

O-310-08

**TRADE MARK REGISTRATION No 2223882
FOR THE MARK 'FIRECRAFT' IN CLASS 11
IN THE NAME OF FOCAL POINT FIRES PLC**

AND

**APPLICATION No. 82801 BY W & S M EVANS
(A PARTNERSHIP TRADING AS FIRECRAFT)
FOR A DECLARATION OF INVALIDITY**

Background

- 1 .The trade mark FIRECRAFT is registered in respect of “Heating appliances and installations; gas fires; electric fires; fires simulating fuel effects; fire surrounds; fire fronts; parts and fittings for all the aforesaid goods”.
2. The registration was applied for on 29 February 2000 by Focal Point Fires plc (Focal), in whose name the registration still stands.
3. On 16 March 2007, W and S M Evans (Evans), a partnership, applied under section 47 of the Trade Marks Act 1994 (“the Act”) for a declaration that Focal’s registration of FIRECRAFT as a trade mark is invalid. The grounds for invalidation are that Evans has been trading under the name FIRECRAFT since around October 1991 in respect of a business providing stone fireplaces and installing fires and associated accessories. Evans therefore has an ‘earlier right’ within the meaning of section 5(4)(a) of the Act. Evans asserts that Focal knew of its prior use of the Firecraft mark when it later adopted and applied to register the trade mark. It further asserts that subsequent use of Firecraft by Focal has resulted in confusion and deception amongst Evans’ customers.
4. Focal denies the ground for invalidation of its trade mark registration. It denies that FIRECRAFT was distinctive of Evans’ business at the date of its trade mark application, or that it knew of Evans as FIRECRAFT at that date, or that its own subsequent use of the mark since 2000 in relation to gas and electric fires has resulted in deception. In fact, Focal relies upon the absence of evidence of deception despite this concurrent use as confirmation that there was no likelihood of deception at the time of its registration of FIRECRAFT.
5. Both sides seek an award of costs.

The Evidence

6. Evans filed:
 - i) Three witness statements from William Evans, who is one of the two partners in Evans (the other partner being his wife, Susan Evans);
 - ii) A witness statement from Susan Evans;
 - iii) A witness statement from Andrew Jeffrey, who is a manager employed by Evans;
 - iv) A witness statement by Michael Ian Tillbrook, who has worked for Evans since 1994 and subsequently became the Firecraft Works Manager;
 - v) Sixteen witness statements from stockists of Evans’ Firecraft fireplaces.
7. Focal filed:
 - i) Two witness statements from Antony Southall, the Sales Director;
 - ii) A witness statement from Carl Richards, the Chief Executive;

- iii) A witness statement from David John Spencer, the Managing Director of the Fireplace Marketing Co.Ltd, which publishes a business-to-business publication called Fires & Fireplaces Magazine.

8. The matter came to be heard on 15 September 2008. Evans was represented by Mr Edenborough of Counsel instructed by Daniel & Co., Solicitors, and Focal was represented by Mr Vanhegan of Counsel, instructed by Urquhart-Dykes & Lord, Trade Mark Attorneys. Mr Evans, Mr Southall and Mr Richards attended the hearing and were cross examined on their evidence. I return to this below. First, I set out the primary facts.

9. Evans has long run a small retail business in Syston in Leicestershire called Evans Fireplace Centre. As its name suggests, it sells fireplaces and also accessories for fireplaces, including fires. In around April 1991, Evans established a workshop at the rear of its retail premises and started to produce its own high quality solid stone fireplaces. It is not in dispute that it made some use of a name including the word Firecraft during the 1990s. There is a dispute as to whether the manufacturing side of the business had established a reputation under that name by the time of Focal's application to register Firecraft as its trade mark. If there was any reputation, there is a further dispute as to whether it was under the name Firecraft or Firecraft Manufacturing.

10. At first the range of Firecraft fireplaces offered for sale was small, just two designs known as the Abbey and the Exmoor. However, over the following years the range expanded. An article in a trade newspaper dated 19 May 1997 (exhibit WE04 to Mr Evans first witness statement – Evans 1) records the history of the Firecraft range of fireplaces and that, by that date, the range consisted of 18 designs, all of which could be seen either in the Firecraft workshop (referred to above) or in a special Firecraft showroom in the cellar of Evans Fireplace Centre. It is clear from a photograph accompanying this article that, at least by this date, the signage for Evans Fireplace Centre identified it as being the home of Firecraft.

11. The Firecraft fireplaces were promoted to independent retailers of fireplaces. Brochures and price lists were sent to actual and potential stockists, evidence of which is supplied in exhibits WE03 and WE06 to Evans 1. The Firecraft name appears prominently in such documents, which are dated between 1994 and 1998. In each case the Firecraft name is accompanied by the descriptive words "natural stone fireplaces". Evans also exhibited at exhibitions, starting in July 1994 with The Real Fire Exhibition at Harrogate, and later at the Fireplace '95 show at the NEC in Birmingham and (in 1997) the Hearth and Homes Exhibition. In each case Evans was listed under the name Firecraft Manufacturing.

