

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2100056
IN THE NAME OF ZETA ESPACIAL S.A.**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 46130 IN THE NAME OF
SOCIETE DES PRODUITS NESTLE S.A.**

TRADE MARKS ACT 1994

**IN THE MATTER OF application no 2100056
in the name of Zeta Espacial S.A. to register
a trade mark in Class 30**

and

**IN THE MATTER OF opposition thereto under No 46130
in the name of Societe des Produits Nestle S.A.**

Background

On 14 May 1996 Zeta Espacial S.A. of Avenida de las Olimpiadas s/n, Poligono Industrial Can
Roses, 018191 Rubi, Barcelona, Spain, applied to register the trade mark MAGIC BALL in Class
30 for:

Confectionery, chewing gum, bubble gum; candies, sweetmeats, chocolate, chocolates
biscuits, cakes and pastry.

On 24 December 1996 Societe des Produits Nestle S.A filed notice of opposition to this
application. The grounds of opposition are in summary:-

1. Under Section 3(6) The opponent has filed an application to revoke two
registered marks incorporating the words MAGIC BALL
owned by the applicants. This application was filed shortly
after the applicants became aware of the opponents'
interest in the mark and was made in bad faith

2. Under Section 32(3) because the applicants have no intention of using the mark
on part of the specification claimed, namely, chocolate,
chocolates, biscuits, cakes and pastry.

The opponents request that the Registrar exercise his discretion and refuse the registration.

The applicants for registration filed a counterstatement in which they agree that they were aware
of the opponents interest in the mark MAGIC BALL at the time the application was filed, and that
they are the proprietor of the two registrations currently the subject of revocation action by the
opponent. The applicants deny that the application was made in bad faith and contrary to Section
3(6), and also that the application was made in contravention of Section 32(3), although offers
to restrict the specification of goods to:

“Confectionery, chewing gum, bubble gum; candies, sweetmeats, chocolate, chocolates.”

The applicant asks for the opposition to be dismissed and that an award of costs be made.

Both sides have filed evidence in these proceedings. The matter came to be heard on 19 January 1999, when the applicants were represented by Mr John Scott of JY & GW Johnson, their trade mark attorneys, and the opponents were represented by Miss Emma Himsworth, of Counsel, instructed by Nestle UK Ltd, their trade mark attorneys..

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Opponents' evidence

10 This consists of a Statutory Declaration dated 11 May 1998, executed by Ms Sarah Dixon who is a legal adviser in the Legal Department of Nestle UK Ltd, a position she has held since 1992. Ms Dixon says that she is responsible for the protection and defence of the intellectual property of the Nestle S.A. group of companies in the United Kingdom and is an authorised agent of Societe des Produits Nestle S.A. and of Nestle UK Ltd.

15 Ms Dixon states that in January 1996, she was informed by Mark Davies, a brand manager in the marketing department of the Nestle Rowntree division of her company, that he was considering the adoption of the name MAGIC BALL in respect of a new confectionery product to be launched later that year. She explains that the usual clearance searches revealed two potentially conflicting prior registrations, namely, registration numbers 1240037 and 1245907 in the ownership of Zeta Espacial S.A. Ms Dixon refers to exhibit SD1 which consists of copies of advertisements of these registrations in the Trade Marks Journal.

20 Ms Dixon continues saying that as neither she nor Mr Davies were aware of any sales of any confectionery product under the name MAGIC BALL in the United Kingdom, and as the registrations were over five years old, investigations were commissioned to determine whether there had been any use. Ms Dixon confirms that the investigations did not reveal any use of the mark MAGIC BALL by the applicants on the goods covered by the registrations, and refers to exhibit SD2 which consists of a copy of a Statutory Declaration made by Duncan Mee, the investigator engaged to undertake the investigation.

25 She says that no further action was taken for the next two months as authorisation was being sought from Societe des Produits Nestle S.A. to approach the registered proprietors. Ms Dixon confirms that authorisation was received on 9 April 1996 and on 17 April 1996 she made enquiries with Brookes & Martin, who at that time were noted as the address for service, whether their clients would be prepared to assign the registrations to Societe des Produits Nestle S.A. She refers to exhibit SD3 which is a copy of the letter sent to Brookes & Martin. Ms Dixon says that on 22 April 1996, Brookes & Martin wrote advising her that they were no longer the address for service and that she should address her enquiries to JY & GW Johnson. A copy of the letter from Brookes & Martin is shown at exhibit SD4. Ms Dixon says that on 23 April 1996, she wrote to JY & GW Johnson in the same terms and refers to exhibit SD5 which is a copy of the letter sent.

30 Ms Dixon says that she subsequently learnt that on 14 May 1996 a fresh application for the mark MAGIC BALL had been filed by Zeta Espacial S.A. and which is now the subject of this opposition. She next refers to the revocation proceedings relating to the two registrations owned by Zeta Espacial S.A. and the admission that the mark had not been used, but also the claim that there were proper reasons for non-use. She refers to exhibit SD6 which consists of copies of the counterstatements filed by the proprietors in the revocation proceedings.

