

**O-350-04**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2287037  
BY JULIE JONES  
TO REGISTER THE TRADE MARK:**

**THIS IS LONDON**

**IN CLASS 16**

**AND**

**THE OPPOSITION THERETO  
UNDER NO 91605  
BY ASSOCIATED NEWSPAPERS LIMITED**

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**In the matter of application no 2287037**

**by Julie Jones**

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**under no 91605**

**by Associated Newspapers Limited**

### **BACKGROUND**

1) On 30 November 2001 Julie Jones applied to register the trade mark **THIS IS LONDON**, the trade mark. The application was published for opposition purposes in the "Trade Marks Journal" on 8 January 2003 with the following specification:

*magazines, all relating to London*

The above goods are in class 16 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The publication advised that the application had proceeded to publication because of distinctiveness acquired through use.

2) On 8 April 2003 Associated Newspapers Limited, which I will refer to as ANL, filed a notice of opposition to the application. It is the registered proprietor of Community trade mark registration no 553933 of the trade mark **THIS IS LONDON** which is registered inter alia for *magazines* in class 16 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The application for registration was filed on 30 May 1997. ANL is also the owner of Community trade mark application no 1027150 of the trade mark **THIS IS**. The specification of this application also includes magazines in class 16. The application for registration was filed on 11 December 1998. ANL claims that both of its trade marks are identical to Ms Jones's trade mark and are for identical goods. Consequently, registration of the trade mark would be contrary to section 5(1) of the Trade Marks Act 1994 (the Act). ANL opposes registration on the basis of section 5(2)(a) of the Act, as it claims that its trade marks are identical to that of Ms Jones and the goods they cover in classes 9, 35, 41 and 42 are similar to the goods of the application. In the alternative ANL claims that registration of the trade mark would be contrary to section 5(2)(b) of the Act as its application no 1027150 is similar to the trade mark of Ms Jones and is for goods and services which are identical or similar to those of the application of Ms Jones.

3) ANL states that it has used trade marks containing **THIS IS** since 1999 in respect of newspapers and electronic publications. It claims that it has a substantial goodwill in **THIS IS** trade marks and the use of the trade mark in an unrestricted manner is a

misrepresentation which is calculated to damage ANL's goodwill in its THIS IS trade marks and business. Consequently, registration of the trade mark would be contrary to section 5(4)(a) of the Act in that its use is liable to be prevented by the law of passing-off.

4) ANL seeks the refusal of the application and an award of costs.

5) Ms Jones filed a counterstatement denying the grounds of opposition. She denies that Community trade mark registration is an earlier trade mark because she is the proprietor of the earlier right in the trade mark THIS IS LONDON, having used it since 1956 in her company's magazine "This is London". She states that this is acknowledged in an agreement between ANL and her corporate licensee. Ms Jones claims that by entering into the agreement ANL has admitted and accepted her earlier rights in the trade mark THIS IS LONDON. She states that she effectively licenses ANL to use its Community trade mark registration for electronic publishing. She states that the agreement also provides that ANL will not use its Community trade mark registration for the goods of the application.

6) Ms Jones states that Community trade mark no 1027150 is not an earlier trade mark as ANL is not the registered proprietor and the application is currently under opposition and because she is the proprietor of United Kingdom trade mark registration no 2156173 of the trade mark THIS IS LONDON dated 23 January 1998. Ms Jones states that she has recorded Community trade mark licence number 250491 to use the Community trade mark registration no 553933. She states that she wished to claim protection of her earlier right under section 48(2) of the Act as ANL has acquiesced in the use of Community trade mark registration no 553933 for a period of more than five years after the filing of the application for registration of Community trade mark registration no 553933.

7) Ms Jones states that she does not accept that registration of the trade mark would cause confusion.

8) Ms Jones states that her company has an unrestricted Community trade mark recorded licence to use ANL's Community trade mark registration. She denies that use of the trade mark by her could be prevented under the law of passing-off.

9) Ms Jones seeks the dismissal of the opposition and an award of costs.

10) Both sides filed evidence. The case was heard on 18 November 2004. ANL was represented by Mr Krause of Haseltine Lake. Ms Jones represented herself.

## **EVIDENCE**

11) The main evidence in this case comes by way of statements by Harvey Kass, who is legal director of ANL and Ms Jones. Ms Jones in her statement also exhibits evidence from others.

