#### **TRADE MARKS ACT 1994**

CONSOLIDATED PROCEEDINGS IN THE MATTER OF: TRADE MARK APPLICATIONS 2482859 & 2482860 IN THE NAME OF UNIVERSITY GAMES UK LIMITED IN RESPECT OF THE TRADE MARKS:

# THE REALLY NASTY MOTOR RACING GAME & THE REALLY NASTY GOLF GAME

AND

OPPOSITIONS THERETO (NOs 98008 & 98009) BY THOMAS WHITE

#### **TRADE MARKS ACT 1994**

Consolidated proceedings in the matter of trade mark applications 2482859 & 2482860 in the name of University Games UK Limited, for the trade marks:

THE REALLY NASTY MOTOR RACING GAME & THE REALLY NASTY GOLF GAME

and

Oppositions thereto (nos 98008 & 98009) by Thomas White

#### THE BACKGROUND AND THE PLEADINGS

- 1) The above applications were filed by University Games UK Limited ("University") on 19 March 2008. Both marks were published in the Trade Marks Journal on 4 July 2008 for their applied for specifications of: "Board game", a product which falls in class 28.
- 2) The registration of the above marks is opposed by Mr Thomas White. His grounds of opposition are under:

Section 3(6) of the Trade Marks Act 1994 ("the Act") because: "the applicant was aware, at the time the application[s] w[ere] filed, of the Opponent's rights in the mark and the US parent company of the applicant was attempting to negotiate a licence to use the mark and related marks. The applicant's conduct in filing the application[s] therefore fell short of the standards of acceptable commercial behavior observed by reasonable and experienced people in the area of board game manufacture and sale"

Under section 5(2)(b) of the Act because there is a likelihood of confusion with the trade mark THE REALLY NASTY HORSE RACING GAME (UK registration 2006628) which is also registered for various goods in class 28 including board games. A statement of use is made which asserts that the mark has been used in relation to "board games".

Under section 5(4)(a) of the Act because the use of the applied for marks is liable to be prevented under the law of passing-off. Mr White claims that the sign THE REALLY NASTY HORSE RACING GAME has been used since 1989 by him and his business partner (Gianetto Mariani) and also used under licence by Upstarts Limited (formerly Ad-Mad Limited).

3) The mark of which Mr White is a joint proprietor (registration 2006628) was filed on 4 January 1995 and it completed its registration procedure on 22 January 1995. It stands in the name of Mr White and Mr Mariani. The relevance of these dates are that: i) the mark constitutes an earlier mark as defined by section 6 of the Act, and ii) that the proof of use provisions set out in section 6(A)<sup>1</sup> apply meaning that the use conditions set out in those provisions are relevant in these proceedings.

<sup>&</sup>lt;sup>1</sup> See section 6A of the Act, which was added to the Act by virtue of the Trade Marks (Proof of Use, etc.) Regulations) 2004 (SI 2004/946) which came into force on 5th May 2004.

- 4) University filed a counterstatement denying the grounds of opposition. It did not put Mr White to proof of use of his earlier mark so the use conditions are deemed to have been met on the basis of what is said in the statement of use (board games). It is stated that University acquired the assets of Upstarts Limited. It is stated that it was discovered that one of the games acquired (THE REALLY NASTY HORSE RACING GAME) had been registered not by the company (Upstarts Limited) but by its previous joint managing directors (presumably Mr White and Mr Mariani) who were employed by Upstarts Ltd, in whom the copyright resided. It is explained that the copyright in THE REALLY NASTY HORSE RACING GAME belongs to University (as does the copyright in the games relevant to University's applications) so no one else can make or sell it. It is accepted that the trade mark THE REALLY NASTY HORSE RACING GAME resides with Mr White and Mr Mariani and "there is nothing we can do about that", however as University owns the brand "Really Nasty..." because it makes and sells the three games in the series, they need to protect the names.
- 5) Evidence was filed by both parties. Neither party requested a hearing. Both sides made submissions in various documents which will be borne in mind.

