

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2104585
BY ENTERTAINMENT ONLINE LTD
TO REGISTER A TRADE MARK IN CLASS 41**

AND

**IN THE MATTER OF OPPOSITION NO. 46607
THERE TO BY EMAP METRO LIMITED**

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THERETO BY EMAP METRO LIMITED**

DECISION

On 5 July 1996 Entertainment Online Ltd applied under Section 32 of the Trade Marks Act 1994 to register the trade mark NEON in respect of:-

“on-line services including video on-line magazine service; all included in Class 41”.

On 11 June 1997 Emap Metro Limited filed notice of opposition to this application. The grounds of opposition are:-

- (i) The opponents are proprietors of UK trade mark application No. 2106667 and have used the mark NEON in respect of printed publications. By virtue of such use the opponents have acquired a reputation in the name NEON.
- (ii) Registration of the trade mark applied for would be contrary to Section 3(4) of the Trade Marks Act 1994 since its use is prohibited in the United Kingdom by an enactment or rule of law or by a provision of Community Law.
- (iii) The trade mark is not being used by the applicants and there is no intention to use the mark in relation to all of the services listed. Registration of the trade mark applied for would therefore be contrary to Sections 3(6) and 32(3) of the Trade Marks Act 1994.
- (iv) The trade mark applied for is identical to the trade mark the opponents have used and in which they claim a reputation. Registration of the trade mark applied for would therefore be contrary to Sections 5(2) and 5(4) of the Trade Marks Act 1994.

The opponents ask that the application be refused.

The applicants' admit that the opponents are the proprietors of UK trade mark application No. 2106667, but they deny all other grounds of opposition and put the opponents to proof as to their use of the trade mark NEON and reputation.

Both sides ask for an award of costs in their favour. Only the opponents filed evidence in these proceedings. Neither side has requested a hearing. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

5 **Opponent's Evidence**

10 The opponents filed a statutory declaration dated 10 February 1998 by Jeremy Perkins, General Manager of EMAP Metro Limited, a position he has held since 1995. He says that the mark NEON has been used in the United Kingdom since July 1996 in relation to printed publications, particularly magazines. The goods sold under the mark are available through retail outlets such as W H Smith and John Menzies. A magazine using the mark NEON is exhibited at JP1.

15 In Mr Perkins' view use by the applicants of the trade mark NEON in relation to the services covered by the application will lead to deception and confusion given the established reputation and goodwill attributable to the mark NEON as used by his company. He goes on to say that he is advised by his trade mark attorneys that trade mark application No. 2106667 offends certain provisions of the Trade Marks Act 1994 and reiterates the position outlined in my summary of the statement of grounds. Mr Perkins supports these grounds in the following manner:-

- 20
- a) Section 3(4) - use of the mark applied for is prohibited in the United Kingdom by virtue of his company's reputation subsisting in the mark NEON;
 - 25 b) Section 32(3) - the applicant has no intention to use the mark in relation to all the services listed within the specification of UK Trade Mark application No. 2104585. He goes on to say that he has been advised by his attorney that the specification of services for the applicants' mark is unacceptably wide and contravenes Trade Mark Registry practice; and
 - 30 c) Section 5(4) - use of the trade mark applied for is liable to be prevented by way of actions for passing off based on his company's use and reputation subsisting in the trade mark NEON.

35 That concludes my review of the evidence and I turn to consider the respective grounds under which this opposition has been brought.

Section 3(4)

40 This Section of the Act reads:-

- 45 “(4) A trade mark shall not be registered if or to the extent that its use is prohibited in the United Kingdom by any enactment or rule of law or by any provision of Community law”.

Section 3 of the Act is concerned with absolute grounds for refusal of registration. Subsection (4) appears to be based on Article 3(2)(a) of the Directive (89/104/EEC) which provides that

trade marks should not be registered to the extent that their use may be prohibited pursuant to provisions of law other than trade mark law. Therefore, I think it is clear that the section is concerned with some inherent 'feature' of a mark which may be contrary to law rather than conflict between competing marks. The latter is provided for in Section 5. I do not think the opponents have made out any case under Section 3(4) and must accordingly fail under that head.

