

O-342-04

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2135591
BY QUELLE
TO REGISTER A TRADE MARK
LA SOURCE
IN CLASSES 11, 22, 23, 24, 26, 27, 35, 38 & 42

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 90199
BY SOURCE MAGAZINE LLC

BACKGROUND

1) On 11 June 1997, Quelle of 125 Rue de Montaran, 45770 Saran, France applied under the Trade Marks Act 1994 for registration of the trade mark LA SOURCE.

2) The mark was published for the following goods and services:

In Class 11: “Apparatus for lighting and heating.”

In Class 22: “Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes); padding and stuffing materials (except of rubber or plastics); raw fibrous textile materials.”

In Class 23: “Yarns and threads, for textile use.”

In Class 24: “Textiles and textile goods, not included in other classes; bed and table covers.”

In Class 26: “Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.”

In Class 27: “Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).”

In Class 35: “Advertising, business management and business administration relating to mail and on-line order and selling services; including the management of a web-site for mail order and selling services and the management of databases relating to mail order and on-line orders.”

In Class 38: “Telecommunications services namely, on-line transmission of messages and information related to mail order and selling services; e-mail; Internet services related to mail and on-line order and selling services.”

In Class 42: “Computer programming, namely programming of data bases and of on-line access services related to mail and on-line order and selling services.”

3) On 8 March 2002, Source Magazine LLC of 215 Park Avenue South, New York, NY10003, USA filed notice of opposition to the application. The grounds of opposition are in summary:

a) The opponent has since February 1991 used the trade mark THE SOURCE in relation to a magazine relating to hip-hop music, culture and politics. As a result of this use the mark in suit in relation to services claimed in Classes 35, 38 and 42 relating to or provided in the context of magazines offend against Section 5(4)(a) of the Trade Marks Act 1994.

b) The opponent contends that the mark in suit consists of the French equivalent of the word THE together with the word SOURCE which is itself in its normal

meaning a word describing the origin or source of particular goods or services. The mark therefore offends against Section 3(1)(b) and 3(1)(c) of the Trade Marks Act 1994.

4) The applicant subsequently filed a counterstatement denying the opponent's claims.

5) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. Neither side wished to be heard and no submissions were filed.

OPPONENT'S EVIDENCE

6) The opponent filed two witness statements. The first, dated 2 May 2003, is by Jill Matchett the opponent's Trade Mark Attorney. Ms Matchett provides copies of extracts from Webster's Dictionary which has a meaning for LA identifying it as, inter alia, the French definite article. She also includes an extract from the Oxford Dictionary for SOURCE which gives a definition of "a place, person, or thing that you get sth [sic] from". Ms Matchett also provides copies of various papers from the Registry's examination file for the mark in suit, which include observations from third parties and a copy of a previous decision.

7) Ms Matchett also provides a copy of papers relating to the opponent's own trade mark application for the mark THE SOURCE which required evidence of use to become registered.

8) The second witness statement, dated 22 May 2003, is by David Mays the President of the opponent company. He states that his company is the proprietor of UK trade mark number 2166702 THE SOURCE registered in relation to Class 16. He states that the mark has been used in the UK on a magazine relating to hip-hop music, culture and politics since 1991. A copy of the June 1998 edition is provided at exhibit DM-2, with the title, THE SOURCE, featuring prominently on the front page. Mr Mays states that this edition is typical of how the mark has been used in the UK. He also provides the following sales figures for the mark in the UK:

Year	Turnover £
1994	100,400
1995	231,000
1996	357,830
1997	405,020
1998	620,400

9) At exhibit DM-3 he provides invoices from 1994-2000 to the distributor of the magazine in the UK which, he states, corroborate the above sales figures. Mr Mays states that in September 2000 his company established its own web site, www.thesource.com and at exhibit DM-4 he provides extracts from the site. These are dated April 2003 and show use of the mark THE SOURCE in relation to the magazine.

10) Mr Mays states that his company produce an annual awards ceremony titled The Source Hip Hop Music Awards, which although taking place in the USA is broadcast

in the UK. In addition, since December 1999, a CD with the music from the ceremony is also sold in the UK. At exhibit DM-5 he provides copies of extracts from the internet which show the article offered for sale. Mr Mays states that the magazine and CD are available throughout the UK at retail outlets such as W H Smith.

