

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2128767
BY PAUL SHEPHERD
TO REGISTER A TRADE MARK IN CLASSES 16, 28 AND 41**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO 47881
IN THE NAME OF PARTY LAND INC.**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2128767
by Paul Shepherd
to register a trade mark in Classes 16, 28 and 41**

And

**IN THE MATTER OF Opposition thereto under
No 47881 by Party Land Inc.**

DECISION

On 8 April 1997 Paul Shepherd of 146 Welbourne, Werrington, Peterborough, PE4 6NR applied to register the trade mark PARTY LAND in Classes 16, 28 and 41 for the following specifications of goods and services:

Class 16 Paper napkins, paper tablecovers, paper plates, paper centrepieces, banners of paper, banners of plastic, bunting of paper, bunting of plastic, greeting cards, paper cups, plastic cups.

Class 28 Balloons, masks, party poppers.

Class 41 Balloon decorating services.

The application, numbered 2128767 was published for opposition purposes on 3 September 1997 and on 3 December 1997 Party Land Inc. filed notice of opposition to the application. The grounds on which the opposition is based are, in summary:

1. Under Section 5(1)(2) & 6 Because the mark and the goods and services applied for are identical or similar to an earlier trade mark application in the name of the opponents.

2 Under Section 5(3) Because the mark applied for is similar to an earlier trade mark owned by the opponents such that it is likely to take unfair advantage of, or be detrimental to the distinctive character or repute of the opponents' earlier trade mark.

3. Under Section 5(4) Because the opponents' earlier trade mark is distinctive of its goods and services by reason of the use made in the united Kingdom.

4. Under Section 3(3)(b) Because the mark will deceive the public who will associate the mark with the opponents.

5. **Under Section 56** Because the opponents' earlier trade mark is a well known mark.

6. **Under Section 3(6)** Because the application was made in bad faith.

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Particulars of the trade mark registration relied upon in the grounds of opposition are set out as an annex to this decision. The specifications of goods and services are stated by the opponents as having been agreed with the Community Trade Mark Office.

10 The opponents ask that the Registrar exercise his discretion to refuse the registration and that costs be awarded in their favour.

The applicants filed a counterstatement in which they deny all of the grounds on which the opposition is based, and ask that costs be awarded in their favour.

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Both sides filed evidence in these proceedings although neither party has requested a hearing. Acting on the Registrar's behalf and after a careful study of the evidence filed I now give this decision.

20 **The opponents' evidence**

This consists of a Statutory Declaration dated 10 November 1998 and comes from Todd Potter, Vice President of Party Land Inc. Mr Potter states that he has been with this company for twelve years.

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Mr Potter refers to the filing of an application to register the trade mark PARTY LAND as a Community Trade Mark and refers to exhibit TP1 which is a copy of the specifications of goods and services covered by the application. He says that his company has used the trade mark PARTY LAND in the United Kingdom since 1996 and presently has franchises in Taplow and Farnborough (opened in 1997), with one further due to open in Lincoln. He says that his company has franchises in other countries and refers to exhibit TP2 which consists of a list of all of the franchises. Mr Potter refers to exhibit TP3 which consists of an advertisement produced by the franchisees and which promotes a range of party goods available under the PARTY LAND name although there is no indication of the date from which it originates and it can be given little if any weight.

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Applicants' evidence

This consists of a Statutory Declaration dated 14 June 1999 and comes from Paul Shepherd, the proprietor of PARTY LAND for the past three years.

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Mr Shepherd mentions the filing of the trade mark application and sets out details of the goods and services covered. He refers to a meeting with Mr Graham Heeley, a licensee of the opponents' business and with Mr Heeley's parents, details of which he sets out in a sworn statement shown as exhibit PS1. He states that his company first used the trade mark PARTY LAND in 1996. He refers to a number of exhibits which consist of the following:

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Exhibit PS2 artwork for PARTY ALL OVER THE LAND which is endorsed "Required February 10 1997", and two further examples in card covers. The words PARTY and LAND are in large red and yellow lettering with the other words in much smaller black type.

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Exhibit PS3 a certificate for the registration of PARTY LAND as a business name endorsed "established 1996".

