

O-305-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2353263
BY FARDEEN FEROZKHAN SOOKUN
TO REGISTER THE TRADE MARK
EXPOSURE
IN CLASS 14**

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 92539
BY MAISON ELOGA HORLOGHERIE ET BIJOUTERIE SARL**

BACKGROUND

1) On 14 January 2004, Fardeen Ferozkhan Sookun of 27 Sunleigh Road, Wembley, London HA0 4LS applied under the Trade Marks Act 1994 for registration of the trade mark EXPOSURE for the following goods in Class 14:

“Alarm clocks, atomic clocks, cases for clocks, cases for watches, chains, chronographs, chronometers, clock cases, clocks and watches [electrical], clockworks, dials, diamonds, key rings, links, medals, rings, stopwatches, straps for wrist watches, sundials, tie clips, tie pins, watch bands, watch cases, watch chains, watch crystals, watch glasses, watch straps, watches, wrist watches.”

2) On 4 June 2004 Maison Eloga Horlogerie et Bijouterie Sarl of rue du Grenier 18, La Chaux-de-Fonds, Switzerland filed notice of opposition to the application. The grounds of opposition are in summary:

The opponent is the proprietor of International trade mark number 774922 for the mark EXPOSURE in relation to goods in Class 14. The mark was first used in the Middle East in January 2001 on jewellery watches. It was launched in Europe at the Cannes festival in May 2003. The opponent claims to have advertised the mark in the UK via *Al-Hadeel* magazine. This magazine is said to have an office and be distributed in the UK. The opponent also subscribed to *British Airways Impressions* magazine. The opponent claims that the applicant knew of its mark when the application was filed. It also claims that the applicant has no bona fide business in the UK and that the application in suit is the only trade mark owned by the applicant. As a result of the above the opponent claims that the mark in suit offends against Section 56 via Section 5(1) and Section 3(6) of the Trade Marks Act 1994.

3) The applicant subsequently filed a counterstatement denying the opponent's claims, and counter-claiming that the mark was chosen as his watches “would need good exposure” and that he had used the Registry's “search and advisory service” prior to submitting the application. He also states that the Cannes Film festival denied all knowledge of the opponent.

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. Neither side wished to be heard, but the opponent did file written submissions which I shall refer to as and when necessary.

OPPONENT'S EVIDENCE

5) The opponent filed two witness statements. The first, dated 19 May 2005, is by Corinna Hiscox the opponent's Trade Mark Attorney. She states that she is well acquainted with French and English and that she has translated parts of the exhibits filed in the witness statement of Atef Salah Nsouli. I shall refer to these as and when necessary.

6) The second witness statement, dated 19 April 2005, is by Atef Salah Nsouli the Managing Director of the opponent company. He states that he has “a good working knowledge of the English language”. He states that his company is a Swiss watch and

jewellery manufacturer. At exhibit ASN1 he provides a company history. He states that in 1995 he acquired the company and in 1997 decided to expand the range of watches offered. He states that they were to be studded with diamonds and feature white and yellow gold. He states that “in keeping with the reputation of my company’s ELOGA watches, the new EXPOSURE watches were to be aimed at the upper end of the market and have an exclusive designer image”. He states that the mark EXPOSURE was registered in Switzerland in April 1997 and subsequently in other countries. At exhibit ASN2 he provides a list of such registrations. This list is in French but appears to have a UK entry with a date of 27 April 2004, which is after the date of the application in the instant case. He states that in 2001 the range was launched in the UAE, and during the same year in Lebanon, Bahrain, Saudi Arabia, Jordan, Kuwait, Oman and Qatar. He provides turnover figures which would appear to be world wide and show sales of \$9.5 million in the three years 2001-2003 inclusive.

7) Mr Nsouli states that in 2003 he arranged to have his watches promoted at the May 2003 Cannes Film festival by having a French actress wear one of his company’s watches. The actress was photographed and the photograph was printed in the French newspaper *Le Figaro* in May 2003, exhibit ASN5. At the same time advertisements were run in French magazines. Mr Nsouli states that the French newspaper, *Le Figaro*, is sold in the UK and it has a price of £1 on the front cover as shown in exhibit ASN5. He also states that the actress was subsequently photographed wearing an EXPOSURE watch and that the photograph was published in *Paris Capitale*, which he claims is “widely circulated in the UK”. He states that the press release was also featured in several Middle East magazines, such as *Aalam Al Saat* magazine, which he claims “is distributed all over the world”.

