

O-257-17

TRADE MARKS ACT 1994

IN THE MATTER OF:

INVALIDITY APPLICATION No. 501069

IN THE NAME OF JOYSLEEP FURNITURE LTD

IN RESPECT OF TRADE MARK No. 3047609

IN THE NAME OF LUV2SLEEP LTD

DECISION

1. Trade Mark No. 3047609 **JOYSLEEP** standing in the name of Luv2sleep Ltd (“the Proprietor”) was found to have been invalidly registered for goods in Classes 20, 22 and 24 for the reasons given by Mr. George Salthouse in a decision issued under reference BL O-009-17 on 11 January 2017 at the conclusion of proceedings for invalidity brought by Joysleep Furniture Limited (“the Applicant”).
2. The goods with respect to which the trade mark was found to have been invalidly registered were:

Class 20

Bedding for cots [other than bed linen]; Bedding for nursery cots [other than bed linen]; Filled bedding; Bedding except linen; Soft furnishings [cushions].

Class 22

Bedding (feathers for-); Bedding (Feathers for-).

Class 24

Quilted blankets [bedding]; Textile fabrics for use in the manufacture of bedding; Textile piece goods for making bedding covers; Soft furnishings.

The application for invalidity succeeded under s.5(4)(a) of the Trade Marks Act 1994 on the basis that the Applicant was at the relevant date (19 March 2014) entitled to prevent the Proprietor from using **JOYSLEEP** as a trade mark for such goods by virtue of the law of passing off.

3. The Hearing Officer summarised the evidence filed by the parties in paragraphs [7] to [13] of his decision. There is no challenge to the accuracy of his summary. In paragraphs [23] to [29] he evaluated the Applicant's claim to proprietorship of a protectable goodwill built up and acquired through use of the denomination **JOYSLEEP**. His conclusion, having regard to the uncontroverted evidence of use filed on its behalf, was that the Applicant had '*shown it has goodwill in the mark JOYSLEEP in respect of retailing settees, tables, chairs, beds, mattresses, drawer units, wardrobes and cushions amongst a substantial proportion of the population of the UK since at least 2010*': paragraph [29]. He expressly accepted the point emphasised on behalf of the Proprietor that the goods sold by the Applicant have third party names on them.

4. He then went on to consider in paragraphs [30] to [34] whether the contested registration encompassed used by the Proprietor of the trade mark **JOYSLEEP** in a context and manner which would be liable to implicate the Applicant in trading activities with which it was not connected. His conclusion was that *'use of the registered mark, whether actual or on a fair and notional basis, would result in [the Applicant's] customers and potential customers being deceived into thinking that the goods of [the Proprietor] are those of [the Applicant]'* with the consequence that *'damage can be considered as the automatic sequitur in relation to the goods in classes 20, 22 and 24 and the three elements of the classic trinity of passing off will have been established'*.
5. Despite upholding the objection to validity under s.5(4)(a) in relation to the goods for which the Proprietor's trade mark was registered in those Classes, he made no order for costs in favour of the Applicant because he considered that its conduct of the case had needlessly increased the expenditure of time, effort and money by the Proprietor in defence of its registration. The Applicant has not appealed the Hearing Officer's decision as to costs.
6. The Proprietor appealed to an Appointed Person under s.76 of the 1994 Act contending that the Hearing Officer's decision was wrong and should be set aside, with costs to be awarded in its favour in respect of the proceedings in the Registry and on appeal. The Applicant maintains that the Hearing Officer's decision should be upheld for the reasons he gave and for the further reasons identified in a

Respondent's Notice filed on its behalf under rule 71 of the Trade Marks Rules 2008.

7. The thrust of the Proprietor's case on appeal is that the Hearing Officer erred in his approach to the Applicant's objection under s.5(4)(a) by proceeding as if it was a claim for protection of **JOYSLEEP** as an earlier trade mark. That is said to have involved an impermissible relaxation of the legal requirements for a finding of invalidity based on the law of passing off. The relaxation of those requirements is said to have resulted in an invalid assessment of the likelihood of misrepresentation and ensuing damage to goodwill for the purposes of the objection on which the parties had joined issue in the present proceedings.

