

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2211183A
BY NETBIZ LIMITED
TO REGISTER A TRADE MARK IN CLASSES 29, 30 AND 31**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 52154
BY AUNTY G LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2211183A
by Netbiz Limited to register a Trade Mark in Classes 29, 30 and 31**

and

**IN THE MATTER OF Opposition No. 52154
by Aunty G Limited**

BACKGROUND

1. On 13 October 1999 Netbiz Limited applied to register the trade mark auntie G in Classes 9, 35, 38, 41 and 42 of the Register.

2. The specifications of goods and services originally applied for included, in Class 42, the following:

“E-Commerce of online goods covering – jewellery, fashion items and clothing, cards, furniture, audio/visual products e.g. CD’s, videos etc., food, appliances, perfumes, medicines, travel products, arts and crafts, tickets.”

3. In subsequent correspondence as part of the examination process, the Registrar took the view that the above specification clearly did not fall within Class 42 of the register. In the Registrar’s opinion the appropriate Class was open to some interpretation in that the specification could have fallen into Class 35, ie. the bringing together, for the benefit of others, of a variety of goods enabling customers to conveniently view and purchase those goods etc., or into the Classes of the goods specified ie. the specification related to the sale of those goods. Consequently, the Registrar, following division of the application, allowed Application No. 2211183A to proceed to advertisement in the Trade Marks Journal for the following specifications of goods in Classes 29, 30 and 31:

Class 29:

Meat, fish, poultry, game; meat extracts; seafoods; fruit and vegetables, all being preserved, dried, cooked or processed; preparations made from all the aforesaid goods; jellies; jams; egg products; milk foods; dairy products (foods); cheeses; curds; sweetened curds; savoury curds; fruit yoghurt; savoury yoghurt; vegetable yoghurt, savoury vegetable yoghurt; desserts made from dairy products; soups; sweet spreads; savoury spreads; salads; fillings, snack foods; proteinaceous substances; dips; lentils; beans, pulses; edible oils and fats; preserves; pickles; food preparations made from the aforesaid goods; prepared meals and constituents for meals; all supplied by e-commerce means.

Class 30:

Coffee, tea, cocoa, and coffee substitutes; spiced tea, herbal tea; drinking chocolate; coffee essence, coffee extracts, mixtures of coffee and chicory, chicory and chicory mixtures, all for use as coffee substitutes; all being foods; sugar, rice, pasta, tapioca, sago, flour, cereals and cereal preparations; bread, biscuits; cakes, pastries, pastry and confectionery; fillings; sweet spreads, savoury spreads; condiments, sweet chutney, savoury chutney; honey; treacle, yeast, baking powder; salt, mustard, pepper, vinegar, spices; snack foods, prepared meals and constituents for meals; chocolate; sauces for pasta, rice and curry; salad dressings; mayonnaise, sauces; dips; all supplied by e-commerce means.

Class 31:

Fruits, vegetables and herbs; extracts and other preparations made from these; all supplied by e-commerce means.

4. On 15 February 2001 Aunty G Limited filed a Notice of Opposition. In summary, the Statement of Case set out the following grounds:

(i) The application did not contain a statement of the goods or services in relation to which it was sought to register the mark, because the application was made in Classes 9, 35, 38, 41 and 42 and the subsequent addition of Classes 29, 30 and 31 extends the goods covered by the application and therefore offends against Section 39(2) of the Act.

(ii) Under Section 3(6) of the Act because the application was made in bad faith because the applicant did not have the intention of selling food and drinks under the mark at the time of filing, but only to sell third parties food products by E-commerce means. Therefore, the applicant did not have the bona fide intention to use the mark on goods included in Classes 29, 30 and 31 at the time the application was filed and when filing a request for the additional Classes.

5. The applicant filed a Counterstatement denying the grounds of opposition. The applicant states that at the time of filing the application it had the intention of selling food and drink labelled with the mark AUNTIE G and also to sell third parties food products by E-commerce means.

