

## **TRADE MARKS ACT 1994**

### **IN THE MATTER OF OPPOSITION NO 43414 IN THE NAME OF PINWISE LTD TO APPLICATION NO 2013102 TO REGISTER A TRADE MARK IN CLASS 25 IN THE NAME OF RAJAN IMPORTS LTD**

#### **DECISION**

1. On 4<sup>th</sup> March 1995 Rajan Imports Ltd (“the Applicant”) applied to register the designation WILD CHILD as a trade mark for use in relation to “complete articles of outer clothing; footwear and headgear; all included in Class 25”. The application proceeded to advertisement in the Trade Marks Journal. It was then opposed by Pinwise Ltd (“the Opponent”) on the following grounds:-

“The Opponent is the proprietor of an ‘earlier right’ within the meaning of Section 5(4) of the Trade Marks Act 1994.

The Opponent has used the trade mark WILD CHILD on, and in relation to, articles of clothing continuously since December 1993.

The Applicant is aware of the Opponent’s interest but has declined an invitation to withdraw its application.

The Opponent asks for refusal of the application and an award of costs in its favour.”

2. The Applicant joined issue with the Opponent on the Grounds of Opposition. Evidence was filed on behalf of both parties and they agreed to seek the Registrar’s decision on the basis of the papers filed in the proceedings without recourse to a hearing.

3. In a written decision issued on 14<sup>th</sup> February 1997 Mr Tuck (Principal Hearing Officer acting for the Registrar of Trade Marks) rejected the opposition and awarded the Applicant £550 as a contribution towards its costs of the proceedings. He deduced from the pleadings and evidence before him that the reference in the Grounds of Opposition to Section 5(4) of the Trade Marks Act 1994 was a reference to the provisions of Section 5(4)(a). In the absence of any indication to suggest otherwise he concluded that the Opponent was relying upon the “*rule of law*” embodied in “*the law of passing off*”. He decided that the evidence before him was insufficient to substantiate any such objection to registration.

4. The Opponent gave Notice of Appeal to an Appointed Person under Section 76 of the 1994 Act. The hearing of the appeal subsequently took place before me. At the

hearing the Opponent was represented by Miss McFarland of Counsel, the Applicant was represented by Mr. Tritton of Counsel and the Registrar was represented by Mr Alexander of Counsel. The arguments addressed to me on appeal concerned the scope of Section 5(4) and the scope and sustainability of the Grounds of Opposition put forward by the Opponent in the present case. It will be convenient to consider the points arising in that order.

### **The Scope of Section 5(4)**

5. Section 5 of the Act ensures that signs which possess the qualities identified in Section 1(1) of the Act and none of the defects identified in Section 3 of the Act are nevertheless ineligible for registration (in the absence of acquiescence or consent) within the area of protection enjoyed by an “*earlier trade mark*” or “*earlier right*”. The protection afforded to an “*earlier trade mark*” under Sections 5(1), 5(2) and 5(3) matches that which is afforded to a validly registered trade mark by Sections 10(1), 10(2) and 10(3) for the purpose of determining questions of infringement. An application for registration is thus objectionable under Sections 5(1), 5(2) and 5(3) to the extent that it contemplates infringement of such rights as registration under the Act would confer upon the proprietor of an “*earlier trade mark*” (as defined in Section 6 of the Act). However, the protection afforded by Section 5(4) depends upon the nature and extent of “*earlier rights*” subsisting independently of registration under the Act. It is therefore necessary to look outside the Act in order to determine the scope of those rights. This is a direct consequence of the function which Section 5(4) is intended to perform.

6. Section 5(4) of the Act is drawn from the provisions of Art. 4(4) of Council Directive No 89/104/EEC of 21<sup>st</sup> December 1988 to approximate the laws of the Member States relating to trade marks. Art. 4(4) states that:

“Any Member State may furthermore provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that:

.....

- (b) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of the application for registration of the subsequent trade mark or the date of the priority claimed for the application for registration of the subsequent trade mark and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent trade mark;
- (c) the use of the trade mark may be prohibited by virtue of an earlier right other than the rights referred to in paragraphs 2 and 4(b) and in particular:
  - (i) a right to a name;
  - (ii) a right of personal portrayal;
  - (iii) a copyright;
  - (iv) an industrial property right.”

7. These provisions are supplemented by Art. 13 of the Directive which stipulates that:

“Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods and services for which that trade mark has been applied for, or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.”

