

5 TRADE MARKS ACT 1994
 IN THE MATTER OF APPLICATION No 2132908
 TO REGISTER THE TRADE MARK
 MOBILE WAREHOUSE
10 IN THE NAME OF MICHAEL NEAME AND MARTIN CLARKE T/A
 MTEC PARTNERSHIP
 IN CLASS 9

 AND IN THE MATTER OF OPPOSITION THERETO
 UNDER No 47753
15 BY CARPHONE WAREHOUSE LTD.

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2132908
BY MICHAEL NEAME AND MARTIN CLARKE TRADING AS MTEC PARTNERSHIP
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AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 47753
By THE CARPHONE WAREHOUSE LIMITED

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BACKGROUND

On 16 May 1997, Michael Neame and Martin Clarke trading as MTEC Partnership of Unit 4, Faraday Court, Rankine Road, Basingstoke, Hants, RG24 0PF applied under the Trade Marks Act 1994 for registration of the trade mark MOBILE WAREHOUSE in respect of the following goods:

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Class 9: “Computers; computer terminals; computer peripheral devices; computer input and output devices; computer memories; disc drives; screen displays; keyboards; modems; telecommunications apparatus and instruments; parts and fittings for all the aforesaid goods.”

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On the 6 November 1997 Carphone Warehouse Limited of North Acton Business Park, Wales Farm Road, London, W3 6RS filed notice of opposition to the application. The grounds of opposition are in summary:

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1) The opponent has made extensive use in the UK of the trade mark CARPHONE WAREHOUSE in respect of a wide range of goods and services. As a result they have built up a substantial reputation and goodwill in connection with their trade mark.

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2) Registration of the mark in suit is contrary to Section 3(3)(b) as it is of such a nature as to deceive the public.

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3) Registration of the mark in suit is contrary to Section 3(4) in that use of the trade mark is prohibited in the UK by a rule of law.

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4) Registration of the mark in suit is contrary to Section 3(6) in that the application was made in bad faith.

5) The applicant’s trade mark is similar to the well-known trade mark CARPHONE WAREHOUSE and is for goods which are identical or similar to those for which the earlier mark is registered. Use by the applicant is likely to deceive and cause confusion among members of the general public. As such, it should be refused under Section 5(2)(b) of the Trade Marks Act 1994.

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6) The application should be refused under Section 5(3) of the Trade Marks Act 1994 because the use of the applicant’s mark takes unfair advantage of, and is detrimental to, the distinctive character and/ or repute of the mark CARPHONE WAREHOUSE.

7) The application should be refused under Section 5(4)(a) of the Trade Marks Act 1994 as use of the mark MOBILE WAREHOUSE is liable to be prevented by virtue of the law of passing off.

5 8) The trade mark CARPHONE WAREHOUSE is entitled to protection under the Paris Convention as a well-known mark.

10 The opponent further requested that the Registrar refuse application number 2132908 in the exercise of her discretion. However, under the Trade Marks Act 1994 the Registrar does not have a discretion to refuse an application as she did under the old law. An application can only be refused if it fails to comply with the requirements of the Act and Rules in one or more respects.

15 The applicant subsequently filed a counterstatement denying all of the grounds of opposition. Both sides ask for an award of costs.

20 Only the opponent filed evidence in these proceedings and the matter came to be heard on 21 July 2000 when the applicant was represented by Mr Thomson of Messrs W P Thompson, and the opponent by Mr Penny of Counsel instructed by Messrs Olswang.

OPPONENT'S EVIDENCE

25 This consists of five statutory declarations. The first, dated 20 August 1998, is by Mr Jim Lennox the Editor of "Mobil Choice" magazine a post he has held since August 1996.

30 Mr Lennox states that the magazine is a monthly periodical dedicated to mobile phones and is aimed at the domestic and business consumer. He states that as at June 1998 the circulation was 17,722. As a result of his journalistic duties Mr Lennox claims that he is aware of consumers' views and opinions and that he has an insight into and knowledge of the mobile phone industry.

35 Mr Lennox states that he has been aware of the opponent for over two years as a consumer and a journalist. He gives his opinion that:

"....the opponent is known to companies in the mobile phone industry and also the public generally know it as CARPHONE WAREHOUSE."

40 He also claims that he has seen advertisements in National papers and magazines for CARPHONE WAREHOUSE, and that he and his contacts in the industry commonly refer to the opponent by this name. Finally, he states that he is not aware of anyone using the name CARPHONE WAREHOUSE other than to refer to the opponent.

45 The second statutory declaration, dated 19 August 1998, is by Mr Philip Lattimore the editor of the magazine "What Cellphone" a post he has held for over a year.

