

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

**IN THE MATTER OF TRADE MARK APPLICATION
NOS. 1486297 & 1486298 BY FORBIDDEN PLANET LIMITED**

AND

**IN THE MATTER OF OPPOSITION THERETO
BY FORBIDDEN PLANET (SCOTLAND) LIMITED
UNDER NO. 40763 & 38482**

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15 **BACKGROUND**

On 20 December 1991 Forbidden Planet Limited of 71 New Oxford Street, London, applied
under Section 17(1) of the Trade Marks Act 1938 (as amended) to register the series of
three trade marks as shown below, under number 1486297:

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On the same date, and under number 1486298, they applied to register the following series of three trade marks:

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FORBIDDEN PLANET

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FORBIDDEN

PLANET

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FORBIDDEN

PLANET

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The first and second trade marks respectively are limited to the colours black and red as shown in the representations on the forms of application, but nothing hangs on that fact for the purposes of these proceedings.

The specification of goods covered by the applications is as follows;-

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printed matter, books, magazines, periodical publications, newspapers, comics, graphic novels, annuals, yearbooks, manuals, posters, photographs, photographic albums, photograph stands and frames, articles of stationery, paper, writing instruments and artists' materials, paintings and prints; all included in Class 16.

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The applications were subsequently advertised in different editions of the Trade Marks Journals and on 15 February 1994, Forbidden Planet (Scotland) Ltd filed Notice of Opposition to application no. 1486297 and on 6 September 1994 Notice of Opposition to application no. 1486298. The grounds of opposition are, in each case, in summary;-

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(i) under Section 17 because the opponents claim to be joint owners of the trade marks and therefore the applicants are not the rightful proprietors of the applications;

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(ii) under Section 17 because the opponents enjoy proprietary interest in the copyright present in the trade marks in suit;

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(iii) under Section 11 because of the use made by the opponents of the trade marks as a result of which use by the applicants will lead to deception and confusion;

(iv) under Section 12(3) because the trade mark is confusingly similar to the trade mark shown on the opponent's application for registration.

The opponents ask the Registrar to exercise his discretion to refuse the applications for registration of the trade marks and award costs in their favour.

5 The applicants filed a counterstatement denying these various claims. They also seek an award of costs. Both sides filed evidence and the matter came to be heard on 8 December 1998 when the applicants were represented by Mr Henry Carr of Queens Counsel, instructed by Carpmaels and Ransford, their trade mark agents. The opponents were represented by Mr George Hamer of Counsel, instructed by their trade mark agents, Castles.

10 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.

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OPPONENTS' EVIDENCE

20 This consists of Statutory Declarations by Mr Michael Lake, Director of Forbidden Planet (Scotland) Limited and dated 6 April 1996. Mr Lake states that he has been a director of the company since 28 March 1988 and that all of the facts and matters set out in the declarations are within his own personal knowledge or are available to him from the company's files.

25 Mr Lake states that the applicants have used the name FORBIDDEN PLANET since 1978 when it opened its first retail shop in London. At that time the share holding in the applicants was as follows:-

Nicholas Alexander Landau 334 shares,
Michael Lake 333 shares,
Michael Charles Luckman 333 shares.

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35 Mr Lake states that he ran the finances of the first shop and all subsequent retail premises and that Mr Nick Landau ran them. Mr Lake exhibits what he calls a bundle of true photocopies of documents concerning the promotional activity of the Forbidden Planet business. He refers to an interview he gave on Sky television; to the opening of the Forbidden Planet shop in New Oxford Street and to articles in a number of magazines. All of these, he states, are examples of his role in the development and rise of the business which, between 1978 and 1993 grew to a further eleven retail outlets throughout the United Kingdom, Eire, and in New York, United States of America.

40 These retail outlets were not, according to Mr Lake, all owned and managed by the applicants. Whilst all of the shops traded under the name FORBIDDEN PLANET (and the ROCKET device) there were no written licences between the parties regarding the use of the trade mark even where the outlets were run by one or more of the shareholders in partnership with other individuals. In that connection, a series of companies was incorporated to run the shops that were opened up and Mr Lake's declaration provides details but all, he says, traded under or by reference to the FORBIDDEN PLANET and Rocket device trade marks with the full agreement of the original shareholders. The intention was for the retail outlets to share a

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common name and get-up. Therefore, items such as carrier bags were virtually identical from shop to shop. An example of such a plastic carrier bag is exhibited.

