

O-332-08

Registered Trade Mark Nos. 2296133A & B and 2300954A & B

PASSION and PASSION DEVICE in Classes 9 & 35

in the name of Marketspace Limited

AND



Applications by NE Services Limited

under Nos. 82571/2 and 82959/60

for declarations of invalidity

Background

1. The marks shown below are registered as the trade marks of Marketspace limited (the proprietor). They are registered as of the dates of filing shown below and for the goods and services shown.

UK registered TM number	Filing Date	Mark	List of goods or services
2300954A	18 May 2002		Class 10 Vibrators, vibromassage apparatus, condoms, massage apparatus; electronic massaging apparatus; apparatus and instruments for applying electrical currents to the skin for stress relief, cosmetic treatments and parts and fittings and accessories for all the aforesaid goods.
2300954B	18 May 2002	PASSION	Class 10 Vibrators, vibromassage apparatus, condoms, massage apparatus; electronic massaging apparatus; apparatus and instruments for applying electrical currents to the skin for stress relief, cosmetic treatments and parts and fittings and accessories for all the aforesaid goods.
2296133A	22 March 2002		Class 35 The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods by mail order using a catalogue relating to ladies underwear, lingerie and accessories but not relating to stockings, tights and socks; the bringing together for the benefit of others of a variety of goods, in particular goods relating to adult entertainment, enabling customers to conveniently view and purchase those goods from a general merchandise Internet website.
2296133B	22 March 2002	PASSION	Class 35 The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods by mail order using a catalogue relating to ladies underwear, lingerie and

			<p>accessories but not relating to stockings, tights and socks; the bringing together for the benefit of others of a variety of goods, in particular goods relating to adult entertainment, enabling customers to conveniently view and purchase those goods from a general merchandise Internet website.</p>
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2. On 31 July 2006, NE Services limited (the applicant) applied under section 47 of the Trade Marks Act 1994 for the registration of the trade marks to be declared invalid in respect of the goods in Class 10.

3. On 31 July 2007, the applicant made further such applications for the trade marks to be declared invalid in respect of the services in Class 35.

4. The grounds for invalidation are, in summary, that the trade marks lacked the necessary distinctive character at the date of registration and registration was therefore contrary to section 3(1)(b),(c) or (d) of the Act. Further, or in the alternative, use of the trademarks was liable to be prevented under the common law of passing off because of the applicant's earlier right in the sign PASSION8. Registration of the trade marks was therefore contrary to section 5(4)(a) of the Act.

5. The proprietor filed counterstatements defending its registrations. The proprietor denies that the trade marks were registered contrary to section 3(1) of the Act. Insofar as the registration of the marks for the services are concerned (not the Class 10 goods), the proprietor claims that even if the marks were not distinctive at the date of registration, they have subsequently acquired a distinctive character through use. This is an oblique reference to the proviso to section 47(1) of the Act, which provides that a trade mark shall not be declared invalid on the grounds set out in section 3(1) where it has acquired a distinctive character after registration.

6. The proprietor further denies that the applicant has an earlier right under section 5(4)(a) of the Act. In this respect, it relies upon its own use of the trade marks from September 1999 in respect of the goods and services for which the marks are registered.

7. Both sides seek an award of costs.

8. The various proceedings were subsequently consolidated and heard together on 18 September 2008, when the applicant was represented by Mr Jeremy Reed, instructed by Lawdit Solicitors Limited, and the proprietor was represented by Miss Anna Edwards-Stuart, instructed by Wynne-Jones, Laine & James, Trade Mark Attorneys.

The Evidence

9. The applicant's evidence consists of:

- a) Four witness statements (with 16 exhibits) from Ms Stephanie Taylor, who is the Managing Director and the moving force behind NE Services limited;
- b) Two witness statements (with 14 exhibits) from Mr Michael James Coyle, who is a Solicitor-Advocate and a Director of Lawdit Solicitors limited;
- c) A witness statement from Mr Gordon Lee, who was Head of Marketing at Ann Summers (a market leader in the relevant trade) between 2003 and 2007, and who is put forward as something approaching an expert witness.

10. The proprietor's evidence is contained in three witness statements dated 15 June 2007, 12 November 2007 and 8 May 2008 (with 23 exhibits) by Ms Faith Attwell, who is the Manager of (and moving force behind) Marketspace limited. I will call these her first, second and third witness statements, although she does not describe them so.