12. Evans' Firecraft fireplaces were also promoted to the public. There is evidence (exhibit WE27 to Evans 1) that prior to 1995 Evans produced a sales leaflet directed at the public promoting its Exmoor fireplace. The leaflet carries the name Firecraft (in large letters) over the word "manufacturing" (in smaller letters) and contains a space for the entry of the details of "Your local Firecraft stockist". A further such brochure was produced in 1997 (exhibit WE32 to Evans 1) entitled "The New Age of Stone". This featured another of Evans' fireplaces and carried the prominent designation of commercial origin "from Firecraft". According to Mr Evans, 20,000 copies of this

brochure were produced, and this is confirmed by a copy of an invoice (WE33 to Mr Evans 1).

13. The promotion of Firecraft fireplaces to the general public is reflected in the choice of some of the later exhibitions at which Firecraft fireplaces were promoted. According to Mr Evans, fireplaces under the Firecraft name were promoted at the BBC Good Homes Show in 1997 and at the Ideal Home Exhibition in 1998 and 1999. This claim is confirmed by various invoices exhibited as WE17-19 to Evans 1. The invoices for the earliest of these exhibitions are mostly addressed to Firecraft, whereas the invoices for the later exhibitions are mostly addressed to Firecraft Manufacturing. Despite this there is photographic evidence (WE20 to Evans 2) that the stand for the 1999 exhibition carried the name Firecraft (not Firecraft Manufacturing) accompanied only by descriptive wording such as "natural stone fireplaces".

14. The Firecraft name was also brought to the public's attention through advertising in newspapers and magazines. There is a dispute as to the amount spent on promoting the Firecraft mark, but there is evidence (WE21 to Evans 1) that from 1996 onwards some occasional (very) small advertisements were placed in 'home interest' magazines such as Country Living, Homes and Gardens and Ideal Home. There is also evidence (WE21 & WE25 to Evans 1) of more regular classified advertisements being placed in two BBC publications called Homes and Antiques and Good Homes. Evans appears to have advertised monthly in the former since 1996 and in the latter since April 1998. There is also some evidence (in WE23 to Evans 1) of regular small advertisements having been placed from 1996 onwards in a magazine called AGA. It is fair to say that none of the actual advertisements in any of these publications are in evidence. However, as the invoices for them (which are in evidence) are all addressed to Firecraft or Firecraft Manufacturing, I think that it is more likely than not that they promoted goods by reference to one or other of these names.

15. At the time of Focal's application to register the Firecraft trade mark for fires, surrounds etc. in early 2000, Evans had 96 stockists for Firecraft fireplaces with virtually nationwide coverage.

16. Focal is a longstanding business. Up until about 2000 it sold electric and gas fires through a network of independent fire retailers and (from 1995) through British Gas showrooms. These fires were branded as Focal Point Fires. In 1998 Focal also started to supply its branded fires to B & Q. British Gas and B & Q were able to offer Focal's fires for sale at prices that Focal's independent retailer customers could not match. In order to meet the concerns expressed by these customers, Focal decided in 2000 to bring out a revised range of fires for the independent retailer marketed under the name Firecraft.

17. The new range was first promoted by way of a double page advertisement in the July/August 2000 edition (i.e. after the date of the trade mark application) of a trade publication entitled Fires & Fireplaces. However, Focal was still in the process of obtaining parts for the products at that time and the first sale of a product bearing the Firecraft brand did not occur until around the spring of 2001. There is evidence

(exhibit AS4 to Southall 1) that over 10k Firecraft brochures were ordered between 2001 and 2004. Also a large number of Firecraft instruction booklets.

18. The extent of Focal's sales of Firecraft fires prior to 2006 is in dispute. I return to this below. The next recorded advertisements for Firecraft fires were also in Fires & Fireplaces magazines published between September 2004 and March 2005. These advertisements were placed by a business called Hearth and Home Distribution, which distributes Focal's fires.

19. It is common ground that there was substantial promotion of Firecraft fires from August 2006 onwards, both in trade and consumer publications. This coincided with a re-launch of the Firecraft brand by Focal and the appointment of a new team of sales representatives.

20. The promotion of Firecraft fires tended to avoid any mention of Focal. This was deliberate. Focal wished to avoid any connection between its Firecraft brand and the fires available from B & Q under the Focal Point Fires name.

The Disputed Facts

Was Firecraft distinctive of Evans' business at the date of Focal's trade mark application?

21. I start to answer this question by providing my assessment of Mr Evans as a witness. In my view, he was an honest witness and gave mostly reliable evidence. I do not think that he tried to mislead the tribunal, but his grasp of some of the detail of long past events sometimes let him down. On one occasion he became flustered by a question as to how the manufacturing side of Evans' business had come to be listed in Yellow Pages as "Firecraft, Firecraft Workshop" and gave an answer that was simply incredulous. In fact the answer was obvious. 'Firecraft Workshop' was simply part of Firecraft's address. Of more concern, I was unconvinced by Mr Evans' evidence that one of Evans' delivery vans carried the Firecraft name prior to the year 2000. This is because in answer to a question from Mr Vanhegan he identified the Firecraft van as the Ford Escort van shown to exhibit WE04 to Evans 1. In fact it is clear from the photograph that the van in question carried the name 'Evans'. Further, it became clear that Mr Evans' evidence as to the turnover in the business conducted under the Firecraft name had been provided by his book keeper, who had estimated the proportion of the business conducted under that name (as opposed to the retail business conducted under the name Evans Fireplace Centre) prior to 1998 (after which a computer system was installed and separate records kept). Mr Evans' answers to questions about the estimated turnover and advertising figures for the years prior to 1998 did not convince me that they were reliable.