5 The opponents, incorporated in 1983, ran the retail shops in Scotland and Ireland ie. in Glasgow, Dublin and Limerick. They also ran the retail shops in Cardiff and Nottingham. In order to demonstrate that all of the shops operate also under the ROCKET device trade marks Mr Lake exhibits at ML3 photocopies of photographs of the facias of the shops that the opponents run, or have an interest in. Also exhibited is a copy of a video recording of an Irish Television programme, "Book 94", featuring the Forbidden Planet store in Dublin which demonstrates the opponents use, in particular, of the ROCKET device. Also exhibited by Mr Lake is a copy of his Tax Return for 1991 which shows as his address the address for the Forbidden Planet shop in Dublin (and therefore it shows his involvement in that retail outlet). As well as the retail outlets the original shareholders were involved in businesses that used the trade mark in relation to the sale of goods by mail-order. These sales were undertaken through the applicants but the goods sold by that means were the same as the goods sold through the retail outlets and, although the shops were managed by different companies and different individuals, there was no significant difference between the appearance or content of the shops or the goods sold under the trade marks from each outlet.

20 Mr Lake states that in the early 1990's the original shareholders agreed to split the various businesses under what he terms the "divorce". He exhibits drafts of correspondence which he says highlights some of the difficulties he had in his business relationship with Mr Landau. These letters were not in fact sent as the issues were raised direct with Mr Landau. In the event, the business was split into two with Mr Landau running Forbidden Planet Limited and Mr Mike Luckman and Mr Lake running Forbidden Planet (Scotland) Limited with the shareholders of the various other Forbidden Planet companies. A Heads of Agreement was signed on 29 May 1993, a copy of this is exhibited. The purpose of the agreement was to disentangle the original shareholders' interests in the various Forbidden Planet companies so that Mr Nicholas Landau could trade separately from Mr Michael Luckman and Mr Lake. In the result, and after the transfer of shares between the parties the share holdings of the respective companies became as follows:-

35 Forbidden Planet Limited - Nicholas Alexander Landau 1,000 shares
Forbidden Planet (Scotland) Limited - Kenneth Penman 1,000 shares,
James Russell Hamilton 1,000 shares, Mr Michael Lake 1,000 shares,
Mr Michael Luckman 1,000 shares.

40 Both companies were to keep their original names and the retail outlets were to continue to trade under or by reference to the name FORBIDDEN PLANET. Throughout the negotiations leading up to the Heads of Agreement the parties envisaged co-operation. These intentions were built into the agreement, says Mr Lake, and in particular refers to clause 4 which states "each party recognises and accepts that the use and ownership of the name FORBIDDEN PLANET is shared between Forbidden Planet Limited and Forbidden Planet (Scotland) Limited; and notwithstanding the difficulties that may arise in preparing any relevant legal documentation to establish the appropriate position, agreement would be made between the companies and their directors". This intention he says is further evidenced in clause 5 which states "each party agrees that the companies in which they have or will have

pursuant to this agreement, a share holding in any retail operation, will co-operate in respect of buying, publicity and advertising". Mr Lake states that the opponents have at all times complied with those clauses. Mr Lake accepts that the ROCKET device trade mark was not specifically mentioned in this Heads of Agreement document. But, by virtue of the fact that it is used "hand in hand" with the name Forbidden Planet, he regarded it as shared as well.

Mr Lake goes on to state that the Heads of Agreement, though a handwritten document prepared without the help of a solicitor was properly dated and signed by each of the original shareholders and respective provisions have been put into effect, namely a transfer of Mr Michael Luckman's and Mr Lake's shares in Forbidden Planet Limited to Mr Nicholas Landau; the transfer of Mr Nicholas Landau's shares in Forbidden Planet (Scotland) Limited to Mr Mike Luckman; and the opponents' inclusion in marketing documentation of details of all FORBIDDEN PLANET shops. Mr Lake states further that after the Heads of Agreement had been signed Mr Landau and himself instructed solicitors to put the terms into affect. In July 1993 his solicitors, Davies Arnold Cooper, drafted a co-existence agreement which was sent to Mr Landau's solicitors. This provided for all rights in the trade marks to be transferred to a holding company with licences to be granted to both the applicants and the opponents. Negotiations continued until December 1993 at which point they broke down because the parties were unable to agree over the licencing, franchising and assignment of the trade marks. Whilst these negotiations continued Mr Lake states that he delayed making the transfer of the shares in accordance with the Heads of Agreement. However, he subsequently did so as a gesture of goodwill.

