

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2003382
BY OPEN CHAMPIONSHIP LIMITED TO REGISTER
THE MARK DIAMOND IN CLASS 28**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
No 45194 BY GUNN & MOORE LIMITED**

TRADE MARKS ACT 1994

5 **IN THE MATTER OF Application No 2003382
by Open Championship Limited to register the
mark Diamond in Class 28**

and

10 **IN THE MATTER OF Opposition thereto under
No 45194 by Gunn & Moore Limited**

15 **DECISION**

On 25 November 1994 Open Championship Limited of Oldham, Lancashire applied to register
the mark DIAMOND for a specification of goods which reads as follows:-

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“Apparatus for use in the game of cricket; cricket bats; cricket balls; cricket gloves and
pads; sporting articles and containers adapted for carrying sporting articles; parts and
fittings for all the aforesaid goods; all included in Class 28.”

25 The application is numbered 2003382.

On 23 August 1996 Gunn & Moore Limited of London filed notice of opposition to this
application. In summary the grounds of opposition are:-

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(i) under Section 3(1)(a) in that the mark applied for does not satisfy the
requirements of Section 1(1) of the Act;

(ii) under Section 3(1)(b) in that the mark applied for is devoid of distinctive
character and is a common surname;

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(iii) under Section 3(6) in that the application was made in bad faith;

(iv) under Section 5 of the Act in that the opponents are proprietors of the same

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and similar marks for the same or similar goods. This goes to both Section
5(1) and (2) of the Act. The registrations relied on are numbered 1379086 and
2003230. Details of these are given below.

The opponents also refer to observations filed under Section 38(3) of the Act. These
observations were, in accordance with the Registry’s practice, sent to the applicant for
comment. The opponents say that no restriction of the specification resulted from this
process. In fact it seems that a Form TM21 was filed which would have had the effect of

amending the specification by reducing the broad term “sporting articles and containers” to cricket related goods. The requested amendment has not, so far as I can see, been published (the reason for this escapes me). However I do not need to consider this particular point in detail as it would not have had a material impact on the opposition proceedings.

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Details of the earlier marks referred to in (iv) above are as follows:-

No	Mark	Class	Journal	Specification	
10	1379086	WILLIAM GUNN DIAMOND	28	5881/4090	Apparatus for use in the game of cricket; cricket bats; sporting articles for protective purposes; gloves for sports; bags and containers adapted for carrying sporting articles; parts and fittings for all the aforesaid goods; all included in Class 28.
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20	2003230	DIAMOND	28	6094/7892	Cricket-bats, cricket bags, grips for cricket-bat handles, cricket-pads, batting-gloves.

For the sake of completeness I should say that the opponents refer in their statement of grounds to some 13 other marks incorporating the word DIAMOND or a diamond device and covering a number of Classes. I do not think I need refer to these in order to reach my decision.

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The applicants filed a counterstatement denying these grounds and claiming that the application would in any case be eligible for registration under the provisions of Section 7 of the Act.

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Both sides ask for an award of costs in their favour.

Both sides filed evidence in these proceedings. Neither side has requested a hearing in relation to the matter. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

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Opponents' evidence (Rule 13(3))

The opponents filed a statutory declaration dated 10 January 1997 by Anthony James Axe, their professional representative in trade mark matters. He confirms that he has access to all his firm's records in relation to the opposition.

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Mr Axe says that Gunn and Moore Ltd (the company) has used the word DIAMOND as a trade mark since 1989. He describes the circumstances surrounding the filing of what is now registration No 1379086. He exhibits (AJA01) a collection of extracts from the opponents'

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catalogues from 1990 onwards showing use of the mark. These catalogues have a wide circulation both in the United Kingdom and overseas. The value of goods sold under the mark are said to be as follows:-

5	<u>Year</u>	<u>Pieces</u>	<u>Value (£)</u>
	1989	22,408	22,465
	1990	29,612	152,463
	1991	32,236	137,840
10	1992	31,418	123,634
	1993	33,141	200,756
	1994	36,969	190,682

15 The “pieces” include cricket bats, grips for bat-handles, cricket pads, batting gloves and wicket-keeping gloves, and cricket bags. Mr Axe says that the above figures were produced in evidence of use by the Chairman of Gunn and Moore Ltd in support of their own application (No 2003230).