6. The opponent has filed evidence and both sides have asked for an award of costs in their favour.

7. The matter came to be heard on 18 February 2003 when the applicant for registration was represented by Mr Tritton of Counsel instructed by M Dean and the opponent was represented by Mr Malynicz of Counsel instructed by Trademark Consultants Co.

Opponent's Evidence

8. This consists of a witness statement by Simon Malvin Walters dated 22 August 2001. Mr Walters states that he is an associate of Trade Mark Consultants Co (the applicant's professional advisors in this opposition).

9. Mr Walters attaches as Exhibits SMW1 to SMW7 to his statement, the following documents in support of the points raised by the applicant in its Counterstatement:

Exhibit SMW

- 1 The Patent Office file for UK Trade Mark Application No. 2211183.
- 2 Pages from the Opponent's web site dated 30th August 2000.
- 3 Letter dated 6th September 2000 from the Opponent's trade mark attorney.
- 4 Opponent's original Form TM7 and Grounds for Opposition dated 7th September 2000.
- 5 Correspondence between the Applicant's trade mark attorneys and Trade Marks Registry.
- 6 Pages from the Patent Office web site:
 - a) Classification of goods and services
 - b) Adding a class or classes to an application
 - c) Change of practice on "Retail Services".
 - d) Classification of On-line and Internet services and associated goods.
- 7 Trade marks owned by the Opponent and Applicant from the Marquesa Search Systems Limited database.

10. Mr Walters makes no specific comments in relation to the individual documents comprising the exhibits.

11. I now turn to the decision.

DECISION

12. Section 39 of the Act reads as follows:

"39.-(1) The applicant may at any time withdraw his application or restrict the goods or services covered by the application.

If the application has been published, the withdrawal or restriction shall also be published.

(2) In other respects, an application may be amended, at the request of the applicant, only by correcting-

(a) the name or address of the applicant,

(b) errors of wording or of copying, or

(c) obvious mistakes,

and then only where the correction does not substantially affect the identity of the trade mark or extend the goods or services covered by the application.

(3) Provision shall be made by rules for the publication of any amendment which affects the representation of the trade mark, or the goods or services covered by the application, and for the making of objections by any person claiming to be affected by it.”

13. Rule 8(4) of the Trade Marks Rules 2000 (which is identical in effect to Rule 8(3) of the 1994 Rules) is also relevant and it states:

“8(4) If the specification contained in the application lists items by reference to a class in Schedule 3 in which they do not fall, the applicant may request, by filing Form TM3A, that his application be amended to include the appropriate class for those items, and upon the payment of such class fee as may be appropriate the registrar shall amend his application accordingly.”

14. At the hearing it was common ground that the relevant part of Section 39 to these proceedings was Section 39(2)(c) and the proviso to Section 39(2). The opponent contends that the amendment to the applicant’s specification was “impermissible” as it did not result from an obvious mistake and also because the correction extended the goods or services covered by the application.

15. For the opponent, Mr Malynicz pointed out that the relevant part of the original application was specifically placed in Class 42, a service class, and was for a specific type of service, namely e-commerce. He submitted that, taking into account that it was placed in Class 42, the application referred to a service and not goods. While Mr Malynicz conceded that the relevant part of the specification in the form it was applied for was not appropriate to Class 42, he argued that the Registrar should treat the Class number in the application for registration as part of the application and in his view this means that, as a whole, the construction or interpretation of the specification must be limited to that of a service. Mr Malynicz went on to submit that the relevant service meant by the original specification was the provision of links to third party web

sites to purchase items. In support he drew attention to extracts taken from the applicant's web site (Exhibit SMW2 to Mr Walter's witness statement) which contains information about Indian Food and in particular, the following statements on the web site:

"Where on earth can I buy all this food?"

"With our supplier you can buy all the ingredients you need exclusively through auntie G. So just click on <http://www.sweetmart.co.uk> and order today!"