Mr Lake produces a photocopy of a letter to his solicitors from Mr Kenneth Penman, one of the original shareholders of the opponents dated April 1996. Mr Lake states that this shows that Mr Penman always understood that the name FORBIDDEN PLANET was to be shared between the applicants and the opponents but Mr Penman does not specifically mention the ROCKET device trade mark - Mr Penman runs the Forbidden Planet shop in Edinburgh which is not owned by either the applicants or the opponents but operates with the permission of the opponents. Mr Lake exhibits a copy of a letter from Mr Michael Luckman to Mr Lake's solicitors which he states shows that Mr Luckman was present and involved in negotiating the Heads of Agreement and that he also believed that the rights to the ROCKET device trade mark are shared.

Mr Lake states that since December 1993 the opponents have continuously used the trade marks in suit in its retail operation, selling all of the goods covered by the applications in its retail outlets in England, Scotland, Ireland and Wales. In his view, to allow the applicants to achieve an exclusive registration for the United Kingdom would be contrary to the long established understanding between Mr Landau on the one hand and Mr Luckman and Mr Lake on the other, and to the terms of the Heads of Agreement referred to earlier.

Finally, Mr Lake sets out the turnover generated by the various companies using the trade mark in the period 1988 to 1995.

Year	Approximate Combined turnover of all companies using the trade marks	Approximate individual turnover created by Forbidden Planet (Scotland) Limited
1988	£ 135,000	£
1989	630,000	330,000
1990	4,500,000	1,500,000
1991	4,100,000	1,200,000
1992	4,900,000	1,400,000
1993	5,500,000	1,520,000
1994		1,570,000
1995		1,910,000

In view of the goodwill and reputation accrued by the opponent as a result of its use of the trade marks since 1988 demonstrated by these figures, he considers that use by the applicants will lead to deception and confusion.

APPLICANTS' EVIDENCE

This consists of a Statutory Declaration dated 5 November 1996 by Mr Nicholas Landau. He states that he is a Director of Forbidden Planet Limited, a position he has held since 3 April 1978, that he is authorised to make this declaration on behalf of the opponents and that in doing so he has full access to all the company's books, records and accounts and that the information given in the Statutory Declaration comes from his own personal knowledge or from these records.

Mr Landau states that Forbidden Planet Limited has used the FORBIDDEN PLANET and ROCKET device trade marks in the United Kingdom since 1978 and February 1989 respectively, in relation to printed matter, books, comics, magazines posters photographs, stationery and related goods including T-shirts. He exhibits material showing use of the trade marks which comprises a photocopy of an advertisement in the magazine '2000AD' (August 1981) for a book signing at the Forbidden Planet shop in London, a photocopy of an advertisement in TIME OUT dated July 1988 for the opening of the Forbidden Planet shops in London and Cambridge and till receipts for the period 1991 to 1995. Also exhibited is a paper bag, a carrier bag and a sample of the applicants' headed notepaper and a compliment slip, business cards, a sample sweatshirt worn by staff of the company and an advertisement in a theatre programme dated February 1989. Mr Landau states that there is a chain of retail outlets throughout the United Kingdom and Ireland which operate under the name Forbidden Planet and sell goods under trade marks FORBIDDEN PLANET and the ROCKET device trade mark. Some of these outlets are owned by the applicants, its subsidiary, Forbidden Planet (North East) Limited, trading as Forbidden Planet Newcastle, or subsidiaries of the applicants' holding company Titan Entertainment Group Limited. Other outlets are owned

and operated by other companies under the name FORBIDDEN PLANET as users of the trade mark with the consent of the applicants. The location of the applicants' outlets and the year in which they were established are set out in Mr Landau's declaration. These are:-

	<u>Year</u>	<u>Location</u>
5	1978	London
	1978	Mail Order
	1987	Milton Keynes (closed 1993)
10	1987	Brighton (closed 1995)
	1988-1990, reopened 1992	Cambridge
	1993	Bristol
	1994	Coventry
	1994	Liverpool
15	1995	Croydon

A shop in Newcastle upon Tyne adopted the name FORBIDDEN PLANET in about 1991 but opened in early to mid 1980's under the name TIMESLIP.

20 Mr Landau goes on to state that Forbidden Planet Limited also runs a mail order business under the trade mark FORBIDDEN PLANET and has done since early 1978, sometimes the ROCKET device trade mark is also used in connection with this business. Goods such as comics and magazines have been sold in this way and Mr Landau exhibits a photocopy of pages from the magazine '2000AD' showing advertisements by the applicants, and two mail order catalogues, for summer 1996 and Christmas 1996, which bear the ROCKET device trade mark.