20 Mr Axe goes on to comment on the grounds of opposition. So far as Sections 1 and 3(1)(a) are concerned I consider that the points made relate more to the relative grounds of objection than the inherent capacity of the word DIAMOND to function as a trade mark. I propose, therefore, to deal with this when considering the Section 5 grounds. In relation to Section 3(1)(b) Mr Axe points out that his clients’ mark was accepted for registration on the basis of evidence of use. The applicants’ mark cannot, he says, be distinctive having regard to the
25 Registry’s practice in relation to common surnames.

30 Turning to the bad faith objection (Section 3(6)) Mr Axe says that this arises because when the application was filed on 25 November 1994 the applicants had been made aware of the opponents’ use of the trade mark DIAMOND. The application was, he says, filed only a few days after the opponents first contacted Messrs Seton Sport & Leisure, a business which it is believed is owned or controlled by Seton Healthcare Group PLC as is the applicant company. He exhibits (AJA02) copy correspondence in support of this claim. Subsequently, in March
35 1995, the opponents received a further letter from the applicants’ agents enclosing proof of use by the applicants’ alleged predecessor in business, Sondico International Ltd, of the mark DIAMOND for some cricket-related goods. He says this material does not, in any case support the breadth of the specification applied for.

40 Mr Axe then comments on the Section 5 issue. I do not need to review these comments here but will take them into account in reaching my decision. In response to comments made by the applicants in their counterstatement he denies that the opponents’ marks are invalidly registered and rightly in my view, comments that the validity of those registrations is not at issue in these proceedings.

45 Finally Mr Axe comments on the Section 7 position and the apparent failure of the Registry to cite his clients’ marks against the application in suit which resulted in the necessity to file observations and opposition.

Applicants' evidence (Rule 13(5))

The applicants filed a statutory declaration dated 5 December 1997 by Graham John Collyer, a Director of Seton Healthcare Group plc, the owner of Open Championship Ltd (the applicants). He has been employed by his company since 1984 and makes his declaration from company records and from personal knowledge.

Mr Collyer says that the Trade Mark DIAMOND was first used in respect of cricket bats in October 1983 and cricket balls in 1984 and has been in continuous since the date of first use. The trade mark has also been used for cricket bat covers since 1983-1985, leg guards since 1994 and cricket gloves since 1995. He exhibits (A) examples of how the Trade Mark is used in relation to the goods.

The number of units sold bearing the Trade Mark from 1992 to the date of application and the monetary value of these are as follows:

	Year	Units	Value
	1992	1689	14641.91
20	1993	2266	15090.20
	1994	876	1331.30

The "units" include cricket balls, cricket bats, cricket gloves and leg guards. Sales continued throughout 1995, 1996 and 1997.

Mr Collyer says that the exact figures for the years 1983-1991 are not readily available. However, he confirms that the figures are roughly equivalent to those shown here for the years 1992-1994.

He says that since 1983 product catalogues, order forms and other advertising and promotional materials produced have featured various sporting articles bearing the trade mark. A collection of extracts of the above mentioned materials is exhibited (B).

Figures to indicate the quantity of advertising material produced and the cost of this are not readily available. However, he confirms that substantial quantities of advertising materials by way of brochures, price lists, posters etc have been produced and distributed from the date of first use and this practice has continued to the present.