Mr Lattimore states that his magazine is a monthly periodical and has a distribution in the UK of approximately 23,000. Mr Lattimore states that as a result of his journalistic activities he has a substantial knowledge of the mobile phone industry and the companies involved in that industry. He states that he has been aware of the opponent for several years and “know that it is one of the largest suppliers of mobile phones in the United Kingdom”.

Mr Lattimore states that he has seen advertisements for the opponent in other publications and on television under the name CARPHONE WAREHOUSE. He also confirms that he, his colleagues and members of the public refer to the opponent as CARPHONE WAREHOUSE. He states that “I am in no doubt that CARPHONE WAREHOUSE is one of the best-known suppliers of mobile phones and equipment to the public in the United Kingdom”. Finally, he states that he is not aware of any other entity which uses the words CARPHONE WAREHOUSE other than to refer to the opponent.

The third statutory declaration, dated 26 August 1998, is by Ms Sharon Patricia Clish who is the Customer Support Manager of Ericsson Limited, a position she has held for two years.

Ms Clish states that her employer is:

“...one of the largest manufacturers and suppliers of mobile phones accessories. As such, I and other employees of the company deal with around twelve major companies who sell mobile phones to the public, including all the major retail outlets such as Dixons, Vodaphone Retail, Cellnet and the opponent.”

Ms Clish states that she has been aware of the opponent for approximately eight years. She states that because of her contact with the public and others in the industry she is aware of the views of the public and those in the mobile phone industry. She states that she and those she speaks to refer to the opponent as CARPHONE WAREHOUSE. Ms Clish also states that the opponent is one of the largest suppliers of mobile phones in the UK. She states that her company sells several tens of thousands of mobile phones per year to the opponent. Further, she has seen advertisements for CARPHONE WAREHOUSE in the national press, magazines, on television and heard them on radio. Ms Clish states that she is not aware of anyone who uses the words ‘CARPHONE WAREHOUSE’ except to refer to the opponent.

The fourth statutory declaration, dated 21 August 1998, is by Mr Simon Ian Rockman who is the editor of “What Mobile” a position he has held for approximately six years. The magazine is a monthly periodical dedicated to mobile phones and aimed at the consumer. He states that as a result of his journalistic activities he is aware of the mobile phone industry and the views of its consumers. Mr Rockman states that he has been aware of the opponent for approximately six years. He also states that:

“I remember speaking to Charles Dunstone, the Chairman of the opponent, and asking him why he used a name which was not currently used in the industry. Even as a consumer, as I was then, I was aware that ‘carphone’ has been replaced in common usage with the word ‘mobile’ or ‘mobile phone’ and that the few shops which the

5 opponent had at that time could not be described as ‘warehouses’. Mr Dunstone informed me that he felt this showed the opponent’s heritage and longstanding, that originally ‘carphone’ meant something to the industry, but had ceased to do so many years ago. I do not remember why he chose to call his shops ‘warehouses’, which they clearly are not.”

10 Mr Rockman states that he has seen advertisements for CARPHONE WAREHOUSE on billboards, television and in various publications, and also heard them on radio. He also states that he, his colleagues and the members of the public he has contact with all use the words CARPHONE WAREHOUSE when referring to the opponent. He states that he is not aware of anyone who uses the words’ CARPHONE WAREHOUSE other than to refer to the opponent. Finally, he states that he carried out an internet search for sites containing the words “CARPHONE” and “WAREHOUSE”. Mr Rockman states:

15 “The search revealed sixty relevant entries and all the references to “CARPHONE WAREHOUSE” referred to the opponent. The only other companies disclosed by this search had either “carphone” or “warehouse” used separately somewhere in the text of their website.”

20 The fifth statutory declaration, dated 10 September 1998, is by Charles Dunstone the Managing Director of the opponent, a position he has held since October 1989.

25 Mr Dunstone claims that his company is one of the largest independent retailers of mobile communications equipment in the UK. He also claims that his company supplies the following services:

30 “The repair and service of mobile communication equipment, the fitting of hands-free car kits and the sale of insurance for mobile communication equipment, the issuing of warranties and guarantees, telecommunication services and advice and the hire of telecommunications equipment.”

35 Mr Dunstone states that his company trades under the name or mark CARPHONE WAREHOUSE. He states that the company was incorporated on 26 June 1987 and at exhibit CD1 he provides a copy of the Certificate of Incorporation and two Certificates of Incorporation on change of name. These show that the company started out as “Notchwave Ltd”, changed to “Professional Cellular Services Ltd” on 3 April 1989 and then to “The Carphone Warehouse Ltd” on 22 January 1991.