30 Mr Landau goes on to set out some background to the applicants' business. He states that the first Forbidden Planet shop was opened in 1978 by Forbidden Planet Limited at 23 Denmark Street, London WC1 and about ten years later the shop was relocated to 71 New Oxford Street, London WC1. In order to expand on the success of the business it became the strategy for new companies to be set up with different individuals to run other Forbidden Planet shops. But it was the policy for two directors of the applicants to hold shares in any new company and they in turn helped to run or supervise the new company. However, he says, it was never the intention that the new companies, or their directors, would share ownership of the FORBIDDEN PLANET and ROCKET device trade marks. Proprietorial rights in the trade marks all remain vested in Forbidden Planet Limited which in turn allows other companies to use the trade mark. Use of the trade marks accrues to the benefit of Forbidden Planet Limited therefore with the other companies being licensees. In addition, control over use of the trade marks was exercised by Forbidden Planet Limited, this included visits to the retail outlets to check on, for example, products sold, stock control, maintenance, ordering and financial record keeping; security; personnel issues, such as contracts of employment; rent reviews. Copies of various reports undertaken following visits to retail outlets in Glasgow, Cardiff, Nottingham, Dublin, London, Milton Keynes, Brighton and Newcastle are exhibited.

The second Forbidden Planet shop to be opened was in Milton Keynes in 1987, which was opened up by Mr Landau with Mr Michael Lake and a Mr Guy Hoy. This was followed up by a shop in Brighton with Mr Michael Lake, a Mr John Winstone and Mr David Payne, along with Mr Landau involved. The next venture was a shop in Cambridge in 1988 with the same people involved as in the Milton Keynes shop. Later that year the shop in Glasgow was opened with Mr Michael Lake, Mr Kenneth Penman, Mr James Hamilton and Mr Landau involved. Other retail outlets followed. The main supplier of goods to all of the shops was Titan Distributors Limited which supplied in excess of 75% of the products sold by the shops. Up to July 1993 Forbidden Planet Limited and Titan Distributors Limited shared the same directors and shareholders namely Mr Landau, Mr Michael Lake and Mr Michael Luckman. When the new companies referred to earlier were set up it was on the basis that these directors never had less than a 50% share holding in that Mr Lake and Mr Landau each had a 25% share holding. The opponents, Forbidden Planet (Scotland) Limited were such a company, were set up to run retail stores in Glasgow, Cardiff, Nottingham, Dublin and Limerick. They are therefore only one of a number of licensees running retail outlets and which use the FORBIDDEN PLANET and ROCKET device trade marks with the consent of Forbidden Planet Limited.

Mr Landau goes on to state that the Forbidden Planet shop in London is and has always been a model for the other Forbidden Planet shops. "It is rather like an anchor and central point for the whole group of stores", he says, and goes on to give examples of how the Forbidden Planet retail outlet in London became the predominant and major outlet under the trade mark. This includes an approach by 20th Century Fox to spearhead a retail and licensing initiative; the London store being used as a centre for information for print radio and television journalists, the staff of that store having frequent radio appearances on Radio One and Radio Five Live, supplying a 'Top Ten' list of comics, books and videos as evidenced through exhibits; the fact that the London store was used for many in store promotions by film companies. Also provided is a list of the major events that the London store has attended since 1989 on behalf of the rest of the stores. In Mr Landau's view to most Forbidden Planet customers the name is probably synonymous with the London store who arrange for advertisements and press releases in relation to the opening of the other retail outlets. It had as a result acquired considerable goodwill and reputation in the name FORBIDDEN PLANET before the other shops came into being. When the ROCKET device trade mark was adopted it was a natural progression for the other shops in the group to use this in conjunction with the name Forbidden Planet.

As proprietor of the trade marks, the applicants, says Mr Landau, took seriously its control over the trade mark by other companies hence the varied and comprehensive checks and reports described earlier and although this control has not been exercised since 1993 use of the trade mark by companies other than the applicants has continued to be with the permission of Forbidden Planet Limited which has always been recognised as the proprietor of the trade marks.

The annual turnover of goods sold by the Forbidden Planet companies from 1978 to 1995 is detailed by Mr Landau. It shows, says Mr Landau, that the applicants made substantial turnover before the opponents were ever incorporated and since has been significantly higher than the opponents. In response to the figures provided by Mr Lake on behalf of the

opponents, Mr Landau sets out the corresponding turnover figures for the applicants and the opponents.