Opponents' evidence in reply (Rule 13(6))

The opponents filed evidence in reply in the form of a further statutory declaration, dated 9 March 1998, by Anthony James Axe. He makes a number of comments on Mr Collyer's declaration which I summarise as follows:

- he criticises Mr Collyer's exhibit A because it post dates the filing date of the application in suit

- in relation to Exhibit B he says that the date is unclear on a number of sheets and the only use shown of the mark is on cricket-related items and not sporting articles at large

5 - he says that Mr Collyer has not responded to his own declaration or supported comments made in the counterstatement.

Mr Axe says that he considers the applicants' evidence to amount to a claim to honest concurrent use but that the applicants have failed to prove use in respect of all the goods specified in their application. Furthermore he draws attention to the comments of Mr Justice Walker in *Road Tech Computer Systems v Unison Software (UK) Limited* 1996 FSR 813 and the notice relating thereto in *Trade Marks Journal* No 6171. He quotes Mr Justice Walker as saying:

15 “Nevertheless there can be only two eventual outcomes to an application - registration or refusal - and in the absence of any words conferring a discretion on the registrar I think it is reasonably clear that refusal is mandatory under section 7(2) if the proprietor of the earlier registered mark objects.”

20 That completes my review of the evidence.

I propose to deal firstly with the ground based on Section 5 of the Act. This also needs to be considered in the context of the counterclaim by the applicants that they are entitled to the benefit of Section 7 (the provisions relating to honest concurrent use). The relevant parts of these Sections for the purposes of the issue before me read as follows:

30 “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 -

35 (a) it is identical with 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, or

(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,

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

and

45 “7. - (1) This section applies where on an application for the registration of a trade mark it appears to the registrar -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

but the applicant shows to the satisfaction of the registrar that there has been honest concurrent use of the trade mark for which registration is sought.

(2) In that case the registrar shall not refuse the application by reason of the earlier trade mark or other earlier right unless objection on that ground is raised in opposition proceedings by the proprietor of that earlier trade mark or other earlier right.”

Although the opponents refer in their statement of grounds and evidence to two registrations it will be convenient to consider the matter on the basis of No 2003230 for the mark DIAMOND in plain block capitals (the other registration, No 1379086 is for the mark WILLIAM GUNN DIAMOND). The mark applied for is also the word DIAMOND in plain block capitals. Both the parties’ specifications cover a range of goods for use in the game of cricket and it is readily apparent from the specifications set out earlier that in fact identical goods are involved. The applications were filed within three days of each other with the opponents’ application having the earlier date. Their registration, therefore, constitutes an earlier trade mark within the meaning of Section 6 of the Act (and particularly by virtue of the operation of sub-section (2) thereof). In these circumstances Section 5(1) of the Act applies.

The applicants have, however, filed evidence claiming use of their mark from 1983. As a consequence they say that their application should be accepted under the provisions of Section 7. The opponents deny that this is the correct approach and refer to ROAD TECH COMPUTER SYSTEMS LIMITED and UNISON SOFTWARE (UK) LIMITED 1996 FSR 813, the ROAD RUNNER case, along with the notice that the Registry put in the Trade Marks Journal (No 6171) following that case. For ease of reference I have reproduced the text of the Journal notice at Annex A. The notice also provides background information on the provision drawn from Lord Strathclyde’s speech in the House of Lords in March 1994. Put briefly Section 7(1) and (2) provide a procedural mechanism whereby the registrar need not refuse an application by reason of the existence of an earlier trade mark if he is satisfied that there has been honest concurrent use. However where opposition is filed the tribunal needs to consider whether the grounds of refusal are made out. In the case of Section 5(1), that is to say where identical marks and identical goods or services are involved, refusal becomes mandatory. When an opposition is based on Section 5(2) it is necessary to consider the effect of the honest concurrent use on the issue of likelihood of confusion.