5 She continues saying that application number 2100056 was advertised on 2 October 1996, and this opposition was duly filed on 24 December 1996. Ms Dixon refers to the grounds on which the opposition is based, first to the objection under Section 3(6) which she believes are supported by the matters set out in her declaration. She next refers to the grounds based on Section 32(3)
10 of the Act. Ms Dixon refers to exhibit SD7 which consists of copies of the evidence filed by the proprietor in their defence against the applications for revocation of the two registration. Ms Dixon specifically refers to a declaration by Mr Ramon Escola (dated 10 October 1997) which, at paragraphs 8 and 12 states that the mark MAGIC BALL is intended to be used solely upon a specific item of confectionery, namely, lollipops filled with gasified candy particles.

Applicants' evidence

15 The applicants' evidence consists of a Statutory Declaration made by Stephen Geoffrey Hale, of JY & GW Johnson, their trade mark attorneys. Mr Hale confirms that his company has been the trade mark agents in the United Kingdom of Zeta Espacial S.A. for the application for trade mark 2100056, although they also handled certain other trade mark matters for the applicants.

20 Mr Hale refers to the two registrations, numbered 1240037 and 1245907 owned by his clients, of which he says the words MAGIC BALL are the prime distinctive feature, and refers to exhibit SD1 of the Declaration by Sarah Dixon in support of the opposition. Mr Hale confirms that his clients had obtained these registrations by assignment in 1991 and were subsequently recorded as proprietors on the trade mark register. He then sets out his companies involvement as representatives for Zeta.

25 He goes on to refer to the letter dated 24 April 1996 which his company received from Sarah Dixon of Nestle UK Ltd, which is shown at exhibit SD5 of the declaration filed by Ms Dixon as part of the opponents' evidence. Mr Hale states that he reported the letter to his clients on 26 April 1996 with an acknowledgement to Ms Dixon. Mr Hale states that following further
30 correspondence with his clients, on 13 May 1996 he was instructed by Zeta to file a new application in the United Kingdom for the mark MAGIC BALL, and refers to a letter from Ramon Escola, a Director of Zeta Espacial S.A. which he says confirmed that Zeta has a bona fide intention to use the mark, and that a Europe wide launch of a product under this name is planned for the very near future. Mr Hale says that although he was not aware of the full background to the letter at the time of filing the new application, the Affidavit dated 13 October 1997 made by
35 Mr Escola as part the proprietors evidence in the revocation proceedings shows a continuing intention to use the trade mark from a date long before the letter from Sarah Dixon.

40 Mr Hale continues saying that the letter from the applicants giving instructions to file a trade mark application did not give any details of the particular goods that they intended to use the mark MAGIC BALL in connection with. He states that all he had to go on was the specifications of the existing registrations, and therefore erred on the side of caution and included biscuits, cakes and pastry because they could be deleted, but not added during prosecution of the application. Mr Hale says that the Trade Marks registry did not raise any objections and consequently, he gave
45 no further consideration to the specification of goods.

He next says that following the receipt of the notice of opposition, on 15 January 1997 he wrote to the applicants to inform them of the opposition and to enquire whether they were interested

in the full range of goods applied for. Mr Hale says he received a reply in a letter dated 28 February 1997 from Mr Ramon Escola, confirming that “biscuits, cakes and pastry” could be cancelled from the specification of goods as the applicants did not have any interest in these goods and accordingly, he filed a Form TM21 restricting the specification, the restriction being published in Trade Marks Journal number 6179, on 11 June 1997. He concludes saying that the letter from Mr Escola specifically confirmed that in addition to the other core goods, the applicants might be interested in using the trade mark MAGIC BALL in relation to chocolates and chocolate.

No further evidence was filed by either party.

Decision

I will deal first with the opponents' claim that the applicant has no bona fide intention to use his mark. Section 32(3) reads as follows:

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

In my view, Section 32(3) does no more than set out a requirement in respect of an application to register a trade mark. The prescribed application form contains a statement in accordance with Section 32(3), which has been signed by the applicant. Any challenge that this statement was made in bad faith falls to be considered under Section 3(6) of the Act, and I do not consider therefore that Section 32(3) provides a ground of opposition in this, or any other case and is dismissed accordingly.