8. The provisions of Art. 13 are binding upon the Registrar of Trade Marks whose task it is to implement the Directive on behalf of the State in Registry proceedings in the United Kingdom. They serve to confirm that no grounds for refusal of registration should exist in respect of any of the goods or services for which a sign is to be registered.

9. Against that background Section 5(4) of the Act requires that:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b) by virtue of an earlier right other than those referred to ... .. above, in particular by virtue of the law of copyright, design right or registered designs.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an earlier right in relation to the trade mark.

10. Section 5(4) appears from its context and wording to be concerned with private rights and remedies. Beyond that it places no limit upon the juridical nature of the rights that may qualify for protection as “*earlier right*”. Moreover there appears to be no requirement under the Act for the person claiming protection for an “*earlier right*” to be the proprietor of the right for which protection is being claimed: see Sections 38(2), 46(4) and 47(3).

### **The Scope of the Opposition**

11. In the interests of justice and fairness it is plainly necessary for an objection to registration under Section 5(4) to be framed in terms which: (i) specify whether the objection is raised under sub-section (4)(a) or sub-section (4)(b); (ii) identify the matters which are said to justify the conclusion that use of the relevant trade mark in the United Kingdom is liable to be prevented by virtue of an “*earlier right*” entitled to recognition and protection under the relevant sub-section; and (iii) state whether the objection is raised in relation to all or only some (and, if so, which) of the goods or services specified in the registration or application for registration of the relevant trade mark. If an objector fails to provide sufficient information as to the nature or extent of his objection the Registrar “*may direct that such .... information .... as he*

*may reasonably require shall be filed within such period as he may specify*” under Rule 51 of the Trade Marks Rules 1994. The direction may doubtless be given by the Registrar of his own motion or upon the application of a party to the proceedings before him.

12. In the present case the Grounds of Opposition filed by the Opponent under Rule 13(1) of the 1994 Rules lacked the degree of particularity referred to above. The Hearing Officer determined the nature and extent of the objection without directing the Opponent to provide him with further information in that regard. As I have already indicated, he took the view that the Opponent was claiming protection for an unregistered trade mark or sign under Section 5(4)(a) and that the asserted “*earlier right*” was a right by virtue of the law of passing off to prevent the Applicant from using the designation WILD CHILD as a trade mark in relation to “complete articles of outer clothing; footwear and headgear; all included in Clause 25”. Bearing in mind that “*No proceedings lie to prevent ..... infringement of an unregistered trade mark as such; but nothing in this Act affects the law relating to passing off*” (see Section 2(2) of the Act) I do not see what other conclusion he could have reached on the basis of the pleadings and evidence before him. I cannot accept the submission made on behalf of the Opponent to the effect that the generality of the first paragraph of the Grounds of Opposition required the Hearing Officer to consider whether any other bases of objection were available. The generality of the first paragraph was limited by the particularity of the second paragraph of the Grounds of Opposition and I do not doubt that the objection under Section 5(4) was bound to succeed or fail upon the application of the law of passing off to the facts and matters in evidence before the Registrar. I would add that in the absence of any objection to registration under Section 3 of the Act it was to be assumed that the designation WILD CHILD otherwise constituted a good and sufficient trade mark for the goods of interest to the Applicant at the date of the application for registration.

### **The sustainability of the Opposition**

13. The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purpose of distinguishing the goods of interest to the Applicant from those of other undertaking (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the Opponent could then have asserted against the Applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4<sup>th</sup> Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd v Borden Inc [1990] RPC 341 and Erven Warnink BV v J Townend & Sons (Hull) Ltd [1979] AC 731 is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

14. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise to the respective fields of activity in which the plaintiff and the defendant carry on business;

- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

15. With those considerations in mind I turn to assess the evidence filed on behalf of the Opponent in the present proceedings. This consisted of a Statutory Declaration of Eathasham Ahmed (with two Exhibits) dated 22<sup>nd</sup> May 1996 and a second Statutory Declaration of Eathasham Ahmed (with three Exhibits) dated 4<sup>th</sup> December 1996. The evidence given in the first Statutory Declaration was as follows:

- “1. I am the Managing Director of Pinwise Limited, the Opponent in these proceedings, and authorised to make this declaration on its behalf.
2. My company commenced use of the name **WILD CHILD** on and in relation to articles of clothing in December 1993 and has used the name continuously since then.
3. Sales of garments by my company bearing the mark **WILD CHILD** have amounted to at least £250,000 to date at wholesale prices having a retail equivalent of about £600,000.
4. These sales have been through Freemans Mail Order catalogues and my company’s cash and carry outlet – Pennywise – in Bury New Road, Manchester.
5. There is now produced and shown to me and marked Exhibit EA1 copies of the Front Cover and an inside page featuring a “**WILD CHILD**” garment of my company of the Autumn/Winter Catalogue of Freemans Mail Order.
6. There is now produced and shown to me and marked Exhibit EA2 a photographic copy of a “so-called” “sealed sample” of a garment bearing the name **WILD CHILD** to be distributed by my Company and submitted to Freemans Mail Order for approval, which approval was given on 21 March 1994 as indicated, by the tag thereon. The original of this Exhibit can be made available for inspection by the Applicant if required.
7. I verily believe that my company is the proprietor of an “earlier right” within the meaning of Section 5(4) of the Trade Marks Act, 1995, in respect of the name **WILD CHILD** applied to garments.”

16. The evidence given in the Second Statutory Declaration was as follows:

- “1. I am the same Eathasham Ahmed who made a declaration earlier in these proceedings.
2. I am unable to provide documentary evidence confirming that my company first sold goods bearing the name **WILD CHILD** in my company’s Cash and Carry store, Pennywise, prior to Christmas 1993. In this connection I should explain that my company’s premises suffered serious flooding in November 1994 as a result of a damaged sewer and many records were destroyed.
3. My company sold **WILD CHILD** garments through its Cash and Carry store and supplied same to Freemans throughout 1994 but has not used the name **WILD CHILD** to any significant extent since the end of 1994. It follows that substantially all the sales referred to in paragraph 3 of my earlier Declaration occurred prior to the date of application for registration of Trade Mark No 2013102.
4. There is now produced and shown to me and marked Exhibit EA3 artwork dated 13 January 1994 corresponding with part of the design appearing on the garment featured in the Autumn/Winter 1994 Catalogue of Freemans Mail Order exhibited with my earlier declaration.
5. There is now produced and shown to me and marked Exhibit EA4 a bundle of copies of invoices from my company to Freemans. Although these do not mention the name **WILD CHILD**, I am unable to confirm that they relate to **WILD CHILD** garments from the Style Nos quoted.
6. Although the **WILD CHILD** garments featured the words **WILD CHILD** as part of the overall design they generally also carried either a **WILD CHILD** sew-in or sew-on label. There is now produced and shown to me and marked Exhibit EA5 samples of the labels aforesaid.”

17. On behalf of the Applicant Mr Tritton submitted that the evidence contained in these Statutory Declarations raised more questions than it answered. He pointed to the contrast between paragraph 2 of the first Declaration (in which the Opponent was said to have used the name **WILD CHILD** continuously since December 1993) and paragraph 3 of the second Declaration (in which the Opponent was said not to have used the name **WILD CHILD** to any significant extent since the end of 1994). He also drew attention to the limited quantities of goods covered by the invoices in Exhibit EA4 relating to sales made to Texplant Corporation Ltd (Freemans) during the period May to November 1994. These amounted to 925 “Baby Bloggs” sweatshirts at £43.58 per unit with a total invoice value of £4,236.50 and 1121 “Baby Bloggs” jog pants at £4.05 per unit with a total invoice value of £4,540.05. He observed that it was not apparent from any of the Exhibits put before the Registrar that the words **WILD CHILD** were used in physical or other relation to the “Baby Bloggs” jog pants. He also commented that the Declarations and Exhibits put before the Registrar failed to explain how the figure of “at least £250,000 to date at

wholesale prices” for sales of garments “bearing the mark WILD CHILD” (first Declaration, paragraph 3) had been calculated in circumstances where “many records were destroyed” when a damaged sewer caused serious flooding to the Opponent’s premises in November 1994 (second Declaration, paragraph 2).

18. On behalf of the Opponent Miss McFarland rightly maintained that these were matters which ought to have been put to Mr. Ahmed in cross-examination if the Applicant wishes to use them as a basis for attacking his veracity. She further maintained that in the absence of cross-examination Mr. Ahmed’s evidence should be taken to have established that the Opponent had an “*earlier right*” in passing off which it was entitled to enforce against the Applicant’s subsequent adoption of the designation WILD CHILD for use as a trade mark in relation to complete articles of outer clothing, footwear and headgear. On behalf of the Registrar Mr. Alexander submitted that I ought not to reach that conclusion unless I was satisfied on the balance of probabilities that there was a “genuine and properly substantiated likelihood of confusion about the origin of the goods or services in question” as contemplated by Advocate General Jacobs in paragraph 64 of his Opinion delivered on 29<sup>th</sup> April 1997 in Case C-251/95 Sabel BV v Puma AG.