APPLICANT'S EVIDENCE

11) The applicant filed a witness statement, dated 23 January 2004, by Jane More O'Ferrall the applicant's Trade Mark Attorney. She provides three exhibits but does not comment on their contents. The exhibits show:

- JMOF1: a copy of the front page and selected pages from the Autumn/Winter 1998/99 catalogue entitled LA SOURCE. The pages show the catalogue offering clothing for sale.
- JMOF2: The results of a search using the GOOGLE search engine dated 30 December 2003, against the key words THE SOURCE. It shows a number of "hits", and the front page from selected sites have also been provided. These show the term being used in a descriptive manner to describe the place where a wide range of goods and products or information can be obtained. For example:

The Source for Renewable Energy: **The Source** for Renewable Energy is a comprehensive online buyer's guide and business directory.

@**The Source** Israel Online Magazine. @**the source** homepage, issue #42 November 2003. Main page. Intimate Israel.

Hughes Supply| **The Source** Magazine. Search **The Source**. Poll. How important is jobsite safety at your company? ...**The Source** Magazine. Let **The Source** be your source for industry news and views...

The Source shop: Entertainment production equipment lighting.... **The Source** Shop: Providing the entertainment production industry with equipment supplies....

The Source DJ Music Supply is Nations Largest supplier of CDs & 12... Welcome to **The Source** for Music, your trusted source for the best DJ vinyl....

- JMOF3: The results of a search using the GOOGLE search engine dated 30 December 2003, against the key words LA SOURCE. It shows a number of "hits" and the front page of one site has also been provided. Clearly a number of the "hits" are French language sites, but one of the sites headed THE SOURCE was produced as the key words LA SOURCE also featured in the descriptor. Ms O'Ferrall chose only to provide a page from a site offering cosmetics.

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

DECISION

13) I shall first consider the ground of opposition under Section 5(4)(a) which reads:

“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b).....

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

14) In deciding whether the mark in question “LA SOURCE” offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] 14 RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd - v - Borden Inc* [1990] RPC 341 and *Even Warnik BV - v - J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of "passing off", and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.'

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

'To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted

with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

15) In relation to passing off the opponent needs to establish that at the relevant date, 11 June 1997, it enjoyed goodwill/reputation. In *South Cone Inc. v. Jack Bessant, Dominic Greensmith, Kenwyn House, Gary Stringer (a partnership)* [2002] RPC 19 Pumrey J. in considering an appeal from a decision of the Registrar to reject an opposition under Section 5(4)(a) said:

“There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (see *Smith Hayden (OVAX)* [1946] 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus, the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date.”

16) This cannot be interpreted in a prescriptive fashion. There will be occasions when the evidence does not fall within the above parameters but still establishes goodwill for passing off purposes - see the decision of Professor Annand, sitting as the Appointed Person, in *Loaded* BL 0/191/02.

17) Under this ground of opposition the opponent is attacking the services included in the applicant’s specification in Classes 35, 38 and 42. For ease of reference the specifications for these classes is reproduced below:

Class 35: “Advertising, business management and business administration relating to mail and on-line order and selling services; including the management of a web-site for mail order and selling services and the management of databases relating to mail order and on-line orders.”

Class 38: “Telecommunications services namely, on-line transmission of messages and information related to mail order and selling services; e-mail; Internet services related to mail and on-line order and selling services.”

Class 42: “Computer programming, namely programming of data bases and of on-line access services related to mail and on-line order and selling services.”

18) Considered overall it seems clear that the opponent had some trade in the UK prior to the relevant date. The evidence shows use of its “THE SOURCE” trade mark only in relation to a magazine about the hip-hop scene, its music, culture and politics. The opponent has filed no evidence from the trade or the public as to its reputation.

19) However, even if I were to accept that the opponent has a reputation in relation to its magazine, there has been no evidence filed to show how its reputation extends to the services provided by the applicant under Classes 35, 38 & 42. It appears to me that the fields of activity of the two parties are quite distant. Even if I were to accept the opponent's contention that the marks of the two parties were very similar I do not believe that members of the public will believe that the services offered by the applicant under its mark are from the opponent or that they are in any way connected. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur. The opposition under Section 5(4)(a) of the Act must fail.