<u>Year</u>	<u>Forbidden Planet Limited</u>	<u>Forbidden Planet (Scotland) Limited</u>
1990	£2,854,635	£1,355,442
1991	£2,559,408	£1,091,607
1992	£2,313,725	£1,206,069
1993	£2,666,819	£1,325,089
1994	£3,082,768	£1,380,421
1995	£5,670,328	Not available

He goes on to provide figures which show that the turnover for the London shop alone is greater than the combined turnover of Forbidden Planet (Scotland) Limited and Forbidden Planet (Nottingham) Limited which, he says, indicates the large scale of the London business. He goes on to provide details of the advertisements undertaken by his company together with details of the expenditure on advertising from the years 1989 to 1991. I note in particular that for the year ended 30 September 1990 the figure was £54,985. Since the “divorce” the amount spent by the applicants and its subsidiary company has continued to be of a significant scale. Examples of advertising material are exhibited and Mr Landau notes that the opponents have not submitted any details of advertising expenditure, because most of this is conducted by Forbidden Planet Limited as owner of the trade marks. He goes on to state that he has obtained information about the opponents’ advertising spend in the years 1989 to 1995. This amounted to £45,000. This he points out is significantly less than the advertising expenditure of Forbidden Planet Limited, which is not surprising given that Forbidden Planet Limited is the proprietor of the trade mark and is investing a large amount in promoting its trade marks and that the other companies, as permitted users of the trade marks, should be able to rely on this and consequently spend less themselves on promotion.

He goes on to comment on a number of the points made by Mr Lake in his Statutory Declaration. In particular, Mr Landau states that several of the articles exhibited are about or contain references to him and he notes that none of the articles refer to the opponents and none of the articles mention the ROCKET device trade mark. He also expresses some surprise that Mr Lake’s list of retail outlets includes the Croydon shop, which was not open in the period in question, the Newcastle shop is missing and the Forbidden Planet shop in Los Angeles is omitted. Insofar as the New York outlet is concerned Forbidden Planet Limited and Titan Distributors Limited lent money to Pentarchy Inc., trading as Forbidden Planet New York in which Mr Luckman is a shareholder. This financial assistance is consistent, says Mr Landau, with the applicants' control over use of the trade marks by other companies and the pivotal role played by his company in the Forbidden Planet business.

Mr Landau accepts that there were no written licences to the companies which were using the trade marks. The Forbidden Planet business was expanded on the basis that Forbidden Planet Limited consented to and controlled use of the trade marks by other parties as the proprietor of the trade marks. He did not regard any of the original shareholders as having property in the trade marks which in his view is vested in Forbidden Planet Limited to which any use by

any other company accrues. The only right which the opponents have in relation to the trade marks is a right to use them as a licensee of Forbidden Planet Limited. In Mr Landau's view Mr Lake's declaration and the exhibit of Mr Penman's letter indicate that they share his view that following the split the companies would continue to function as one unit as far as the public were concerned and thus, in his view there is no likelihood of deception or confusion as far as the public were concerned.

The Heads of Agreement which is exhibited to Mr Lake's declaration is not, in Mr Landau's view, an agreement to share property. In particular he notes that the ROCKET device trade marks are not mentioned. In his view Clause 4 is no more than "an agreement to agree on some aspects of the name Forbidden Planet". After the agreement was executed there was correspondence between his company's solicitors and the opponents' solicitors with regard to a licensing agreement and use and ownership of the trade mark but no agreement could be reached and negotiations broke down.

Mr Landau goes on to state that the series trade marks set out in the form of application consists in part of logos which were created by a freelance designer who was paid for creating the logos. Forbidden Planet Limited is the owner of the copyright in the logos and this has been confirmed by virtue of a confirmatory assignment to Forbidden Planet Limited dated 1 October 1996. This agreement is exhibited.

Mr Landau states that Forbidden Planet Limited was the first to use the FORBIDDEN PLANET trade mark in 1978 and had already acquired its reputation and goodwill in the trade mark by the time the opponents were incorporated ten years later. The same applies, over a lesser period, to the ROCKET device trade marks. The opponents have never acquired any independent goodwill or reputation and are only allowed to use the trade mark with the permission of the applicants.

OPPONENTS' EVIDENCE IN REPLY

In a second Statutory Declaration dated 5 June 1997 by Mr Michael Lake he disagrees that the Heads of Agreement was never intended to cover the ROCKET device trade mark. He instructed his solicitors to liaise with the applicants' solicitors to arrange the relevant trade mark rights such that they would be in formal joint ownership. The Heads of Agreement was, in his mind, a statement of fact that the use and ownership of the trade mark rights of the Forbidden Planet business were shared between the applicants and opponents. In support for the contention that the ROCKET device trade mark was in joint ownership (along with FORBIDDEN PLANET) he exhibits a photocopy of a letter from the applicants' solicitors requesting the opponents' agreement to an amendment to the Trade Mark applications, including the ROCKET device trade mark. He goes on to state that the applicants would only have taken this action if they believed that all the trade marks were jointly owned and controlled, and that this action is not consistent with Mr Landau's assertion that the opponent is merely a licensee. He also produces photocopies of letters from Mr Michael Luckman setting out his understanding of the "divorce", he too confirms that the trade marks were to be shared and not owned by the applicants.