16. Turning to the applicant's amended specifications in Classes 29, 30 and 31, Mr Malynicz contends that the addition of the words "all supplied by e-commerce means" has no practical effect as the specifications are still for foodstuffs and not services. Accordingly, as the original specification did not list food but rather referred to a service, the net effect is to extend the goods or services covered by the application as filed.

17. On behalf of the applicant Mr Tritton pointed out that when the application was made (13 October 1999) it was not possible to obtain registration for retail services and that the Trade Marks Registry objected to the application under Section 3(1)(a) as "e-commerce" was not recognised as a service. In Mr Tritton's submission the applicant's intention was to trade in the goods specified in Class 42 of the application and an error of wording was made in relation to the relevant part of the specification. In Mr Tritton's view the Registry was correct, on the basis that there was no service of "e-commerce" of on line goods (including food), to interpret the specification as meaning that the applicant was applying to trade in the goods themselves and, as the products in Classes 29, 30 and 31 are all subsets of food, there has been no extension of goods.

18. Mr Tritton went on to contend that, in effect, there is no difference between "E-commerce of online goods covering food" (the specification originally applied for) and food ".... all supplied by e-commerce means".

19. Both parties drew my attention to the decision of the Court of Appeal in *Altenic Ltd's Trade Mark Application* [2002] RPC 34, where it was held that the Registrar's decision to allow amendment of a specification for valves in Class 7 to valves in Class 11 was ultra vires as the mistake was not an obvious one and accordingly, the amendment did not fall within Section 39 of the Act. This decision makes it clear that the specification applied for, must be considered as a whole and with reference to the Class number(s) specified in the application. Nevertheless, in relation to the application in suit I find the following extract from the decision, at page 68, paragraph 41(e), of Mummery LJ to be of particular assistance:

"That amendment of the application, at the request of the applicant, was not permissible, because it did not fall within any of the three types of correction allowed under section 39(2)(a), (b) or (c). It could not be said to be a case of an "obvious mistake", as valves do fall within Class 7. The position might well be different if none of the particular goods expressly described in the "Specification of goods" column fell within goods contained in the Class number given in the "Class number" column of Form TM3. Such a case might reasonably be described as one of an "obvious mistake" in the selection of

the Class number and the Class number could accordingly be corrected. Even in those circumstances, however, the amendment of the application could only be made under section 39(2) and not simply by virtue of a determination of a question under section 34 of the 1994 Act.”

20. The issue between the parties is whether the conversion of the specification applied for in Class 42 in relation to “e-commerce of on line goods covering food” to the specifications in Classes 29, 30 and 31, falls within Section 39 of the Act and in particular Section 39(2)(c) and the proviso to Section 39(2).

21. Section 39(2)(c) requires the correction of the specification to result from an “obvious mistake”. On this point, I have no doubt that the relevant part of the specification applied for in Class 42 could not have fallen within and was not appropriate to that Class. This is not really contended by the opponent whose main submission is that the relevant part of the applicant’s specification cannot legitimately be extended outside the services classes and into goods classes. In my view, bearing in mind the comments of Mummery LJ. in *Altenic* (see paragraph 19 of this decision), it follows that where the classification number and written description are in conflict, that there is an “obvious mistake” in the application. Thus, the applicant clears the first hurdle.

22. I now go on to consider the effect of the proviso to Section 39(2) which requires that any correction to the specification does not extend the goods or services covered by the application.

23. The class specified by the applicant and the relevant description of the specification are, in conflict. In Mr Malynicz submissions, as the matter must be considered in totality, this means that the applicant is not entitled to amend the specification to goods classes as Class 42 is a service and services must be construed narrowly.

