

O-072-09

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2430056  
BY DWELL RETAIL LIMITED  
TO REGISTER THE TRADE MARK:**

**DWELL**

**IN CLASSES 2, 4, 8, 9, 14, 16, 18, 20, 21, 25, 27, 28, 31, 39, 41, 42, 43**

**AND**

**IN THE MATTER OF OPPOSITION NO 95271  
BY DWELL LLC**

## **TRADE MARKS ACT 1994**

### **IN THE MATTER OF Application No 2430056**

**By Dwell Retail Limited**

**to register a trade mark in classes 2, 4, 8, 9, 14, 16, 18, 20, 21, 25, 27, 28, 31, 39, 41, 42 & 43**

**and**

### **IN THE MATTER OF Opposition No 95271**

**By Dwell LLC**

#### **Background**

1. Dwell Retail Limited ("*Retail*") applied for the word DWELL as a trade mark on 16 August 2006. Registration of the trade mark is opposed by Dwell LLC ("*LLC*") on the sole ground of section 5(4)(a) of the Trade Marks Act 1994 ("the Act"). *LLC* bases its opposition on the fact that it has used the sign "dwell" since the middle of 2001 in relation to a magazine. The opposition is directed at the following goods and services that appear in *Retail's* application:

Class 9: Electronic publications; publications in electronic form supplied on-line from a database or from facilities provided on the Internet or other network (including web-sites).

Class 16: Printed matter and printed publications; magazines and journals; advertising and promotional materials; books, periodicals, booklets, school stationery.

Class 41: Publishing services; electronic publishing; production of sound and video recordings; training and teaching services; information and advisory services relating to any of the above.

Class 42: Design services; industrial design services, consumer product design services; interior design services; packaging design; planning and design of offices; graphic design services; the design of books, newspapers, magazines, catalogues, brochures, publications, printed matter and publicity and advertising material; advisory, consultancy and information services relating to all the aforesaid.

2. Both sides filed evidence (this is summarised below) and the matter came to be heard before me on 2 December 2008. At the hearing, Mr Giles Fernando of Counsel, instructed by Pinsent Masons, represented *Retail*, and Mr Simon Malynicz of Counsel, instructed by Ashurst, represented *LLC*.

## **LLC's evidence**

### *Witness Statement of Keven Weeks*

3. Mr Weeks is the International Sales Director of *LLC* and is responsible for the worldwide sales of advertising space in *Dwell Magazine*, including sales in the UK. He states that *LLC* was created in 1999 and has provided services and information relating to contemporary living in the UK including features, articles, news and advertising about modern architecture, home design and environmental issues. The evidence shows that this is all through the medium of its "Dwell Magazine" and its associated web-site.

4. In relation to the magazine, Mr Weeks states that it is published in the USA but that it has a worldwide audience. His evidence details that it has been sold in the UK since 2001 by COMAG, who supply independent retailers via wholesalers. In 2001, annual sales of the magazine in the UK were just over 3000. He states that this is on target to double to over 6000 in 2007. The increase is put down, in part, to the purchase of shelf space in retailers' establishments so that it is now sold at well known high street retailers such as *WH Smiths* and *Waterstones*. I note from a breakdown of sales in Exhibit WKW1 (page 426 & 427) that sales per year are: 2001 (3256), 2002 (2336), 2003 (3094), 2004 (2895), 2005 (2724), 2006 (2886). The figures for 2007 are much higher, therefore, it seems that this is when the push in sales took place (I note that this is a period after the date of *Retail's* application for registration). Mr Weeks also notes that the magazine has over 250 UK subscribers (263 at the date of application) many of whom are architects and interior designers. He also opines that each copy is likely to be read by a number of people (15-20). At Exhibit WKW1, numerous articles (and some front covers) that have featured in the magazine are shown. It is clear to me that the subject matter is, essentially, modern interior design and architecture.

5. In relation to the *Dwell* website, Mr Weeks states that this has been in operation since 2001 and that it is regularly accessed from users in the UK, the number of page views by UK users was over 23,000 in November 2006. Pages 428-438 of Exhibit WKW1 are said to illustrate the web-site content; it includes architectural and design type articles as well as references to events such as art exhibitions.

6. Mr Weeks refers to pages 439-442 of his exhibit which contain quotations and reaction to the magazine from readers and the press. It is fair to say that the quotations are positive and I note that this comes not only those whose profession relates to architecture and design but also to members of the public who have an interest in this. However, most of these quotations come from overseas customers, or, alternatively, the country of origin on some is not highlighted; it would be unsafe to infer that those not highlighted are UK customers. He completes his evidence by stating his view that if *Retail* were allowed registration the relevant consumer would be confused (and deceived) into believing that those goods and services were provided by the same group as *LLC* and that *Retail* would benefit from *LLC's* goodwill.

*Witness Statement of Samuel Grawe*

7. Mr Grawe is editor-in-chief of Dwell magazine. His evidence is similar to Mr Weeks' evidence in that UK sales have increased due to increased sales at newsstands (such as *Waterstones*) and increases in subscribers. He believes that the magazine is now known by those in the UK with an interest in interior design. He refers to the coverage of innovative design and architectural projects in the UK (examples of which are shown in Exhibit SMG1) which he says has led to the Dwell name becoming well known amongst the design and architecture fraternity of the UK. He completes his evidence by stating that if *Retail* were able to register its name for goods and services such as publications, the design community would undoubtedly imagine that the two brands were connected. He highlights, but provides no corroborative evidence, that *Retail* uses a similar type font to that used by *LLC*.

*Witness Statement of Graeme Thow*

8. Mr Thow has been working in furniture retail for over 20 years, including the last 7 years at *Habitat* and *BoConcept*. He has been a subscriber of Dwell magazine for over a year (his evidence is given in October 2007), but he confirms that he became aware of it a number of years previously whilst working for *BoConcept* because it (*BoConcept*) advertised in the magazine and they kept copies of it in its offices. He states that he uses the magazine as a reference tool and to keep up to date with "the latest trends and developments in furniture design from around the world".

*Witness Statement of Joanna Booth*

9. Ms Booth is a journalist who has worked as assistant editor for "*Grand Designs*" magazine since June 2006. She states that her particular area of interest is interior design. She confirms that her company has been subscribing to Dwell magazine since before June 2006 (the exact date is not given) and that it is a well known amongst the staff at *Grand Designs*, and, also, amongst many of those who work in, or are interested in, interior design in the UK. She and her colleagues read the magazine to keep up to date with residential and commercial interior design and architecture. She also states that she is familiar with the Dwell web-site which she uses for similar purposes.

*Witness Statement of Amira Idris-Town*

10. Mr Idris-Town is an architectural consultant and director of *Ecospace Limited*, an architectural practice. He has been aware of Dwell magazine since early 2007 when he saw it on sale in a furniture retail shop. *Ecospace* have been subscribing to the magazine since mid 2007 and he and his colleagues find it to be a useful research tool which keeps them up to date with the latest design developments. He is also familiar with the Dwell web-site.