8. It is correct to say that a claim for protection of a mark in accordance with the law of passing off should not be viewed as a claim for infringement of unregistered trade mark. The steps and stages by which it ceased to be possible to pursue an action for infringement of unregistered trade mark are summarised in the Judgment of the Court of Appeal in British Telecommunications Plc v. One In A Million Ltd [1999] FSR 1 at pp. 8,9 per Aldous LJ; see also Hart v. Relentless Records Ltd [2002] EWHC 1984 (Ch.); [2003] FSR 36; at paragraph [62] per Jacob J. The provisions of s.2(2) of the 1994 Act deal with the point in the following terms:

No proceedings lie to prevent or recover damages for the infringement of an unregistered trade mark as such; but nothing in this Act affects the law relating to passing off.

9. It is also correct to say that the question whether two marks are similar is not exhaustive of the question whether the requirements for refusal of registration on any of the grounds specified in ss.5(1) to (4) of the Act (each of which imposes particular criteria for determining whether marks can co-exist legitimately in the marketplace) are to any extent satisfied in the context of the case under consideration. I agree with the contention on the part of the Proprietor to the general effect that the Hearing Officer was obliged to determine the Applicant's objection under s.5(4)(a) in accordance with the legal requirements for liability under the law of passing off and was not entitled to relax those requirements, whether by viewing the objection as a claim for infringement of unregistered trade mark or in any other way.
10. At the hearing in the Registry, the Hearing Officer was invited by Counsel then appearing for the Proprietor to take account of the Judgment of the CJEU in Case C-17/06 Céline EU:C:2007:497 at paragraphs [21] to [23] (dealing with the requirement for use "in relation to goods" in the context of a claim for infringement of the rights conferred by registration of a trade mark); the Judgment of the General Court in Case T-92/09 Strategi Group EU:T:2010:424 at paragraphs [23], [24] (dealing with genuine use "in relation to goods" for the purpose of defending the registration of a trade mark against an application for revocation on the ground of non-use); and the Judgment of Mann J in Apple Corps Ltd v. Apple Computer Inc [2006] EWHC 996 (Ch) at paragraphs [89], [90] (dealing with the importance of consumer perception as a factor in the determination of the question whether a

particular mark is or is not being used “in relation to goods” when they are being offered for sale and supplied in a retail environment).

11. These cases were put forward for consideration on the basis summarised in paragraphs 12 to 19 of the Proprietor’s Skeleton Argument:

12. The law on trade marks used as shop names has traditionally been concentrated in the area of use of a registered trade mark. Nevertheless, the principles are illuminating and of direct application to the law of passing off.
13. The Court of Justice considered the use of a trade mark as a shop name in Céline (C-17/06) ...
14. This was considered by the General Court in the context of genuine use in Strategi Group (T-92/09) ...
15. Thus, where a retailer uses a trade mark as a shop name, that mark would not ordinarily act as a badge of origin *in relation to the goods sold in the shop* unless the mark is fixed to the goods themselves, or used in such a way that a link is established between the shop name and the goods.
16. In a domestic context, the Court considered the use by retailers of trade marks in Apple Corps Limited v. Apple Computer, Inc [2006] EWHC 996 (Ch) ...
17. Thus we suggest, as a matter of common sense and supported by the case law, that where a retailer sells goods under a shop name that name does not ordinarily act as a badge of origin as to the goods themselves. This is particularly the case where the retailer sells third-party branded goods.
18. This analysis of course applies to goodwill, for that is the force that brings in custom. Generally, a proficient product retailer has goodwill with a customer because the customer knows that when he visits that retailer he will find all the best third-party products he wants gathered together under one roof. But the customer

knows very well that these are third party products which did not originate from the retailer.

19. There are of course examples of stores that bridge the gap, for example John Lewis, or Tesco, but these tend to be major businesses and one readily finds own-branded products in the store [see, e.g. exhibit RAC1, Tab 14, page 31, for example].

That continued to be the Proprietor's position in oral argument at the hearing in the Registry: Transcript pp. 27, 28.

