

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NUMBER 2198459
BY FIRES AND FIREPLACES LIMITED
TO REGISTER A TRADE MARK IN CLASS 11**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NUMBER 50125
BY GLENLOMOND FIRE SURROUNDS LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application Number 2198459
by Fires and Fireplaces Limited
to register a Trade Mark in Class 11**

and

**IN THE MATTER OF Opposition thereto under Number 50125
by Glenlomon Fire Surrounds Limited**

BACKGROUND

1. On 26 May 1999 Eurotech Fires (UK) Ltd (subsequently Fires and Fireplaces Limited) applied to register the trade mark GLENLOMOND in Class 11 for a specification of "Gas fires".

2. The application was subsequently accepted by the Registrar and published in the Trade Marks Journal. On 27 August 1999 Glenlomon Fire Surrounds Limited filed Notice of Opposition. In summary, the grounds of opposition were:

- (i) Under Section 3(6) of the Act as the application was made in bad faith because the applicants were aware of the existence of the opponents business and use of the trade mark GLENLOMOND
- (ii) Section 3(3)(b) of the Act because the trade mark of the application in suit is of such a nature as to deceive the public as to the geographical origin of the goods if the goods did not emanate from Scotland
- (iii) Section 5(4)(a) of the Act by virtue of the law of passing off.

3. The applicants filed a counterstatement denying the grounds of opposition. Both parties have filed evidence and have asked for an award of costs in their favour. The matter came to be heard on 14 September 2001 when the applicant for registration was represented by Mrs Barker of Urquart Dykes & Lord. The opponents were not represented and did not attend.

Opponent's Evidence

4. This consists of a statutory declaration by Russell Gooding dated 10 March 2000. Mr Gooding is the Managing Director of Glenlomon Fire Surrounds Limited (the opponent), a position he has held since the company was incorporated on 29 August 1995.

5. Mr Gooding looks to set out the history of the GLENLOMOND trade mark which he states, although somewhat complicated, is as follows:-

- (i) On the 30 October 1978 there was incorporated under Scottish Company Registration No. SC066228 a company with the name Glenlomonnd Fire Surrounds Limited. The business of that company was the production and sale of fire surrounds as well as the production and sale of gas fires and electric fires. The company traded from 2 Kilmarnock Road, Kilmaurs, Ayrshire KA3 2RB, Scotland.
- (ii) Additionally, a second Scottish company, Glenlomonnd Manufacturing Co. Ltd. (closely associated with Scottish company SC066228 Glenlomonnd Fire Surrounds Limited) was incorporated on the 8 February 1980 under Scottish Company Registration No. SC070597. Glenlomonnd Manufacturing Co. Ltd. also had its address at 2 Kilmarnock Road, Kilmaurs, Ayrshire KA3 2RB, Scotland.
- (iii) At some point in time both of these Scottish companies came into the ownership of a public limited company called Bullers plc. In 1995 both of these Scottish companies were put into Receivership.
- (iv) At or about the same time as these two Scottish companies were put into Receivership, the Opponents were incorporated in Scotland under Scottish Company Registration No. SC160045, on the 29 August 1995, under the name of Comlaw No. 397 Limited. After negotiations with the Receivers of the companies Glenlomonnd Fire Surrounds Limited and Glenlomonnd Manufacturing Co. Ltd., the Opponents purchased the premises, the assets and the goodwill of both Scottish companies and, on the 5 December 1995 simultaneous changes of name were effected to change the company name of Scottish Company SC066228 from Glenlomonnd Fire Surrounds Limited to GF Surrounds Limited and to change the name of Scottish Company No. SC160045 from Comlaw No. 397 Limited to Glenlomonnd Fire Surrounds Limited. The company Glenlomonnd Manufacturing Co. Ltd. was subsequently dissolved and winding up documents in respect of Scottish Company SC066228 (GF Surrounds Limited) were filed on the 16 May 1997.

6. Thus, Mr Gooding states, at the 5 December 1995 the opponents became Glenlomonnd Fire Surrounds Limited, owning the entire assets and goodwill of the two Scottish companies that had been trading since 1978 and 1980 respectively. He refers to **Exhibit RG1** to his declaration, comprising a copy of a brochure produced by Scottish Company No. SC066228 (then Glenlomonnd Fire Surrounds Limited) which dates from 1993/1994. He observes that the brochure bears prominently on its front cover the trade mark GLENLOMOND and that it is also stated on the cover "25 years of quality", The Trade Mark GLENLOMOND appears again on the back cover of the brochure and he observes that there are further references to the word GLENLOMOND on the back cover, together with a picture of a van prominently bearing the word GLENLOMOND on its side.