*Witness Statement of Graham Riley.*

11. Mr Riley is an architect and director of *Freeland Rees Roberts*. He has been aware of the Dwell magazine for around two years (his evidence is given in October

2007) and has been a subscriber for around a year. At his practice, the magazine is used as a library resource for their students and associates, who also read it regularly. He is also aware of the Dwell web-site but does not use it often himself.

### **Retail's evidence**

#### *Witness Statement of Rebecca Tilbury*

12. Ms Tilbury is a trainee trade mark attorney with Pinsent Masons, *Retail's* representatives in this matter. Most of her evidence relates to the magazine market in the UK. Her statements are made on the basis of her own knowledge or from research she undertook on the Internet. The primary statements made are:

- The magazine market in general consists of more than 3000 publications generating around £1.6 billion in revenue (presumably annually). Source – an article from PPA (a trade association) exhibited at RT01.
- The best selling magazines (e.g. lifestyle magazines such as *Elle* and *Heat*) had circulation figures between 200,000–500,000 for the period January-June 2006. Source – extracts from the Audit Bureau of Circulation (“ABC”) exhibited at RT02.
- From her own research, she believes that in relation to magazines about home interest and interior design, there are six main titles (*BBC Good Homes, Country Homes and Interiors, Country Living, Living, House Beautiful* and *World of Interiors*). An overview of these magazines can be seen in the extracts in Exhibit RT02. Official circulation figures from ABC for the period January-June 2005 range between 65,000 and 200,000. - Exhibit RT04 refers.
- Ms Tilbury then refers to magazines which she believes to be the leading publications in the sub sector of specialist magazines about design and architecture. She provides circulation figures for three publications (*The Architects Journal, Blueprint Magazine* and *Design Week*) which in the period July 2006-June 2007, circulation figures range from 8,000 to 11,700 and subscribers from 2,000 – 10,000. Exhibit RT05, again from ABC, refers. Copies of these publications and the types of articles they carry are shown in Exhibit RT06.

13. Ms Tilbury completes her evidence by stating that the above magazines focus on UK issues whereas Dwell magazine is of a more US centric nature. She provides extracts and further information in Exhibit RT07 to support this proposition.

*Witness Statement of Aamir Ahmad*

14. Mr Ahmad is *Retail's* managing director. He states that *Retail* first used its trade mark in the UK in 2003 in relation to the retailing of furniture and home accessories and that sales are made through its stores, by mail order catalogues and by Internet sales. Exhibit AA1 shows a large number of its brochures/catalogues (ranging in date between 2004-2007). He states that Dwell stores are visited by a large number of interior designers for the purposes of design advice. No evidence is provided as to whether this is a separate service or just part and parcel of the retail service itself. Mr Ahmad states that *Retail's* web-site "www.dwell.co.uk" (extracts can be seen in Exhibit AA2) has been in operation since May 2003 and is used to promote and market *Retail's* goods. Turnover and advertising figures are given as:

<b>Year</b>	<b>Turnover (including VAT and delivery)</b>	<b>Advertising</b>
2007	£19,955,724	£766,856
2006	£8,826,665	£620,740
2005	£3,729,942	£367,908
2004	£2,020,590	£233,915
2003	£180,764	£99,886

15. Mr Ahmad confirms that the trade mark has been used throughout the UK and that *Retail* has stores in various cities including London, Birmingham, Manchester, Cheltenham and Glasgow. However, from the brochures/catalogues provided in evidence, I note that some of the stores are more recent openings. As of autumn 2005 two London stores existed (Pentonville Road and Balham High Street) and a store in Birmingham is said to be coming soon. The stores in Manchester, Cheltenham and Glasgow get their first mention in the autumn 2007 brochure).

16. In relation to advertising and promotion, Mr Ahmad states that this is carried out through advertisements in national and local press and in home interest magazines. Mr Ahmad states that such promotion began in 2003. Advertising is said to have also taken place on search engines and banner advertisements on the internet, at press launches and editorial coverage in the press. Examples of such exposure are demonstrated in Exhibit AA3. Although I note that the examples given date between September 2007-January 2008 (or carry no date at all), Mr Ahmad does, however, state that this is typical of what has occurred since 2003. Further advertising information is given, namely, that its mail order catalogue has a distribution of 1.5 million per annum (200,000 via door drops throughout the UK), promotions are run in its stores, promotion via TV and radio editorials, promotion on TV makeover shows, promotion by the visit of a popular TV show being filmed there. Exhibit AA4 contain examples of advertising material that has been used in connection with this activity.

17. Mr Ahmad states that *Retail* has a database of 170,000 customers or people who have requested a catalogue or visited the store. These people receive regular marketing information and emails (around 100,000 are sent per week). Reference is made, again, to the interior designers who visit the store for design advice. Exhibit AA5 is said to consist of a database of such customers. He completes his evidence by stating that the mark is distinctive of *Retail* and that it is well known within the furniture retailing and interior design sectors.

## **LLC's reply evidence**

### *Witness statement of Karl Humphreys*

18. Mr Humphreys is a designer. He refers to the list in Exhibit AA5 of Mr Ahmad's evidence. Mr Humphreys believes that the name "Mrs K Humphreys" appearing on the list is meant to represent him. He confirms, contrary to his inclusion on the list, that he has never sought design advice from *Retail*. He does not say why this name represents him, it could, of course, be an unrelated person who happens to share his surname and initial letter.

19. Mr Humphreys states that he has been aware of DWELL magazine since 2004 and that in his view, it is a high quality, respected magazine within the interior design community. He states that he first noticed the retail store DWELL when he passed it one day. His first impression was that the store was connected with DWELL magazine but this view was dispelled when he saw that the goods it sold were not of the same degree of sophistication as the nature of *LLC's* publication. He completes his evidence by stating that if he saw another publication called DWELL being circulated in the UK he would assume that it was related to DWELL magazine.

### *Witness statement of Ian Bridgman*

20. Mr Bridgman is the sales importer director of COMAG, *LLC's* UK distributor. He has been employed in his current role for 10 years and has been working in the magazine industry for approximately 20 years. In response to Ms Tilbury's reference to the leading magazines about home interest and interior design (*BBC Good Homes, Country Homes and Interiors, Country Living, Living, House Beautiful and World of Interiors*) he states these would be classed as "general interest" magazines for which higher circulation figures than those for specialist magazines (such as *Dwell*) would be expected.