In view of my finding that the marks and the goods in the case before me are identical, and as the applicants have made no proposals for amending their specification in such a way that identical goods would no longer be involved, it follows that I must refuse the application

under Section 5(1) of the Act. In these circumstances I do not think I need to go on to consider the position under Section 5(2)(a). However it seems from the applicants' evidence that even when their mark is not used on identical goods it is used on very closely associated items (cricket balls, cricket bat covers, leg guards etc). Sales figures are given by unit numbers and value but not broken down by individual product. Turnover appears to be at a modest level and no information is given about sales outlets. Nor is there any information as to how the trade and purchasing public have reacted to use of the mark or what steps have been taken to avoid what must otherwise be an obvious risk of confusion.

Although my finding under Section 5(1) effectively decides the matter I will for the sake of completeness deal with the other grounds raised. As already indicated the objection under Section 3(1)(a) (and Section 1(1)) is in my view misconceived as this Section is concerned with the inherent capacity of a sign to function as a trade mark rather than competing claims between marks. The latter fall to be dealt with under Section 5. This ground of opposition, therefore, fails.

Under Section 3(1)(b) the opponents say that the word DIAMOND is devoid of distinctive character judged against the Registry's practice in relation to common surnames. They point to the fact that their own application (No 2003230) proceeded to publication and eventually registration as a result of evidence being filed to show that the mark had become distinctive through use. I think the apparent inconsistency in treatment arises from a change of Registry practice in relation to surname marks. Whilst I have not sought to reconstruct the precise circumstances it seems that the later filed application was still in the examination process when a rather more relaxed practice was introduced in early 1996. The revised practice is now reflected in the following entry in the addendum to Chapter 6 of the Work Manual:

“DIAMOND

In the past this word has been objected to as it is just outside the de minimis [level] for surnames. However, it is now considered that the mark can be accepted prima facie in most classes in view of its well-known other meaning as a precious stone. Some examiners have raised objections that the word is laudatory. This is not considered to be the case and objections should not be raised on these grounds.”

Whilst the Work Manual is only a guide to practice on particular issues the opponents have not brought anything to my attention which suggests I should review this aspect of the acceptance of the mark. This ground of opposition also, therefore, fails.

The final matter is the objection under Section 3(6) which reads:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

The opponents say that the applicants filed their application in the knowledge of their (the opponents) use and with a specification which covers directly conflicting goods. On the basis of the evidence filed the facts of the matter appear to be that the opponents' agents contacted

Seton Sport & Leisure (associated with the applicants) on 11 November 1994 with brief details of their existing registration (No 1379086) and claimed use. A prompt response was received from Seton Healthcare dated 17 November 1994 albeit that it was in the nature of a holding reply. Thereafter, on 22 November 1994 the opponents filed their application for the mark DIAMOND solus and on 25 November 1994 the applicants filed the application that is now under attack. There is no evidence of further correspondence or discussions between the parties until March 1995 when the applicants' agents wrote to the opponents with proof of use of their mark by a predecessor in business.

Prima facie it would seem that the opponents' objection has some force but the position needs to be considered with some care. The application at issue was filed in the knowledge of the opponents' claim to have used their mark (though whether the applicants were also aware of the filing of No 2003230 is not clear). The sequence of events described above was triggered by the opponents' attention being drawn to use of the mark in the applicants' price list dated September 1994 and a brochure carrying the title "Cricket 1995". The initial exchange of letters was followed in very short order by the respective trade mark filings. It seems likely that the parties were unaware of each other before this and took early steps to protect their positions. If the applicants had filed on the basis of an as yet unused mark in an attempt to steal a march on the opponents there might well be doubt about their bona fides. However the applicants themselves claim use since 1983, albeit on a narrow range of goods at that time, and were, I think, entitled to file their own application even if this meant that the parties' positions would be decided in opposition proceedings as in the event has been the case. Where closely competing commercial interests are involved I do not think it amounts to a lack of bona fides that a party should seek to protect their position at least until the rival claims can be fully tested through the mechanism of an inter partes action. I note also that it was the applicants who are said to have resumed contact in March 1995 when details of their own use had been assembled. In all the circumstances of the case I do not think it can be said that the applicants have acted in bad faith. Accordingly the opposition fails under Section 3(6).