7. Mr Gooding states that the applicant, Fires & Fireplaces Limited (having changed its name from Eurotech Fires (UK) Limited in November 1999) were incorporated in England on 27 November 1996 by a Mr Beaumont. He adds that after incorporation of the opponent company, the opponent for a time co-operated with the applicant to promote and sell each other's products. He refers to Exhibit RG2 to his declaration which comprises a brochure dating from 1996/1997 which contains a range of fire surrounds, hearths and fires for sale by Glenlond Fire Surrounds Ltd. The brochure is copyrighted 1996. Mr Gooding adds that at that time the relationship between the applicants and the opponents was such that at a national exhibition, FIREPLACE 96 held at the NEC in Birmingham in 1996, the applicants and the opponents shared a stand. Mr John Beaumont himself was present on that stand and the stand won the "Stand of Show Award" as a result of which an article appeared in Fireplace Magazine about that stand and about the award. Mr Gooding refers to **Exhibit RG3** to his declaration comprising a copy of pages taken from the Exhibition Handbook and Catalogue of the Fireplace 96 Exhibition. He observes there are entries for each of the applicants, for the opponents and for JR Glenlond Limited and he further observes that the applicants and opponents shared the same stand and that the entry for the applicants states:

"Eurotech Fires have joined forces with Glenlond Fire Surrounds, who will be sharing the stand. Glenlond have 25 years' experience in design and manufacture of fire surrounds, which include package suites to suit both gas and electric fires."

8. Mr Gooding states that the opponents have traded continuously in the United Kingdom since being incorporated on the 29 August 1995, with only one small period of non-trading, that period being of less than six months duration. He adds that the opponents have traded under and by reference to the word and Trade Mark GLENLOND ever since incorporation. He goes on to refer to **Exhibits RG4**, and **RG5** to his declaration which consist of copies of the Annual Reports and Accounts of the opponents for each of the years ending 1996 and 1997. He observes that the turnover set out in the Reports and Accounts were as follows:

16 months to 31/12/1996	-	£1,253,825
12 months to 31/12/1997	-	£1,136,490

9. Additionally Mr Gooding draws attention to **Exhibit RG6** which comprises a copy of the Report and Accounts of Scottish company No. SC66228, Glenlond Fire Surrounds Limited, for the year ending 31 December 1993. He notes that the turnover of the company for the year ending 30 June 1993 was £674,063 and that the turnover of the company for the six months ending 31 December 1993 was £452,590. In Mr Gooding's view this confirms that the company, Glenlond Fire Surrounds Limited, whose premises, assets and goodwill were acquired by the opponents, had a substantial business under and by reference to the name and trade mark GLENLOND.

10. Although the opponents' Reports and Accounts for the years 1998 and 1999 have not yet been filed with Companies House, Mr Gooding feels able to state, as Managing Director of the opponents, that the turnover of the opponents for each of the years 1998 and 1999 has been in the region of £300,000-£400,000.

11. Turning to use of the mark GLENLOMOND, Mr Gooding draws attention to Exhibit RG7 to his declaration which comprises a brochure, which, he says, was produced in 1999, illustrating a range of fires sold under the mark by The Fireplace Group, who, Mr Gooding states, share similar shareholders with the opponents. He also refers to Exhibit RG8 which consists of copies of three advertisements placed by the opponents' in UK periodicals prior to March 1999.

12. Mr Gooding confirms that the opponent has used the mark both as a company name and a trade mark, adding that in any event, such distinctions are misconceived.

Applicant's Evidence

13. This consists of three statutory declarations and two witness statements.

14. The applicant's first statutory declaration comes from Desmond Blyth and is dated 27 September 2000. Mr Blyth is Sales Director of both Fibrelux Ltd, trading as Eurotech Fires and Fires and Fireplaces Ltd (the applicant).

15. Mr Blyth states that he was aware of the existence of the opponent prior to the filing of the application in suit but to the best of his knowledge, the opponent and its predecessors in title had only ever manufactured fire surrounds made primarily of wood. Mr Blyth does not believe that the opponent's (or its predecessor) produced gas and electric fires and he says this is not consistent with the company description given in Exhibit RG3, nor the activities section of the company account in Exhibits RG4, RG5 and RG6.