21. Reference is then made to the specialist magazines identified in Ms Tilbury's evidence (*The Architects Journal, Blueprint Magazine and Design Week*) and comments that in terms of sales in news agencies they are in the same range as *Dwell*. He obtains his figures from Ms Tilbury's own evidence (her Exhibit RT05) and details the circulation per issue for newsstand sales as *The Architects Journal* (290), *Blueprint Magazine* (1245) and *Design Week* (2297); this is compared to 990 per issue for *Dwell* (information which comes from COMAG's own figures). I note, however, that this is the figure for February 07 (as can be seen from Mr Weeks' evidence). In relation to subscriptions, he accepts that this is lower than the range of the others but that this is to be expected for a non-UK based publication. He refers to other overseas publications that also have lower subscription and overall circulation figures.

22. Mr Bridgman believes that *Dwell* magazine's overall circulation is still large enough to ensure that both small and large multi-store retailers continue to stock it. He believes there is a risk of confusion within the industry and amongst consumers if another publication called DWELL were to be distributed in the UK as people would, no doubt, assume that it was, in some way, associated with *Dwell* magazine.

## **The law**

23. Section 5(4)(a) of the Act reads:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(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) .....

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.”

24. Both Counsel referred to the classic trinity of passing off, the elements of which can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, Lord Oliver summarised the position quite succinctly when he stated:

“The law of passing off can be summarised in one short general proposition--no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff...Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

## **The material date**

25. I must determine the date at which *LLC*'s claim is to be assessed. I will refer to this as the “material date”. A number of cases<sup>1</sup> have established that the material date is the date of which the conduct (in this case *Retail's* conduct) is first complained of. I also bear in mind that section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 which states:

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<sup>1</sup> *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] R.P.C. 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] R.P.C. 8 and 9



“(b) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent mark;”

26. On the basis of the above, the date complained of can be no later than the date on which *Retail* applied for its trade mark. It can, however, be from before the date of application in appropriate circumstances. Mr Fernando submitted that the position in respect of some of the goods and services opposed should be assessed at a date earlier than the application date due to *Retail's* own use, prior to its application, on such goods and services. Mr Malynicz did not dispute the capacity of use prior to application as having an impact on the material date, however, he disputed whether this was so in the present case because the use said to have taken place by *Retail* was not use of the trade mark for the goods and services concerned.

27. The goods and services which *Retail* say it has used the trade mark on prior to its application are:

Electronic publications and web-sites (and services related to electronic publishing) – classes 9 & 41

Printed publications, advertising and promotional material; magazines and journals; books, periodicals, booklets (and related publishing services) – classes 16 & 41

Design services; interior design services; planning and design of offices and related advisory, consultancy and information services – class 42

28. *Retail* claims to have used its mark on the above goods and services since 2003. Use is said to have taken place by way of web-site use of its online mail order catalogue, use on printed mail order catalogues and the provision of design advice which it says has been part of its business since 2003.

29. I will firstly consider the position in relation to printed publications. *Retail's* claimed use relates to its mail order catalogue (as shown in Exhibit AA1 of Mr Ahmad's evidence). Mr Fernando summed up by saying that this item is clearly a printed publication and that the public will see *Retail* as the party responsible for the quality of the item; reference was made to the decision of the Court of Appeal in *Scandecor* to support the proposition that the relevant question is “who is responsible for the quality of the product?”. Mr Malynicz, on the other hand, submitted that the nature of the use did not constitute a trade in printed publications but simply a trade in the goods that were being sold in the mail order catalogue.

30. Whilst I accept Mr Fernando's point that, in terms of ownership, this rests with the party deemed responsible for the quality of the product, it is still necessary to examine the nature of the use itself. In terms of establishing whether *Retail's* use will have created a goodwill of its own (this is the analogy that Mr Fernando makes in terms of the function and impact of *Retail's* use), the matter must be assessed with

reference to whether a trading activity has taken place in relation to the goods and services in question. I do not see this issue as being significantly different from the considerations applied in relation to whether a trade mark has been put to use, which relates to whether the mark has been used in a manner consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user<sup>2</sup>. I also note the decision in *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] R.P.C. 42 where Mr Justice Pumfrey stated:

“There is no rule that T-shirt use of a mark primarily used in relation to some other kind of goods altogether, say computers, does not confer on the user a goodwill in relation to T-shirts. It is a question of fact in every case, but one should not blindly accept that this kind of advertising use necessarily gives rise to a protectable goodwill in respect of the substrate which carries the advertisement.”

31. The above statement, at the very least, supports the proposition that the mere fact that particular goods may carry a particular sign does not necessarily give rise to a goodwill in those goods. The facts of each case must, of course, be considered on its merits. It is clear, as Mr Malynicz highlighted to me, that *Retail's* own evidence (the evidence of Mr Ahmad) states that its business is in relation to the retail sale of furniture etc. and that this is conducted through its stores and its mail order catalogues. This statement in itself is not fatal to *Retail's* claim, but it at least gives an indication for which goods and services it considers itself to be a trader. I have examined all 25 of the catalogues contained in the evidence. They are all quite similar consisting of around 70 pages of products (furniture and home furnishing) available for purchase. Each product has a photograph, dimensions and other information such as material and colour. There is an order form in the back of each catalogue and information about available methods of purchase. There is nothing by way of editorial comment of design trends or fashions in the home interiors market. There is no cover price. It is a simple presentation, in printed form, of *Retail's* wares that are available for purchase. To my mind, this does not constitute a trade in printed matter. It is simply a vehicle for a retail sales service and for the goods (furniture) themselves. The fact that “dwell” may be printed on the front of the catalogue does not change this proposition.

32. The same line of argument also runs to the other printed matter in class 16 including “advertising and promotional materials”, again, the use that has taken place relates to retailing and not to the form of printed matter on which the retailing may be promoted or advertised. In relation to the class 9 and class 41 electronic publication/web-site use, the position is the same. This is merely a carrier for the retailing of goods and is not a trade in itself.

33. Different considerations apply in relation to the design services in class 42. Mr Ahmad states in his evidence that a “design advice” is offered in store. He states on two occasions that such advice is provided to interior designers who visit the store. No corroborative information is provided to supplement this statement or to explain the nature and manner in which this advice is given. Whilst I accept that Mr Ahmad's evidence has not been challenged through cross-examination and that I should

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<sup>2</sup> *Ansul BV v Ajax Brandbeveiliging BV*, (Case C-40/01)

accept what has been said unless it is obviously incredible<sup>3</sup>, a question still arises as to whether such a statement is capable of being construed as a design service. I say this because whilst some forms of design advice may be regarded as a service in its own right, this would not extend to simple advice received in-store by a sales advisor even if such advice related to design issues. The actual design advice given may be at either end of this spectrum, but without further evidence it would be wrong to infer that design advice in the nature of a specific service is being offered. I also note that in all the brochures and advertising material provided by Mr Ahmad there is no mention at all of any service whereby design advice is given. Therefore, on the basis of all the evidence before me, the safer inference is that any design advice given is merely part and parcel of the retail sale of the goods rather than the operation of a design service. I also add that it would be a strange position for interior designers to utilise a retail store to obtain its own design advice, this is a further reason to support the view I have expressed.