11. Ms Taylor and Ms Attwell attended the hearing and were cross examined on their written evidence.

12. Ms Taylor's evidence is that she started trading in 1989 as a sole trader under the name NE Services (Taylor 1, paragraph 1). At that time she sold condoms by mail order. Condoms subsequently became so widely available that she decided to use the customer base that she had established in order to move into the trade in adult entertainment products, including sex toys. In 1994, Ms Taylor put out her first catalogue of products under a title unique to her – 'Passion Unlimited'. During the year ended 30 April 1995, Ms Taylor's business turned over £69k and she spent £8.7k advertising these products.

13. In around October 1995, Mr Taylor says that she produced a second catalogue of products under the title PASSION8, which she sent to her existing clients. Ms Taylor also claims that she advertised the catalogue in the "usual advertising channels", ('Cosmopolitan', 'She', 'Good Housekeeping', 'The Times', 'Viz', "and many more publications"), but there is some dispute about this evidence, which I return to below.

14. At around the same time, Ms Taylor says that she launched a "small" website under the name 'www.Passion8.demon.co.uk' at which customers could view (but not buy) products.

15. In March 1996, Ms Taylor issued another catalogue under the name 'Passion8 Two'. Further, catalogues under the name 'Passion8' were launched in December 1997 and December 1998. All are said to have been mailed to her existing customers and advertised more widely.

16. In February 1999, Ms Taylor purchased the domain names 'passion8.co.uk', 'passion8shop.co.uk' and 'passion8shop.com'. There is evidence (in exhibit ST9 to Ms Taylor's second witness statement) from an independent website called 'Waybackwhen' that 'passion8shop.com' was live by 1 October 1999. There is some dispute as to whether it was live in the April of 1999, as Ms Taylor claims. I will come back to that matter too.

17. On 25 April 2001, Ms Taylor incorporated her business as a limited company under the name N E Services limited.

18. Ms Taylor asserts in her written evidence that the word 'passion' is highly descriptive in the 'adult products' industry. In support of this contention she exhibits to her third witness statement details of:

- a) An 'adult lifestyle' exhibition called 'Passion' at Earl's Court in 2008;
- b) Various undated copies of print-outs from websites (including Ann Summers' web site) showing apparently non-trade mark uses of 'passion' in the adult pleasure industry, mainly in relation to sex toys.

19. Mr Coyle's evidence duplicates much of Ms Taylor's evidence. It includes (at exhibit 2) an extract from an online dictionary called 'AskOxford.com', which provides a number of meanings for the word 'passion', the second of which is "intense sexual love". It also includes (at exhibit 5) extracts from various websites that were live in the UK in late 2006 and used in the trade in adult pleasure products. These include 'truly-passionate.co.uk', 'personalpassion.com', 'passionbites.co.uk' and 'passion4romance.co.uk'

20. Mr Lee is a client of Mr Coyle and his evidence was procured by him. Mr Lee was Head of Marketing at Ann Summers from September 2003 until the date of his statement in July 2007. Ann Summers is a market leader in the 'adult pleasure industry' and therefore a competitor of the parties to these proceedings. Mr Lee was made aware that the proprietor had registered the word 'passion' as a trade mark and was invited to comment on whether that word is "capable of being a trade mark in the adult pleasure industry".

21. Mr Lee says that the term 'passion' is often used in the adult pleasure industry. However, the only specific instances he cites is that of Ann Summers using the term when describing adult pleasure toys or novelty gifts. He expresses some concern about traders being denied the use of the term 'passion' "in a descriptive sense or a selling sense". Mr Lee expresses particular concern that Ann Summers may be prevented from using the word 'passion' in a "selling sense", which would include the option of launching an "Ann Summers PASSION range with PASSION being the brand".

22. Ms Attwell says (in paragraphs 1& 2 of her first witness statement) that Marketspace limited was incorporated as a company in September 1999 and adopted the stylised Passion logo (see above) which it subsequently registered (along with the word 'passion' *per se*). The company traded in "adult toys and gifts, sexy lingerie and sexual enhancement items for couples" by mail order and through a website called 'passiononline.co.uk'. According to Ms Attwell, it sold own branded goods as well as those of third parties.

23. The claim to have traded from a website is supported by copies of a download from the same independent archival website mentioned above (exhibit FA3 to Ms Attwell's first witness statement), which indicates a date of first entry for passiononline.co.uk of 11 May 2000. Pages from the website are also included in this exhibit. These appear to show what the website looked like in the years 2000 and 2004. Both feature the Passion device mark. The introduction to the later site starts "Welcome to Passion Online", indicating that this is how the business represented itself on the Internet at that time.