20) I now turn to consider the grounds of opposition under Section 3(1) which reads:

“3.-(1) The following shall not be registered -

- (a)
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d)

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

21) It is clear from the views expressed by the European Court of Justice in *Companyline* [2003] E.T.M.R. 20 and the High Court in *Have a Break* [2002] EWHC 2533 (Ch) that Section 3(1)(b) has separate and independent scope from Section 3(1)(c). Therefore, I have to consider each section separately.

22) I therefore move to consider the ground of opposition under Section 3(1)(b). When considering the opposition under this section I adopt the approach taken by the European Court of Justice in its judgment in *Joined Cases C-53/01 to C-55/01 Linde AG, Windward Industries Inc. and Radio Uhren AG* (8 April 2003) at paragraphs 37, 39-41 and 47 which state:

“37. It must first of all be observed that Article 2 of the Directive provides that any sign may constitute a trade mark provided that it is, first, capable of being represented graphically and, second, capable of distinguishing the goods and services of one undertaking from those of other undertakings.

.....

39. Next, pursuant to the rule 1 Article 3(1)(b) of the Directive, trade marks which are devoid of distinctive character are not to be registered or if registered are liable to be declared invalid.

40. For a mark to possess distinctive character within the meaning of that provision it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from products of other undertakings (see *Philips* [2002] ECR I-5475, paragraph 35).

41. In addition, a trade mark's distinctiveness must be assessed by reference to, first, the goods or services in respect of which registration is sought and, second, the perception of the relevant persons, namely the consumers of the goods or services. According to the Court's case-law, that means the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect (see Case C-210/96 *Gut Springenheide and Tusky* [1998] ECR I-4657, paragraph 31, and *Philips*, paragraph 63).

.....

47. As paragraph 40 of this judgment makes clear, distinctive character means, for all trade marks, that the mark must be capable of identifying the product as originating from a particular undertaking, and thus distinguishing it from those of other undertakings.”

23) It is clear from the above that I must assess the mark's distinctiveness in relation to the goods and services for which the applicant seeks registration. I must also take into account the perception of the relevant consumer of the goods and services.

24) The average consumer has not been defined by either party. In my view the average consumer for the goods and services involved would have to be the general public.

25) The essential function of a trade mark is to identify the commercial origin of a product so as to enable the consumer who purchased it to either make a subsequent purchase of the product if it proves satisfactory or to avoid the product in future if the experience is unsatisfactory.

26) The opponent contends that the mark in suit is “the French equivalent of the word THE together with the word SOURCE which is itself in its normal meaning a word describing the origin i.e. source of particular goods or services”. In their counterstatement the applicant merely denies that the mark should be refused under Section 3(1)(b) and (c). The issue was not commented upon in the evidence filed by either side. I have no evidence of how the general public would react to the mark. I must therefore take the best view I can of the matter.

27) The mark in suit consists of two words. The first is the word LA which would, in my view, be recognised as being a French word. Even amongst the notoriously monolingual British many of them would, in my opinion, recognise it as the French

word for the definite article. The second part of the mark is a well known English word with a recognised meaning as referring to the point or place where something originates. However, its positioning after the recognisable French word would cause many to see the whole as a French phrase and they would not assume that the second word was an English word even though they would recognise it. I do not accept that the average consumer would see the mark as being the equivalent of THE SOURCE. Therefore, the meaning of the mark as a whole would not be understood.

28) It is well settled that the test for distinctiveness of a trade mark must be judged against the mark as a whole. In my view, the average consumer would see the mark as being origin specific and would attach trade mark significance to the mark. Prima facie the mark has an inherent distinctiveness and the opposition under Section 3(1)(b) fails.

29) I next consider the position under Section 3(1)(c). In considering this ground I look to the guidance given by the European Court of Justice in relation to Article 7(1)(c) of Council Regulation 40/94 on the Community Trade Mark in *Baby-Dry* [2001] ETMR 75. Article 7(1)(c) is equivalent to Section 3(1)(c) of the Trade Marks Act 1994. The findings of the Court are set out in paragraph 35 et seq of the judgement. Paragraphs 37, 39 and 40 serve to illustrate the approach adopted by the Court.

“37. It is clear from those two provisions taken together that the purpose of the prohibition of registration of purely descriptive signs or indications as trade marks is, as both Proctor & Gamble and the OHIM acknowledge, to prevent registration as trade marks signs or indications which, because they are no different from the usual way of designating the relevant goods or services or their characteristics, could not fulfil the function of identifying the undertaking that markets them and are thus devoid of the distinctive character needed for that function.