34. Taking all of the above into account, my finding is that none of the goods and services the subject of the opposition can be regarded as having been used so as to equate to conduct complained of. **Therefore, the material date is the date of Retail's application for registration, namely, 16 August 2006.**

### **Goodwill**

35. I next turn to consider whether *LLC* had a goodwill at the material date. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first.”

36. Although the above statement comes from an old case, it was utilised by the Court of Appeal in *Phones 4u Ltd v Phone4u.co.uk Internet Ltd*, [2007] R.P.C. 5, so it still holds true today. I also note from the relevant case-law that to qualify for protection under the tort, the goodwill must be of more than a trivial nature; on this, both Counsel have referred, amongst other cases, to *Hart v Relentless Records* [2002] EWHC 1984 (“*Relentless*”). I will say more about this case later.

37. To establish goodwill, *LLC* relies on three types of evidence. Firstly, its sales of its magazines in the UK through retail establishments (referred to in the evidence as newsstand sales); secondly, through UK customers who subscribe to its magazine; thirdly, through Internet use by UK consumers of the on-line version of its magazine. Before applying any legal principles to determine whether the evidence is sufficient to demonstrate a goodwill protectable under the law of passing-off, I begin by examining the evidence.

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<sup>3</sup> See the decision of Mr Arnold QC (sitting as the Appointed Person) in *Extreme Trade Marks* 9BL O-000-07)

38. In relation to the newsstand sales, the relevant sales figures can be seen in pages 426-427 of the exhibit to Mr Weeks' evidence. Sales began on 5 January 2001 (the Feb 01 issue) and have continued up to (and after) the material date. Other than the first three issues (February, April and June 2001) which were for 725, 646 and 606 sales respectively, the sales figures are in the region of three to four hundred per issue (although I note that the June 04, September 05 & May 06 were 286, 289 & 232 respectively). Six issues were published in 2001 with average sales of 542 per issue; six issues in 2002 with average sales of 389; 8 issues in 2003 with average sales of 386; 8 issues in 2004 with average sales of 361; 8 issues in 2005 with average sales of 340; 8 issues in 2006 of which 5 were published prior to the material date with average sales over these 5 issues of 330.

39. Taking the above figures into account, it is clear that, at the very least, 725 people have at some point purchased the magazine from a newsstand, as represented by the sales of the February 2001 issue. Although totalling up the issues per annum gives figures of around 3000 copies per annum, I agree with Mr Fernando's submission that it is the per issue figures that are of most relevance. This is because magazines normally have a regular readership and it would be unrealistic to suggest that 3000 different individuals purchased the magazine per annum. I cannot attempt to make any findings on the number of individuals that take the magazine on a regular basis, but it seems reasonable to infer that this would be closer to the average sales figures rather than the per annum sales figures. The true picture is likely to be that the readership is made up of a mixture of core readers who purchase every issue, together with readers who take it occasionally.

40. Mr Weeks states in his evidence that a single copy of the magazine will be read by 15 to 20 people. This is supported by the statements of Graeme Thow, Joanna Booth, Graham Riley and Amira Idris-Town who each state, in some way, that the magazine is read by others in their respective firms. Whilst this may be true for some of the copies sold (it seems a reasonably likely occurrence), it is difficult to quantify how many copies will fall into this category let alone how many additional readers there are. Therefore, whilst I note Mr Weeks' statement, and whilst I accept that the circumstances he describes will increase the number of readers of the magazine, it is not safe, in my view, to assess this as a particularly significant increase in readership.

41. Turning next to subscribers, which are separate sales to its newsstands sales, Mr Weeks' states in his evidence that at the time of *Retail's* application, *LLC* had 263 subscribers. Mr Fernando highlighted to me that no figures from previous years have been supplied and that it would be wrong to infer that similar levels existed in all the previous years, indeed, Mr Weeks states in his evidence that subscribers have risen steadily since 2001. Whilst I do not disagree with Mr Fernando's submission, the fact remains that at the material date there were 263 subscribers that must be taken into account. Further, even though there may have been less by way of subscribers in previous years, it is reasonable to infer that some customers who subscribed in previous years no longer do so, they also bolster the 263 current (at the material date) subscribers. Whilst this latter category of subscribers cannot be taken as quantitatively significant due to lack of evidence, it at least adds something.

42. LLC also relies on access to its web-site by UK users. It claims that in November 2006 there were over 23,000 hits by UK users. There are two potential problems with this. Firstly, the example given of numbers of UK hits is from after the relevant date, however, Mr Malynicz submitted that this is merely an example and that Mr Weeks states in his evidence that the web-site has been operational since 2001 and that "The site is regularly accessed from the UK". Mr Fernando had reservations with inferring too much.

43. Whilst I understand Mr Fernando's reservations, I am prepared to accept Mr Weeks' unchallenged (through cross examination) claim that the web-site is regularly accessed and that the figures provided are for exemplification. However, this leads to the second potential problem, namely, that Mr Weeks refers to "page views". The point here and a point I put to Mr Malynicz at the hearing, is that this does not tell me how many unique UK visitors there were to the web-site. Mr Malynicz conceded this point, but, he further submitted that even if the figure were much reduced then this would still be more than a trivial amount of use. Mr Malynicz may or may not be right on this, the real answer is I simply do not know. However, my third and final potential problem is whether the UK users of the web-site are merely accessing the web-site independent of utilisation of the physical magazine or whether they are using the web-site having been alerted to its presence through reading the magazine. It seems to be that the latter explanation is to be preferred. There is no evidence to suggest that the web-site will have been brought to the attention of relevant UK users other than by means of inclusion of the relevant domain name in the magazine itself. Whilst this may prompt users to access the web-site, this strikes me as merely complementing the magazine rather than significantly adding to its business and goodwill.

44. One point I must deal with is the fact that LLC's magazine and business has its base in the US market. Indeed, I note from its evidence that all of the front covers of the magazine have prices in US\$. The first issue that arises is whether such a business can generate a UK goodwill protectable under the law of passing. The second point is that even if there is a goodwill in the UK, the nature of this business and its US base may have an effect on the prospect of relevant misrepresentation and damage; I will return to this latter point later in the decision. On the first point, Mr Malynicz referred at the hearing to the decision of the Vice Chancellor, Sir Nicolas Browne-Wilkinson, in *Pete Waterman Ltd and Others v. CBS United Kingdom Ltd* [1993] E.M.L.R. 27. Mr Malynicz relied on this decision to support the proposition that overseas use could be relevant for a UK goodwill. The Vice Chancellor stated in his decision:

"As a matter of legal principle, I can see no reason why the courts of this country should not protect the trading relationship between a foreign trader and his United Kingdom customers by restraining anyone in this country from passing himself off as the foreign trader. The essence of a claim in passing off is that the defendant is interfering with the goodwill of the plaintiff. The essence of the goodwill is the ability to attract customers and potential customers to do business with the owner of the goodwill. Therefore any interference with the trader's customers is an interference with his goodwill. The rules under which for certain purposes a specific local situation is attributed to such goodwill appear to me to be irrelevant. Even if under such

rules the situs of the goodwill is not in England, any representation made to customers in England is an interference with that goodwill wherever it may be situate. Only if English law refuses to recognise the existence of rights locally situate abroad, should the English courts refuse to protect such rights. But English law in general is not so chauvinistic; it does recognise and protect rights which are locally situate abroad. The rights of a beneficiary under a New York trust in assets in England will be protected by an English court even though the situs of his right is in New York. Therefore, when a foreign trader has customers here, one would expect the English courts to protect his goodwill with those customers.”