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Exhibit PS4 an advertisement for various items of party goods available under the PARTY LAND mark referred to in exhibit PS2. The date from which it originates is not given.

Opponents' evidence in reply

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This consists of Statutory Declaration dated 15 September 1999 and comes from Graham Heeley, the franchisee of the opponents' company referred to in exhibit PS1.

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Mr Heeley goes to the statement entered as exhibit PS1 and sets out his own version of the meeting with Mr Shepherd which took place in September 1996. He says that they discussed the possibility of going into partnership and that he subsequently began trading as a franchisee of the opponents' company. He ends his Declaration by setting out his conclusions from his contacts with Mr Shepherd and the evidence provided in support of the application.

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That concludes my review of the evidence insofar as it is relevant to these proceedings, and I turn to consider the respective grounds upon which the opposition has been brought.

Decision

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The grounds of the application based upon Section 3(3)(b) and Section 3(6) I dismiss as being without foundation. In relation to Section 3(3)(b) the opponents say that the mark applied for is of such a nature so as to deceive the public who would associate it with them. This section relates to an absolute ground which in my view is intended to prevent registration because of some intrinsic or inherent feature of the trade mark. The question of the other parties' rights in the mark is a matter to be dealt with in considering relative grounds for refusal to which I will come later in this decision. In relation to the objection founded under Section 3(6) the applicants say that the registered proprietors have acted in bad faith in applying to register their mark. There is, however, no evidence to substantiate this claim. For these reasons the opposition on the basis of Section 3(3)(b) and Section 3(6) are dismissed.

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I turn next to the objections founded under Section 5(1) and Section 5(2) of the Act.

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5.-(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected

(2) A trade mark shall not be registered if because-

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected,
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

An earlier right is defined in Section 6 the relevant parts of which state:

6. (1) In this Act an “earlier trade mark” means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks
- (b) ...
- (c)

(2) References in the Act to an earlier trade mark include a trade mark in respect of which an Application for registration has been made and which, if registered would be an earlier trade mark by virtue of subsection 1(a) or (b), subject to it being registered.

Although the earlier trade mark claimed by the opponents has not yet been registered, it nonetheless qualifies as an earlier trade mark under the provisions Section 6(2), but only if it goes on to achieve registration.

Self evidently the respective trade marks are identical so the only point of issue is the respective goods and services. In light of the ROADRUNNER decision (1996 FSR at page 805) a finding that the they are the same would have the effect of making the refusal of the application mandatory, or in other words, a finding that the ground of opposition under Section 5(1) to be successful. However, a finding that the goods or services are similar will not decide the matter. I have regard to the approach adopted by the European Court of Justice in Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc. (Case C-39/97) which also dealt with the interpretation of Article 4(1)(b) of the Directive. The Court in considering the relationship between the nature of the trade mark and the similarity of the goods stated:

“A global assessment of the likelihood of confusion implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between these goods or services. Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa. The interdependence of these factors is expressly mentioned in the tenth recital of the preamble to the Directive, which states that it is indispensable to give an

interpretation of the concept of similarity in relation to the likelihood of confusion, the appreciation of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services identified.”

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Turning first to Class 16 of the application. The Guide to the International Classification of Goods and Services (7th Edition) indicates that “paper plates, paper cups and plastic cups” are proper to Class 21. The opponents’ earlier trade mark covers Class 21 and includes these very goods. The remaining items in the application are either of paper, which would be included in the term “articles made from the aforesaid materials” (paper), or could be considered to come under the expression “party supplies”, both of which are included in the specification of the earlier trade mark. Accordingly, I have no difficulty in finding that the goods covered by Class 16 of the application are identical to those covered by the earlier trade mark.

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The specification shown for Class 28 of the application covers “balloons and masks” which are specifically mentioned in the specification of the earlier trade mark. The remaining item, “party poppers” would, in my view, be included in the more general terms such as “party supplies” and “playthings”. Accordingly, I find that the goods covered by Class 28 of the application are identical to those covered by the earlier trade mark.