# **THE EVIDENCE**

6) This can be summarised as:

#### Mr White's evidence

- ➤ That the partnership of Mr White and Mr Mariani² was set up in 1989 to develop and sell board games. The concept of THE REALLY NASTY HORSE RACING GAME was produced and marketed in 1989. Mr White coined the name. The board layout and rules were developed for the partnership by Mr Simon Knock (a freelance designer) who was paid an ongoing royalty.
- Another product developed by the Partnership was a game called Ad-Mad. On 1 November 1993 the Partners incorporated Ad-Mad Limited to deal with the administration of this game. The partnership also started to sell other games from third party companies. Eventually these games, and the original THE REALLY NASTY HORSE RACING GAME, came to be sold through the incorporated company. The company name was changed to Upstarts Limited ("Upstarts") in April 1999 given that more than just the Ad-Mad game was now being sold.
- ➤ In 2006 the other "really nasty" games (as per University's applications) were developed. Mr Knock was again commissioned. Mr White had an input into the game play and rules. Payments to Mr Knock were originally made by the partnership but as the company started to be responsible for more of the sales, payments were made by the company. Most of the supporting documents relating to this come from Upstarts. One, from 1994, comes simply from Mr White. Another, from 2008, comes from University to Mr Knock. The

<sup>&</sup>lt;sup>2</sup> The partnership initially also included a Mr Townsend, he left the partnership in 1990.

letter to Mr Knock about the new games and the royalty arrangement comes from Upstarts.

➤ Upstarts got into financial difficulties in 2007 and went into administration. Its assets were purchased by University. Mr White states that the assets did not include any rights to the Really Nasty games. It is stated that University knew this and reference is made to a proposed brand licence between University and the partnership which was to be on the same terms as that between the partnership and Ad-Mad Limited/Upstarts. A draft licence between the partnership and Shelfco (3425) (who later became University) is provided. It relates to "The Really Nasty Horse Racing Game" under the names of Thomas White and Gianetto Mariani a partnership.." An annotation added for the attention of Tom (presumably Mr White) states:

"Tom, we want to license the rights to all existing games and future games using the brand "Really Nasty". This license doesn't include "golf" or "motor racing" or the right to develop new titles."

- Also provided are email exchanges between Mr White and Mr Mogg (on behalf of a company related to University) relating to the various projects that University wanted to take on following the administration of Upstarts. In relation to "THE REALLY NASTY" there are comments from Mr White that Mr Mariani is nothing to do with motor racing and golf, his only involvement being with horse racing and that the only rights discussed with the administrators which were available was the right to licence the existing game. Mr Mogg comments that he wants the comprehensive rights and wants to license the brand and have the same rights to the brand that Upstarts had preadministration. Mr White states that negotiations broke down and that University then filed its applications.
- ➤ Mr White supplements the above with an agreement between the partnership and University. It is similar to the draft outlined above. It relates specifically to THE REALLY NASTY HORSE RACING GAME. It is, though, acknowledged at the end of the agreement that the licensing agreement relates also to line extensions.

# <u>University's evidence</u><sup>3</sup>

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Mr Currie worked for Upstarts, its administrator and later Shelfco/University. His evidence is that the two later games were developed in 2006 and that the packaging carries a copyright notice relating to Upstarts. He says that the packaging was designed to contrast with the Really Nasty Horse Racing game. He states that all parties treated these two games as company intellectual property.

<sup>&</sup>lt;sup>3</sup> It is noted that the "evidence" was not filed in evidential form. If the evidence is crucial to my decision then I will ask for this to be regularized. For the time being it is simply borne in mind.

- ➤ Mr Smith is University's financial controller. He provides details of royalty payments it has made to Mr Knock in various periods between June 2007 and March 2010. They cover all three games.
- Written submissions are also provided which include invoices about sales University have made of all three games. Further written submissions relate to the signed agreement provided by Mr White. It is stated that this does not cover the trade marks in dispute which were intentionally left out of the agreement.