24. Mr Attwell provides (as exhibits 1-23 to her third witness statement) various materials intended to show that, even if the mark PASSION lacked distinctive character at the date of its registration, that it subsequently acquired a distinctive character. This includes

- i) A sample invoice from 2004;
- ii) Stationery, order forms and blank “press release paper”, the latter said to date from 1999;
- iii) Undated clothing tags, business cards and catalogues;
- iv) An example of a small article from page 219 of a copy of the magazine called ‘Loaded’, which includes the applicant’s Passion device mark and various erotica products (it carries a hand written date of April 2000, but no date is claimed in Ms Attwell’s accompanying statement);
- v) A copy of a third party article about the proprietor’s business from Eros Guide, London, dated 2004, which refers to it as ‘Passion Online’;
- vi) A further article, which also appears to date from 2004, from a magazine called ‘Forum’, which also identifies the proprietor as ‘Passion online’;
- vii) An audio CD which appears to contain a copy of a BBC Wales radio show from 2005 entitled ‘Eye on Wales Porn Shops’, which mentions (amongst others) the opening of the proprietor’s Passion retail premises in Cardiff in that year;
- viii) Copies of two e-mail promotions dated December 2003 and June 2006, which Ms Attwell says are sent regularly to “an opt-in database of around 20,000”;
- ix) A list of websites on which the proprietor has advertised “over the years”, but no evidence of what was advertised (or when);
- x) A copy of a report on visits to the proprietor’s website between April and May 2008, which shows a daily average number of 3153 unique visitors in this period .

25. These materials show some use of the word mark Passion and more prominent use of the Passion device trade mark and the ‘passiononline’ web site name. Most of the goods shown in the catalogues and press articles are third party branded or unbranded. However, there is some evidence of various oils and lotions bearing the registered Passion device trade mark. I note that these goods would not fall in Class 10 and are not therefore covered by the registered marks.

26. According to Ms Attwell’s second witness statement, her company’s turnover and advertising spend under the trade marks in the years ending 2003-06 was:

	Turnover (£)	Advertising (£)
2003	136.297	8799
2004	148,663	10715
2005	196943	16482
2006	336011	21000

27. Ms Attwell says that although the advertising figures appear to be low, they are mainly point of sale promotions. She points out that the market is narrow and dominated by mail order sales. It emerged during cross examination that the proprietor opened a retail outlet in Cardiff in 2005. Accordingly, the sales figures for some of 2005, and all of 2006, appear to include sales made through a retail store as well as those made through mail order and Internet sales.

The Legal Grounds

28. The relevant parts of section 47 are as follows:

47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) -

(2B) -

(2C) -

(2D) -

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court -

(4) -

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

29. I note that section 47(3) must now be read along with the terms of the Relative Grounds Order made on 1 October 2007 under S.I. 2007/1976, according to which only the proprietor of an earlier right is entitled to seek invalidation based on section 5(4) of the Act. However, as this application was made prior to 1 October 2007 this requirement does not apply to these proceedings. This may be why no point has been taken on behalf of the proprietor that there is any material distinction between Ms Taylor and the applicant insofar as the ownership of any relevant goodwill is concerned. The parties were content to treat the two as one, and therefore so shall I.

The Lack of Distinctiveness Objection

30. Section 3(1) of the Act is as follows:

“Grounds for refusal of registration

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

(a) signs which do not satisfy the requirements of section 1(1),

(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) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

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.”

31. Whilst maintaining the applicant's grounds under section 3(1)(b) and (d), Mr Reed focussed mainly on the section 3(1)(c) ground, that the word 'passion' is descriptive of the goods and services for which the marks are registered.

32. The applicable law under section 3(1)(b) and (c) is not in dispute. I shall therefore start with that. The correct approach can be discerned from paragraphs 40 and 41 and 73-75 of the judgment of the European Court of Justice (ECJ) in joined cases C-53/01-55/01, *Linde* [2003] RPC 45, which are re-produced below.

"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*, 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).

73. According to the Court's case-law, Article 3(1)(c) of the Directive 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 applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (see, to that effect, *Windsurfing Chiemsee*, paragraph 25).

74. The public interest underlying Article 3(1)(c) of the Directive implies that, subject to Article 3(3), any trade mark which consists exclusively of a sign or indication which may serve to designate the characteristics of goods or a service within the meaning of that provision must be freely available to all and not be registrable.

75. The competent authority called upon to apply Article 3(1)(c) of the Directive to such trade marks must determine, by reference to the goods or services for which registration is sought, in the light of a concrete consideration of all the relevant aspects of the application, and in particular the public interest referred to above, whether the ground for refusing registration in that provision applies to the case at hand."