24. While I take Mr Malynicz’s point that the class number and wording of the specification must be considered in totality, it seems to me that his proposed distinction, indeed demarcation, between goods and services classes is somewhat arbitrary. My own knowledge and experience tells me that in the market place there is often a considerable overlap between goods and services and they are often both provided by the same business or economically linked undertaking. The link between goods and services is often a strong one, while it does not follow automatically that services are closely or even remotely connected with each other.

25. In my view the position in the present application must be considered on its own particular merits. In effect, I am required to interpret the specification applied for on the basis of its content, which includes the class number and description. However, it seems to me that when the class number and description are in total conflict, as in the present case, it may be necessary to give greater weight to the description of the applicant’s activities in the specification as this is likely to be the primary identifier of the applicant’s business or intended business. A class number which is in total conflict with such a description seems likely, on a relative basis, to be a less accurate or indeed mistaken indicator. In general, where there is conflict, words seem more likely to be a true indication of activities or intentions than a codification number.

26. I now go to the interpretation of the relevant description in the original specification – “E-Commerce of online goods covering food”.

27. At the hearing Mr Malynicz contended that the type of service inferred from this description was one whereby the applicant’s web site provided links to third party web sites to facilitate the purchase of third party goods and in support, he drew attention to Exhibit SMW2 to Mr Walter’s witness statement (see paragraph 15 of this decision). In response Mr Triton submitted that the description amounted to trading in goods (food) by e-commerce means and that this was the position reflected in the amended specifications in Classes 29, 30 and 31.

28. Collins English Dictionary (5th Edition) defines commerce as “the activity embracing all forms of the purchase and sale of goods and services”. The same dictionary defines Ecommerce as “business transactions conducted on the internet”. These definitions are wide and relatively imprecise and go to explain the Registrar’s practice of not accepting the term “E-commerce” as such, without further clarification from an applicant as to the nature of their trade or business. In relation to the opposition in suit I take the view that the original description in the relevant specification can best be interpreted as meaning that the applicant’s intention was to seek a monopoly for business transactions relating to food conducted on the internet. While this is vague in its nature and extent it seems to me that the opponent’s interpretation of the applicant’s activities ie. a web site providing links to third party web sites, is, in all the circumstances, unduly prescriptive. Furthermore, I find the selected extracts from the applicant’s web site (Exhibit SMW2 to Mr Walter’s witness statement) to be of little or no assistance. They are not conclusive as to the nature and extent of the applicant’s business or future business intentions. As to the applicant’s business intentions, the Counterstatement clearly states that at the time of filing the application the applicant had the intention of selling food labelled with the mark auntie G.

29. In light of the above the key question is whether the relevant part of the specification applied for has, through correction by the applicant and Registrar, extended the goods or services covered by the application. In my view the answer must be no, given the very wide definition encompassed by the term “Ecommerce” and thus “E-commerce of online goods, covering food”. In fact, the corrected specifications have narrowed and more precisely defined the applicant’s activities or intended activities. It seems to me clear that “E-Commerce of online goods covering food” includes trading in foodstuffs ie. a trade in goods. The fact that this trade is conducted via electronic media does not diminish the fact that business in the nature of a trade in goods is being conducted.

30. In conclusion, taking into account the wording of the relevant part of original specification and the class number specified in their totality, I have reached the decision that the corrected specifications fall within the requirements of Section 39 of the Act. The opposition on this ground fails.

31. I now turn to the Section 3(6) ground. Section 3(6) of the Act reads as follows:

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

32. In relation to the bad faith ground the opponent contends that the applicant had no intention of selling food and drink under the auntie G mark at the time of application. In support the applicant has filed evidence relating to the applicant's web site (referred to earlier in this decision) and an extract from a Companies House Directory to show that the applicant's main activity is wholesaling in relation to food.

33. Section 32 of the Act, which deals with basic application requirements, is relevant. Sub section (3) reads:

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

34. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J considered the meaning of “bad faith” in Section 3(6) of the Act and stated (at page 379):

"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."