Mr Lake goes on to state that at the time of the commissioning of the ROCKET device trade mark he was a director and joint shareholder of the applicant company and as such was consulted over the choice of designer and approved the design. Further he states that in so far as the applicants own the copyright in the logo as confirmed by the Confirmatory Assignment dated 1 October 1996, it merely holds the copyright on trust for the three signatories to the Heads of Agreement.

That completes my review of the evidence and I turn therefore to the grounds of opposition.

10 DECISION

At the Hearing it became clear that all accepted this dispute was centred entirely on who owns the trade marks the subject of these applications. Therefore I shall consider the ground of opposition based upon Section 17(1) in respect of both applications first. Section 17(1) 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.

Mr Hamer, for the opponents submitted that the trade mark FORBIDDEN PLANET was coined in 1977 when Messrs Lake, Luckman and Landau were partners - the applicants having been incorporated in 1978. Thus that trade mark was the property of the partners. The ROCKET device trade mark, which was adopted much later, should also be regarded as the property of the partners because it had been adopted by the three partners in relation to the business as a whole. Mr Carr submitted that a claim to joint ownership was not a valid ground for opposition under the Trade Marks Act 1938 (as amended). But, in any event, his clients, the applicants were and are the proprietors of the business; there had never been a partnership agreement between Messrs Lake/Luckman/Landau and therefore the only entity which had a proprietary right to the trade marks was the applicant.

It seems to me that where the applicants claim to proprietorship is challenged in proceedings before the Registrar guidance must be sought from the decision of the Court of Appeal in AL BASSAM [1995] RPC 511. In particular Morritt LJ's comments as follows at page 522 lines 8-20.

Accordingly it is necessary to start with the common law principles applicable to questions of the ownership of unregistered marks. These are not in doubt and may be shortly stated. First the owner of a mark which had been used in conjunction with goods was he who first used it. Thus in *Nicholson & Sons Ltd's Application* (1931) 48 RPC 227 at page 253 Lawrence LJ said:

“The cases to which I have referred (and there are others to the like effect) show that it was 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 an injunction restraining any other person from using the mark.”

at page 522 lines 40-47:

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In my view it is plain that the proprietor is he who satisfied 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 to deceptiveness 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.

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In this case, the trade mark FORBIDDEN PLANET has been used by the applicants, Forbidden Planet Ltd since 1978. Mr Lake, a director of the opponents, and at the relevant time a director of the applicants, states this - he in fact takes the credit for thinking it up and persuading Messrs Landau and Luckman his fellow directors to use it in the business. I am not persuaded by Mr Hamer's submissions that somehow the three directors owned the trade mark as 'partnership property'. There is no evidence that the three ever traded as a partnership despite use of the term in various magazine articles. This use of the term partnership had no legal significance and the individuals responsibilities and duties as directors of Forbidden Planet Limited were obviously not subjugated by any such use. I have therefore no reason to consider that in coining and using the FORBIDDEN PLANET trade mark the three were not acting as directors of the applicants in the corporate entity which acquired the property right in the trade mark. It seems to me therefore that all of the requirements set down by Morritt LJ in AL BASSAM are satisfied in this case and that Forbidden Planet Ltd are the proprietors of the trade mark FORBIDDEN PLANET in relation to the goods sold under it.

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Whilst I do not consider that the 'licenses' between the applicant and the various companies involved in the other retail outlets to be of a particularly robust nature, in terms of use and control of the trade mark, I am prepared to accept that permission was granted to these other companies to use the FORBIDDEN PLANET trade mark and that a measure of control was possible, by and large, through the common directorships which occurred. The inspection visits which the applicants paid to the retail outlets were not of particular significance in my view in the area of controlled use of the trade marks.

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I go on to consider whether as a result of the "divorce" in 1993 and the handwritten Heads of Agreement between the three directors the ownership of the trade marks (by this time the ROCKET device having been devised and used by the applicant) was changed.