# **SECTION 5(2)(b) OF THE ACT**

- 7) Section 5(2)(b) of the Act reads:
  - "5.-(2) A trade mark shall not be registered if because -
  - (a) .....
  - (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

8) As can be seen, the central question is, having regard to the similarities between the respective marks and the respective goods, whether there is a likelihood of confusion on the part of the public. In other words, would an average consumer of the goods in question believe that the products sold under the respective marks are the responsibility of the same or a related economic undertaking. The Court of Justice of the European Union ("CJEU") has issued a number of judgments relating to such issues<sup>4</sup>. These will all be borne in mind. Whether there is a likelihood of confusion must be appreciated globally, taking into account all relevant factors (*Sabel BV v Puma AG*). As well as assessing whether the respective marks and the respective goods are similar, other factors are relevant including:

The nature of the average consumer of the goods in question and the nature of his or her purchasing act. This is relevant because it is through such a person's eyes that matters must be judged (*Sabel BV v Puma AG*);

That the average consumer rarely has the chance to make direct comparisons between trade marks and must, instead, rely upon the imperfect picture of them he or she has kept in mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*) This is often referred to as the concept of "imperfect recollection":

<sup>&</sup>lt;sup>4</sup> The leading cases are: Sabel BV v. Puma AG [1998] R.P.C. 199, Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer [1999] R.P.C. 117, Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V [2000] F.S.R. 77, Marca Mode CV v. Adidas AG + Adidas Benelux BV [2000] E.T.M.R. 723, Medion AG V Thomson multimedia Sales Germany & Austria GmbH (Case C-120/04) and Shaker di L. Laudato & Co. Sas (C-334/05).

That the degree of distinctiveness of the earlier trade mark (due either to its inherent qualities or through the use made of it) is an important factor because confusion is more likely the more distinctive the earlier trade mark is (Sabel BV v Puma AG);

That there is interdependency between the various factors, for example, a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the respective goods, and vice versa (*Canon Kabushiki Kaisha v Metro- Goldwyn-Mayer Inc*).

#### The goods involved and the average consumer of them

9) The goods are identical given that the earlier mark is to be taken into account in relation to board games, which are the only goods sought by University in its applications. This means that the average consumer of the goods is also the same. The average consumer is deemed to be a reasonably observant and circumspect person (Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V paragraph 27). The degree of care and attention the average consumer uses when selecting goods can, though, vary depending on what is involved (see, for example, the judgment of the GC in Inter-Ikea Systems BV v OHIM (Case T-112/06)). In the case of board games, the average consumer is a member of the general public. Board games are not the most expensive of items. They will certainly not be purchased with an above average level of care and attention. Having said that, they are not completely casual purchases either. The purchasing act will be one of an average degree of consideration. The type of product concerned is normally bought by the eye, being selected from a shelf or from an Internet website. This means that any visual similarity will take on increased importance, but I will not ignore aural similarity completely.

#### Comparison of the marks

10) The marks under comparison are:

#### THE REALLY NASTY HORSE RACING GAME

versus

# THE REALLY NASTY MOTOR RACING GAME & THE REALLY NASTY GOLF GAME

11) It is clear from Sabel BV v. Puma AG (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account any distinctive and dominant components.

- 12) The dominant and distinctive element of all of the marks consists of the words "THE REALLY NASTY". The other elements describe the nature of the game in that it relates to horse racing/motor racing/golf. The dominant and distinctive element is the part on which the average consumer will place most importance. It therefore becomes the most memorable part of all the marks. That is not to say that I will disregard the rest of the mark in my assessment. The other words form part of the overall title of the game and are therefore not negligible.
- 13) In terms of the comparison, the impact of the above assessment must mean that there is a strong degree of visual and aural similarity. Conceptually the marks are highly similar as they all relate to some form of sport (albeit different sports) and that there is some form of unpleasant characteristic to the game play (the really nasty element). Notwithstanding the differences, I conclude that the applied for marks are similar to the earlier mark to a high degree.