12) ANL is the company within the Daily Mail & General Trust plc Group of companies which publishes the group's main newspaper titles. On 4 December 1997 it launched the This Is London website – www.thisislondon.com. This was described as the “Evening Standard” online. The “Evening Standard” is one of ANL’s publications. The website furnishes news and information. In a launch article in the “Evening Standard” of 4 December 1997 there is a good deal of emphasis on showing how the website can be used to plan a night-out in London. Prior to the launch ANL conducted a United Kingdom and Community trade mark search and did not find any conflicting trade marks. ANL filed a Community trade mark application for THIS IS LONDON on 30 May 1997.

13) On 19 November 1997 ANL was contacted by solicitors, Lewis Silkin, acting for This Is London Magazine Limited, which I will refer to as TILML, who pointed out the existence of their client’s magazine and advised ANL that “This is London” magazine was a weekly magazine distributed to hotels in London, having a claimed circulation of 10,000. The letter advises that ANL may recall that it was involved in a similar dispute with TILML some twenty years before. The magazine, according to Lewis Silkin, had been published since 1956. A copy of the magazine was enclosed with the letter (but is not included in the evidence). The letter noted that ANL intends to launch the website thisislondon.com and states that it is clear that ANL intends to trade off TILML’s reputation in the magazine. Lewis Silkin stated that they had advised TILML that this constitutes an “actionable passing off”. Lewis Silkin also noted that ANL had filed Community trade mark application no 533933 for the trade mark THIS IS LONDON and it could expect opposition to the registration of the application once it was published. Lewis Silkin stated that it would advise TILML as to Network Solution Inc’s domain name dispute policy. To avoid the need for legal proceedings Lewis Silkin advised that it would require the following written undertakings by 21 November 1997:

- “1 An undertaking not by yourselves, your servants, officers, agents or howsoever to make further use of the name “thisislondon.com” or any other domain name containing the name “This Is London” or a colourable similar name in connection with your business;
- 2 An undertaking that within 14 days you will withdraw Community Trade Mark Application 553933 for the mark “This Is London”;
- 3 An undertaking that you will not make an application for a trade mark in the United Kingdom or elsewhere in the world for a trade mark containing the words “This Is London” or any other colourable similar name;
- 4 Your agreement to pay or client’s legal costs.”

14) Mr Kass states that the existence of the magazine came to ANL’s attention immediately prior to the launch of the website when it was committed to the name, having already issued press releases relating to the proposed launch and name. A copy of an article from “NewMediaAge” of 6 November 1997 is exhibited by Mr Kass. This relates to the proposed launch of the thisislondon website. To resolve the issue ANL

entered into urgent negotiations with TILML which resulted in the agreement reproduced below:

PRIVATE & CONFIDENTIAL

## Associated Newspapers Limited

Registered Office:

Northcliffe House, 2 Derry Street, Kensington, London W8 5TT  
071-938 6000

Registered Number 84121 England

1 December 1997

This is London Magazine Ltd  
3 Heddon Street  
London W1R 7LE

Dear Sirs

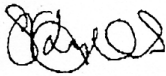
This letter is to record the agreement between us concerning the use of the mark THIS IS LONDON (the "Mark") in relation to publishing of both a print and an electronic nature. We would be grateful if you could countersign this letter to indicate your acceptance of this.

1. You have agreed not to bring proceedings against us for passing off in relation to our use of the Mark for electronic publishing and in particular in relation to our web site, [thisislondon.com](http://thisislondon.com).
2. You have further agreed not to oppose our various applications for registration of the Mark as a trade mark anywhere in the world in all Classes relating to publishing and related goods and services including but not limited to Classes 9, 16, 35, 38, 37, 38, 39, 40, 41 and 42.
3. We have agreed to grant you a non-exclusive licence under any of these trade mark registrations or applications therefor which we have to use the Mark on or in relation to the goods and services for which those registrations or applications are made. This licence shall remain in full force and effect for so long as any of these trade mark registrations are valid and subsisting or such applications are on foot.
4. If any third party uses a trade mark identical to the Mark in relation to the goods for which the Mark is registered in Class 16 in the United Kingdom we agree to police the Mark either by civil or criminal legal means.
5. We agree not during the term of this agreement to publish in the United Kingdom any publication under the Mark similar in type to your This is London magazine including but not limited to magazines, supplements, circulars, free distribution publications and event listing publications.
6. We both agree not to do anything which will bring the Mark into disrepute or which will cause the Mark to become misleading, deceptive or to be used in a generic sense. We both further agree to maintain the quality of the products and services to which we presently apply the Mark at least the present standard.
7. We both agree not to licence our rights in the Mark arising out of this agreement to any third party except that
  - a. We, Associated Newspapers, shall be entitled to licence our rights in the Mark to any company or organisation Controlled by us where "Control" shall mean ownership of 30% or more of the share capital or equivalent of the relevant company or organisation; and

