

O-330-09

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO 784678
IN THE NAME OF ROB JANSSEN
OF THE TRADE MARK:**

DANCE NATION

IN CLASSES 9 AND 41

AND

**THE APPLICATION FOR A DECLARATION OF INVALIDITY THERETO
IN RELATION TO CLASS 41
UNDER NO 16125
BY MSHK LIMITED**

Trade Marks Act 1994

**In the matter of international registration no 748678
in the name of Rob Janssen
of the trade mark:
DANCE NATION
in classes 9 and 41
and the application for a declaration of invalidity
thereto in relation to class 41 under no 16125
by MSHK Limited**

Introduction

1) On 27 May 2002 Mr Rob Janssen requested protection of the above international registration in the United Kingdom. The registration has an international priority date of 7 May 2002, from the Benelux. The registration was published for opposition purposes on 13 May 2005. No opposition was received to the granting of protection of the international registration, consequently, as per article 12(1A) of the Trade Marks (International Registration) Order 1996, the international registration was protected with effect from 14 August 2005, the day after the expiry of the opposition period. In class 41 the international registration is protected for the following services:

publication of audiovisual recordings; services of performing artists, of vocalists and Djs; production, organization and performance in the field of entertainment and audiovisual recordings; organization of dance festivals.

2) On 18 November 2008 MSHK Limited (MSHK) filed an application for the invalidation of the protection in respect of the class 41 services. MSHK relies on a single ground of invalidation, section 5(4)(a) of the Trade Marks Act 1994 (the Act):

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

(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”.

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“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."

3) MSHK states that it has used the sign DANCE NATION throughout the United Kingdom since 1996 in relation to sound recordings, discs, CDs, live events and printed matter. It states that MSHK is part of the Ministry of Sound, which it describes as the world famous London night club and record label, group of companies. Until 28 July 2008 MSHK was called Ministry of Sound Holdings Limited. Attached to the statement of grounds are pages downloaded from amazon.co.uk which show various music albums which include DANCE NATION in their titles. MSHK claims that as of 7 May 2002 it had a significant goodwill in the brand DANCE NATION, having at that stage released 8 music albums under the DANCE NATION brand. MSHK claims:

"The similarity and overlap between the Services and the services in class 41 of the Registration Mark (the "RM Services") is clear and significant. All of the Services and the RM Services relate strongly to and fall within the music industry".

MSHK claims that any use of the international registration by Mr Janssen in relation to class 41 would be a misrepresentation leading, or likely to lead, the relevant public to believe that the services offered by Mr Janssen are those of MSHK. MSHK states that the relevant public will be the actual or potential customers of MSHK who are young people with a keen interest in the music industry and who particularly enjoy listening to recorded music and attending live music events. Accordingly, MSHK will suffer or is likely to suffer damage as a result of Mr Janssen's misrepresentation. MSHK states that at no time has it given consent to Mr Janssen to use the trade mark the subject of the international registration.

4) Mr Janssen filed a counterstatement. He states that he first started using the trade mark DANCE NATION in the United Kingdom in 2001 in relation to music, music compilations, music recordings and associated goods and services. Mr

Janssen states that until the filing of the application for invalidation MSHK had not challenged his use. Mr Janssen states that Ministry of Sound/Ministry of Sound Recordings are both associated with MSHK and have been granted a licence by him for the trade mark DANCE NATION for music recordings released in the United Kingdom. He states that he cannot understand why the invalidation application has been filed as the licence agreement proves that MSHK is aware of the rights in the name and trade mark DANCE NATION. This music being used and played by the Ministry of Sound. Mr Janssen states that he has used the trade mark in the United Kingdom since 2001 without any instances of confusion.

5) Only MSHK supplied evidence. Consequently, Mr Janssen has substantiated none of the claims that he makes in his counterstatement. Neither party requested a hearing or filed written submissions at the end of proceedings. MSHK did file submissions in response to Mr Janssen's counterstatement, on 30 March 2009.

Evidence of MSHK

6) This consists of a witness statement by Mr Richard Holman, who is a director and company secretary of MSHK. Mr Holman states that MSHK has used the DANCE NATION brand since 1996. He states that this use has been in relation to sound recordings, discs CDs, live events and printed matter. Mr Holman states that MSHK is part of the Ministry of Sound group of companies. He states that exhibited at RH1 are printouts from amazon.co.uk which show music albums released by the Ministry of Sound record label under the name DANCE NATION:

Dance Nation Vol 1 – 1 April 1996

Dance Nation Vol 2 – 5 July 1996

Dance Nation Vol 3 – 14 March 1997

Dance Nation – The Annual IV – 14 July 1997

Dance Nation 5 – 13 March 1998

Dance Nation 6 – 15 March 1999

Dance Nation 7 – 27 March 2000

Dance Nation 2002 – 1 April 2002 – the label is only identified as being an import

Dance Nation 2003 (Australian Import) – 4 April 2003 – label identified as Mos.

