | DIAL 0800 FLOWERS DEVICE | 39 |