- b. You shall be entitled to licence your rights in the Mark to any company where at least 90% of the share capital of the company is owned by Julie Jones, presently a director of This is London Magazine Limited, provided that where that company's share capital is not 99% owned by Julie Jones this shall also require our consent to the licence being granted such agreement not to be unreasonably withheld.
8. For the term of this agreement we shall
- a. place advertising to a value of £19,000 per year based on £500 per full page with your magazine split as agreed between the parties in good faith into full, half and quarter pages as your production allows. We shall pay for this advertising in four equal annual payment made quarterly with the first payment being on the first working day following 31 January 1998.
  - b. include an electronic page in our thisislondon.com and hotelworld.com web sites each dedicated to your magazine for so long as each of these web sites is published by us or a company Controlled by us. Each such page shall include statement to the effect that your This is London magazine is supported by but independent of the Evening Standard
  - c. Having been provided by you with the relevant address information, include on the dedicated page referred to in b above a hyperlink to any web site maintained by or for you relating to your magazine.
9. We further agree
- a. To pay your legal costs of having obtained advice in relation to this matter and this agreement up to the point of signature of this agreement in the sum of £2,000.
  - b. To pay for registration (including the costs of application and prosecution through to registration) by you in Class 16 in the UK Trade Marks Register of your This is London magazine masthead as a trade mark and to provide you with all necessary consents to allow this mark to be so registered
10. Should you ever offer for sale the business of publishing and distributing your magazine and other related publishing activities (the Business\*) you agree that you will
- a. Assign the benefit and the burden of this agreement with that Business or agree to the termination of all of our obligations and the licence granted under this agreement at your option.
  - b. In return for our paying you during the term of this agreement a further £3,000 a year (payable on first working day after 1 January 1998 and thereafter on the first working day after each succeeding 1 January during the term of this agreement), you will give us the first option to buy that Business and notify us should you have decided to sell the Business so that we can exercise the option and make you an offer. If we fail to exercise this option within 21 days of your notification to us of your desire to sell the Business or if our offer to you on exercising the option is not acceptable to you will nevertheless sell the Business to us if we agree within 21 days of being notified of any alternative offer you wish to accept for the Business (giving full details of the relevant alternative offer) to match that alternative offer. As part of this process you agree to cooperate with us and provide us promptly with all information which we request in order to assist us in make a decision over purchase of the Business

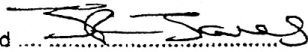
11. ~~This agreement shall continue in full force and effect for so long as we continue to use the Mark or any colourable variation thereof for print and/or electronic publishing or until we purchase the Business from you or one of your successors.~~
12. If we cease to use the Mark or any colourable variation thereof we shall assign what interest we have in the Mark including all applications and registrations therefor to you free of charge and this agreement shall terminate.
13. The terms of this agreement shall be binding on our successors and assigns and the benefit and the burden shall inure to our successors and assigns.
14. Neither of us shall make any public statement about this dispute, the terms of this agreement or the basis for our ongoing relationship except in a form and with wording agreed beforehand with the other
15. Where relevant any figures for payment referred to above are exclusive of VAT.

Yours faithfully



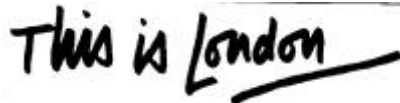
Steve Lynas  
For and on behalf of Associated Newspapers

Countersigned .....