Dance Nation Anthems – 16 September 2002

Dance Nation (Import) – 19 December 2005

Dance Nation – 27 March 2006

Dance Nation America – 22 July 2008 – record label identified as Ministry of Sound America.

The details of the discs indicate that they are compilations of music by a variety of artists, some of which have been re-mixed. Volumes 1,2 IV and 7 all bear large Ministry of Sound logos.

7) Mr Holman gives the following details of the sales of the albums in the United Kingdom:

Album	Sales Figures	Highest Chart Position in the United Kingdom album charts
Dance Nation 1 1 April 1996	77,491	5
Dance Nation 2 5 July 1996	73,426	4
Dance Nation 3 14 March 1997	224,746	1
Dance Nation 4 14 July 1997	138,241	2
Dance Nation 5 13 March 1998	148,404	2
Dance Nation 6 15 March 1999	135,788	1
Dance Nation 7 27 March 2000	84,337	1
Dance Nation Anthems 16 September 2002	86,145	-
Dance Nation 27 March 2006	61,991	3

8) Mr Holman exhibits at RH2 printouts from amazon.co.uk. He states that these shows promotional posters to support the launch of DANCE NATION 4. The details show that the posters were first available on amazon.co.uk on 20 March 2009, so long after the international priority date of the international registration and long after the release of the album.

9) Mr Holman states that DANCE NATION has been heavily promoted since its first use in 1996. Exhibited at RH3 is a CD featuring television advertisements promoting DANCE NATION. Mr Holman states that the advertisements ran nationwide for the following albums in the following years:

Dance Nation	1996
Dance Nation 2	1996
Dance Nation 3	1997
Dance Nation 5	1998
Dance Nation 6	1999
Dance Nation 7	2000
Dance Nation	2006

There is no indication as to the number of broadcasts or the television station(s) upon which the advertisements were broadcast. All of the advertisements make reference to the albums being products of the Ministry of Sound.

10) In 2006 an agreement was reached between Ministry of Sound Recordings Limited, a company within the Ministry of Sound group, and Purple Eye Entertainment BV in relation to the audio and audio visual recording services of Kim Vergouwen and Sjoerd van der Plas. He states that these two individuals form a music act called DANCE NATION. A copy of the agreement is exhibited at RH4. The agreement relates to the terms under which Kim Vergouwen and Sjoerd van der Plas aka DANCE NATION will produce exclusive audio and audio visual recordings for Ministry of Sound Recordings Limited. The agreement is signed, but not dated.

Submissions of MSHK

11) In its submissions MSHK comments on the counterstatement by Mr Janssen where he states:

““Ministry of Sound”/Ministry of Sound Recordings (now part of the Applicants) and both companies associated with the Applicants, have been granted a licence by the Registrant for the mark DANCE NATION for music recordings released in the UK”.

MSHK submits that this is inaccurate, it being a different corporate entity. MSHK submits:

“It is the parent company of another distinct corporate entity within the Ministry of Sound group called Ministry of Sound Recordings Limited.”

I have read this as meaning that MSHK is the parent company, although in the context it is not completely clear. MSHK submits that in 2006 an agreement was reached between Ministry of Sound Recordings Limited and Purple Eye Entertainment BV, see paragraph 10 above. MSHK submits that contrary to what Mr Janssen states the agreement is not a licence for the mark DANCE NATION for music recordings released in the United Kingdom. It is an agreement under which the Kim Vergouwen and Sjoerd van der Plas as the music act DANCE NATION provide Ministry of Sound Recordings Limited with music recordings. MSHK submits that this has nothing to do with MSHK’s rights in DANCE NATION, MSHK notes that it is not a signatory to the agreement. I note that in his evidence Mr Holman refers to MSHK as being a part of the Ministry of Sound group of companies and that Ministry of Sound Recordings Limited is a company within the Ministry of Sound group. At one moment Mr Holman appears to view the various companies of the Ministry of Sound group as one, whilst in its submissions MSHK appears to want to distance itself from them.

Material date(s)

12) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration by the Court of First Instance in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07. In that judgment the CFI stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.”