45. On this, Mr Fernando stated that the analysis in the above decision did not sit so clearly with goods. I understand the point, however, the facts of the case before me show, at the very least, that there is UK custom in terms of newsstand sales and UK subscriptions. In relation to Internet use, I heard submissions on *Euromarket Designs Inc v Peters* [2000] ETMR 1025. I do not propose to assess the significance of the Internet use and whether it represents merely overseas goodwill in detail, this is because I have already found that all I can take from the Internet use is that it supports and complements the sales of the magazine rather than creating any significant additional goodwill of its own.

46. The question to which I now return is whether all of this constitutes more than a trivial goodwill. Both Counsel made submissions on the decision of Jacob J. in *Relentless*. Mr Fernando submitted that on the facts of *Relentless* the quantum involved were not that different from the position before me. Mr Malynicz, on the other hand, submitted that it is the principle outlined in *Relentless* that it is important, namely that “...the law of passing of does not protect a goodwill of trivial extent.” (Jacob J. at paragraph 62 of *Relentless*), and that *LLC*'s goodwill is more than trivial. On the facts of the case, Mr Malynicz drew what he described as a hugely important point of distinction; this is highlighted below (emphasis added):

**23** As to advertisements and charts the evidence showed a minimal degree of achievement. I must explain a little more. The way promotion was attempted was in the normal way of the industry for small players. This is to send white label's bearing the track to be promoted to people on a list of what are hoped to be likely DJs. They, it is hoped, will play the record, normally in clubs. The DJ is given a "Return Form" to complete. They have an incentive to do this -- if they do not then they are unlikely to get further free samples. In the case of the claimants' tracks there were DJ returns -- they do indeed show some enthusiasm from some DJ's, though there were adverse comments too. **They do not establish that any member of the public ever got to hear the name "Relentless."** It is perhaps worth noting in passing that there are only a few hundred such returns provided on disclosure -- far less than the 1,600 or so maximum number of white labels distributed in the three year period. Why the number is so much less is a matter of speculation, though certainly one possibility is that there were DJs for whom the track had no interest. There are other possibilities too (e.g. the individual had ceased to be a DJ). I cannot think of any reason favourable to the claimants' case as why the numbers are so much less. The best can be that they existed and were lost -- that is not said though some more were found shortly before this application was made.

47. It is, of course, and as Mr Malynicz observed, the legal principles of a binding decision that are important rather than the actual facts and circumstances of the particular case. Having said that, I also agree that, on its facts, *Relentless* is of little assistance. In addition to the above, there is further explanation as to why the name RELENTLESS may not be particularly recalled and a goodwill created, this is because as Jacob J. further stated (again with added emphasis):

“**24** It is suggested that one should draw an inference that the public did get to know the name Relentless because a number of forms contain a box which is ticked if there was an enquiry. But much the most likely form of inquiry would be “what is this?” **What the public want to know is what the track is called and who is performing. The name of the record company is a long way third.** There is no point in mentioning its name unless and until the record is, or is going to be, available in the shops”

48. Whilst the above statement may not relate to all the evidence in the *Relentless* case, it seems to me that there is a clear contrast on facts with the case before me. I say this because the name DWELL, as the magazine title, is the primary indication of origin tied to any goodwill, indeed, it is the only indication of origin from what I can see. Furthermore, the business has been a real operating business in the sense of genuine sales on newsstands and through subscriptions as opposed to the activities outlined in the *Relentless* case which Jacob J. described as “slight activities” intended to “generate an interest”.

49. In terms of whether any goodwill is merely trivial, Counsel both made observations on the evidence of Ms Tilbury (for *Retail*) and Mr Bridgman (for *LLC*) dealing with the size of the relevant market and *LLC*'s position in it. It is clear that sales of DWELL magazine are not on a par with the best selling magazines in circulation such as *Heat* and *Elle*, indeed, DWELL is nowhere near that level. Nor are the sales close to those of general home related magazines such as *Good Homes* or *Country Living*. Despite this, I do not consider the comparisons so far to be particularly relevant as the publications compared appear much more of a general interest read.

50. The more helpful comparison is with those publications which would compete with DWELL magazine more directly. In terms of this comparison, I note that Mr Bridgman in his evidence lists newsstand sales for the relevant magazines as: The Architects Journal 290, Blueprint Magazine 1245, Design Week 2297, Dwell 990, however, what is immediately apparent from this is that this relates to an average circulation for a period which ends after the material date. Even if the figures for the three competing magazine can be relied on to exemplify the “normal” type of circulation for a publication of this nature, no such inference can be made for the Dwell magazine figure highlighted by Mr Bridgman because it is clear (from the sales figures exhibited to Mr Weeks' evidence) that this 990 circulation figure relates to a publication issued after the material date and, indeed, after what is described in Mr Weeks' evidence as a sales push. It is, therefore, more appropriate to make the comparison on a mid line figure of an average of around 390 copies. Taking this into account, Dwell magazine, whilst certainly not the market leader, has a reasonably significant level of sales. However, as Mr Fernando rightly pointed out at the hearing, the newsstands comparison is not the only form of sales. Adding subscription sales

pushes the other 3 magazines closer (over in the case of The Architect Journal) to 10,000 copies per issue whereas, even taking the 263 Dwell subscribers referred to in Mr Weeks' evidence pushes Dwell to only around 700.

51. Again, whilst the overall figures demonstrate that the level of Dwells sales are not quite on a par with these other publications, the total size of the market does not strike me as a huge one. I am left with the view that the impact of Dwell magazine is that it is a small yet recognisable part of the relevant market. Being a small player does not rule out *Retail* from possessing a protectable goodwill. In *Stacey v. 2020 Communications Plc* [1991] F.S.R. 49, Millett J. stated:

“There is a serious question to be tried. I do not think that Mr. Stacey can be described as having a hopeless case. He has been in business longer than the defendant altogether and has traded under the name 20/20 Telecom much longer than the defendant has traded under the name 2020 Communications. Mr. Stacey has carried on business by advertising his trading name. He has supplied customers under that name and on his evidence obtains fresh custom by recommendations from satisfied customers. He appears to have established a reputation in the name, though possibly a somewhat evanescent one.”

