

O-242-05

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No. 2302740
BY TAPLANES LIMITED
TO REGISTER THE TRADE MARK
DELTA
IN CLASS 11**

**AND IN THE MATTER OF OPPOSITION THERETO
UNDER No. 92368
BY SANIFLO LIMITED**

BACKGROUND

1) On 13 June 2002, Taplanes Limited of Station Court, Nidd, Harrogate, HG3 3BN applied under the Trade Marks Act 1994 for registration of the trade mark "DELTA" in respect of "Shower cubicles" in Class 11. The applicant claimed honest concurrent use with registration Nos. 312987, 1020511 and E2206837.

2) On 18 March 2004 Saniflo Limited of Howard House, The Runway, South Ruislip, Middlesex, HA4 6SE filed notice of opposition to the application. The ground of opposition is in summary:

Since approximately 1998 the opponent has traded in the UK under the trade mark DELTA in relation to a range of shower cubicles, as part of its BLANC range of products. Such use has been on a consistent and extensive basis and as a result the opponent has acquired a reputation in the mark DELTA in relation to shower cubicles. The mark in suit is identical to the mark used by the opponent as are the goods. The mark in suit offends against Section 5(4)(a) of the Trade Marks Act 1994.

3) The applicant subsequently filed a counterstatement denying the ground of opposition stating that they have been trading in the UK under the mark DELTA in relation to shower cubicles since at least 1996 and as such have acquired a reputation in the mark with regard to said goods. They therefore claim earlier rights as defined by Section 5(4)(a) of the Trade Marks Act 1994.

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. Neither side wished to be heard although both provided written submissions which I will refer to as relevant in my decision.

OPPONENT'S EVIDENCE

5) The opponent filed a witness statement, dated 20 September 2004, by Paul Geoffrey Harry Newson, the Managing Director of Saniflo Ltd (until 1987 known as Transbyn Limited). He states that he has been a director of the company since 1979. He states that his company is wholly owned by Groupe SFA and that all of the trade marks which are in or have been used by his company were derived in France by SFA. Mr Newson states that he has a detailed knowledge of the activities of SFA and is authorised to make statements on their behalf. He states that from time to time his company, as part of the SFA Group has traded under umbrella trading styles such as BLANC and KINEDO but this has always been in conjunction with the name Saniflo Ltd (previously Transbyn Ltd).

6) Mr Newson states that his company first used the mark DELTA in the UK with regard to shower cubicles in March 1999. At exhibit PGHN6 he provides a copy of the original brochure. This shows the house mark BLANC with eight shower cubicles all have sub brand names, amongst them the mark DELTA. Fifty thousand copies of this brochure were printed and distributed in the UK to builders merchants, wholesale bathroom distributors and bathroom retailers throughout the UK. At exhibit PGHN5 he provides an invoice relating to the printing of the brochure which is dated 24 March 1999 and which specifically mentions an alteration to include the Delta unit.

At exhibit PGHN8 he provides a selection of invoices from customers for the DELTA shower cubicle. These are dated between 8 June 1999-June 2004 and are from customers throughout the UK. Mr Newson states that the product was such a success that in July 1999 and October 2000 the brochure was reprinted. At exhibit PGHN10 he provides correspondence with the printing company to verify this claim. At exhibit PGHN11 he provides a copy of a page from the monthly magazine “Building Products” dated February 2002 which shows a photograph of the Delta shower cubicle and mentions that they have been installed in a University. Mr Newson provides the following sales and turnover figures for the DELTA product:

Year	Units sold	Value £
1999	233	44,730
2000	651	123,840
2001	1332	246,930
2002	1118	212,310

7) Mr Newson states that his company first used the mark in France in 1996 prior to adopting it for the UK in 1999. The mark DELTA has featured in brochures displayed at exhibitions in the UK since 1999.