35. In a recent unreported decision of the Appointed Person: In the matter of Application No. 2031741 by Eicher Limited – Royal Enfield Motor Units to register a mark in Class 12 and in the matter of Opposition thereto under No. 45356 by David Matthew Scott Holder T/A Velocette Motorcycle Company and in the matter of Application No. 9188 by David Matthew Scott Holder T/A Volvette Motorcycle Company for a declaration of invalidity in respect of Trade Mark No. 15614064 in the name of Eicher Limited – Royal Enfield Motor Units to register a mark in Class 12 and in the matter of Opposition thereto under No. 45356 by David Matthew Scott Holder T/A Velocette Motorcycle Company and in the matter of Application No. 9188 by David Matthew Scott Holder T/A Velocette Motorcycle Company for a declaration of invalidity in respect of Trade Mark No. 15614064 in the name of Eicher Limited – Royal Enfield Motor Units, paragraph 31, Simon Thorley QC in relation to Section 3(6) stated that:

“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in Associated Leisure v Associated Newspapers (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see Davy v Garrett (1878) 7 Ch. D. 473 at 489. In my judgment precisely the same considerations apply to an allegation

of lack of bad faith made under Section 3(6). It should not be made unless it is distinctly proved and this will rarely be possible by a process of inference.”

36. I have little doubt that applying for a trade mark without the intention to use the mark on all the goods specified amount to bad faith, especially given that the application form for the registration of a trade mark requires a signature by or on behalf of the applicant agreeing that:

“The trade mark is being used by the applicant or with his or her consent, in relation to the goods or services stated, or there is a bona fide intention that it will be so used.”

37. I am fortified in this view by the following comment on Section 3(6) from the publication ‘Notes on the Trade Marks Act 1994’ (which was prepared for the use of Parliament during the passage of the Bill) and bad faith might be found “where the applicant has no bona fide intention to use the mark, or intended to use it, but not for the whole range of goods and services listed in the application.” Furthermore, in the case of the Demon Ale Trade Mark Application [2000] RPC 345, the Appointed Person, Mr Geoffrey Hobbs QC, held that where the applicant was a person who could not truthfully claim to have a bona fide intention to use the mark applied for as a trade mark for beer, the fact that his application included a claim to that effect was sufficient to justify its rejection under Section 3(6).

38. While it is clear that bad faith can arise where there is no actual dishonesty, bad faith is nevertheless a serious allegation and there is a clear onus on the opponent to satisfy the Registrar that the ground of opposition is made out. Furthermore, an objection under Section 3(6) is a difficult one to substantiate. It is difficult for the opponent to prove a negative; that the applicant did not have an intention to use.

39. It is clear from the Act that there is no requirement for a mark to have been used prior to application and it is sufficient that an applicant has a bona fide intention to use the mark. The applicant for the mark in suit has not demonstrated use of the mark prior to the date of application. However, the applicant rebuts the allegation that the mark was applied for in bad faith and states that there is an intention to use the mark in relation to the goods. I would only add that it is not uncommon for an applicant to secure registration of a trade mark before finalising and implementing trading plans. The opponent’s evidence does not demonstrate the claim that the opponent has no intention to trade in the goods specified.

40. While I acknowledge the difficulties faced by the opponent in attempting to prove a negative, the opponent’s evidence cannot assist its claim in the face of the rebuttal and explanations of the applicant. As stated earlier, the onus rests with the opponent and on the evidence before me the opponent has not shown and I feel unable to infer that, the application was made in bad faith in respect of all or some of the goods for which registration is sought. Certainly, on a prima facie basis and after taking into account the goods, the specifications do not appear to me to be unduly wide or unrealistic in their scope or potential application.

41. The opposition under Section 3(6) fails.

COSTS

42. As the opposition has failed the applicant is entitled to a contribution towards its costs. I therefore order the opponent to pay the applicant the sum of £1,500. This sum is to be paid within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 02 day of April 2003

**John MacGillivray
For the Registrar
the Comptroller-General**