52. Although in the above decision the claimant failed to obtain an interlocutory injunction on the balance of convenience, the above statement supports the proposition that a protectable goodwill can exist even for a very small business. I would not describe *LLC's* goodwill as very small. It has shown regular and reasonably consistent sales over a period of 5 and a half years (prior to the material date). The evidence shows that whilst not a market leader, it is not insignificant either. There is evidence from relevant consumers (although Mr Idris-Town's evidence is irrelevant because he only became aware of Dwell magazine after the material date) who either take or have taken the magazine who all say that they know of it and that it is likely to be known by others in the field (interiors design/architecture). There is no competing evidence from the trade which takes an alternative view **This to my mind represents a business, albeit a modest one, that possesses a goodwill of more than a trivial nature.**

53. Mr Fernando was keen that if I found that *LLC* possessed a protectable goodwill that the nature of the goodwill be borne in mind when assessing whether a misrepresentation will occur and whether any damage would flow. I will clearly do so, the nature of the goodwill must be considered when determining whether misrepresentation and damage will occur.



## **Misrepresentation and damage**

54. Although separate elements in the test for passing-off, I will, for clarity of presentation, deal with misrepresentation and damage together in relation to each of the various goods and services under consideration. In relation to the law, in *Reckitt & Colman v Borden*, Lord Oliver described misrepresentation thus:

“...[the plaintiff] must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name”

55. In the same judgment, Lord Oliver described damage thus:

“Thirdly, he must demonstrate that he suffers or, in a quia timet action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”

56. Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 said that the claimant must prove:

“That he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill attaches.”

57. Whilst the most obvious form of damage would be an impact, be it actual or potential, on direct sales of the business which has been the subject of a misrepresentation, damage is not limited to this. In *Bulmer (H P) Ltd v J Bollinger SA* [1978] R.P.C. 79 Buckley L.J. stated:

“It is well settled that the plaintiff in a passing-off action does not have to prove that he has actually suffered damage by loss of business or in any other way. A probability of damage is enough, but the actual or probable damage must be damage to him in his trade or business, that is to say, damage to the goodwill in respect of that trade or business.”

58. There are various goods and services to be considered. I will break the goods and services down into groups and make my findings accordingly.

*Printed matter and printed publications, magazines and journals; books, periodicals, booklets*

and

Electronic publications; publications in electronic form supplied on-line from a database or from facilities provided on the Internet or other network (including web-sites)

59. I begin by examining the position in relation to magazines (a term which appears in *Retail's* class 16 specification) because if *LLC* cannot succeed here (given the nature of its business) then I cannot see how it will be in any better position in relation to the other goods and services it opposes. "Magazines" is a term which would, obviously, include within its ambit magazines of the very type and nature of that produced by *LLC* as part of its business. On the face of it, there is little to assess given that both *Retail's* trade mark, and the sign used in the course of *LLC's* business to indicate the source of origin, consists of the word DWELL (although *LLC's* sign as used is slightly stylised, this will hardly be noticed at all and will certainly not be seen as any form of distinguishing feature). It could, therefore, be argued that a finding of misrepresentation is inevitable.

60. In his submissions, Mr Fernando referred to deception of a substantial number of persons and questioned whether this could be found on the basis of *LLC's* goodwill. This is clearly the test given the findings of the Court of Appeal in *Neutrogena Corporation and Ant. V. Golden Limited and Anr.* [1996] R.P.C. 473. However, the public concerned with the goods is not, necessarily, the general public. It depends on the actual goods themselves. Therefore, taking the identical goods that I am considering here, whilst they are magazines, they do not strike me as ones in which the general public will have an interest. Indeed, *LLC's* evidence and Mr Malynicz's submissions in terms of goodwill, compares its sales against the more specialist type of magazines such as *Design Week* rather than against general interest magazines such as *Heat* and *Elle*. If this is the fair comparison for goodwill, it strikes me that, in terms of misrepresentation, the public for such specialist magazines should be the relevant public.

61. Whilst this is the viewpoint from which I approach the matter, this does not equate to considering the position from too narrow a point, such as qualified individuals working in this specialist field. It is more to those who have a specific interest in architectural and design matters. Nevertheless, this is a much more limited public than the general public at large. On this basis, and even considering *LLC's* modest goodwill, the virtual identity of the signs at issue will, inevitably lead to deception amongst a substantial enough proportion of the relevant public if *Retail* produced a magazine of the same or a similar nature to that produced by *Retail*.

62. Does the alleged "Americanness" of *LLC's* magazine affect the above analysis? Whilst there are some articles in the magazine that are more UK or European based, I agree that *LLC's* publication does have a more American-centric nature to it – this is seen from the majority of the articles that appear in it and, not least, the cover price being in US\$. This feel is likely to be noticed by the reader. Nevertheless, even if the customer or potential customer identified this difference between the magazines (a UK as opposed to a US centric nature), the less American feel would be put down not to a change in the business responsible for the magazine but simply a change to reflect a more UK based publication. **In relation to magazines (a term**

which would cover identical goods to *LLC's* use) a misrepresentation is, therefore, likely.

**63. I also extend this finding to printed matter, printed publications, journals, books, periodicals and booklets in class 16.** The first two terms are broad terms which would, again, include within their ambit identical goods to *LLC's* magazine. Similarly, a journal and periodical is little different from a magazine (I note, for example, that one of the competing magazines identified in evidence is the *Architects Journal*). In relation to books and booklets, if they were produced with a same or similar subject matter to that of *LLC's* magazine then the public concerned would believe them to be the goods of *LLC* and a misrepresentation will occur.

64. It should be noted that when making the above assessment I have, of course, considered *Retail's* use of its own mark and whether it has an impact on the likelihood of a misrepresentation occurring. I have come to the conclusion that it does not. As discussed earlier in this decision, *Retail's* use is in the nature of a retail furniture store. I do not see how such use has any bearing. What I am considering is the prospect of a misrepresentation for the goods and services sought for registration (or at least those that have been opposed by *LLC*). Even taking into account that *Retail* has produced some mail order catalogues and that its use is on a reasonably large scale, this is merely an adjunct to its furniture retail business and not, as I have already found, a distinct trade. Even if the relevant public is aware of DWELL the furniture retailer, this would not stop them believing that a magazine or similar publication of the same or similar subject matter to the DWELL magazine was the responsibility of *LLC*. **Misrepresentation would still occur in relation to these printed goods**

65. My findings so far have dealt with the terms that include within their ambit goods of the same or similar category and subject matter to those of *LLC*. However, there will also be goods which do not so fall. For example, if a publication related to quantum physics then not only would the relevant public be different, but also the likelihood of a belief that the goods came from the same business would be much less likely. Whilst I accept that such goods may not lead to a misrepresentation occurring, whilst the terms are at their broadest then the opposition (so long as I also find damage) must be maintained. For this reason, *Retail*, prior to the hearing, set out a fall back position; this is detailed below. I also heard submissions on the possibility of returning to the parties for further fall back positions – I will return to the issue of further fall back positions at the end of this decision. The initial fall back position is to qualify some of *Retail's* specification (including the printed matter type goods) thus:

“...relating to furniture and home furnishings”

66. I need to consider whether the above qualification avoids the prospect of a misrepresentation. Mr Fernando submitted that it does given that it reflects what *Retail* have already been doing without confusion. Mr Malynicz, on the other hand, submitted that *LLC's* magazines include frequent articles on furniture and home furnishings as part of its general design related content and, therefore, the proposed qualification would not serve to prevent a misrepresentation occurring.