Director for and on behalf of This is London Magazine Ltd

The masthead referred to in the agreement is in the form below:



15) Mr Kass states that Ms Jones filed a United Kingdom application for the masthead form of the trade mark in classes 16, 39 and 41 on 23 January 1998. ANL filed a letter of consent in respect of this application. Originally the consent covered classes 16, 39 and 41 but the consent in respect of the latter two classes was subsequently withdrawn. Mr Kass states that ANL paid £2000 plus VAT towards the cost of the application. He states that at the time ANL did not pay particular attention to the fact that application no 2156173 was filed in the name of Ms Jones rather than TILML. Mr Kass states that ANL has continued to operate under the agreement which is valid and in force.

16) ANL has exhibited the statutory declaration made by Ms Jones at the ex parte examination stage of application no 2287037. In the context of this case there are three paragraphs which are of particular interest:

“I, JULIE JONES .....the evidence given in this declaration comes from information within my personal knowledge acquired in my position as Managing Director of This is London Magazine Limited (“**the Company**”), a position

which I have held since 1973, and from the Company's records. I purchased the Company and its assets in 1981 and since that date I have been sole owner of the Company."

"The trade mark THIS IS LONDON ("the Mark") was first used by the Company or its predecessor in title in the United Kingdom in the year 1956."

"In the premises I would submit that the extensive use of the Mark means that it is closely associated with the Company and so is not devoid of distinctive character for the goods specified. The Mark has been used extensively and continuously since 1956 and has acquired factual distinctiveness vis a vis the Company in the minds of the public due to this extensive use. The Mark is well known to the public and it is important to secure registration on the Mark in order to protect the quality of the goods with which the Mark is immediately associated. It is vital to prevent the dilution of the Mark by others who may wish to trade off the Company's considerable reputation therein."

17) ANL exhibits various materials in relation to its thisislondon website. The evidence shows the publisher of the website as being Associated New Media Limited. A copy of an article from "Guardian Unlimited" of 8 September 2000 indicates that ANL is the owner of Associated New Media Limited. The logo for the thisislondon website includes the words "Evening Standard Online". Parts of the material emanate from well after the date of application for the trade mark. However, it establishes that at the date of application the thisislondon website was active and receiving a good number of hits. In the years 1998/99, 1999/2000, 2000/01 the advertising revenue generated by the site was £631,000, £1,041,000 and £637,000 respectively. The only indication of any other use of THIS IS, as claimed by ANL, appears to be in a copy of an article from "Guardian Unlimited dated 3 July 2000 which states:

"But where does all this leave Hollinger Telegraph, Guardian Unlimited and Associated New Media? Money is not in short supply at two-year-old ANM – revenues were up nearly 300% on the first half of last year – but Associated has opted to focus on its areas of expertise, building up This Is London (which draws on the strengths of the London Evening Standard and Metro), the recruitment site BigBlueDog and This Is Money, a new personal finance portal. UKPlus, the net directory, also appears to be performing well."

18) Ms Jones has adduced a statutory declaration by Graham Noakes into the proceedings. Mr Noakes was previously deputy chairman and main board director of Oxley Printing Group. Oxley Printing Group previously owned "This is London" magazine. Around 1978 it was brought to his attention that an entertainment supplement called "This is London" was being distributed with copies of the "Evening Standard" in London. He states that he was present at an urgent meeting when it was decided to prevent further use of the title "This is London" by ANL on the grounds of passing-off. Oxley Printing Group duly contacted the "Evening Standard" and the supplement was immediately withdrawn. Mr Kass states that this is not the case as in 1978 the "Evening



Standard” was owned by Express Newspapers group and not by ANL. Mr Kass states that ANL has no information or knowledge of any communication from the Oxley Printing Group or the nature of the product put out by the “Evening Standard” by its then publishers.