39. The signs and indications referred to in Article 7(1)(c) of Regulation No 40/94 are thus only those which may serve in normal usage from a consumer’s point of view to designate, either directly or by reference to one of their essential characteristics, goods or services such as those in respect of which registration is sought. Furthermore, a mark composed of signs or indications satisfying that definition should not be refused registration unless it comprises no other signs or indications and, in addition, the purely descriptive signs or indications of which it is composed are not presented or configured in a manner that distinguishes the resultant whole from the usual way of designating the goods or services concerned or their essential characteristics.

40. As regards marks composed of words, such as the mark at issue here, descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form. Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark.”

30) I also take into account the comments of Advocate General Jacobs in the *Doublemint* case, dated 10 April 2003, where he said:

“91. That last consideration leads me to the question of the extent to which Article 7(1)(c) of the Trade Mark Regulation must be interpreted in the light of the aim referred to in the *Windsurfing Chiemsee* judgment, namely that descriptive signs and indications should be freely available to be used by all traders in relation to the relevant goods.

92. In my opinion in *Baby-Dry*, (39) I took the approach that in the scheme of the Community Trade Mark Regulation a trade mark could include signs or indications designating product characteristics but could not consist exclusively of them. By virtue of Article 12(b), the trade mark cannot prevent other traders from using such signs for descriptive purposes. The aim of Article 7(1)(c) is to avoid the registration of descriptive brand names for which no protection could be available rather than to prevent any monopolising of ordinary descriptive terms. A very similar view was taken by the Court at paragraph 37 of its judgment.

93. In the present case, both the Office and the United Kingdom Government have expressed reservations about that approach, which has also been criticised in the literature. (40) It appears, they have pointed out, to represent a departure from the Courts statement in *Windsurfing Chiemsee* that Article 7(1)(c) of the Trade Marks Directive “pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all and that Article 6(1)(b) (which corresponds to Article 12(b) of the Regulation) does not have a decisive bearing on that interpretation”.

94. It may be feared that the approach in question is liable to shift the balance of power in favour of a trade mark owner with monopolistic ambitions who may assert, or threaten to assert, his rights against an alleged “infringer who merely seeks to use descriptive terms descriptively and honestly”. In the real world, a defence under Article 12(b) might be worth rather less than its ostensible value in law.

95. That danger cannot be ignored. A trade mark owner wishing to monopolise not only his trade mark but the area around it may threaten unmeritorious proceedings against a competitor, who may capitulate rather than incur the costs of litigation as well as risk an adverse outcome.

96. However, for the reasons already given, I do not think that the *Baby-Dry* case, properly understood, does shift the balance in the way that has been suggested. And the danger mentioned will be obviated if the criterion of “perceptible difference” in paragraph 40 of the *Baby-Dry* judgment is applied as I have suggested above, so that a mark is accepted for registration only when it is apparent to both traders and consumers that as a whole it is not suitable, in the ordinary language of trade, as a designation of characteristics of the product in question.

97. In any event, it seems clear that there was no intention, in the *Baby-Dry* judgment, to depart from the view in *Windsurfing Chiemsee* that it is in the public interest that descriptive signs may be freely used by all. Very recently, in *Linde*, (42) the Court has expressly reaffirmed that position.”

31) This opinion was confirmed by the European Court of Justice in *Doublemint* Case C191-01 (*Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr* [2003] WL101985) which said:

“31. By prohibiting the registration as Community trade marks of such signs and indications, Article 7(1)(c) of Regulation No 40/94 pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is sought may be freely used by all. That provision accordingly prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.”

32) It is clear from the above that I must determine whether, assuming notional and fair use, the marks in suit will be viewed by the average consumer to directly designate the essential characteristics, “kind” and “intended purpose”, of the goods and services for which registration is sought. Only if the marks are no different from the usual way of designating the relevant goods and services or their characteristics can it be debarred from registration.

33) The opponent has not provided any evidence that the mark in suit can be said to fulfil the criteria necessary for success under this ground of opposition. To my mind the mark in suit could not be said to be the normal way of describing the types of goods and services, or their characteristics, included in the specification. The ground of opposition under Section 3(1)(c) fails.

34) The opposition has failed. I order the opponent to pay the applicant the sum of £1000. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 15th day of November 2004

George W Salthouse
For the Registrar,
the Comptroller-General