As the opponents have succeeded under Section 5 they are entitled to a contribution towards their costs. I order the applicants to pay them the sum of **£635**.

Dated this 3rd day of July 1998

M REYNOLDS

For the Registrar
the Comptroller General

ANNEX A**HONEST CONCURRENT USE**

1. In the ROAD RUNNER trade mark case Mr Justice Walker suggested that refusal of an application under Section 7(2) of the Act is mandatory, if the proprietor of an earlier trade mark raises objection on those grounds in opposition proceedings. This would appear to go too far bearing in mind the wording of Sections 5(1) and 5(2) and the contents of Lord Strathclyde's speech in the House of Lords on 14 March 1994. He said:

“The amendment before the House provides a procedural mechanism whereby the burden of raising objections on relative grounds falls to the owners of the earlier mark rather than on the Registrar. It will mean that, where the Registrar raises an objection based on an earlier mark, he will not maintain the objection if the applicant is able to satisfy him that his mark has been the subject of honest concurrent use. Instead, he will accept the application, and advertise it.

So far, that is the same as the position under the existing law. Under the new law, however, if there is opposition from the owner of the earlier mark, the Registrar will have to decide whether the grounds for refusal are made out. If they are subsection (1) Clause 5 - that is, the marks are identical, and so are the goods or services concerned - then the application will have to be refused. The fact of honest concurrent use will not be sufficient to defeat the opposition. If however, the opposition is based on subsection (2) of Clause 5, it is necessary to show a likelihood of confusion on the part of the public. In such a case the fact that the two marks have been concurrently used may well make it more difficult to establish that such a likelihood exists. Likewise, if the ground of opposition is that the later mark would take undue advantage of the earlier mark's reputation, the fact that the two have co-existed in the market place may have a bearing on the out-come.”

SECTION 5(1) reads

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.

SECTION 5(2) reads

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 which the earlier trade mark is protected, or
- (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.

2. In the ROAD RUNNER case the later trade mark was virtually identical with the earlier mark (the same word written in script but not stylised in any way) and the specification of goods of the later mark fell within the specification of the registered mark. It was therefore beyond argument that the later trade mark would be debarred from Registration by Section 5 of the Act unless it had sufficient user to justify acceptance on the basis of honest concurrent use.

3. It is well established that, in his capacity as a tribunal considering a contested opposition between two parties, the Registrar must consider the matter afresh and should not be bound by decisions taken during ex parte examination of the application.

4. In relation to section 7 it is clear that any refusal on the basis of conflict with an earlier right should be on the basis of Section 5. There is no provision in the Directive for refusal under Section 7(2) since Honest Concurrent Use is not covered by the Directive.

5. Therefore, where the owner of an earlier trade mark opposes an application that has proceeded on the basis of honest concurrent use, the Registrar's practice will be as follows:

(a) Where the later application is for an identical mark and covers the same goods/services the Registrar will consider whether mandatory refusal under Section 5(1) is appropriate and is likely to so decide, unless the applicant can amend his application (eg reduce his specification) so as to avoid the application of Section 5(1). In particular cases it may be that an interlocutory hearing will be necessary.

(b) Where the later application is for an identical mark and the goods are similar or where the marks are similar and the goods are identical or where both the marks and the goods are only similar (as specified at 5(2)); the matter of whether the application offends Section 5(2) will be determined through the normal opposition procedures as set down in the 1994 Act and Rules.

6. Section 39(1) of the Act states that the applicant may at any time restrict the goods or services covered by the application. Accordingly, if the respective marks and goods/services are identical the applicant will be allowed to restrict his specification in order to avoid a mandatory refusal under Section 5(1) of the Act.

7. If an opposition is successful then an opponent will be entitled to his costs in the normal way.