19) A copy of an extract from the London telephone directory for April 1997 is exhibited which shows a listing for TILML, Weekly Guide for Visitors at 3 Heddon Street, W1. Also exhibited is a copy of an extract from BRAD for September 1997, which Ms Jones describes as “the monthly media directory”. This gives details of “This is London” magazine. It states that the magazine was established in 1956 and is published by This is London Magazine Independent of 3 Heddon Street.. A certificate of registration of the business name THIS IS LONDON is exhibited. This indicates that from 1 July 1985 THIS IS LONDON is a business name owned by TILML. The certificate indicates that the registration is valid until 29 May 1998. Ms Jones exhibits matter to show the relationship between ANL and TILML. There is an order dated 2 November 1988 from Associated Newspapers Group plc publicity department, the date of the order is 11 November 1988. A letter from Ms Jones to Lewis Silkin is exhibited. It refers to the “Evening Standard” sending a copy by ISDN of an advertisement for a mutual client on 17 July 1997. A copy of the magazine is exhibited but no correspondence from ANL. The final piece of material is a purchase order from Associated Exhibitions Ltd dated 10 March 1993. Ms Jones refers to the dealings between herself and TILML and Mr Kass when he was a West End theatre producer. She exhibits a copy of an advertisement that Mr Kass placed in “This is London” magazine for 3 November 1989.

20) Mr Kass states that he worked as a theatrical producer in the West End in the late 1980s. He comments on the variety of responsibilities that a producer has and the advertising campaigns that would be involved. Much of this advertising would be put through advertising agencies. He states that, to the best of his recollection, occasionally advertisements were placed in “This is London” magazine. He states that the advertising in the magazine was a very minor part of the overall advertising strategy and would have accounted for less than one per cent of the budget. He states that when the first suggestion was made to him that THIS IS LONDON might be used by ANL as the name of a website many years had elapsed since he had had any contact with Ms Jones or TILML. Consequently, he only remembered the connection with the magazine when he was reminded of it by Ms Jones in the negotiation process that followed the letter from Lewis Silkin.

21) Ms Jones adduces into the proceedings a statutory declaration by Gordon Frederick Wingfield, who describes himself as a business adviser, on an informal basis, to Ms Jones. Mr Wingfield was previously finance director of Oxley Printing Group plc which owned the business and assets of TILML. He states that he was instrumental in the sale of the business to Ms Jones in 1981. At the time she was employed by Oxley Printing Group plc as publisher of the weekly magazine “This is London”.

22) Mr Wingfield refers to a telephone discussion he had with Mr Kass and one of ANL’s legal advisers. Mr Wingfield states that it was his opinion that TILML was the owner of

the trade mark. He states that he and Ms Jones were persuaded to accept ANL's original settlement proposal as it was pointed out to them that TILML would be unlikely to have the facilities or financial resources to police the trade mark as proprietor in the event of any future infringement by a third party.

23) In her statement Ms Jones refers to her company being entitled to use the words THIS IS LONDON. She also states that through her company TILML she is proprietor of the earlier right in the trade mark THIS IS LONDON.

24) Mr Kass exhibits a copy of a page from "This is London" magazine which shows the copyright is owned by TILML, now with an address in Conduit Street.

## **DECISION**

25) At the hearing Mr Krause made his submissions upon the basis of section 5(1) of the Act based upon Community trade mark registration no 553933. He submitted that section 5(1) represents his best case. I agree with him, if ANL does not succeed under section 5(1) I cannot, on the basis of the evidence before me, see it doing any better under the other grounds of opposition. I will, therefore, only deal with the opposition under section 5(1).

26) Section 5(1) of the Act states:

"A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected."

Section 6(1)(a) of the Act defines an earlier trade mark as:

"a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks".

27) Community trade mark registration no 553933 was filed on 30 May 1997. The application was filed on 30 November 2001. It is, therefore, in relation to the application an earlier trade mark. Mr Krause referred me to section 72 of the Act in relation to the presumption of validity. However, section 72 deals with a United Kingdom trade mark registration not a Community trade mark. The issue of validity in relation to a Community Trade Mark is covered by Article 95 (1) of Council Regulation (EC) No 40/94 (the Regulation) which states:

"1. The Community trade mark courts shall treat the Community trade mark as valid unless its validity is put in issue by the defendant with a counterclaim for revocation or for a declaration of invalidity."

There has been no challenge to the validity of the Community trade mark as characterised by Article 95(1). So despite the claims of Ms Jones, Community trade mark registration no 553933 is a valid trade mark registration.

28) ANL has not given consent for the registration of the trade mark and so section 5(5) of the Act does not come into play.

29) Ms Jones's case rests, therefore, solely on the opposition being dismissed as per section 48(2) of Act. Section 48 of the Act reads as follows:

“48. - (1) Where the proprietor of an earlier trade mark or other earlier right has acquiesced for a continuous period of five years in the use of a registered trade mark in the United Kingdom, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right-

(a) to apply for a declaration that the registration of the later trade mark is invalid, or

(b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used, unless the registration of the later trade mark was applied for in bad faith.