22. The business conducted by Evans under the Firecraft name appears to have been on a modest scale. In the period June 1998-May 1999 Evans turned over just over £185k worth of stone fireplaces under the Firecraft name. However, no doubt aided by the promotion of the products at the Ideal Home exhibitions in 1998 and 1999, the business conducted under the Firecraft name more than doubled to £374k in the following year June 1999-May 2000. Mr Evans accepted Mr Vanhegan's suggestion that the average price of his fireplaces at this time was around £900.

That suggests that the Firecraft side of Evans' business was selling 30-40 stone fireplaces a month at the time of Focal's trade mark application (the relevant date).

23. The second and third limbs of Mr Vanhegan's attack on Mr Evans' evidence of the distinctiveness of the Firecraft name concerned the use by third parties of the name Firecraft and a related claim that Evans' business therefore necessarily represented itself as Firecraft Manufacturing in order to distinguish itself from these other Firecraft businesses. The two businesses concerned are based in the North West of England (Blackpool and Chorley) and London (Ealing and Harrow). Both are known as Firecraft. Both are listed as being distributors of Evans' Firecraft fireplaces in Mr Evans' third witness statement. Mr Evans accepted that he knew of both businesses at the time that Evans adopted the Firecraft name. He supplied them both with his Firecraft fireplaces, but knew that they stocked fires and fireplaces from other manufacturers. In answers to questions about the effect of such concurrent use of the name Firecraft on his claim that the name was distinctive of his business at the relevant date, Mr Evans sought to distinguish such use on the basis that these businesses were local retailers (like Evans Fireplace Centre) selling third party products whereas his use of Firecraft was as a manufacturer's mark used in relation to products sold nationwide. He accepted that, so far as he was aware, the concurrent use of Firecraft by Evans and these retailers had not caused confusion or deception of the public.

24. Mr Vanhegan challenged Mr Evans' characterisation of these businesses as purely retail outlets. He showed Mr Evans a print out from the web site of the Chorley/Blackpool based outfit, which showed fireplaces for sale without a manufacturer's name, and indicated that it had its own manufacturing facility in Bury. Mr Evans recognised four of the eight fireplaces as ones made by Evans' Firecraft business. The other four fireplaces shown were made by a competitor called Framington. He therefore doubted that this business was in fact manufacturing fireplaces. He had not seen the web site before and had no knowledge of what was made in Bury. Mr Evans' expected that the maker of the fireplaces shown on the web site would be identified at the time of sale, even though it did not appear on the print out shown to him.

25. The print out in question shows the web site as it appears in 2008, some eight years after the relevant date in these proceedings. It is not in evidence and I do not think that it shows that the Chorley/Blackpool business was representing itself as being any more than a retailer of third party fires and fireplaces at, or prior to, the relevant date.

26. Mr Vanhegan also challenged Mr Evans about his characterisation of the London business conducted under the Firecraft name. Curiously, he asked Mr Evans to consider some documents filed at the Patent Office in 2000 by the London based Firecraft business as observations on Focal's application to register the Firecraft mark. The documents in question assert that Focal knew that the London business enjoyed goodwill under the name Firecraft in relation to a business supplying goods to the trade and the public, which were similar to those covered by Focal's trade mark application. Attached to the observations are two undated copies of sales brochures, which appear to show that the London business offered fireplaces, fire surrounds and fires for sale under the name Firecraft. Mr Evans had not seen these

documents before and could not shed any light on them. He maintained that as far as he was aware, the London Firecraft business was only a retailer of third party branded fires and fireplaces, including his own.

27. The copies of the brochures in question were undated and there is no way of knowing whether they give a complete picture of the way in which the London business offered its goods for sale to the public (the pages were not numbered). These brochures were put forward by a third party, but weren't followed up by any formal opposition proceedings. Consequently, these documents have never been submitted as evidence in any proceedings. No one has attested to their authenticity. Nor have I been shown Focal's response (if any) to the observations. In these circumstances, I am unwilling to accept that they undermine Mr Evans' evidence that the London based Firecraft was any more than a retailer of third party fires and fireplaces etc.

28. Mr Vanhegan spent a lot of time questioning and challenging Mr Evans' evidence that the manufacturing side of Evans' business was known as just Firecraft. According to Mr Vanhegan, the evidence showed that the business was known as Firecraft Manufacturing until 2004 when the 'Manufacturing' tag was dropped. Mr Evans stuck by his evidence that his business was known throughout as just Firecraft, although he conceded that it had sometimes been identified as Firecraft Manufacturing. He denied that this had anything to do with a need to distinguish his business from other Firecrafts, insisting that it simply described the nature of his manufacturing business.

29. I do not need to spend much time on this point. The documentary evidence speaks for itself. It is true that many of the formal listings for Evans' manufacturing business in directories and the like gave its name as Firecraft Manufacturing. This seems to have been the formal name of the partnership. But in public facing promotional material and exhibitions (see paragraph 12 and 13 above) the business was identified as just 'Firecraft' or the names 'Firecraft' and 'Firecraft Manufacturing' were used interchangeably. This is reflected in the numerous invoices in evidence. Mr Evans was confronted by many addressed to Firecraft Manufacturing. There are just as many prior to 2000 addressed simply to Firecraft.