16. Regarding the relationship between fires and fire surrounds Mr Blyth states that the products differ in their nature and, in general, are manufactured by different companies. Therefore, although they are often retailed together, traders and potential purchasers know that they come from different trade sources.

17. Mr Blyth goes on to say that as far as he was aware at the time of filing, the opponent had not used GLENLOMOND as a brand but merely as part of a company name.

18. The applicant's second statutory declaration comes from Graham Grant and is dated 27 September 2000. Mr Grant is the Manufacturing Director of Fibrelux Ltd, trading as Eurotech Fires and Fires and Fireplaces Ltd (the applicant). Mr Grant's declaration repeats that the opponent is not in the business of producing fires and he echoes Mr Blyth's views on the relationship between fires and fire surrounds and that the opponent is merely using GLENLOMOND as part of a company name as opposed to a brand name.

19. Mr Grant goes on to state that he was the designer of the mantel shown in page two of the opponent's Exhibit RG7 and that this product was not manufactured until August 1999 by the Fireplace Group. He adds that, with reference to Exhibit RG7, he can confirm that the Fireplace Group did not manufacture gas fires branded with the name GLENLOMOND until November 1999 ie. about six months after filing of the application in suit.

20. The third declaration is by Daniel Blyth and is dated 26 September 2000. Mr D Blyth is the National Sales Manager within the applicant's company group. He states that on 15 October 1998 he visited the opponents premises. The factory had been closed down and was being used solely as a retail shop. He adds that there were no products manufactured by or named Glenlomon.

21. The applicant has also filed witness statements by William Bentley and Peter Healy, dated 21 and 22 September 2000 respectively.

22. Mr Bentley is Editor of the trade magazine "Fireplace Specialist", Mr Healy has been involved in marketing and promoting gas products for over 23 years, including 20 years with British Gas. Both state that fires and surrounds are completely different in construction, use and installation and that purchasers would not be confused. In Mr Bentley's and Mr Healey's opinion, the product name is merely used to distinguish the product from others of the same genre.

23. This completes my summary of the evidence filed in this case. I turn now to the decision.

DECISION

24. First of all, I deal with the ground of opposition based upon Section 3(3)(b). There have been numerous decisions by the Trade Marks Registry which indicate that it considers an objection under this head to be based upon absolute grounds and requires evidence from a would-be opponent to substantiate this. There is nothing inherently deceptive about the term GLENLOMOND in relation to the goods covered by the application and no evidence has been put forward to that effect. I therefore dismiss the ground of opposition.

25. Next, I turn to the ground of opposition under Section 5(4)(a) of the Act which states:-

"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..."

26. The law on this common law tort is clearly set out by Geoffrey Hobbs QC, acting as the 'Appointed Person', in *Wild Child* [1998] 14 RPC, 455:

"A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 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:

- i. that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- ii. that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- iii. 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 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."

27. 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."

28. Thus, to succeed in a passing off action, it is necessary for the opponents to establish that at the relevant date (26 May 1999); (i) they had acquired goodwill under their mark, (ii) that use of the applicant's mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.

29. At the hearing, Mrs Barker accepted that the opponents had possessed a limited reputation as manufacturers of fireplace surrounds and mantels from the 1970s up to late 1997 when manufacture ceased. She contended that the opponent's reputation was not of any great significance in that their total sales were modest (with no details of their market share), there is little evidence of marketing and promotion and where this exists it is very limited as, in the main, it refers to sales from a single retail unit in Kilmaurs, Ayrshire. Furthermore, Mrs Barker submitted that the applicant's goods ie gas fires, differ in their nature and purpose and are produced by different manufacturers.

30. The relevant facts before me, as demonstrated by the evidence filed, are that:-

- (i) The opponents and their predecessors in title have manufactured and supplied fire surrounds and mantels for over twenty five years. These goods have been sold under the GLENLOMOND trade mark, together with individual model identifier trade marks, the GLENLOMOND trade mark appearing on the front of the opponent's brochures eg Exhibits RG1 and RG2 to Mr Goodings declaration. The evidence shows that gas fires produced by other manufacturers have also been sold by the opponents. According to Directors Reports filed as Exhibits RG4 and RG5 the principal activity of the opponent was the manufacture and distribution of fire suites and surrounds and at the end of 1997 the company's main business was the retail sale of fire surrounds.
- (ii) While the evidence shows sales from the opponent's retail unit in Kilmaurs there is no additional evidence of any significance to show any other means or methods of sale. The evidence does not demonstrate that the opponent has manufactured gas or other fires prior to the relevant date and the retail sales of fires appear to be on a fairly small scale.