#### The distinctiveness of the earlier mark

- 14) The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark (based either on inherent qualities or because of use made), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). From an inherent perspective the words THE REALLY NASTY give at least a suggestion that the game play involved may have some unpleasant characteristics and that the words HORSE RACING GAME describe that the game relates to horse racing. There is a mixture of suggestiveness and descriptiveness. This does not lend itself to a mark of a particularly high degree of distinctiveness. Having said that, many board games give a nod towards their nature and the average consumer will be well aware of this fact. Furthermore, the "really nasty" concept strikes me as somewhat unusual. I consider the mark to have a reasonable, neither high nor low, degree of inherent distinctive character.
- 15) The distinctive character of a mark may be enhanced through its use. Mr White's evidence includes information about the use made of the mark. Whilst it has clearly been sold and whilst examples of press coverage have been provided, he has not provided sales figures for any particular period of time nor information about the amount spent on promoting the product. Without such information it is difficult to assess the mark's true significance in the marketplace. In view of this I cannot hold that the mark is entitled to an enhanced degree of distinctive character.

#### Is there a likelihood of confusion?

- 16) It is clear that all the relevant factors have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17) and that a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.
- 17) The goods are identical. The marks are highly similar. The earlier mark has a reasonable degree of inherent distinctiveness. The only differences between the

marks come in their descriptive endings. I, of course, bear in mind the whole mark comparison and that the descriptive endings (which are different) form part of the overall board game names. The endings, though, all relate to sports of one form or another. In terms of why confusion may not arise, University argues that the public will not be confused on account of the entirely different game play, the packaging design and the different sport types. It is said that the games are sold separately. The arguments relating to game play and packaging are not relevant. Current marketing characteristics such as this are temporal in nature. I must consider the notional and fair use of the mark in relation to board games. The other issues do not, therefore, come into it. I come to the view that the average consumer will, inevitably, believe that the undertaking responsible for all of the products is the same or related. This could be by way of either direct confusion whereby the differences (the type of sport the game relates to) are not even recalled or, alternatively, indirect confusion whereby the average consumer, even though they may notice the difference (in the type of sport to which the game relates) between the marks, will put the common presence of THE REALLY NASTY wording down to there being an economic connection between the undertakings responsible for the goods; in other words, the goods sold under the marks will be seen as part of the same stable, being line extensions of one another. There is a likelihood of confusion under section 5(2)(b) of the Act.

#### Other issues

- 18) All other things being equal, the above finding is all that needs to be made to determine the issue under section 5(2)(b). However, I should deal with some of the other issues (which are foreshadowed in the pleadings) and whether they have any impact on the decision that I have made. It should initially be observed that none of these other issues have any influence on the average consumer of the goods in question. The average consumer will be unaware of any of the facts that arise from the evidence concerning ownership issues and/or disputed asset acquisitions and. thus, such facts have no impact on whether the average consumer will or will not be confused. Furthermore, the tribunal has no general discretion to register a mark (or more accurately, no general form of discretion to not refuse an application if there exists a valid ground of opposition) if it is considered that special circumstances exist which warrant such action. This is, effectively, what University seems to be requesting - they say that they own the copyright in all three games and, as such, they should be entitled to register the two names in question (they concede that there is nothing they can do about the other name given that it is Mr White's and Mr Mariani's registration). This claim, therefore, has no relevance as to whether the ground of opposition under section 5(2)(b) should succeed or not.
- 19) Mr White is a proprietor (albeit a joint proprietor) of an earlier mark. University concedes that there is nothing they can do about that. There is nothing specifically pleaded by University to suggest that Mr White is in some way disentitled from opposing University's applications. There is nothing in the language of its pleaded case or evidence which forms the basis of such a claim. Mr White's mark has a presumed designation of validity and he benefits from the rights (including the right to oppose on the basis of that earlier mark) that the Act provides. **The ground of opposition under section 5(2)(b) succeeds.**

# **OTHER GROUNDS OF OPPOSITION**

20) Given the above, I do not consider it necessary to deal with the other grounds of opposition. The above ground is, in my view, the strongest ground. It would be disproportionate to go further when this is not required.

### **COSTS**

21) Mr White has been successful and is entitled to a contribution towards his costs. I hereby order University Games UK Limited to pay Mr White the sum of £1200.

Preparing a statement and considering the other side's statement - £600

Filing evidence and considering University's evidence - £600

22) The above sum should 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 19 day of September 2011

Oliver Morris
For the Registrar
The Comptroller-General