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That leaves the services covered by Class 41 of the application which the applicants describe as “balloon decorating services” and which I take to mean the creation of balloon decorations or decor using balloons. The opponents earlier trade mark does not include Class 41 but has services relating to the “delivery of balloons”, “design of interior decor” and the “rental of party equipment” including the “rental of helium tanks for inflating balloons”. The opponents started using the mark at best some 16 months before the application was made, albeit through a very small number of franchises. Given the shortness of tis period it seems unlikely that they could have established much in the way of a reputation although as there is no evidence of turnover or advertising by which to gauge the extent of any reputation I do not consider that I can conclude that they have any. However, the services and some of the goods covered by the opponents’ earlier trade mark are so closely related to the services for which the application has been made and may be provided alongside, I consider them to be similar, and when taken with the fact that the respective marks are identical I have no difficulty in reaching the position that there is a real and definite likelihood of confusion.

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I therefore find that the opposition is successful under Section 5(1) in respect of Classes 16 and 28 of the application, and under Section 5(2)(a) in respect of Class 41.

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My findings under Section 5(1) and Section 5(2)(a) that the earlier trade mark relied upon by the opponents covers identical goods and similar services means that the ground founded on Section 5(3) must fail and I therefore dismiss it. I also came to the view that the evidence does not establish that the opponents have a reputation in the United Kingdom and I do not see how I can take the view that their trade mark is well known. Consequently, the objection founded under Section 56 is also dismissed.

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That leaves the objection under Section 5(4). The opponents have only mentioned their rights in an earlier trade mark application and from this I conclude that the objection is to be found in subsection (a) of Section 5(4). That section reads as follows:

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5.(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-

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(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

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A person thus entitled to prevent use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.

No reference is made to any rule of law other than the law of passing off. Mr Hobbs QC set out a summary of the elements of an action for passing off in WILD CHILD Trade Mark 1998 RPC 455. The necessary elements are said to be as follows:

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S that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

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S that there is a misrepresentation by the defendant (whether or not intentional leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and

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S that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

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I have expressed my doubts that at the relevant date the opponents could have established much of a reputation in the trade mark PARTY LAND. I have no evidence of any sales and it may well be that at the time of filing of the application there had not been any, and I am unable to conclude that they have any goodwill in the trade mark. Consequently the objection founded under Section 5(4)(a) is dismissed.

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Finally, the Registrar has no discretion to refuse an application which meets the requirements for registration set out in the Act, and consequently, this final ground cannot succeed.

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Although I have found the opposition to have been successful, under the provisions of Section 6(2) the final outcome is dependant upon the earlier Community trade mark owned by the opponents proceeding to registration. Accordingly, I direct that this decision will not take effect until one month following the date of registration of Community trade mark number 334359.

Should the earlier trade mark not achieve registration and this application proceeds, the applicants are required to add Class 21 to the application to cover the goods “paper plates, paper cups and plastic cups” which have been incorrectly accepted in Class 16.

5 In the event that the earlier trade mark becomes registered, I order that the opponents pay the applicants the sum of £635 as a contribution towards their costs. This sum to be paid within one month of the expiry of the appeal period or within one month of the final determination of this case if any appeal against this decision is unsuccessful.

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Dated this 13 day of March 2000

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

| Mark | Classes | Specifications |
|------|---------|---|
| 5 | 8 | Party supplies, namely knives, forks and spoons made of plastics or synthetic material. |
| 10 | 16 | Paper, cardboard, goods made from the aforementioned materials (included in Class 16), in particular table cloths; printed matter; book-binding material; photographs; adhesives for stationery and household purposes; party supplies and party gifts, namely artists' materials, stationery; playing cards; |
| 15 | 21 | Paper plates and paper cups, party supplies, namely plates and cups of plastics or synthetic material; |
| 20 | 22 | Party supplies, namely ropes, strings, nets, tents, awnings, sacks and bags (included in Class 22). |
| 25 | 24 | Party supplies, namely table cloths made of plastics and synthetic material. |
| 25 | 28 | Inflatable play balloons; party supplies, namely theatrical masks and toy masks; party supplies and gifts, namely games and playthings; decorations for Christmas trees; |
| 30 | 39 | Balloon delivery services. |
| 35 | 42 | Design of interior decor, in particular for balls, shows and parties; rental of party equipment' namely rental of tables, benches, chairs, linen, rental of party equipment, namely rental of parasols, umbrellas, tents; rental of party equipment, namely rental of helium tanks, in particular for inflating balloons. |
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