APPLICANT’S EVIDENCE

8) The applicant filed a witness statement, dated 21 December 2004, by Andrew Wilkinson a Director of Taplanes Limited, a position he has held since 1998. He states that his company first used the mark in suit in June 1996 in respect of shower cubicles. In support of this claim he provides the following exhibits:

- AW1.1 A copy of a product information leaflet with a diagram of a shower cubicle with the name Delta and a date of 10 June 1996. At AW1.2 is a similar item dated 2001.
- AW1.3 A brochure with the mark DELTA being used in relation to a shower cubicle. The item does not carry a date but Mr Wilkinson states that it was used in 1997.
- AW1.4 An advertisement from “The Irish Builder” dated November 1997. This does not feature the mark DELTA although the photograph used is the same as that which appears in exhibit AW1.3.
- AW1.5 Literature from the Healthcare 2001 exhibition. This mentions a “BETA” shower cubicle but does not mention the mark DELTA, although this has been written onto the copy with an arrow pointing at a cubicle in the photograph.
- AW1.6 installation instruction for a DELTA shower cubicle dated February 1999.
- AW1.7 A works order dated January 1997 for ten Delta shower cubicles.

- AW1.8 A large number of invoices dated 24 February 1997- 26 November 1997, all but two of which refer to the same order number relating to the construction/refurbishment of the University of Central England as revealed in the submissions. The other two invoices are difficult to read but appear to relate to the sale of one unit to each of two customers. On one of these the works number is out of sequence compared to the date shown on the invoice but this is not conclusive.
- AW1.9 Identifies potential customers for the applicant's full range of products. These all seem to be large institutions such as prisons, universities and hospitals and are not confined to the UK. The two potential customers identified as interested in the applicant's DELTA products are "Mansell/Nelson" (210 units) and "Askam Bryant Coll." (1 unit). It is not clear if both are in the UK. There is also a document titled "works Orders Scheduling" which shows two customers of DELTA products.
- AW1.10 Shows a breakdown of sales for the period October 1999-September 2001. This shows 321 Delta shower cubicle units sold in this period.

9) Mr Wilkinson also provides "approximate turnover figures for goods sold under the DELTA mark" which are as follows:

Year	Turnover £
1996-97	113,000
1997-98	60,000
1998-99	70,000
1999-00	75,000
2000-01	85,000
2001-02	100,000

10) Mr Wilkinson states that the mark has been used throughout the UK, and claims that £40,000 has been spent on promoting the mark.

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

DECISION

12) The only ground of opposition is under Section 5(4)(a) which reads:

"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 -

- (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."

13) In deciding whether the mark in question “DELTA” offends against this section, 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 purpose 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 Article 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] R.P.C. 341 and *Even Warnik BV v. J. Townend & Sons (Hull) Ltd* [1979] A.C. 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
- (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.

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.”

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:

“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:

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

(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.

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:

(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;

(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.””

14) 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 may therefore be either the date of the application/priority claimed for the mark in suit (although not later), or the date at which the acts first complained of commenced – as per the comments in *Cadbury Schweppes Pty Limited v. The Pub Squash Co Pty Ltd* [1981] RPC 429.

15) In the instant case I must assess whether use of the applicant's mark DELTA was as at the date of application, liable to be prevented by the law of passing off. The onus is on the opponent to make out a prima facie case. If he succeeds, in the circumstances of this case, I need to return to the applicant's own position in view of his claim to seniority of user. I say this because, although a Section 5(4)(a) claim has to be established at the date of the application, it is clear that an opponent could have had no such right if an applicant's use is protected in the UK from an earlier date or if, by the relevant date, an applicant had established his own actionable goodwill in the UK, (*Habib Bank* [1982] RPC 1 at 24).

16) In the case of *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House, Gary Stringer (a partnership)* [2002] RPC 19, Pumfrey J. in considering an appeal from a decision of the Registry to reject an opposition under Section 5(4)(a) said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* [1946] 63 R.P.C. 97, as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date.”

17) The opponent has asserted that it had goodwill and reputation at the relevant date. The opponent has provided fully corroborated evidence which shows that it has used its DELTA mark on shower cubicles throughout the UK since March 1999. The applicant has not sought to question this assertion.

18) For their part the applicant claims that it began use of its DELTA mark on shower cubicles in June 1996. The evidence for this use is not as well corroborated as that of the opponent. Exhibit AW1.1 could easily be seen as an internal document, in any case the applicant has not stated what use it was put to and whether it was widely distributed. Other evidence is not dated (exhibit AW1.3), relates to advertising outside the UK (exhibit AW1.4), is before the relevant date but after the opponent's first use in March 1999 (exhibits AW1.2, 1.5 & 1.10) or is based upon speculation (exhibit AW1.9).