12. It is clear from paragraphs [27] to [29] of his Decision that the Hearing Officer had regard to these submissions in coming to the conclusion that the Applicant had *'shown it has goodwill in the mark JOYSLEEP in respect of retailing settees, tables, chairs, beds, mattresses, drawer units, wardrobes and cushions amongst a substantial proportion of the population of the UK since at least 2010'*. It is also clear on reading paragraphs [18] to [34] of his Decision as a whole, that the Hearing Officer remained focused throughout upon the need to evaluate the objection under s.5(4)(a) in accordance with the law of passing off.
13. The Proprietor seeks to suggest otherwise by reference to paragraphs [25] and [26] of the Decision, where the Hearing Officer looked to the law relating to genuine use of registered trade marks (as summarised in The London Taxi Corporation Ltd v. Frazer-Nash Research Ltd [2016] EWHC 52 (Ch) at paragraph [218] per Arnold J) for the purpose of identifying criteria he described as *'relevant in determining what goodwill exists and, if it does, in what goods and/or services'* and deciding whether

‘the word JOYSLEEP is the dominant and distinctive element’ in the *‘various iterations’* of use relied on by the Applicant.

14. I suspect that the Hearing Officer felt encouraged to express himself as he did in paragraphs [25] and [26] by the Proprietor’s submissions emphasising the relevance of considerations of EU trade mark law for the purpose of evaluating the Applicant’s objection under s.5(4)(a): see paragraphs [10] and [11] above. Irrespective of whether that was the case, I do not see anything more in paragraphs [25] and [26] of the Decision than the kind of reasoning employed by the Supreme Court in Starbucks (HK) Ltd v. British Sky Broadcasting Group Plc [2015] UKSC 31 at para.[57] per Lord Neuberger PSC with regard to the need to establish goodwill generated by business dealings in the United Kingdom in order to proceed with a claim for passing off:

[57] Indirect support for this approach is also to be found in decisions of the Court of Justice of the European Union, which has emphasised in a number of decisions the need for “genuine use” of a mark, namely “to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services”, and that this means “real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark” – to quote from *Leno Merken BV v Hagelkruis Beheer BV* (Case C-149/11) EU:C2012:816, para. 29 ...

15. I am satisfied that the Hearing Officer was in point of law and in point of fact entitled to conclude as he did in paragraph [29] of his Decision that the Applicant had built up and acquired a protectable goodwill under and by reference to the distinctive

mark **JOYSLEEP** as a retailer of goods of the kind identified in that paragraph. The Proprietor nonetheless contends that use of **JOYSLEEP** as a trade mark for goods of the kind listed in Classes 20, 22 and 24 of the contested registration should be regarded as sufficiently far removed from the Applicant's established use of **JOYSLEEP** as a retailer's mark for there to be concurrent usage in the marketplace without giving rise to any real likelihood of misrepresentation or damage to the goodwill of the Applicant's business.

16. The Proprietor criticises the Hearing Officer for deciding otherwise upon the premise stated in paragraph [31] of his Decision: "*It is well established that it is not necessary for the parties to a passing off action to be in the same area of trade or even a related area of trade (Harrods Ltd v. Harrodian School Ltd [1996] RPC 697)*".
17. There are two aspects to the Proprietor's criticism. First, it is maintained that the Hearing Officer over-simplified the teaching of the Harrodian School case by not having regard to what Millett LJ said at p.714:

... What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.

"... whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant":

Annabel's (Berkeley Square) Ltd v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 *per Russell L.J.*

...

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. ...

Second, it is maintained that the Hearing Officer failed to have regard to the proposition stated by Millett LJ at p.713 as to the nature of the connection that must be falsely implied by the misrepresentation in question:

It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services.