- (iii) The turnover details provided by the opponent appear relatively modest and no evidence is provided in relation to the opponent's share of the market.
- (iv) The evidence provides no details of the opponent's expenditure in relation to the promotion and marketing of the mark and Exhibit RG8 relating to press advertisements, appears to relate only to the promotion of the retail outlet in Kilmaurs through local periodicals.
- (v) While Exhibit RG7 shows fires sold under the GLENLOMOND mark by a third party, The Fireplace Group, in 1999, it does not demonstrate use prior to the relevant date in these proceedings and the applicants contend that these fires were not produced until late 1999.

31. On the evidence before me the opponents have shown that they have manufactured and distributed fire surrounds and mantels under the mark GLENLOMOND. They have also shown retail sales of fires (manufactured by others) through their retail outlet in Kilmaurs. While the opponents have demonstrated use of the mark they have not shown any significant reputation either as a manufacturer of fire surrounds and mantels or as retailers of fires. In particular, there is a paucity of evidence in relation to how goods are distributed and sold under the mark, promotion and marketing under the mark, the opponent's market share and there is also no independent supporting evidence from the trade or public. In my view the goodwill which attaches to the opponent in relation to fire surrounds and mantels and the retailing of gas fires is of a somewhat limited nature and extent.

32. No evidence has been filed on whether it is common trade practice for retailers of gas fires to place their own trade mark upon these products and I have no independent evidence of how the public would perceive the effect of such use. Accordingly, I cannot conclude that the opponent's use in retailing amounts to use of the mark GLENLOMOND in relation to gas fires.

33. Having decided that the opponent has a reputation, albeit somewhat limited, in relation to fire surrounds and mantels and in the retailing of gas fires, the question that now falls for me to decide is whether or not use by the applicant of the mark GLENLOMOND on gas fires would be likely to lead to relevant confusion. There is no evidence to show that the manufacturers of fire surrounds and mantels habitually extend their business into gas fires. However, I do have independent evidence filed on behalf of the applicant in the form of the witness statements from Mr Bentley and Mr Healy which stresses the differences in construction, use, installation and design of the respective products. Furthermore, my own knowledge tells me that while fire surrounds and gas fires are available through the same outlets, including specialist fireplace retailers, their uses and nature are quite different.

34. To conclude, the opponent has demonstrated a limited reputation in the mark GLENLOMOND in relation to fire surrounds and mantels and in relation to the retailing of gas fires. However, the evidence:

- (i) does not demonstrate whether or not it is common trade practice for retailers of gas fires to place their own trade mark upon gas fires;

- (ii) does not show that the manufacturers of fire surrounds and mantels habitually extend their business into gas fires.

35. The applicant and opponent are engaged in the same general field of activity but after taking into account the opponent's limited reputation and the lack of any evidence as to the potential for confusion, I find that, given the overall differences between the respective goods in suit, the opponents have not discharged the onus upon them to show that misrepresentation or confusion, as opposed to mere association, is a likelihood. The opposition under Section 5(4)(a) of the Act fails.

36. Finally the bad faith ground. Section 3(6) of the Act states:-

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

37. In Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd 1999 RPC 367, Lindsay J considered the meaning of "bad faith" in s3(6) of the Act and stated (at page 379):

"I shall not attempt to find bad faith in this context plainly includes dishonesty, and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour as 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 best left to be a judged 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."

38. Commenting on this passage from Gromax, Mr Geoffrey Hobbs QC, acting as The Appointed Person, stated in Demon Ale Trade Mark 2000 RPC 355,

"These observations recognise that the expression "bad faith" has moral overtones which appear to make it possible for an application for registration to be rendered invalid under Section 3(6) by behaviour which otherwise evokes no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant."

39. Thus bad faith can be exercised when there is no actual dishonesty as such. Have the applicant's fallen short of the standards of acceptable commercial behaviour, however? The opponent's case is that the application was made in bad faith because the applicants were aware of the existence of the opponent's business and use of the trade mark GLENLOMOND. However, in light of my findings under Section 5(4)(a) earlier in this decision, this ground cannot succeed. The opposition under Section 3(6) fails.

40. The applicants are entitled to a contribution towards their costs and I therefore order the opponents to pay them the sum of £650. This sum is 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 12TH day of November 2001

**J MacGILLIVRAY
For the Registrar
the Comptroller-General**