67. There are two problems with the proposed qualification. Firstly, it does not reflect the use that *Retail* has made. Even if the use could be characterised as a trade in the actual printed matter concerned (which I have already said it would not) the terminology is not limited in such a way and would still include magazines relating to furniture and home furnishings, this is certainly not what *Retail* have been doing. Secondly, I agree that the nature of *LLC's* publication is such that a subject matter of furniture and home furnishings fits squarely with the design related subject matter of its *DWELL* magazine. **In my view, the qualification does not assist.**

68. In relation to electronic publications in class 9, there are analogies to be drawn here with my findings in the preceding paragraphs. The specification sought to be registered would cover publications akin to magazines, albeit in electronic format as opposed to the more traditional paper copies. Given my earlier findings, it seems to me that an electronic publication of the same or similar subject matter to *LLC's* magazine would cause a substantial enough part of the relevant public to believe that the goods are the responsibility of *LLC*. This is even more apparent when one considers the on-line version of the *DWELL* magazine that exists. Whilst I had reservations earlier in terms of the capacity of *LLC's* on-line use to add to its goodwill, the existence of the on-line version will further support the proposition that an electronic publication, as covered by the specification, would be regarded as that of *LLC*. **Misrepresentation would occur in relation to electronic publications.**

69. In relation to the fall back position set out above, the same observations apply here – **the fall back qualification does not assist.**

70. I have found a misrepresentation in relation to the various printed goods and their electronic equivalents. Mr Malynicz argued that damage would follow the event. Mr Fernando, on the other hand, was more circumspect arguing that the nature of the goodwill would affect not only the likelihood of a misrepresentation occurring but, also, he questioned whether damage would actually occur.

71. In relation to printed publications, I agree with Mr Malynicz that damage would follow the event. If a publication of a similar nature to that of *LLC* were put in circulation which was purchased with the mistaken belief that it was *LLC's* product, a direct loss of sales would occur. I have no doubt that this would be a serious and substantial form of damage in the sense described by Lord Fraser above. The same would also apply in relation to the electronic versions given that this could lessen the amount of sales of *LLC's* paper version and, also, could reduce the amount of traffic to *LLC's web-site* - all of this constitutes damage to *LLC's* trade and business.

#### *School stationery; advertising and promotional materials*

72. In relation to school stationery, *LLC's* business and goodwill does not extend to these goods but this, in itself, does not rule out a misrepresentation occurring. There is no requirement in passing-off for goods or services to be similar, however, in *Harrods Ltd v Harrodian School* [1996] RPC 697 Millett LJ stated:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

and

“The name "Harrods" may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing. To be known to everyone is not to be known for everything.”

and

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

73. There is no link, from what I can see, between school stationery and a magazine about architecture and interior design. No evidence has been presented to show one. **There is no misrepresentation (and therefore no damage) in relation to school supplies.**

74. In relation to advertising and promotional materials, a link could, arguably, be made, between any form of goods (including magazines) and the material used to advertise and promote them. However, use of a trade mark for advertising material does not necessarily relate to the product (or service) that is being advertised but more to the undertaking responsible for the advertising material itself. This is consistent with the view I expressed earlier in relation to *Retail’s* promotional material. Therefore, I do not regard any argument in relation to these goods to be a particularly strong one. Again, no evidence has been presented to support this particular claim. **There is no misrepresentation (and therefore no damage) in relation to advertising and promotional materials.**

*Publishing services; electronic publishing; information and advisory services relating to any of the above.*

75. In relation to publishing and electronic publishing services, whilst there may be a link in trade between this and a magazine given that a business intending to produce a magazine (or its electronic equivalent) will normally work with a publishing company to produce the final product, this type of link does not, however, mean that a substantial number of persons will believe that a publishing service offered under the name DWELL will be a service being offered by *LLC*. Having said that, a person in the architecture and design field intending to produce a publication themselves may well notice the sharing of the name and the link with *LLC’s* publication may come to mind. There is, therefore, the potential for a misrepresentation. However, the question is whether this bringing to mind would lead to deception.

76. My view is that a business or person in this field seeking a publisher with the relevant experience in this field would regard the use of a virtually identical sign (a sign of a reasonable degree of distinctiveness) as more than mere co-incidence. I believe that they would come to the view that the publishing company is in some way connected to *LLC*. The fact that DWELL magazine has what I described earlier as an “Americanness” does not detract from this finding – publishing is an international service, for example, electronic publishing may be completely internet based and

there is no reason, even if noting that the DWELL magazine stems from an overseas trader, that that same (or related) overseas trader cannot be offering a publishing service to UK customers.

77. However, despite the above, what concerns me most is whether such a misrepresentation will be caused to a substantial number of the relevant public or that damage will be substantial and serious. It seems to me that the proposition I identified above in terms of how a misrepresentation could be caused is quite a narrow one. Furthermore, in terms of damage, I do not see how such a misrepresentation will lead to any loss in sales of *LLC's* publication, nor has any evidence been presented to demonstrate that a move into publishing would be a natural extension for a magazine business so that *LLC's* business may have lost such an opportunity. There could, of course, be some form of injurious association between the service services; however, there is nothing to suggest that *Retail's* business would cause such a problem. I can see nothing in My Malynicz's submissions or in *LLC's* evidence that takes this claim any further forward. **My finding, therefore, is that there is no misrepresentation to a substantial part of the public that would cause damage, neither does the fall back position assist for the reasons already stated.**

*Design services; industrial design services, consumer product design services; interior design services; packaging design; planning and design of offices; graphic design services; the design of books, newspapers, magazines, catalogues, brochures, publications, printed matter and publicity and advertising material; advisory, consultancy and information services relating to all the aforesaid.*

78. Again, this is not where *LLC's* business operates, but the question that still arises is whether a design service offered under the name DWELL will be taken by the relevant public as being provided by *LLC*. The highpoint of *LLC's* case, and as argued by Mr Malynicz, was that someone who knows of Dwell magazine who is then faced with an interior design or architectural service marketed under the name DWELL, that person would make a connection between those two things.