18. I do not accept that the Hearing Officer's Decision is deficient or defective for lack of self-instruction as to either or both of those aspects of the reasoning of the Court of Appeal in the Harrodian School case. The Hearing Officer was required to consider, on the one hand, the context and manner in which the Applicant had over time commercially exploited the distinctiveness of the mark **JOYSLEEP** and, on the other hand, all of the circumstances in which **JOYSLEEP** might be used as a

trade mark for goods of the kind listed in Classes 20, 22 and 24 of the contested registration (see Case C-5334/06 O2 Holdings Ltd v. Hutchison 3G UK Ltd EU:C:2008:339 at para. [66]). It is apparent from paragraphs [31] to [34] of his Decision that he assessed the likelihood of misrepresentation and damage to goodwill with due regard for the contrast, heavily emphasised by the Proprietor, between operating solely as a retailer of other traders' bedroom furniture and furnishings under and by reference to the denomination **JOYSLEEP** and engaging more broadly in “*use of the registered mark, whether actual or on a fair and notional basis*” (paragraph [33]) including by way of selling **JOYSLEEP** bedding over the internet (paragraphs [9] and [31]). Having done so, he found that there was a likelihood of the applicant's customers and potential customers being deceived into thinking that the goods of the Proprietor are those of the Applicant. That appears to me to be consistent with the nature of the connection that Millett LJ regarded as necessary for the imposition of liability for passing off in the Harroddian School case.

19. It is in any event appropriate to recall that in Dawnay Day & Co Ltd v. Cantor Fitzgerald International [2000] RPC 669 at pp 704, 705 the Court of Appeal (per Sir Richard Scott V-C) declined to accept that a false suggestion of responsibility “*for the quality of the defendant's goods or services*” is always or necessarily required. There can indeed be no such universal requirement if the imposition of liability for propagating ‘product specific/supplier neutral’ misrepresentations of the kind which have been regarded as actionable following on from the decision of the House of Lords in the Advocaat case (Erven Warnink BV v. J Townend & Sons (Hull) Ltd

[1979] AC 731) should, as accords with the prevailing view, be seen as “*no different in principle from conventional passing off*” : Fage UK Ltd v. Chobani UK Ltd [2014] EWCA Civ 5 at paragraph [65] per Kitchin LJ. I think that the modern law of passing off is intolerant of the mixing and switching of trade identities to a degree which clearly enables a trader to object under s.5(4)(a) to the use of a trade mark in a context and manner that would be liable to imply that he is engaged in trading activities which he has not authorised, cannot control and is not responsible for.

20. The Proprietor contends that the Hearing Officer was plainly wrong to conclude that this was the position in the present case with regard to use of **JOYSLEEP** as a trade mark in relation to goods of the kind specified in Classes 20, 22 and 24. I disagree. The Proprietor’s use of **JOYSLEEP** as a trade mark in relation to such goods in the context of online sales and marketing activity is fully demonstrated in the evidence filed on its behalf. This is evidence of use within the ambit of the contested registration. It can fairly be taken to exemplify (without being regarded as exhaustive of) the kind of use that falls to be considered when assessing the Applicant’s objection under s.5(4)(a). It does not surprise me on reviewing that evidence to see that the Hearing Officer came to the conclusion he did with regard to misrepresentation and damage to goodwill. Still less does it do so in circumstances where there was evidence from the Applicant indicative of several instances of confusion resulting from the Proprietor’s online trading activity having come to light: Witness Statement of Rishim Mannathukaran (19 July 2016); Witness Statement of Ketan Patel (20 July 2016); Hearsay Statement of Shashi Shah (23

September 2016). I am satisfied that it was open to the Hearing Officer on the evidence and materials before him to uphold the Applicant's objection to the contested registration under s.5(4)(a).

21. For the reasons I have given, I dismiss the Proprietor's Appeal. Adopting the approach to costs summarised in para. [9] to [13] of my decision in The Edge Interactive Media Inc v. Future Publishing Ltd BL O-295-14 (1 July 2014) I consider that it would be reasonable to award the Applicant £2,750. in respect of its costs of the unsuccessful appeal. I direct the Proprietor to pay that sum to the Applicant within 21 days of the date of this Decision.

Geoffrey Hobbs QC

25 May 2017

Mr. Chris Aikens instructed by Shoosmiths LLP appeared on behalf of the Proprietor.

Ms Fiona Clark instructed by Keltie LLP appeared on behalf of the Applicant.

The Registrar took no part in the Appeal.