8) Mr Nsouli provides promotional figures for the mark EXPOSURE which are stated to be \$430,000 for the three years 2001-2003 inclusive. These are world wide figures and he states that the advertisements feature in Lebanese, Pan-Arab and Middle East magazines. He also claims to have advertised in *BASEL* magazine which he states is an international magazine. He provides numerous copies of advertisements which were carried in magazines whose country of principal circulation are stated to be Lebanon, “Pan-Arab” or “In-flight magazine of Middle East Airlines”. He provides evidence that these magazines are shipped to subscribers in the UK, and in one instance a list of stockists in London is provided. In December 2003 Mr Nsouli arranged for his product to be advertised in the June, September and December 2004 editions (all after the relevant date) of the British Airways “Impressions” magazine.

9) Mr Nsouli states that 2000 copies of his company’s brochure, exhibit ASN 19, were distributed at what is described as a “VIP dinner in May 2003 in the 5-star deluxe hotel “Home House” in the west end of London. He provides an invoice for this at exhibit ASN 20. However, this invoice is for only €5,000 which equates to approximately £3,000. I presume therefore that the event was organised and paid for by someone else with copies of the brochure simply being handed out to the guests, rather than an event organised and paid for by the opponent. No details of who the guests were is given, nor what the event was concerning.

10) At exhibit ASN21 he provides invoices for advertisements carried in magazines. Although the magazines are identified he does not state where they are circulated.

However, the invoices have addresses in Lebanon, and at least one of the magazines was identified earlier by Mr Nsouli as being circulated in Lebanon.

11) At exhibit ASN 22 he provides copies of correspondence from individuals interested in the opponent's watches and also from companies looking to stock the product. Of these e-mails one was from an individual in the UK and one from a company in the UK, all the others were from outside the UK. The two UK items are dated 25 January 2005 and 17 September 2004 respectively. Curiously both show the dates in the American fashion (month/day/year) rather than the normal British way (day/month/year). At exhibit ASN 23 he provides a list of advertisements and press releases that have appeared in various magazines. These are the same ones as mentioned earlier in his statement and are primarily centred on Lebanon and the Middle East. There are a couple of magazines which are described as being "International".

12) Mr Nsouli states that:

"I believe that, owing to the publicity invested in my company's EXPOSURE branded watches, taking into account the exclusive image of my company's EXPOSURE watches, and bearing in mind the reputation of Swiss watches – from which inspiration for watch design is drawn by designers all over the world- the applicant was aware that EXPOSURE was my company's jewellery watch brand at the time of filing of application no. 2353263 and did not file the application in good faith."

APPLICANT'S EVIDENCE

13) The applicant filed a witness statement, dated 1 September 2005, by Mr Fardeen Ferozkhan Sookun. Mr Sookun states that in 2002 he began selling items, including what he describes as "cheap" watches. He states that he found out that most of the watches were made in Hong Kong and so he decided to deal direct with the manufacturers. To this end he wrote to a number of companies during 2003 to obtain quotes for the supply of watches. At exhibits E3-9 he provides copies of the correspondence. He states that most of the companies contacted asked him what label/logo he wanted on the watches. He therefore looked into choosing an appropriate name. He states that "Eventually we settled on the name EXPOSURE and agreed that was best as exposure is to do with timing". He describes how he used the Trade Marks Registry's Search and Advice Service and applied to register the mark. He states that he wrote to the organisers of the Cannes Film festival and that they responded that they have no relationship with the opponent. At exhibit E10 he provides the relevant e-mail correspondence. Mr Sookun states that at the time of filing his application he was not aware of the opponent or their mark.

OPPONENT'S EVIDENCE IN REPLY

14) The opponent filed two witness statements. The first, dated 24 February 2006, is by Ms Diala Domiati Khayr the manager of C by C Events Sarl. She states that her company "is an "event" company which organises evening parties and openings of boutiques. We closely collaborate with CSP Production, the main activity of which is to organise prestige events, combining strict organisation and reputed guests". She

states that her company was “successful at “accessorising” Helena Nougera in 2003 and Penny Lancaster in 2004 with these 2 brand-names [Eloga and Exposure] during the International Film Festival in Cannes. We succeeded in having very good reviews in International magazines and journals like *Paris Capital*, *Le Figaro* and *Nice Matin*.”