(2) Where subsection (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark or, as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark or right may no longer be invoked against his later trade mark.”

Again reference to the Act is inappropriate, in my view. It is necessary to look to the Regulation again. The equivalent part of the Regulation is Article 53 which reads as follows:

“1. Where the proprietor of a Community trade mark has acquiesced, for a period of five successive years, in the use of a later Community trade mark in the Community while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used, unless registration of the later Community trade mark was applied for in bad faith.

2. Where the proprietor of an earlier national trade mark as referred to in Article 8 (2) or of another earlier sign referred to in Article 8 (4) has acquiesced, for a period of five successive years, in the use of a later Community trade mark in the Member State in which the earlier trade mark or the other earlier sign is protected while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark or of the other earlier sign either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used, unless registration of the later Community trade mark was applied for in bad faith.

3. In the cases referred to in paragraphs 1 and 2, the proprietor of a later Community trade mark shall not be entitled to oppose the use of the earlier right, even though that right may no longer be invoked against the later Community trade mark.”

30) Even if the requirements of Article 53(1) and (2) were satisfied can Ms Jones benefit from the effects of Article 53(3)? Article 53(3) does not allow the proprietor of a later trade mark to oppose use of an earlier right. It does not prohibit such a proprietor from opposing the registration of a trade mark; use of a trade mark and an application for registration are two different things. I, therefore, do not consider that Ms Jones can benefit from the provisions of Article 53(3). The very nature of Article 53 underlines this point, it forms part of the Regulation dealing with invalidation. Invalidation can only take place in relation to a registered trade mark.

31) In addition to my finding above I do not consider that Ms Jones’s case is caught by Article 53(1) and (2) anyway. The act of acquiescence relates to the owner of the earlier right. The evidence in this case does not suggest that Ms Jones is the owner of the earlier right. The agreement is between ANL and TILML, not with Ms Jones. In her evidence Ms Jones refers to her company ie TILML. The magazine itself indicates that it is the product of TILML and not Ms Jones. Ms Jones may own one hundred per cent of TILML, that does not make her TILML. Ms Jones and TILML are separate legal entities, they cannot be conflated. The limits of the powers of directors were considered in the judgment of Waller LJ in *Ultraframe UK Ltd v Fielding* [2004] RPC 24:

“39 Certain fundamental principles relevant to the decisions in the above cases and to the arguments presented on the appeal, which I do not think were in dispute as between Mr Oliver and Mr Mortimore, can I think be expressed in the following propositions. First it is the duty of any agent to employ the materials and information obtained by reason of his agency solely for the purposes of the agency and the agent will be liable to account to his principal for profits made. Secondly, directors including *de facto* directors are fiduciary agents for the company, and they are trustees of the property of the company in their hands or under their control. Thirdly, an agent will not be liable to account if he is acting with the fully informed assent of the principal. Fourthly, directors of a company cannot in any case lawfully use their powers except for the benefit of the company, and cannot act *ultra vires* the company. Fifthly, all the shareholders may relieve a director from liability from any breach of duty, provided only that the breach is not *ultra vires* the company and does not involve a fraud on its creditors [*Gore-Brown*, 44<sup>th</sup> ed., para.27.21.2]. Sixthly, it would be *ultra vires* the company to distribute assets of a company to the shareholders other than by way of a distribution of profit lawfully made or by a reduction in capital duly sanctioned by the court or possibly a return of capital by the adoption of a special procedure under the Companies Acts. [see Hoffmann J. in *Aveling Barford Ltd v Perion Ltd* [1989] B.C.L.C. 626 at 631].

40 There is a further principle upon which Mr Mortimore laid particular emphasis and which again is not in dispute. It is referred to as the Duomatic principle after

the decision in *Re Duomatic Ltd* [1969] 2 Ch. 365. That principle accepts that all shareholders may formally or informally assent to or approve an arrangement or a transaction so that it is binding on the company. But that principle as Mr Oliver pointed out only applies to acts or transactions which are *intra vires* the company. That that is so, is exemplified by *In re Holt Garage (1964) Ltd* [1982] 3 All E.R. 1016. Thus, and again Mr Mortimore did not dissent from this, if a director of a company 100 per cent owned by himself decided simply to take the assets of the company for himself, he would not be able to rely on the Duomatic principle, because such conduct could not be considered a *bona fide* distribution of profits and would be a reduction of capital and *ultra vires* the company without the sanction from the court.”