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Mr Hamer submitted that by the time of the 1993 Heads of Agreement, it was envisaged that the 'partners' would operate separately, Landau through the applicants and Luckman and Lake through the opponents. To that end the 1993 Agreement provided that Landau would assign his shares in the opponents to Lake and Luckman and they in turn would assign their shares in the applicants to Landau, but they would all still have an equal share of the rights to

the trade marks through those companies. It was not, in his view, an equitable arrangement if one party were to own the trade marks (and registrations) while the other was a mere licensee. The way in which the parties almost achieved a full implementation of the 1993 Heads of Agreement, (which stumbled ostensibly only on licensing arrangements to third parties), gave a clear indication of the understanding of the parties as to the rights to the marks before and after the Heads of Agreement came into effect.

Mr Carr submitted that the opponents could not be regarded as joint owners of the respective trade marks because they did not satisfy the considerations set out in Section 63 of the Act, which states:

63. Where the relations between two or more persons interested in a trade mark are such that no one of them is entitled as between himself and the other or others of them to use it except -

- (a) on behalf of both or all of them, or
- (b) in relation to an article with which both or all of them are connected in the course of trade,

those persons may be registered as joint proprietors of the trade mark, and this Act shall have effect in relation to any rights to the use of the trade mark vested in those persons as if those rights had been vested in a single person.

Subject as aforesaid, nothing in this Act shall authorise the registration of two or more persons who use a trade mark independently, or propose so to use it, as joint proprietors thereof.

In Mr Carr's view the opponents do not qualify because they do not seek entitlement to use the trade marks on behalf of both parties or to use it on articles connected in the course of trade with both of them. Insofar as the Agreement is a contract, then performance under it is a matter for the opponents to take action through the Court. It was, nevertheless, Mr Carr's clients' position that the Agreement never envisaged any 'shared' ownership of the trade marks but that use by the opponents would be governed by a licence granted by the applicant.

First of all I think Mr Carr is right in his view of the position under Section 63. There is no evidence that there was any intention to have joint owners prior to the Agreement. But as far as these proceedings are concerned I think that the following paragraphs from the Heads of Agreement signed by Messrs Lake, Luckman and Landau on 29 May 1993 are of relevance:

4. Each party recognises and accepts that the use and ownership of the name Forbidden Planet is shared between Forbidden Planet Limited and Forbidden Planet (Scotland) Limited; and notwithstanding the difficulties that may arise in preparing any relevant legal documentation to establish the appropriate position, agreement will be made between the companies and their directors.

5. Each party agrees that all the companies, in which they have, or will have pursuant to this agreement, a shareholding in any retail operation, will co-operate in respect of

buying, publicity and advertising. It is recognised that this may not continue indefinitely in the future in the event that Michael Lake and Michael Luckman establish a retail operation in the area of the postal districts of London, as set out in clause 6, below.

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6. Nicholas Landau agrees and accepts that within the area of the postal districts of London, he will permit Michael Lake and Michael Luckman to establish any retail operation, to trade through any company at the option of Michael Lake and Michael Luckman and without restrictions on the use of the name Forbidden Planet in the postal districts of London.

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7. Nicholas Landau recognises and accepts that Michael Lake and Michael Luckman have the exclusive rights to use the name Forbidden Planet in the United States of America for the purposes of all trading and business activities in which Michael Lake and Michael Luckman are or will become involved.

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It is against these paragraphs that the competing claims, to exclusive proprietorship by the applicants and joint proprietorship by the opponents must be considered. This must be done not on the basis of the assertions and beliefs of the parties but, as Mr Hamer submitted, on the basis of facts and the law.

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Insofar as the facts are concerned, the evidence as I have already stated, leads me to the conclusion that Forbidden Planet Limited was the rightful proprietor of the respective trade marks - there being no indication that any of the directors of that company were acting in any other role when coining, using and licensing the trade marks. The evidence of the way in which the applicants and the other companies operated and related to each other in the period up to the 'divorce' does not suggest or indicate that the ownership of the trade marks or the use by other companies was a matter of concern nor indicate that an alternative proprietorial arrangement was understood to be in place. I therefore can glean no information from the facts presented to me which would provide any indication as to the intentions of the respective parties when they drew up the Heads of Agreement. In that regard I can give little weight to the understanding of Mr Luckman. Consideration of the ownership or proprietorship of the trade marks can only be determined therefore by seeking to interpret that Agreement.

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Having sought to do so, I have reached the view that the Heads of Agreement is not sufficiently clear, at least to me, as to what the respective parties intended.

In paragraph 4 I have no idea what is meant by the term "Each party recognises and accepts that the use and ownership of the name FORBIDDEN PLANET is shared between Forbidden Planet Ltd and Forbidden Planet (Scotland) Ltd". This is because later in the documents it indicates that individuals (not the respective companies) will grant each other 'licenses' to use the trade mark FORBIDDEN PLANET. It is not clear to me therefore how the proprietorial rights in the respective trade marks, which I have already held must have been acquired and held by the applicants can pass to the individual directors and therefore what rights the individuals have to grant each other rights or licenses under the respective trade marks.