I apply the reasoning of the CFI, *mutatis mutandis*, in relation to the Act. So the material date is the date of the international priority claim. However, in my decision BL O/214/06 I dealt with the issue of material dates in invalidation cases. In that decision I decided that in an invalidation action there are two material dates: the date of application for registration or request for protection (in this case the date of international priority claim) and the date of the hearing; the grounds for invalidation had to exist at both material dates for an applicant for invalidation to be successful. In this case there is no evidence of use of the trade mark by Mr Janssen and so the position will not differ from the date of the international priority claim. So the material date is 7 May 2002. This means that that part of the evidence of MSHK will not have a bearing upon the case as it relates to events after the material date.

Goodwill

13) The only evidence of use of DANCE NATION prior to the material date relates to its use as the title, or part of the title, of a number of music albums. Dance Nation 2002 is an imported record and so it is not clear whether at the material date it was available in the United Kingdom. This leaves seven albums released between April 1996 and March 2000. In both 1996 and 1997 two DANCE NATION albums were released, in 1998, 1999 and 2000 one album was released each year. All of these albums were identified with the Ministry of Sound. The rôle of MSHK in relation to these albums is somewhat fugitive. Mr Holman refers to the DANCE NATION brand being used by MSHK since 1996. However, he states that the records were released by the Ministry of Sound

record label, as the evidence supports. It would appear that these two undertakings are separate parts of the Ministry of Sound group of companies. The position is further muddled by the submissions of MSHK where it describes itself as a distinct corporate entity to Ministry of Sound Recordings Limited and appears to try to distance itself from other Ministry of Sound companies. However, Mr Holman in his witness statement refers to the Ministry of Sound group of companies, intimating a link between the various Ministry of Sound undertakings.

14) MSHK has to establish that at the material date it had a goodwill in relation to the sign DANCE NATION. How goodwill is to be established has been dealt with in several judgmentsⁱ. *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 establishes that one cannot just follow a formula or demand certain predetermined requirements to be met. In this case there have been considerable sales over a period of years of a series of music albums which bear variations of the title DANCE NATION. The Amazon printouts and the television advertisements show that these music albums consist of compilations of dance music. There is nothing that excludes a goodwill being established in relation to the use of a sign for a series of album titles. Indeed it is established that the title of a single publication can give rise to a protectable goodwill under the law of passing-offⁱⁱ. In the absence of any challenge to MSHK's statement to use of the brand DANCE NATION in relation to the DANCE NATION albums, I find that MSHK had at the material date a goodwill in a business by reference to the sign DANCE NATION.

Misrepresentation

15) The sole business to which the sign has been used are the albums, which consist of compilations of dance music. MSHK is challenging:

publication of audiovisual recordings; services of performing artists, of vocalists and Djs; production, organization and performance in the field of entertainment and audiovisual recordings; organization of dance festivals

of the international registration. Would the public knowing of the goods of MSHK have believed at the material date that it was responsible for any or all of the services of the international registration? In considering the issue I take into account that the evidence shows that the tracks on several albums have been re-mixed by various artists: Dance Nation 3 mixed by Judge Jules and Pete Tong, Dance Nation and Dance Nation 2 and 5 mixed by Pete Tong and Boy George, Dance Nation 6 and 7 mixed by Tall Paul and Brandon Black. This aspect creates links with the publication and product of recordings, of the services of performing artists and with dance events. The albums are very much promoted as being born of the music that is played in clubs for dancing. The albums are presented as being the products of the Ministry of Sound. From the promotional

material this connection to the Ministry of Sound increases the connection to dance music performed in clubs.

16) The sign upon MSHK relies and the trade mark the subject of the international registration are identical. There is no evidence to suggest that DANCE NATION is descriptive; if it were this would potentially undermine Mr Janssen's international registration. The question then turns upon whether the nature of use of the earlier sign would, this being a quia timet issue, lead the public concerned to believe that the services of the international registration are the responsibility of those behind the DANCE NATION albums. The sales of the albums, over a period of years, mean that for the public concerned they are very well-known. The services can all relate to music and specifically to dance music and so there is a broad, common field of activity in relation to the services of the international registration. The public concerned knowing of MSHK's sign and its use is likely to believe that the persons behind the DANCE NATION albums, the Ministry of Sound in some manifestation, are responsible for the services of the international registration and will be deceived in this belief. Consequently, there will be a misrepresentation.

17) Damage in passing-off can take a number of formsⁱⁱⁱ. In this case taking into account the reputation of the earlier sign and the respective goods and service damage is likely to occur as possible:

- ❖ By the injury which is inherently likely to be suffered by any business when on frequent occasions it is confused by customers or potential customers with a business owned by another proprietor or is wrongly regarded as being connected with that business.
- ❖ Erosion of the distinctiveness of MSHK's sign.

The grounds of invalidation under section 5(4)(a) of the Act are made out.