15) The second witness statement, dated 28 April 2006, is by Miss Rani Gill a Director of Johnson Walker Ltd a jewellers and silversmiths in London. She states that she first saw the brand EXPOSURE in the Film Festival Journal edition of *Le Figaro* in 2003. This publication is a report of the Cannes Film Festival. She states that she contacted the opponent and became the sole UK supplier of the opponent’s EXPOSURE branded watches. Underneath the statement regarding the distribution agreement there appears a hand written date of “June 2003”. However, this addition is not linked to any paragraph nor is it initialled. It is unclear who added this date to the statement or why it was added.

16) That concludes my review of the evidence. I now turn to the decision.

DECISION

17) The opponent’s International Trade Mark number 774922 has a UK designation date of 27 April 2004. This is after the application date and so the opponent’s 5(1) opposition is based upon its claim under Section 56. This Section reads:

“56.-(1) References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who -

- (a) is a national of a Convention country, or
- (b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

(2) The proprietor of a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark is entitled to restrain by injunction the use in the United Kingdom of a trade mark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.

This right is subject to section 48 (effect of acquiescence by proprietor of earlier trade mark).

(3) Nothing in subsection (2) affects the continuation of any *bona fide* use of a trade mark begun before the commencement of this section.”

18) The opponent therefore has to establish that, at the relevant date (14 January 2004), its trade mark was well-known in the UK. In Kerly’s (14th Edition) it states at 14-215:

“All that is required is that the mark is “well-known” in the United Kingdom. No guidance is given in the Paris Convention as to what this means. TRIPS, on the other hand, provides that in determining whether a trade mark is well-known, members shall take account of the knowledge of the trade mark in the relevant sector of the public, including knowledge in the member concerned, which has been obtained as a result of the promotion of the trade mark. It is to be expected that, with this limited guidance, the provision will be construed as a matter of ordinary language so as to require that the mark is well-established amongst, and familiar to, the interested public and is, in short, that the mark is famous.”

19) The onus is upon an opponent to prove that his trade mark enjoys a significant reputation or public recognition and he needs to furnish the evidence to support his claim. In the current case the opponent relies upon:

- A photograph in a French newspaper, *Le Figaro*, and a French magazine, *Paris Capitale*, which are said to be sold in the UK, but no circulation figures for the UK are provided.
- Articles in various Middle East magazines, such as *Aalam Al Saat*, which are said to be sold in the UK. Again no circulation figures for the UK are provided.
- Two e-mails from an individual and a company within the UK, dated 25 January 2005 and 17 September 2004 respectively. The individual looking for further details of the products available, the company looking to act as a distributor. Both items were sent after the relevant date.
- The distribution of 2000 copies of the company brochure at what is described as a “VIP dinner”. No details are given as to who organised the event, who attended the event or what drew 2000 people to a dinner in a hotel in London.
- Johnson Walker Ltd, a jewellers and silversmiths in London, becoming the sole UK supplier of the opponent’s watches possibly in 2003 although the exact date is not clear. No details of sales by this company or efforts to promote the opponent’s brand in the UK are provided.

20) In their written submissions the opponent’s watches are described in the following manner:

“4. The watches are showy and glamorous. They are studded with diamonds (5 of Nsouli statement). Images of the watches appear in several of the exhibits to the Nsouli statement, for example ASN10 and ASN8. The EXPOSURE range of

watches has a striking appearance, but all of the watches within the range share some essential distinguishing features, namely the large face, the substantial number of diamonds on the face, and the consequent brightness of the watch, which is as much a piece of jewellery as a time piece. The diamonds are inlaid in such a way as to catch the light and create an effect of brilliance.

5. The launch of the opponent's EXPOSURE watches at the Cannes Film Festival was, therefore, entirely appropriate. That festival is attended by film stars, models and fashion and lifestyle journalists, as well as film critics and filmgoers. The Cannes Film Festival is one of the most prestigious celebrity events to be held annually in Europe. It is widely commented upon in the press, both by daily and weekly newspapers, and in fashion and lifestyle magazines, and interests in the festival extends well beyond France and beyond Europe."

21) From the photographs in the evidence I would agree that the watches have the "bling effect". However, the fact that the goods have lots of diamonds does not mean that the opponent has shown reputation. It is noticeable that despite the claims that the Cannes Film Festival is covered by the media almost universally, the opponent could not find a single reference to its products in any British newspaper or magazine. Instead it relies upon sales of French and Middle Eastern newspapers and magazines in the UK for its reputation. However, no circulation figures for these publications are provided and I take judicial note of the fact that the vast majority of Britons are monolingual, and thus would not read such publications.