I turn next to consider the ground of opposition under Section 3(6), which reads:

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

The Act does not set out what is meant by bad faith. However, the Notes on the Trade Marks Act 1994 for use by Parliament during the passage of the Bill set out some of the circumstances which parliament considered might constitute bad faith, which in relation to Section 3(6) reads as follows:

10. Subsection (6) declares that a trade mark is not registerable if the application for registration of the trade mark was made in bad faith. The provision does not attempt to indicate what is meant by “bad faith”, thereby leaving it to the registrar or the courts to decide in a particular case what amounts to bad faith. Examples of circumstances where bad faith *might* be found are

- (i) where the applicant had no bona fide intention to use the mark, or intended to use it, but not for the whole range of goods and services listed in the application;
- (ii) where the applicant was aware that someone else intends to use and/or register the

mark, particularly where the applicant has a relationship, for example as employee or agent with that other person, or where the applicant has copied a mark being used abroad with the intention of pre-empting the proprietor who intends to trade in the United Kingdom;

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10 (iii) where the mark incorporates the name or image of a well-known person without his agreement. (This should not be taken as meaning that this provision is legislating for the protection of personal name or reputation - these remain unprotected under English law, but the nexus between unregistrability and the name of a well known person is that of bad faith in which the application is made.)

15 The opponents refer to two trade mark registrations, numbered 1240037 and 1245907 in the ownership of the applicants and which are currently the subject of an application for revocation by the opponents in this case. The opponents say that this application was filed shortly after the applicants became aware of their interest in the mark MAGIC BALL, in effect, to strengthen their position and without any intention of using the mark, at least on the full range of goods.

20 The evidence includes a letter dated 23 April 1996 from Ms Sarah Dixon, the trade mark attorney representing the opponents, to JY & GW Johnson, the applicants' trade mark attorney's, notifying them that the opponents were considering adopting the mark MAGIC BALL for a range of confectionery. The letter mentioned that their preliminary investigations had not revealed any use of the two trade mark registrations, numbered 1240037 and 1245907 and enquired whether their clients would be prepared to assign these registrations to the opponents. Mr Hale, the applicants' trade mark attorney has confirmed that the letter from Ms Dixon was received, and reported to the applicants in a letter dated 26 April 1996, and that there were further exchanges of correspondence between himself and his client in which he gave advice on the legal issues surrounding the opponents' letter.

30 Mr Hale says that a letter dated 13 May 1996 from the applicants gave instructions to file a new trade mark application for the mark MAGIC BALL, although no details of the goods for which it was intended to be used. He says all he had to go on was the specifications of the existing registrations and therefore erred on the side of caution. The application was subsequently filed on 14 May 1996.

35 The opponents' evidence in these proceedings exhibits copies of the evidence filed in the revocation proceedings launched by the opponents against the two registrations for the marks MAGIC BALL owned by the applicants. In particular, the copy of the affidavit dated 10 October 1997 by Ramon Escola, a director of the applicants' company stated that they had a particular product in mind for the trade mark MAGIC BALL, namely, a lollipop having a centre filled with gasified candy particles, and goes on to say "...it was therefore important that it should have its own particular name, namely MAGIC BALL, and that the significance of this name should not be diluted or confused by applying it to other products in our range.". This in my view makes it perfectly clear that at that time the proprietors did not have any intention of using the trade mark on any goods other than the lollipop.

45 Further, there can be no doubt that at the time of filing this application the applicants were aware of the opponents' interest in the trade mark, and I believe it is reasonable to assume that having

5 stated that their investigations had not revealed any use of the registered marks, the possible
consequences for the applicants as registered proprietors would have been considered by their
representative and reported to the applicants. The applicants had acquired the two registrations
in 1991 and by their own admission they had not used them but that there were proper reasons
for non-use. I find it an unlikely proposition that some five years later and within a matter of
10 weeks of becoming aware that another party was interested in the mark that they should file the
application as a completely independent action in parallel with their defence of the existing rights
which were under attack by the opponents on the grounds of non-use. In the circumstances I can
take no other view but that the application was filed to present another defence and frustrate the
intentions of the applicant for revocation.

15 There is also the matter of Mr Escola's statement referred to above which I have said clearly
shows that the applicants did not at that time have any intention of using the mark on anything
other than a lollipop. It is possible that by the time this application was filed the applicants had
reviewed their commercial position and decided to use the mark on a wider range of goods.
However, in his statutory declaration Mr Hale refers to a letter from Mr Escola which he says
states “..that a Europe-wide launch of a product under this name is planned for the very near
future”. Taken in conjunction with Mr Escola's affidavit of 10 October 1997 in which he says
20 “..we are confident that commercial production will be possible certainly within three years from
now and hopefully within a much shorter time than that.”, and his very definite statement “..that
the significance of this name should not be diluted or confused by applying it to other products
in our range.”, in my view this clearly suggests that the intention is, as has always been the case,
to use the mark on the lollipops only.

25 It seems to me that this case fits the first two examples of where Parliament intended that the bad
faith provision should apply, namely where there was no intention to use the trade mark on all of
the goods listed in the application, and where the applicant was aware that someone else wishes
to use the trade mark. I therefore find that the application was filed in bad faith, and consequently,
that the grounds of opposition under Section 3(6) is successful.

30 The opposition having succeed, I order that the applicants pay the opponents the sum of £835 as
a contribution towards their costs.

35 **Dated this 29 day of April 1999**

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45 **Mike Foley**
for the Registrar
The Comptroller General