40 At exhibit CD2, Mr Dunstone provides a list of the 158 branches and five stand-alone centres (which service and repair mobile phones and equipment) which are located throughout the UK.

45 Mr Dunstone claims that the trade mark CARPHONE WAREHOUSE was first used in the UK in 1989 and has been used in respect of the sale, hire, repair and service of mobile communications equipment and accessories. They also offer insurance and advice on such items.

At exhibits CD3 to CD9 Mr Dunstone provides brochures and publicity and press clippings. These show the following:

CD3: Price lists for the period March 1996 - May 1998.

CD4: Catalogues for the period February 1993 and Summer 1997.

CD5: An accessory catalogue dated 1998.

CD6: A catalogue for Winter 1997 /98

CD7: A magazine called CONNECTED which states that it is “the magazine for customers of the Carphone Warehouse”, dated November 1997.

All the above have the name of the company “the Carphone Warehouse” shown on the front of the item and at frequent intervals throughout the document.

CD8: A copy of an advertisement promotion from Cosmopolitan magazine from 1996. This shows the name of the company a number of times and also a list of the premises of the opponent.

CD9: A series of advertisements said to have been placed in local newspapers since 1995. They all have the name of the local paper written on them and some also have a date written on.

Mr Dunstone provides turnover and promotion figures.

YEAR	TURNOVER £
1991-1992	4,500
1992-1993	8,600
1993-1994	20,300,00 [sic]
1994-1995	37,390,400
1995-1996	64,506,040
1996-1997	107,371,19 [sic]
1997-1998	150,000,000

YEAR TO MARCH	PROMOTION £
1990	82,000

1991	182,000
1992	285,000
1993	646,000
1994	1,145,000
1995	2,658,000
1996	5,979,000
1997	8,171,000
1998	12,000,000

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10 Mr Dunstone states that the above promotional budget has been spent on

- Television advertising on the ITV Network, Channel Four and Sky during the period 1994 to 1997.
- 15 • Catalogues have been distributed since 1992 with around one million being distributed during 1997.
- A free phone line run since 1993 which receives around one million calls per year.
- 20 • Advertising in National papers and magazines including affinity deals whereby subscribers to magazines receive advertisements for the opponent's products once every quarter.
- Advertisements in local newspapers, particularly when a new "Carphone Warehouse" store is to open. The use of continuous local advertisements began in February 1997 and continues to date.
- 25 • Since 1989 the opponent has used radio commercials. Initially with Capital FM but as the business spread through the country so other local radio stations were used.

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Finally, Mr Dunstone states that:

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"When I incorporated my company the public and the industry referred to portable telephones as 'carphones'. The reason for this is that technology had advanced to a state where portable telephones existed but the apparatus was quite bulky and battery technology was not as advanced as it is today, Therefore, they were mainly used in cars. As time has gone on, the technology has become more refined and the apparatus has become much smaller and the battery life much longer. The result is that there are few portable telephones which can only be used in the car."

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"Members of the public now generally purchase portable telephones with adaptors for

5 use in their car. Not only has technology changed, but so has terminology. People no longer refer to ‘carphones’ but now speak about ‘mobile phones’ or more frequently ‘mobiles’. I therefore believe that to the consumer the mark ‘CARPHONE WAREHOUSE’ and ‘MOBILE WAREHOUSE’ are largely synonymous. I believe that any member of the public considering these two marks would at least think that the business were related, if not the same. For this reason, my company has opposed the trade mark application for the mark ‘MOBILE WAREHOUSE’ and I make this declaration in support of that opposition.”

10 That concludes my review of the evidence. I now turn to the decision.

15 **DECISION**

At the hearing the opponent withdrew the grounds of opposition under Sections 3(4), 3(6), 5(2)(b) and 5(3) and also the grounds under The Paris Convention.

20 I first consider the ground of opposition under Section 3(3)(b) which is as follows:

“3 (3) *A trade mark shall not be registered if it is -*

(a)

(b) *of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”*

30 The opponent’s objection relates to the whole of the specification applied for, save for “telecommunications apparatus and instruments”. At the hearing Mr Penny contended that:

- a) The word “mobile” has become the noun used to describe mobile telephones (a mobile).
- b) The word “mobile” is not used in relation to computers, even portable versions.
- 35 c) The whole of the trade mark conjures up an image of a warehouse which contains mobile telephones and associated equipment.

40 Therefore, he argued, the mark in suit would deceive the public into believing that the applicant sold mobile telephones not computer equipment . If I understand his argument correctly, the mark is claimed to be deceptive because it is a descriptive term which is not apt for the some of the goods of the specification.