79. The public concerned with, say, an interior design service, is the general public at large. The position set out by Mr Malynicz may well occur, but, although feasible, when this potential for misrepresentation is measured against the size of the relevant public it is questionable whether this would equate to a substantial part of the public. I have referred in this paragraph to "potential for misrepresentation". This is because there are further considerations.

80. Firstly, there is no evidence to suggest that it is common for magazines in the design field to also offer an actual design service. Secondly, as Mr Fernando pointed out, the nature of the goodwill, including its small size and Americaness must be considered. In other words, a person who knows of DWELL magazine will know it as a small player in the market and one which is, ostensibly, of American origin. Therefore, would such a person upon seeing a DWELL design service believe that such a service is being provided by those responsible for DWELL magazine. These factors must, of course, be balanced against a reasonably clear link between a design service and a magazine whose subject matter is design. Taking all these factors into account, my view is that a misrepresentation will not occur, certainly not

a misrepresentation to a substantial enough proportion of the relevant public. The overall effect of the factors is that even those who know of DWELL magazine will not, given the nature of the goodwill of *LLC*, believe that *LLC* are responsible for a service offered in the UK for a design service. Some may make a link in their mind between the magazine and the service being offered and they may pause to wonder, but I do not believe that this will translate into deception for a substantial number.

81. I should add that I have taken into account the evidence of Mr Humphreys who stated in his evidence that he first noticed the retail store DWELL when he passed it one day and his first impression was that the store was connected with DWELL magazine, but this view was dispelled when he saw that the goods it sold were not of the same degree of sophistication as the nature of *LLC*'s publication. I note this evidence, but it is difficult to access what Mr Humphreys view would have been in relation to a design service and, I further note that, in the end, Mr Humphreys was not actually confused. Furthermore, even if his reaction to encountering a design service marketed under DWELL would have been the same, this may not be typical. Therefore, this evidence, although duly considered, does not detract from my view of the matter.

82. The same is true even for the design of magazines. The nature of this service, and its different relevant public compared to the magazine itself, does not lend itself to a finding of misrepresentation. A magazine design service strikes me as a specific stand alone service probably utilising a graphic designer to input on layout etc and I do not believe that a consumer would, on the basis of the goodwill demonstrated, believe that such a service is being offered by *LLC*. I add that simply because *LLC* produce its magazine does not mean they are offering a magazine design service.

**83. There is no misrepresentation (and therefore no damage) in relation to any of the above design related services.**

*Production of sound and video recordings; training and teaching services; information and advisory services relating to any of the above.*

84. Any link with sound and video production is a tenuous one. Whilst it may be possible for a magazine to offer some form of sound or video recording as part of its business (although there is no evidence to suggest that this is common place), particularly in an on-line environment, the production service itself would be a step away from this.

85. I come to the same view in relation to training and teaching services. I have no evidence that there is any real link between magazines and any form of training service. Whilst it is possible that a magazine could offer a training service in relation to the subject matter of their relevant publication, the issue is similar to the position in relation to design services and the findings and conclusions set out there also apply here.

**86. There is no misrepresentation (and therefore no damage) in relation to production services (sound/video) or training and teaching services.**

### **Trade deception**

87. At the hearing, Mr Malynicz also referred to what he described as “trader goodwill”. He highlighted that as part of *LLC*’s evidence, Mr Thow stated that he first became aware of the DWELL magazine because the company he worked for at that point (*BoConcept*) used to advertise in it. Mr Malynicz also highlighted that on page 143 of the exhibit to Mr Weeks’ evidence there is an advertisement in Dwell magazine by a company called *De La Espade* who have an address and telephone number for its London branch (as well as listing the same for New York and San Francisco).

88. I do not propose to deal with the issue of trader goodwill in any detail. This is because I do not see how this can put *LLC* in any better position. Traders who advertise in the DWELL magazine (although the evidence is not particularly strong other than the two examples highlighted) could potentially misplace their advertisements if *Retail* produced the same type of publication with traders believing them to be connected in some way, and this could, consequently, lead to a direct loss in advertising revenue. However, I have already found in favour of *LLC* in relation to these goods and I do not see how this claim improves the position in relation to the goods and services in relation to which I found against *LLC*.

### **Further fallback positions**

89. At the hearing, Mr Fernando submitted that if I found against *Retail* on passing-off (even taking into account the initial fall-back position), a return to the parties on the question of further fall-back positions may be appropriate. The way it was put was that *Retail* have themselves been trading for some time and that specifications framed against its trading activities could not be restrained by *LLC*. Mr Malynicz did not really advocate this approach as he was concerned that consideration of revised specifications may necessitate *LLC* to file further evidence to strengthen its position in relation to any revised specification.

90. Whilst I understand Mr Malynicz concern, his submission is not one that persuades me to resist Mr Fernando’s requests given that *LLC* has had an opportunity to file its full and best evidence against the totality of the specifications it opposed. However, there is a more fundamental problem. As I have already found, *Retail*’s business relates to the retail sale of furniture and home furnishings. *LLC* has not opposed any of the goods which *Retail* sells in its stores. I have also already found that the printed matter which *Retail* distributes does not represent a trade in printed matter but is, instead, material distributed simply to promote its goods and to obtain orders. On this basis, I cannot advocate a return to the parties to craft specifications which I do not believe to represent the trading activities of *Retail*. I also note that, in any event, the term “advertising and promotional materials” remains in the specification, as does the term “catalogues” which was not even opposed by *LLC*.



## **Summary**

91. To summarise my findings, the opposition succeeds in relation to:

Class 9: Electronic publications; publications in electronic form supplied on-line from a database or from facilities provided on the Internet or other network (including web-sites).

Class 16: Printed matter and printed publications; magazines and journals; books, periodicals, booklets.

92. But fails in relation to:

Class 16: Advertising and promotional materials; school stationery

Class 41: Publishing services; electronic publishing; production of sound and video recordings; training and teaching services; information and advisory services relating to any of the above.

Class 42: Design services; industrial design services, consumer product design services; interior design services; packaging design; planning and design of offices; graphic design services; the design of books, newspapers, magazines, catalogues, brochures, publications, printed matter and publicity and advertising material; advisory, consultancy and information services relating to all the aforesaid.

## **Costs**

93. Counsel requested an opportunity to make written submissions on costs. Although this struck me as a little unusual, I agreed to do so as there were clearly things going on behind the scenes to which I am not party. To assist the parties, I indicate that based on the measure of success that has been achieved by both parties, my inclination would be to make no award of costs. However, I will make a decision on the matter after receiving written submissions. One month from the date of this decision is allowed for receipt of written submissions on this point, and this point alone.

## **Appeal period**

94. The appeal period for my substantive findings is suspended until I issue a supplementary decision on costs.

**Dated this 17<sup>th</sup> day of March 2009**

**Oliver Morris  
For the Registrar  
The Comptroller-General**