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I note that the Court will not order specific performance of a contract which is impossible to carry out (See CHITTY ON CONTRACTS Vol. 1 paragraph 27-026). It would be far less appropriate for this Tribunal to seek to do so, particularly in a case such as this. Even if I came to the view that the Heads of Agreement had the effect of conferring upon both the applicants and the opponents joint ownership of the trade mark, which I do not, I do not consider that I have the power under Section 17(1) to direct that the application proceed only in joint names. The discretion I have extends only to refusing the application on the grounds that the applicant is not entitled to claim to be the true proprietor of the trade mark.

I therefore consider that the applicants were the proprietors of the trade marks FORBIDDEN PLANET and ROCKET device at the time the applications were made and I am unable to conclude from the Heads of Agreement that the applicants do not continue to be the proprietor. In that sense the Agreement is vague and is not therefore enforceable before this Tribunal (see CHITTY paragraph 27 - 027 and JOSEPH v NATIONAL MAGAZINE CO. [1959] Chapter 14). In that case the Court would not order specific performance of a contract because the exact terms [of the subject matter] were never agreed between the parties. That regrettably is the case here.

I noted Mr Carr's submission that clause 4 of the Agreement is too uncertain to be capable of enforcement (by specific performance, or even by an action for damages) but I reach no view on that.

In all of the circumstances I have to hold that the applicants were the rightful owners of the FORBIDDEN PLANET trade mark at the time the Heads of Agreement was drawn up. They were also the owners of the ROCKET device trade mark - it having been devised and used by the applicants as a corporate body. Further, I hold that the content of the Heads of Agreement drawn up in 1993 is such that it is not clear what locus or claim the opponents have on the trade marks but whatever these may be it does not remove the right of the applicants to continue to describe themselves as the proprietors. That being so the ground of opposition based upon Section 17(1) is dismissed.

I should perhaps add that I do not consider the fact that the opponents have registered the FORBIDDEN PLANET trade mark in Eire as material in any way to this decision. Mr Carr submitted that the opponent had taken this action despite claiming that the trade mark was in joint ownership. In his view it was not possible to interpret the Heads of Agreement in a different manner for Eire than for the United Kingdom, therefore the opponents were estopped from asserting joint ownership in these proceedings and I was directed to JOB TRADE MARK [1993] FSR 118 and LISSENDEN v CAV BOSCH [1940] AC 412 in that regard. Neither case, in my view, is relevant to these proceedings and I do not therefore dismiss the opponents grounds of opposition on that basis.

I next turn to the grounds of opposition based upon Section 11 of the Act which states:

11. 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.

At the date of application for both trade marks they were in use by both the applicants and the opponents, and by other companies under the control of the respective directors of the respective parties. In that regard, even Mr Hamer accepted that there was no need of a licence (by that I mean a formal written document) to regulate matters. But that does not mean that goodwill and reputation prior to and up to the date of application did not accrue to the applicants as the owner of the trade marks. In these circumstances I find it difficult to see how any group of individuals, given that the "Forbidden Planet business" used the same trade marks on the same goods in the same way, is likely to be confused or deceived as to origin. In the circumstances the ground of opposition based upon Section 11 is dismissed.

The claim by the opponents to a proprietorial interest in the copyright of the respective trade marks is also dismissed. The confirmatory assignment of the copyright (albeit after the date of the applications) to the applicants and its validity has not been challenged in these proceedings. In the circumstances the issue is not one which requires a finding separate from the one given above in relation to Section 17(1).

Finally there is the matter of the opponents' later filed application for the trade mark FORBIDDEN PLANET which is pleaded under the provisions of Section 12(3). This states:

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:-

- a. the same goods
- b. the same description of goods, or
- 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 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.

As I have held that the applicants are the proprietors of the trade marks the subject of the applications in suit there is no need for me to refer the matter to the court, nor is it appropriate in view of my findings above to require a settlement between the parties before allowing the applications for registration the subject of these proceedings to proceed.

Insofar as the Registrar's discretion is concerned given my findings, for the reasons already given, I do not consider that there are any grounds to exercise this discretion in favour of the opponents by refusing this application for registration.

The opposition having failed on all grounds the applicants are entitled to a contribution towards their costs, I therefore order the opponents to pay to the applicant the sum of **£1300**.

Dated this 2nd day of March 1999

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M KNIGHT
For the Registrar
the Comptroller-General