30. Mr Vanhegan pointed out that the name Firecraft was used concurrently by Evans and two retailers. He submitted that I should be careful to avoid brushing over the significance of the difference between Firecraft (which was not distinctive of Evans) and Firecraft Manufacturing (which might have been). In this connection he reminded me of the well known *Office Cleaning Services* case [1946] (63) RPC 39. I accept this point, as far as it goes. However, I do not think that the concurrent use of Firecraft by two retailers and by Evans as the name (or part of the name) of its fireplace business puts the word Firecraft in the same position as 'Office Cleaning Services', which was 100% descriptive of the office cleaning services in question. Further, on the facts before me I do not consider that it is correct to say that the public relied to any extent on the 'Manufacturing' part of Evans trading name so as to distinguish its services from those of the two retailers with the name Firecraft. I am satisfied that, so far as the manufacturing of stone fireplaces was concerned, the name Firecraft was distinctive of Evans' business at the relevant date to a significant section of the trade and of the public.

31. I am fortified in this view by the evidence from stockists of Evans' Firecraft fireplaces. Fifteen of the sixteen witnesses who have given evidence, Messrs McCallum, Corney, Fleming, Fabian, Bishop, Woodstock, Ormston, Brewen, Connor, McCann, Laurie, Armstrong, Marper, McBurney and Yeldham claim to have known Evans' manufacturing business as Firecraft from a date prior to the year 2000 (the other, a Mr Carmichael, had only known of Evans' business since around 2001).

32. I also note that three of these witnesses, Messrs Fabian, Armstrong and McBurney, gave evidence that their customers had asked for Firecraft fireplaces by name. Another of these witnesses, Mr Yeldham, claimed that his business had benefited from Evans' promotion of the Firecraft name at exhibitions and the like "for many years", and that this has brought customers to his business as a retailer of Firecraft fireplaces. All of this evidence points in the same direction as my finding above.

What was the nature and extent of Focal's use of Firecraft between 2000 and 2006?

33. Mr Southall gives evidence that Focal sold the following estimated numbers of Firecraft fires.

Year	Units sold	Sales value (£)
2001	3142	539,099.91
2002	4537	759,009.76
2003	5647	704,260.07
2004	6000	750,000
2005	5979	732,535.39
2006	7928	1,087,299.32
2007(to Nov')	9790	1,539,238.55

34. Mr Southall was questioned at the hearing about the apparently artificial accuracy of most of these figures, given that they are put forward as estimates. However, he gave a credible explanation as to how they were calculated using average selling prices and his firm's computer records, which break down sales by brand. The one exception being the figures for 2004, which were just estimates. Mr Southall could not explain how they had been calculated and I will therefore treat the 2004 figures as unreliable.

35. According to Mr Southall, around 10% of the sales figures shown above were spent promoting the Firecraft brand. On the face of it this seems difficult to square with the limited amount of promotional material in evidence prior to 2006. Mr Southall's evidence was that it was his firm's practice to pay in kind for advertising of Firecraft fires undertaken by his distributors. This was done by discounting the fires supplied to them in order to cover some or all of the cost of the advertising. The evidence of Hearth and Home's promotion of the mark between September 2004 and March 2005 in the trade publication Fires and Fireplaces may be an example of this. It is striking that it is the only example of such promotion in evidence.

36. David Spencer of The Fireplace Marketing Company Limited (publisher of Fires and Fireplaces Magazine) appears to give relevant written evidence on this point. He says that he:

“...first became aware of [Focal’s] use of the trade mark FIRECRAFT when the company ran a double page spread advertisement in my magazine in the summer of 2000. The brand has been promoted, both in my magazine, and elsewhere by way of regular advertisements, features and news items ever since.”

37. Mr Evans filed written evidence in reply to this evidence which showed that, apart from Hearth and Home’s advertisements between September 2004 and March 2005, there were no other advertisements for Focal’s Firecraft fires in Mr Spencers’ magazine in the period between the first one in the summer of 2000, and 2006. Following the case management conference which preceded this hearing, Focal’s representatives confirmed to me that it was not going to challenge Mr Evans’ analysis of the extent of the advertising of [Focal’s] Firecraft mark in Fires & Fireplaces magazine. In those circumstances, I declined a request for Mr Spencer to attend the hearing for cross examination. His written evidence as to the promotion of the Firecraft mark in his own publication appears to have been exaggerated: it does not reflect a pattern of “regular advertisements” “ever since” the summer of 2000. What he says about advertisements “elsewhere” is just a general assertion. And given the lack of reliability of his more specific evidence it is self evidently worthless. His evidence is of no assistance.

38. There therefore remains an apparent tension between the extent of Focal’s claimed substantial sales of Firecraft fires between 2001 and 2006 and the meagre evidence of the promotion of those fires that it has been able to muster or particularise in evidence. The answer to that tension is probably this. Focal is a substantial company with business in the UK and overseas. After it started to supply fires to British Gas in 1995 it fell out with many of its independent retailer stockists. Mr Richards gave evidence that the reaction from such traders at the Fireplace ’95 exhibition was so bad that it stopped attending such exhibitions. Relationships with the small independents got even worse when Focal started to also supply fires to B & Q. Mr Evans accepted that this relationship was very bad. Nevertheless, Mr Richards gave evidence that it had been supplying fires to a company called Housing Units in Manchester for 21 years and had sold them thousands of Firecraft fires (and presumably Focal Point Fires before 2001). Mr Evans accepted during examination that Housing Units was one of the largest outlets for fires/fireplaces in the UK. Indeed he said it was probably the largest.