Sections 32(3) and 3(6)

10 These Sections read as follows:-

“32(3) The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used.”

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3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

20 In the ATTABOY trade mark case, Registry decision dated 28 August 1997 in relating to opposition (No.44276) to Application No. 2020288, the hearing officer said:

“In my view, Section 32(3) does no more than set out a requirement of an application to register a trade mark. The application form used in this case contains a statement in accordance with Section 32(3), which has been signed by Mr Sharpe [the applicant in that case]. Any challenge that this statement was made in bad faith falls to be considered under Section 3(6) of the Act”.

30 In the case before me the application form (TM3) contains the necessary statement signed on behalf of the applicants by their professional representative.

The Act does not indicate what is meant by bad faith; it must therefore be for the Registrar or the Court to decide in a particular case what amounts to 'bad faith'. However, in the "Notes on the Trade Marks Act 1994" (a publication which is based on the Notes on Clauses which were prepared for use in Parliament while the Trade Marks Bill was before it) one of the examples where bad faith might be found is as follows:-

“Where the applicant had no bona fide intention to use the mark, or intended to use it but not for the whole range of goods and services listed in the application”.

40 In this case the opponents claim that the mark is not being used and there is no intention to use the mark in relation or to all of the services for which registration is sought. Their evidence also states that the specification applied for is unacceptably wide and contravenes current Trade Mark Registry practice.

45 In my view prima facie there is an onus on the opponents when basing a ground of opposition on Section 3(6) to provide supporting evidence. However, where there is such a wide specification as on-line services (the Registry's current practice is that this term is too vague

and requires clarification) and is then challenged, it seems reasonable to expect the applicants to provide some evidence of their use or intended use of the varied and wide-ranging on-line services available within Class 41. Also, the fact that the applicants have now ceased trading would suggest that they did not have the necessary stature to provide such a breadth of services. In these circumstances, I take the view that I should find in favour of the opponents. I therefore find the opponents successful in their opposition under Section 3(6) of the Act.

Section 5(4)

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

15 (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

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

25 To succeed under Section 5(4)(a), an opponent must be able to show that, at the date of application, he was likely to have succeeded in a passing off action. To succeed in a passing off action, it is necessary for the opponents to establish that at the relevant date, (i) they had acquired goodwill under their mark, (ii) that use of the applicants’ mark would amount to a misrepresentation likely to lead to confusion as to the origin of the applicants’ goods; and (iii) that such confusion is likely to cause real damage to their goodwill. A fuller summary of the position can be found in WILD CHILD Trade Mark 1998 RPC 455 at page 460 et seq.

30 The opponents state that the opponents first used their mark in the United Kingdom on printed publications, particularly magazines, in July 1996. They provided a magazine bearing the opponents’ mark - dated January 1998 (after the relevant date). No evidence has been submitted to substantiate the claim that the opponents’ mark has an established reputation and goodwill in the UK prior to the relevant date. Accordingly, the opponents’ case falls at the first hurdle with the result that the opposition under Section 5(4) also fails.

Section 5(2)

I consider that the above claim is based on Section 5(2)(a) of the Act which states:

40 “5(2) A trade mark shall not be registered if because:

45 (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

(b)

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

The term `earlier trade mark' is itself defined in Section 6 of the Act as follows:-

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6.-(1) In this Act an “earlier trade mark” means-

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(a) 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,

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(b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or

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(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark.

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(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.

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The opponents' mark is as yet unregistered. However, the opponent's trade mark application is dated 1 August 1998, a later date than the application in suit (5 July 1998). Consequently, the opponents mark is not an earlier right under the provisions of Section 6 and therefore the opposition under Section 5 fails.

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As the opponents have been successful in these proceedings they are entitled to a contribution to their costs. I hereby order the applicants to pay the opponents the sum of £535.

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Dated this 21 day of January 1999

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**D C MORGAN
For the Registrar
The Comptroller General**