18) The granting of protection in relation to the class 41 services was made in contravention of section 5(4)(a) of the Act and in accordance with section 47(6) of the Act the protection in respect of these services is deemed never to have been made.

Costs

19) MSHK having been successful is entitled to a contribution towards its costs. I award costs on the following basis:

Official fee:	£200
Preparing a statement and considering the counterstatement of Mr Janssen:	£300
Evidence of MSHK:	£300
Total:	£800

I order Mr Rob Janssen to pay MSHK Limited the sum of £800. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful

Dated this 27th day of October 2009

David Landau
For the Registrar
the Comptroller-General

ⁱ *South Cone Inc v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19, *Loaded BL O/191/02, Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 and *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat).

ⁱⁱ *Allen & Co v Brown Watson Ltd* [1965] RPC 191.

ⁱⁱⁱ See *Sir Robert McAlpine Limited v Alfred McAlpine Plc* [2004] RPC 36 Mann J:

"20 When it comes to considering damage, the law is not so naïve as to confine the damage to directly provable losses of sales, or "direct sale for sale substitution". The law recognises that damage from wrongful association can be wider than that. Thus in *Ewing –v- Buttercup Margarine Limited* (1917) 34 RPC 232 Warrington L.J. said:

"To induce the belief that my business is a branch of another man's business may do that other man damage in all kinds of ways. The quality of the goods I sell; the kind of business I do; the

credit or otherwise which I might enjoy. All those things may immensely injure the other man, who is assumed wrongly to be associated with me."

In so saying, he was not limiting the kinds of potential damage to those listed by him. Rather, he was indicating that the subtleties of the effect of passing off extend into effects that are more subtle than merely sales lost to a passing off competitor.

In *Associated Newspapers Limited –v- Express Newspapers* [2003] FSR 909 Page 929. Laddie J cited this passage, referred to other cases and went on to say:

"In all these cases [that is to say, the *Clock Limited* case referred to above and *Harrods –v- Harrodian School* [1996] RPC 679], direct sale for sale substitution is unlikely or impossible. Nevertheless the damage to the Claimant can be substantial and invidious since the Defendant's activities may remove from the Claimant his ability to control and develop as he wishes the reputation in his mark. Thus, for a long time, the common law has protected a trader from the risk of false association as it has against the risk of more conventional goods for goods confusion."

The same Judge expressed himself more picturesquely, but equally helpfully, in *Irvine –v- Talksport Limited* [2002] 1 WLR 2355 at page 2366. Having pointed out the more familiar, and easier, case of a Defendant selling inferior goods in substitution for the Claimant's and the consequential damage, he went on to say:

"But goodwill will be protected even if there is no immediate damage in the above sense. For example, it has long been recognised that a Defendant cannot avoid a finding of passing off by showing that his goods or services are of as good or better quality than the Claimant's. In such a case, although the Defendant may not damage the goodwill as such, what he does is damage the value of the goodwill to the Claimant because, instead of benefiting from exclusive rights to his property, the latter now finds that someone else is squatting on it. It is for the owner of goodwill to maintain, raise or lower the quality of his reputation or decide who, if anyone, can use it alongside him. The ability to do that is compromised if another can use the reputation or goodwill without his permission and as he likes. Thus Fortnum and Mason is no more entitled to use the name FW Woolworth than FW Woolworth is entitled to use the name Fortnum and Mason ...

"The law will vindicate the Claimant's exclusive right to the reputation or goodwill. It will not allow others so to use goodwill as to reduce, blur or diminish its exclusivity." (at p 2368)

In *Taittinger SA –v- Allbev Limited* [1994] 4 All ER 75 Page 88, Peter Gibson L.J. acknowledged that:

"Erosion of the distinctiveness of the name champagne in this country is a form of damage to the goodwill of the business of the champagne houses."

The same view was expressed by Sir Thomas Bingham M.R. at page 93.

21 The damage which results must be as a result of a misrepresentation to a relevant part or section of the public. In the *Jif Lemon* case the relevant people were described as "prospective customers or ultimate consumers of the goods or services in question" by Lord Diplock and as the "purchasing public" by Lord Oliver. Mr Thorley realistically accepted that in this case the relevant public was not confined to people who are at the moment actually customers of Robert and Alfred. In doing so he acknowledged the possibility, which in my view exists in this case, that the misrepresentation, if any, would or might be received by a wider class than that. However, for Robert to succeed there must be people whose dealings in respect of Robert would somehow be affected by the alleged misrepresentation. Such people must be assumed to be "reasonably well informed and reasonably observant and circumspect". Per Chadwick L.J. in *Bach –v- Bach Flour Remedies Trademarks* [2000] RPC 513 and 534."