39. The likelihood is therefore that large outlets like this were the main ‘independent’ customers that Focal had left in the UK by the year 2000, and it was to these customers, rather than small retailers like Evans, that Focal supplied its Firecraft fires prior to 2006. Consequently, even though Focal’s sales figures for 2001-2006 are not small, the goods were mostly being sold to Focal’s existing customers. Such a conclusion would be consistent with the limited promotion of the mark during this period.

40. That strategy appears to have changed in 2006 when a new sales team were appointed and smaller retailers, including stockists of Evans' Firecraft fireplaces, were approached by Focal's sales representatives. This is consistent with the evidence from the sixteen stockists of Firecraft fireplaces, eleven of whom say that they were sent a brochure or were approached by a sales representative for Focal's Firecraft fires in or after 2006, whereas none say that were offered Focal's Firecraft product at an earlier date. It is also consistent with the sales figures for Firecraft fires in evidence, which show a marked increase from 2006 onwards.

41. I therefore find that Focal had sold fires under the Firecraft mark on the scale described in Mr Southall's evidence (apart from 2004, where the real sales figures are unknown) but that the figures provided for the promotion of the mark are unreliable. In fact the mark had received only limited promotion prior to 2006.

Did Focal know of Evans' use of the name Firecraft when it adopted the trade mark?

42. The evidence that Focal knew of Evans' use of Firecraft at the time of the trade mark application consists of the following. Firstly, Mr Evans gives evidence that he bumped into Mr Richards on a visit to a fireplace showroom in or around 1991 and gave him a promotional leaflet for one of the then newly launched Firecraft fireplaces. Secondly, there is documentary evidence that Focal and Evans exhibited at the same trade shows in 1994 (Real Fire Exhibition at Harrogate) and 1995 (Fireplace '95 at the NEC) and that Evans was listed under the name Firecraft Manufacturing in the list of exhibitors for these events. Thirdly, Mr and Mrs Evans give evidence that Mr Richards and Mr Southall of Focal visited their retail premises in Syston on a number of occasions between 1990 and '95 and would have seen the signs for the Firecraft business and products. Fourthly, there is evidence from Mr and Mrs Evans that a business of which Mr Southall is a Director, called Flaming Fires, bought two Firecraft fireplaces from Evans in October 1994 and May 1996. There was a problem fitting the first fireplace and Mr Evans and Mr Tillbrook give evidence that Mr Southall personally attended the end customer's address in order to resolve the problem. Further, according to Mrs Evans, on his next and last visit to the showroom sometime after October 1994, Mr Southall asked for a Firecraft brochure by name.

43. I start my analysis of Focal's evidence on this point with an assessment of Mr Richards and Mr Southall as witnesses. Mr Richards seemed to me to be straining to avoid making any admissions that he thought may be damaging to Focal's case. On the one hand he (understandably) had difficulty recollecting what he had seen on his visits to Evans' retail premises nearly 14-15 years earlier, but on the other hand he seemed artificially clear that he had not read past the word 'Evans' on the exterior signboard or looked around the showroom, despite having visited it on at least six occasions. More plausibly, when asked whether he had seen his company listed on the same page as Firecraft Manufacturing in the exhibitors list for the Real Fires Exhibition in 1994 he answered:

"I am under oath. I could not honestly say "yes" or "no" now."

44. Mr Southall was a composed witness who gave straightforward and mostly plausible answers to the questions put to him. He had visited Evans' premises on a few occasions and looked around but could not recall seeing anything with the Firecraft name on it. Nor could he remember the exhibitors list from the '94 Real Fires Exhibition. He accepted that he had attended a customer's premises in 1994 along with Mr Evans to resolve a problem arising from the fitting of a fire and a fireplace, the latter of which had been sourced from Evans. He could not recall seeing the name Firecraft used in connection with the fireplace. In his written evidence (AS16 to Southall 1), Mr Southall had produced an estimate and an invoice from Flaming Fires to a customer in 1996, which included a reference to the sale and fitting of a 'Conway' fireplace (also supplied to Flaming Fires by Evans), but no reference to the name Firecraft. It was put to him that he had not put in the invoice from Evans to Flaming Fires because that would have shown the Firecraft name. Mr Southall accepted that the missing invoice may have carried that name, but he pointed out that it would have been processed by his wife, who in practice ran Flaming Fires. He worked for Focal and only occasionally helped out in what was really his wife's business. He maintained that he was unaware of Evans' use of the Firecraft name until 2006. In particular, he denied Mrs Evans claim that during the mid 1990s on his last visit to Evans' premises he had asked her for a Firecraft brochure by name. Firstly, he said he could not remember it and, when pressed, said that he thought that it had not happened.

45. I think it more likely than not that Mr Richards and Mr Southall had some fleeting awareness of Evans' use of the Firecraft name for stone fireplaces in the early to mid 1990s, but I do not think that it was in their minds when Focal decided to adopt the same name for a new range of fires in 2000. That is consistent with the undisputed evidence that another Director of Focal, a Mr Pryke, made a telephone call to Evans in 2002, which was taken by Andrew Jeffrey, a manager at Evans. According to Mr Jeffrey, the caller identified himself as being from Focal and said that Evans was using Focal's Firecraft name. According to Mr Jeffrey, when told that Evans had been using the name since 1991 "the caller said 'oh' and left it at that".