22) The opponent has not shown that its mark is well-known and so cannot seek protection under Section 56 of the Act. The grounds of opposition under Section 5(1) and 56 fail to get off the ground.

23) I now turn to the other ground of opposition under Section 3(6) which reads:

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

24) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

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

(c) the application for registration of the trade mark was made in bad faith by the applicant."

25) In asserting that the application was made in bad faith, the onus rests with the opponent to make a prima facie case. A claim that an application was made in bad faith implies some deliberate action by the applicant which a reasonable person would consider to be unacceptable behaviour, or as put by Lindsay in the *Gromax* trade mark case [1999] RPC 10:

"includes also some dealings which fall short of the standards of acceptable commercial behaviour".

26) The opponent has filed no evidence to support this claim. In its written submissions the opponent, at paragraph 9, contended that “The applicant further states that it was agreed, in settling on the name EXPOSURE, ‘that was best as EXPOSURE is to do with timing’. This explanation lacks plausibility”. A definition of the word ‘exposure’ from the Collins English Dictionary is then provided. Whilst I accept that the dictionary definition shows that the word ‘exposure’ does not mean timing, I do believe that the applicant’s claim that the word has to do with timing can be accepted. In the photographic world the exposure required is calculated by the aperture and the shutter speed. Thus timing is connected to the term ‘exposure’.

27) The opponent contends that the timing of the application, six months after the Cannes Film Festival, is proof that the applicant knew of the opponent’s brand. They also contend that the applicant’s self confessed interest in watches also means that the applicant must have been aware of the opponent’s brand at the time of the application. I would suggest that the timing of the application, some six months after the Cannes Film Festival launch, shows, if anything, that the applicant was not aware of the opponent’s brand. If the applicant had become aware of the opponent’s brand as a result of media coverage of the Festival why would he wait six months to submit his application? Why would he have used the Registry’s Search and Advisory Service prior to lodging his claim? The fact that the applicant states that he has an interest in watches and is looking to sell them in the UK does not require him to have an encyclopaedic knowledge of the watch industry world wide. The applicant does not claim to be an expert. The fact that the opponent’s brand has not been publicised in the UK or its products offered for sale is a plausible reason why the applicant states that he was not aware of the opponent’s brand.

28) Lastly, the opponent states that the applicant’s evidence details only his intended use of the mark on watches. The opponent contends, at paragraph 15 of its written submissions, that:

“There is no suggestion in the evidence filed by the applicant of an intention to use the name EXPOSURE in connection with any other products. In consequence, it is contended on behalf of the opponent that the applicant did not have a bona fide intention to use the trade mark EXPOSURE as applied for.”

29) Section 32(3) of the Act sets out, as a basic requirement of making an application, that an applicant confirm in a statement that the trade mark is being used, either by the applicant or with his consent, in relation to the goods or services for which they seek registration of their mark, or they have a bona fide intention that it shall be so used. The section does not require that an applicant be using the trade mark in relation to all, or indeed any of the goods or services for which they seek registration at the time of the application for registration, only that where the mark is not in use that there is a bona fide intention that it will be so used. Section 32(3) clearly allows for some futurity in putting the trade mark into use, and although the section does not set a timescale, from the provisions of Section 46 of the Act it would appear that the Act envisages that an applicant should have a real intention of doing so within the five years following registration.

30) In the instant case the applicant was defending himself from attack by a watch manufacturer. Limiting his comments to his intentions regarding watches seems reasonable. The applicant does not have to file a business plan outlining how it intends to put the mark into use on different products. It is perfectly reasonable for a trader to register a mark and initially use it on a single product with the intention of expanding in the future. The fact that many businesses do not use their marks on the full range of goods and services shown in their application does not mean that the application was filed in bad faith, merely that, for whatever reason the applicant has chosen not to expand into a given area.

31) The opponent has failed to show that the applicant was aware of its mark when applying for the mark in suit, and has also failed to demonstrate that the applicant has no intention of using the mark on the full range of goods applied for. The ground of opposition under Section 3(6) fails.

COSTS

32) As the applicant is successful he is entitled to a contribution towards his costs. I order the opponent to pay the applicant the sum of £1,800. 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 24th day of October 2006

**George W Salthouse
For the Registrar
the Comptroller-General**