The earlier right which Ms Jones looks to is in the goodwill of the business of “This is London” magazine, a goodwill which from the evidence appears to belong to TILML not Ms Jones. There is certainly no evidence that Ms Jones is the owner of the goodwill. Any acquiescence committed in relation to ANL has been by TILML and not Ms Jones and so for the purposes of this case Article 53 cannot come into play.

32) A Community trade mark is defined in Article 1 of the Regulation:

“A trade mark for goods or services which is registered in accordance with the conditions contained in this Regulation and in the manner herein provided is hereinafter referred to as a ‘Community trade mark’.”

A trade mark is defined as a Community trade mark when it is registered. So the clock for the five year period begins running at the date of registration of the Community trade mark, in this case 30 March 1999. The issue in this case is whether the trade mark should be registered with effect from 30 November 2001. This is the material date and clearly the five year hurdle has not been cleared.

33) The claim that there has been acquiescence has a further flaw, in my view. Any acquiescence relates to the actual use of the Community trade mark and the evidence shows such use only in relation to a website. The case relates to a magazine and not a website, it relates to the class 16 goods of the specification of the Community trade mark. As there has been no indication of use in relation to such goods by ANL in the United Kingdom, I do not consider that there can have been effective acquiescence.

34) I consider that the claim to protection from the effects of the opposition under Article 53(3) is fatally flawed for all the above reasons. The same considerations would have applied if section 48(2) of the Act was the pertinent legislation.

35) Even if Ms Jones and TILML could be conflated this would not assist her. It is to be noted that at one stage ANL conflated the two, with its issuing of a letter of consent in relation to trade mark registration no 2156173 in the name of Ms Jones rather than that of TILML.

**36) The objection to registration of the trade mark under section 5(1) is upheld and the application is to be refused.**

37) At the hearing Ms Jones referred to this being a David and Goliath contest, ANL being Goliath. She also made reference to the use of the trade mark for the magazine since 1956. I have no doubt that there is a goodwill in the business of the magazine and that it predates the business of ANL in relation to its website. However, I can only find on the basis of the law. It is also the case that there the protection of the use of earlier rights is built into the legislation: in Article 107 of the Regulation, section 11(3) of the Act and Article 16 of the Agreement on Trade-Related Aspects of Intellectual Property Rights which states in the third sentence:

“The rights described above shall not prejudice any existing prior right, nor shall they affect the possibilities of Members making rights available on the basis of use.”

It is not for me to comment on how that protection might affect Ms Jones or TILML but it is to be noted that the legislation does protect the continuing use of earlier rights in certain circumstances. David has been recognised by the legislators. However, this relates to continuing use, the status quo. By making the application Ms Jones is not maintaining the status quo, a new step is being made. I also note that she does enjoy a registration for the masthead, for which ANL paid the costs and furnished the consent. Goliath also has his rights, as well as David. In this case once the criteria for section 5(1) had been established the result was inevitable, Ms Jones not being able to look for assistance from Article 53(3) in an opposition to registration.

38) The framing of the claim under section 48(2) of the Act seems misconstrued also, ignoring the issue of the Regulation being the relevant legislation. Her counterstatement refers to ANL having acquiesced in her use. Section 48(2)/Article 53(3) are dependent on the acquiescence of the owner of an earlier right. Ms Jones has also referred to her licence from ANL for use of its trade mark. The granting of a licence does not give a right to apply for the trade mark to which the licence relates; nor can it be seen as a form of acquiescence. The very nature of a licence is based upon the recognition of the rights of the licensor. A licensee is licensed to use the trade mark, not to make an application to register it and own it.

## **COSTS**

**39) Associated Newspapers Limited has been successful in this opposition and so is entitled to a contribution towards its costs. I order Julie Jones to pay Associated Newspapers Limited the sum of £1750. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.**

**Dated this 25<sup>th</sup> day of November 2004**

**David Landau  
For the Registrar  
the Comptroller-General**