46. Mr Richards' evidence on this point was that:

"When we ascertained that it was Mr Evans' business which was using the name, and that he had been using the name for a number of years, my company took no further action. This was because we were advised that the name was only being used for [Evans] stone fireplace business, and we felt that these were specialist goods and sufficiently different to our own line of business".

47. It is not clear how or whether Focal verified Mr Jeffrey's claim that Evans has been using the name for many years. It is distinctly possible that when Mr Jeffrey's claim was relayed to Mr Richards or Mr Southall, it jogged their memories about Evans' use of Firecraft. I leave the point open because nothing turns on it. The fact that the call was made at all points to the conclusion that Focal did not have Evans' use of the name Firecraft in mind in 2002. That would be odd if that was a reason why Focal adopted the same name two years earlier. The delay in targeting Focal's Firecraft fires at the small independent retailer market (where Evans' reputation was strong) until 2006 is also inconsistent with the proposition that Focal adopted the

name in 2000 with an intention to deceive and take advantage of Evans' goodwill. I am therefore satisfied that Focal's adoption of the name Firecraft for fires in 2000 was not made in the conscious knowledge of Evans pre-existing use of the name for fireplaces and for the purpose of trying to pass off Focal's fires as those of Evans.

The Law

48. Section 5(4)(a) of the Act states that a trade mark shall not be registered:

".....if, or to the extent that, its use in the United Kingdom is liable to be prevented 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"

49. The requirements to succeed in a passing off action are well established and are summarised in *Halbury's Laws of England* 4th Ed at paragraph 165 as follows:

"1) that the claimant's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods offered by the claimant are goods of the defendant;
3) that the claimant has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation."

50. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

51. I would add one further point to this analysis of the law. Passing off does not require that a majority of those in the relevant market are deceived. The test is whether, on the balance of probabilities, a substantial number of persons would have been deceived by Focal's use of the designation Firecraft at the relevant date: *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC, 473.

Decision

52. I have already found that Firecraft was distinctive of Evans' stone fireplaces at the relevant date. This is despite the fact the name was being used concurrently by two independent local or (at most) regional retailers of third party fires and fireplaces. As I indicated above, it is my view that the name remained distinctive of Evans' stone fireplaces despite this degree of concurrent use by others. It therefore remained enforceable against third parties: *Star Cycle Co. Limited v Frankenbergs* [1907] 24 RPC.

53. It follows that I also reject Mr Vanhegan's related submission that Evans enjoyed insufficient goodwill under the mark at the relevant date so as to found a passing off action. Mr Vanhegan drew my attention to the case of *Hart v Relentless Records* [2003] FSR 36, in which Jacobs J. (as he then was) rejected the claimant's case on the basis of insufficient goodwill. In doing so he noted that the law of infringement of unregistered marks had long since been repealed and that the law of passing off did not protect goodwill of a trivial extent. In that case the claimant had been trying unsuccessfully for three years to promote musical recordings under the name 'Relentless'. He had issued a number of demo tapes but he had not managed to secure actual sales under the name. Mr Vanhegan also drew my attention to the case of *Sutherland v V2 Music* [2002] EMLR 28, which Laddie J. regarded as a borderline case despite the fact that the mark had been known to tens of thousands of people some six years prior to the relevant date. However, that was a case concerning residual goodwill and is therefore of little relevance to this case which concerns the goodwill of an on-going business.

54. Of more relevance is the case of *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41. In that case, Laddie J. identified the established trade of

Compass Logistics as being only just sufficient to protect its goodwill at the date of Compass Publishing's UK trade mark application. The senior user had been trading for just 10 months when the other party applied to register the word Compass as a trade mark. According to the report of the case on pages 827/828, the senior user had turned over just £144k under the mark Compass or Compass Logistics by the relevant date. The judge commented that there was a paucity of evidence about the promotion of the mark. In any event, it was claimed that only some £6.5k had been spent on promotion, some of which was after the relevant date. The senior user had just seven UK clients at the relevant date. It was an extremely small player in the national market. In many areas of the country, and for most of the potential customers who used logistics, the senior user would have had no reputation at all. Despite these findings the judge went on to hold (at lines 64-67 on page 828) that:

“Taking all the above factors into account, I have come to the conclusion, but with considerable misgivings, that by [the relevant date] the [senior user] had probably built up sufficient reputation in “COMPASS LOGISTICS” to support a passing-off action”.

55. Each case must be decided on its own facts and it would be wrong, in principle, to try and determine whether Evans had sufficient goodwill in the Firecraft business through a process of comparison with the facts in earlier cases. Nevertheless, it is obvious that the use relied upon by Evans is considerably more substantial than that described in the above cases. Evans had been trading under the names Firecraft and Firecraft Manufacturing for 9 years by the relevant date in these proceedings. They were selling 30-40 stone fireplaces per month under the name Firecraft. They had exhibited under that name at a major exhibition, the Ideal Home Exhibition, in each of the two previous years and over 90 UK retailers stocked their products.

56. I find that Evans' Firecraft business was a modest but by no means a trivial or ephemeral business at the relevant date. I have no misgivings in concluding that Evans' had sufficient goodwill by that date so as to found a passing off action.