19. The cross-examination of declarants is allowed in Registry proceedings when there are grounds for thinking that it “would be positively helpful to the tribunal in coming to a just decision”: Permo TM [1985] RPC 597 at 599; Rule 52 of the 1994 Rules. It was nevertheless the collective experience of Counsel and their professional clients at the hearing before me that cross-examination takes place relatively infrequently. The parties to Registry proceedings generally rely on the Registrar to do the best he can with the written evidence and supporting materials that are submitted for this consideration. And that is what happened to a very substantial extent when the present case was before the Principal Hearing Officer who acted on behalf of the Registrar. Looking at matters in the round, I think the most that can be said to follow from the absence of any cross-examination of Mr Ahmed upon his Statutory Declarations is that the evidence provided by means of those declarations was accepted by the Applicant for what it was worth. The evidential value of the declarations remained a matter upon which the Applicant was free to comment and upon which the Registrar was entitled to form his own view.

20. The evidence tendered on behalf of the Opponent does indeed suffer from the deficiencies identified by Mr Tritton. Over and above that it seeks to establish the existence of an “*earlier right*” in passing off by reference to “Baby Bloggs” sweatshirts (Exhibits EA1 and EA2) which include the words WILD CHILD as part of their overall get-up. The front of the “Baby Bloggs” sweatshirt reproduced at Exhibit EA2 look like this:





21. The back of it looks like this:



22. The neck label carries a stylised representation of the words BABY BLOGGS accompanied by the symbol ®. Exhibit EA5 contains sew-in and sew-on labels respectively printed and embossed with the words WILD CHILD. I understand from paragraph 6 of Mr. Ahmed's second Statutory Declaration and from what I was told by Mr Tritton at the hearing that these were "generally" carried by the Opponent's WILD CHILD garments, but no example of a garment carrying such a label was available when the Applicant requested sight of one shortly before the hearing. I also note that the "BABY BLOGGS" sweatshirt reproduced at EA2 (which was produced to me at the hearing) did not carry any label of the kind shown at Exhibit EA5.

23. My difficulty with regard to the use of the words WILD CHILD as part of the overall get-up of such sweatshirts is that I would not expect people to interpret the use of those words in that manner as an indication of trade origin. I therefore cannot see any basis for the suggestion that people in the world at large will have been educated

by means of such use to infer that “complete articles of outer clothing; footwear and headgear” supplied under or by reference to the trade mark WILD CHILD are connected in the course of trade or business with the undertaking responsible for supplying sweatshirts embellished in the way I have described. On that view of it the evidence tendered on behalf of the Opponent does not actually demonstrate that the words WILD CHILD have been used by the Opponent in a manner sufficient to cause them to be misleading when used as a trade mark for the goods of interest to the Applicant c.f. Unidoor Ltd v Marks & Spencer Plc [1988] RPC 275; Divisional Trading Officer v Kingsley Clothing Ltd[1989] RPC 695; Kodiak TM [1990] FSR 49. I appreciate that the Registrar is often required to act upon evidence that might be regarded as less than perfect when judged by the standards applied in High Court proceedings. However, I am not willing to regard assertions without any real substantiation as sufficient to sustain an objection to registration under Section 5(4). On my assessment of the evidence the asserted “*earlier right*” remains unsubstantiated and the question of conflict does not arise. Therefore the appeal fails.

### **Costs**

24. At the hearing Mr. Alexander informed me that the Registrar did not wish to apply for costs. Miss McFarland and Mr. Tritton agreed on behalf of the Opponent and the Applicant that the costs of the appeal should be assessed with reference to the scale of costs which applies in Registry proceedings. I am content to proceed on that basis. My impression is that the appeal will have been somewhat more expensive for the parties to pursue than the proceedings before the Registrar. I note that the Applicant was awarded £550 as a contribution towards its costs of the Registry proceedings. It seems to me that £650 would be a proportionately fair sum to award in respect of the additional costs of the appeal. I therefore direct the Opponent to pay the Applicant £650 as a contribution towards its costs of the unsuccessful appeal.

**Geoffrey Hobbs Q.C.**

17 February 1998