45 Whilst I accept that the term “a mobile” would be taken by the majority to mean a mobile telephone, the word “mobile” also means portable or moveable. Therefore, in my view the mark in suit can be seen as an indication that the goods provided under the mark were portable such as a mobile phone, a laptop or palm computer etc, or goods relating to them such as software, cases etc. I therefore find that the mark MOBILE WAREHOUSE is not deceptive

WAREHOUSE is not deceptive for the goods contained within the specification applied for. The opposition under Section 3(3)(b) fails.

Lastly, I consider the other ground of opposition under Section 5(4)(a) which states:

(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*

(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.

(5) *Nothing in this section prevents the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration.*

The only potential “earlier right” which the opponent has identified arises under the common law of passing off. I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the WILD CHILD case (1998 14 RPC 455). In that decision Mr Hobbs stated that:

“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd - v - Borden Inc [1990] RPC 341 and Even Warnik BV - v - J. Townend & Sons (Hull) Ltd [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

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

(2) that there is a misrepresentation by the defendant (whether or not intentional)

leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

5 (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

10 The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of "passing off", and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.'

15 "Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

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

25 (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

30 (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

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

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

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

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

45 (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

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

The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. It is clear from Article 4(4)(b) that the earlier right had to have been “acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed....”. The relevant date is therefore 16 May 1997, the date of the application.

With these considerations in mind I turn to assess the evidence filed on the behalf of the parties in the present proceedings as set out earlier in this decision.

It is common ground that the opponent had at the relevant substantial goodwill and reputation under the trade mark CARPHONE WAREHOUSE for telecommunication equipment. It was also common ground that the goods covered by the applicant’s specification are either identical (telecommunications apparatus and instruments), or similar (Computers; computer terminals; computer peripheral devices; computer input and output devices; computer memories; disc drives; screen displays; keyboards; modems; parts and fittings for all the aforesaid goods).

Clearly both marks contain the word “warehouse”, but this would be regarded as suggestive of the nature of the business, an indication of less fashionable larger premises and the suggestion of lower prices. They obviously differ in that the applicant’s mark has the word “Mobile” whereas the opponent’s mark has the word “Carphone”.

The opponent contended that the words “mobile” and “carphone” are synonymous. Mr Penny claimed that the visual and oral differences would be overcome due to the close conceptual similarity, coupled with the reputation and the similarity of the goods. I do not accept these contentions. In the opponent’s evidence reference is made in both the declarations of Mr Rockman and Mr Dunstone that the term “Carphone” is no longer used, and that its continued use by the opponent showed their “heritage and longstanding”. The opponent’s mark conjures up an image of bygone bulky technology which is very distinctive, and is unlike the modern compact concept implicit in the applicant’s mark.

There is a small degree of similarity between the marks, but as Millett L.J. observed in *The European Ltd v The Economist Newspaper Ltd* (1998 FSR 283 at 288):

“A degree of similarity is tolerable: the question is whether there is a confusing similarity.”

In a more recent case, Addidas v Marca Mode CV - Case C-425/98 (as yet unreported), the European Court of Justice stated:

5 “The reputation of a mark, where it is demonstrated, is thus an element which,
amongst others, may have a certain importance. To this end, it may be observed that
marks with a highly distinctive character, in particular because of their reputation,
10 enjoy broader protection than marks with a less distinctive character (Canon,
paragraph 18). Nevertheless, the reputation of a mark does not give grounds for
presuming the existence of a likelihood of confusion simply because of the existence of
a likelihood of association in the strict sense.”

15 I acknowledge that the above relates to a trade mark case whereas in the instant I am dealing
with the matter under the common law of passing off. Nevertheless, even if the opponent was
relying on a registration of CARPHONE WAREHOUSE mere association would not be
enough.

20 Taken as wholes, even though the goods are either identical or similar, and the accepted
reputation of the opponent, I do not believe that members of the public would confuse the
two trade marks, or believe that there was a trade connection between the users of the two
marks. The opponent has filed no evidence that the trade or customers would expect
MOBILE WAREHOUSE to be economically linked to CARPHONE WAREHOUSE, and the
onus under Section 5(4)(a) is on the opponent.

25 In my opinion use of the applicant’s trade mark would not amount to a misrepresentation
resulting in the passing off of its products as those of the opponent. On this footing the
opposition under Section 5(4)(a) of the Act must fail.

30 The opposition having failed the applicant is entitled to a contribution towards costs. I order
the opponent to pay the applicant the sum of £435. This sum 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 22 day of August 2000

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40 George W Salthouse
For the Registrar
The Comptroller General