57. The nature of Evans' business under the name Firecraft is clear. It was a manufacturer of stone fireplaces. As with all such retailers, Evans' Firecraft fireplaces would have been displayed with third party fires in Evans' showroom and in its promotional material. However, it would have been clear to anyone buying a Firecraft fireplace and a suitable fire from Evans that the fire was a third party product. As Mr Evans himself said under examination, he would expect a retailer of fires and fireplaces to identify the manufacturer of the products.

58. There is no doubt that fires and fireplaces reach the end consumer through the same retail trade outlets. Because they are complementary products and are usually fitted by specialists, both fires and fireplaces are usually bought and re-sold (often together) by such retailers and other trade intermediaries.

59. The marks at issue are effectively the same. For the reasons given above, I am not persuaded that I should attach much significance to the fact that Evans' used the mark Firecraft interchangeably with the name Firecraft Manufacturing.

60. There is no evidence of Focal offering “fire surrounds” for sale. For the purposes of assessing whether Evans had an earlier right to the Firecraft mark, I am therefore required to assume normal and fair use of the mark by Focal for these goods.

61. The position is different for fires. Focal has used the mark alone and without further distinguishing matter (such as Focal Point Fires) in relation to fires.

62. This brings me to the result of such concurrent use with Evans, and the evidence of Evans’ stockists. Their evidence was given in 2007 by which time Evans’ Firecraft business had grown by about 70% compared to the position at the relevant date in 2000. However, after making some allowance for this, their reaction to Focal’s use in 2006 onwards might be taken as indicative of their likely reaction at the relevant date.

63. The evidence of Wayne McCann is obviously just an example of name confusion rather than damaging deception. He says that he received a copy of the Fires and Fireplaces 2007 calendar, which carried a small advertisement for “Firecraft – Designed for everyone”. A copy of the advertisement is exhibited to his witness statement. It does not identify any product or undertaking. Mr McCann did not therefore think that it was a very good advertisement and told Mr Evans so. Mr Evans told him that it was Focal’s advertisement.

64. Mr Ben Armstrong says that sometime in 2007 his Fireplace Centre took a call from “a lady asking if [his firm] sold Firecraft fires and fireplaces. [Evans] had given the lady our number as a stockist for their fireplaces in her area. However, she had also wanted a flueless fire, and seemed to assume that [Evans] made both”. What the enquirer actually said is not clear from this description. Nor is it clear that the conversation was actually with Mr Armstrong. I am therefore unwilling to place much weight on this (possibly second hand) hearsay evidence.

65. Mr Nick Corney is the proprietor of Aspect Fires in Peterborough. He gives evidence that:

“In August 2006 we received a magazine entitled “Fires and Fireplaces”. On reading the magazine I saw an advert for gas fires from Firecraft with the website firecraftfires.co.uk.

As these fires were sold by Firecraft I assumed [Evans] had now decided to sell fires to go with their fireplaces.

I decided I would contact [Evans] to enquire about this new range. As we also offer for sale gas fires, electric fires and fire surrounds I thought that we may be able to add [Evans] fires to our range of products and I thought that offering fires to go with the fireplaces was good business sense from [Evans].

On contacting [Evans] I was informed that they were not selling fires. In fact the company offering the fires under the Firecraft name were Focal Point Fires plc.”

66. Peter Carmichael, Rosemary Fabian, Andrew Bishop, Calvert Woodstock, Kevin Ormston, Jim Connor, Wayne Marper and Jonathan Yeldham, all stockists of Evans product, give similar evidence. These witnesses appear to have been confused by Focal's use of Firecraft, but they were not ultimately deceived and there was no damage.

67. Mr Lesley Brewin is a Director of Blazes (Reading) limited, which is another of Evans' stockists. His evidence is that:

"Sometime in 2006 a sales representative came to my showroom trying to get some flueless fires on display under the name "Firecraft". Initially I assumed [Evans] must now be selling flueless fires as I associate the "Firecraft" name with [Evans] and as we already sell fires it would to me have seemed a very logical addition to [Evans] products.

It was only when I began discussing [Evans] fireplaces with the representative that the representative informed me they were a different company from [Evans]. I now know the company to be Focal Point Fires plc.

I was concerned at this because I may have been interested in taking some of the flueless fires being offered had they been from [Evans]. As I was under the impression the representative was from [Evans] due to the Firecraft name and due to the relationship we have with [Evans] I could be assured of high quality products. Therefore had I not questioned the representative and discovered the true identity then I may have agreed to stock some of the flueless fires under the impression I was dealing with [Evans]."

68. Mr Doug Lawrie of B & S Fireplaces gives similar evidence of almost being deceived.

69. Mr Brewin had been dealing with Evans since 1998, up to two years before the relevant date. Mr Lawrie had been stocking Evans' fireplaces since 1996, three to four years before the relevant date. They give evidence of their reaction to Focal's use in 2006, some six years after the relevant date. They appear to have been initially confused by Focal's use in 2006, although again they were not ultimately deceived.

70. It is clear from Mr Evans' evidence that Evans canvassed all its stockists about Focal's use of the name Firecraft. The evidence described above is therefore the high point of Evans' case. Mr Edenborough very fairly accepted that it did not show deception resulting in damage. Rather he relied upon it as evidence that supported the claim that members of the public, aware of Evans' reputation under the Firecraft name, were likely to have believed that there was an economic connection between Focal's Firecraft fires and Evans' business. He reminded me of the difficulty in obtaining evidence of actual deception from the general public. This is because those who have been truly deceived will not usually realise it.