19) The applicant is left relying upon exhibits AW1.6-1.8. Of these exhibit AW1.8 is the most persuasive as one of the other two documents (AW1.7) is an internal

document whilst the other (AW1.6) could easily be viewed as such as no details have been given as to the distribution of the item. Thus the applicant's case relies upon the assertions made in Mr Wilkinson's statement corroborated by the series of invoices at exhibit AW1.8. These invoices show sales of a large number of shower cubicles referred to by the mark in suit during the period 24 February 1997-26 November 1997. However, all except two were to the same construction company and related to the same project at the University of Central England, as revealed by the submissions. The other two invoices related to sales of one shower cubicle each. The opponent contends that this limited use (in terms of geography, time and quantity) cannot constitute grounds for passing off. Whilst the evidence is not the most compelling ever laid before the registry I believe that it is just sufficient to warrant that within the Midlands area, at least, the applicant had goodwill in 1997. This would have been enough to prevent the opponent from registering their mark unless geographically restricted as of 1998 (see *Chelsea Man Menswear Ltd v Chelsea Girl Ltd* [1987] RPC 189).

20) Turning to the issue of misrepresentation it is the applicant's position that, notwithstanding the opponent's goodwill, the applicant was the first to use the mark on the goods concerned and that they had built up their own goodwill since the mark was first used in 1996.

21) The following passage taken from 'The Law of Passing-Off' by Christopher Wadlow (paragraph 7.18) deals with the issue of antecedent rights:

"The definition of passing-off in terms of misrepresentation makes it necessary to deal with the case where the defendant claims to have anticipated the plaintiff in the course of conduct complained of. As the tort was formerly understood, it would normally be said that the indicia in issue could not be distinctive of the plaintiff if they were already in use by another, but this is not necessarily true. If the senior user in time is a small or local business, and the junior user a large one advertising heavily, then the public may soon come to associate the indicia in question so strongly with the larger party as to lead to the belief that the senior user is the interloper. It is self-evident that the senior user is entitled to continue with conduct which was innocent in its inception notwithstanding that it might later be said to convey a misrepresentation to the majority of the public. Thus, in *Stacey v. 2020 Communications* the evidence was that customers confused the plaintiff's small but longer established business for a branch of the defendants. Millet J., though refusing the plaintiff an interlocutory injunction, pointed out that the defendants plainly could not prevent the plaintiff from continuing to use the name 2020, nor could they complain about third-party recommendations intended for them which accidentally benefited the plaintiff instead. However, it is not legitimate for the defendant to expand from his existing business into a different field already occupied by the plaintiff, or to recommence an abandoned business under a name or mark which has meanwhile become distinctive of the plaintiff."

22) I consider that the applicant's use was not passing off when it commenced and that he has established himself as the senior user. In such circumstances it seems to me that there could be no legitimate complaint about the applicant continuing with

conduct which was innocent in its inception. The continued use would not constitute a misrepresentation in these circumstances.

23) To my mind, this case is a classic example of concurrent goodwill. The applicant has clearly been targeting construction projects for institutions such as hospitals, universities and prisons whilst the opponent has been selling to builders merchants who in turn sell single units to householders. Such a position was commented upon by Oliver L.J. in *Habib Bank Ltd v Habib Bank AG Zurich* [1982] RPC 1 at 24:

“Where you find that two traders have been concurrently using in the United Kingdom the same or similar names for their goods or businesses, you may well find a factual situation in which neither of them can be said to be guilty of any misrepresentation. Each represents nothing but the truth, that a particular name or mark is associated with his goods or business.”

24) I am fortified in these views by the recent decision of Mr G Hobbs Q.C. acting as the Appointed Person in the *Croom* case BL O/120/04.

25) Therefore, even if there is confusion, there is no misrepresentation. The ground of opposition under Section 5(4) therefore fails.

26) As the applicant has been successful it is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of £1000. 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 1st day of September 2005

**George W Salthouse
For the Registrar,
the Comptroller-General**