71. Mr Vanhegan attacked these witnesses' evidence on the grounds that:

- i) the similarities between the wording of their witness statements suggest that their statements have been drafted for them and are not their own words;
- ii) the witnesses have been influenced by the animosity that exists between small 'independent' retailers of fires and fireplaces and Focal;

72. I do not accept these criticisms for the following reasons. Firstly, the similarities of wording in the witness statements are not such as to suggest that the witnesses have given 'pro-forma' type evidence: their evidence is not therefore self evidently flawed. Secondly, despite having filed written evidence in response (in the form of Mr Richard's witness statement), neither of these criticisms of the applicant's evidence were made until the hearing. In these circumstances, Mr Vanhegan was effectively trying to cross examine the witnesses in their absence. That is an unfair way to challenge their evidence.

73. In his written evidence, Mr Richards attacked the stockists' evidence of confusion/deception on the basis that:

"[Evans] use of the Firecraft name both now and at the relevant date all relates to hand-carved stone surrounds. These goods are different to the goods covered by my Company's registration. A hand-crafted item is a specialist product, which people expect to come from a specialist supplier. My company does not produce or sell this type of product, and I am not aware that any of the major UK manufacturers of gas or electric fires do."

74. There seems to me to be some force in this point. Although they are sold side by side (and often as a package) the manufacture of a stone fireplace is likely to require rather different skills and equipment to those required to manufacture gas or electric fires. For those members of the public for whom the Firecraft mark represented Evans' goodwill at the relevant date, the likelihood of deception is therefore likely to have turned on whether the difference in the nature of the respective goods outweighed the identity between the parties' marks.

75. In making this assessment it is necessary to bear in mind that Focal's use of Firecraft would not have had to caused the public to believe that Evans was manufacturing its own fires in order for the use to be a misrepresentation. It would be sufficient if Focal's use of the Firecraft name represented to a substantial number of those included in Evans' goodwill that Evans' was responsible for the quality of Focal's fires. That would have been the case even if the public were moved to a mistaken belief that:

- a) Evans was buying fires and own-branding them as Firecraft; or
- b) Evans was licensing the Firecraft name to a manufacturer of fires; or
- c) Evans was endorsing fires made by another manufacturer.

76. I also bear in mind that it is not sufficient for a common name to cause customers to wonder whether or not there might be a connection between two businesses. There is a misrepresentation if (and only if) the use of the name causes customers or potential customers of the senior user to believe that it is responsible for the quality

of the junior user's goods. Ultimately this is 'jury' question for the tribunal: per Jacob J. in *Neutrogena Corporation v. Golden Limited* [1996] R.P.C. 473 at 482, which I note was followed by Lindsay J. in *HFC Bank Plc v. Midland Bank Plc* [2000] FSR 176.

77. I have not found this an easy decision to make, but on balance, I have come to the conclusion that Focal's use of Firecraft at the relevant date, for fires, would have deceived a substantial number of the relevant members of the public, and would therefore have amounted to a misrepresentation.

78. I do not think that this finding is undermined by the absence of evidence of actual deception amongst the public. Apart from the general point that those who have been deceived may not (yet) have realised it, there is another explanation for the absence of evidence of actual deception. A member of the public who is unhappy about the quality of a fire or fireplace they have bought is likely to take up the issue with the retailer who sold them the product. The evidence indicates that until 2006 the parties had largely separate distribution networks. This would have reduced the scope for the parties' products to be offered for sale side by side (which would plainly have maximised the likelihood of deception) and is likely to have significantly reduced the potential for any existing deception to come to light.

79. A misrepresentation by Focal would be liable to cause damage to Evans' goodwill. This is because any dissatisfaction with Focal's fires would rub off on Evans' goodwill and potentially tarnish its reputation.

80. I therefore find that Focal's use of Firecraft at the relevant date was liable to be restrained under the law of passing off and the application therefore succeeds for "gas fires; electric fires; fires simulating fuel effects; fire fronts; parts and fittings for all the aforesaid goods". It also succeeds for "heating appliances and installations", which terms also cover fires.

81. The application further succeeds insofar as the trade mark is registered for "fire surrounds". These are plainly very similar goods to those for which Evans' trade mark enjoyed a reputation at the relevant date. Indeed Mr Southall's company's invoice to a customer (in exhibit AS16 to Southall 1) describes Evans' fireplace as a fire surround. There is a distinction between the sort of stone fireplaces produced by Evans and the sort covered by Focal's Class 11 trade mark registration, but this is not a difference that would be sufficient to overcome the likelihood that a consumer familiar with the former would be deceived into believing that the latter came from the same trade source, if they were sold under the same name.

82. The result of such a misrepresentation would plainly damage the goodwill of Evans' business, most obviously through the possibility of lost sales, but also through the potential damage to the goodwill caused by loss of control of the quality of fire surrounds sold by Focal under the Firecraft name.

Conclusion

83. The application succeeds and I declare registration 2223882 to be invalid.

Costs

84. I indicated at the conclusion of the hearing that I would give the parties an opportunity to make written submissions on costs once they had received my decision on the substance of the matter. I will therefore defer any final decision on this issue until 30 November 2008. The parties have until then to file any written submissions on the costs issue.

85. The date shown below is the date of my decision for the purposes of any appeal against my findings on the substance of the matter.

Dated this 18th Day of November 2008

**Allan James
For the Registrar**