33. This judgment addressed the meaning of article 3(1)(b) and (c) of the Trade Marks Directive EEC/104/89. That had now been replaced by Directive EEC/95/2008, but the relevant provisions remain the same. Sections 3(1)(b) and (c) of the Act give effect to these articles of the Directive in the UK. The ECJ's guidance is therefore equally applicable to the corresponding provisions of the national law.

34. There are a few later judgments which add to the principles set out above. Firstly, a sign does not have to be in use as a descriptor at the relevant date in order to be excluded from registration

under section 3(1)(c). Secondly, it does not matter if there are other ways of designating the relevant characteristics of the goods or services: see *Doublemint* [2004] RPC 18. Thirdly, in deciding whether a mark is excluded from registration under section 3(1)(c) of the Act it is necessary (as with section 3(1)(b)) to take account of the perception of the mark by the relevant parties, that is to say those in the relevant trade or amongst average consumers of the goods and services at issue: *Matratzan Concord* Case C-421/04. The average consumer is deemed to be reasonably well informed and observant, and reasonably circumspect. The average consumer in this case is primarily a person who is interested in purchasing adult entertainment or erotica products. These goods and associated retail services are neither particularly cheap nor particularly expensive. Likewise the choice of one product over another is neither exceptionally important nor unusually unimportant. I therefore find that the relevant average consumer would pay an average amount of attention when selecting the goods and services at issue.

35. With the above guidance in mind I turn to the facts. I start by dismissing Mr Lee's evidence, which I find of no assistance. He is not an independent expert witness but someone who represents a third party with an interest in cancelling the registration of 'passion' as a trade mark. That much is clear from his expressed concern that the trade mark may prevent Ann Summers from using Passion as a brand. In these circumstances it would be unwise to attach much weight to his evidence. In any event, his evidence is not particularised and is really just assertion.

36. In response to some examples of third party use of 'passion' in the relevant trade, Ms Attwell stated in her written evidence that her company would take action against third parties using the word 'passion' in contravention of her company's trade mark rights. In cross examination, Mr Reed therefore asked Ms Attwell about some of the uses of 'passion' by third parties shown in exhibit 14 to Ms Taylor's third witness statement, which is made up of copies of screen prints from various undated but probably current web sites. It is not necessary to go through them all. The following are sufficient to illustrate the result of this examination.

37. Ms Attwell was asked whether her business would object to the use shown by Ann Summers of the name 'PASSION PANTS' in relation to a pair of knickers with a built in vibrator. Ms Attwell accepted that she would not be able to prevent this kind of use, but she resisted Mr Reed's suggestion that this was because 'passion' was in this case being used descriptively. In Ms Attwell's opinion, the word no more than hinted at what the product may be about. The next part of the exchange went like this:

Q. But it is not uncommon to see the word Passion used in relation to this kind of product – pants with a vibrator in, for example.

A. It is not very common but it is not uncommon.

38. Ms Attwell was asked about an article about Ann Summers' business, which appeared on a UK website called castlequay.co.uk. The article describes Ann Summers as "the UK's most successful passion retailer". She accepted that her company could not prevent that kind of use, pointing out that it was part of a sentence (by which, I think she meant that it was not trade mark use). Ms Attwell accepted that 'passion' was suggestive of the kind of products sold by Ann Summers, but rejected the proposition that it was descriptive of them. In her view, it was not to be equated with 'sex toys'.

39. Ms Attwell also accepted that her company could not take action against a use in the UK comparable to that shown to her on a US website for a sex toy in which the word 'passion' appeared as part of the term 'Clear Pink Passion Plug Small'. Ms Attwell accepted that each of the other four

words in this term described characteristics of the product in question, but she resisted Mr Reed's suggestion that 'passion' was likewise descriptive of the product. The exchange continued like this:

Q. What function is that word fulfilling then, do you say, in conjunction with these other words that you have accepted are all words that describe the product?

A. It is putting an idea into somebody's mind as to what they would hope to achieve by using that product.

40. Ms Attwell was also asked about an example (from the same exhibit) of a trader marketing a sex tool under the name GoVIBE as a "mighty passion tool". Again, Ms Attwell accepted that her company could not complain about such use. The following exchanges with Mr Reed ensued:

Q. It is being used to describe the object in the sense that it is describing it as a mighty passion tool, is it not?

A. That is what that sentence is saying.

Q. That is how this trader has chosen to describe the products.

A. Yes.

Q. It is self-evidently what the person on this website has chosen to describe it with, is it not?

A. Yes, that is fair.

Q. And that is a perfectly natural way for any trader to call it that if they so chose. You would agree with that?

A. Yes.

Q. It is one of the ways that they might describe the product.

A. It is one of the ways that they might hint at what you can achieve by using that toy – those toys.

41. In the light of Ms Attwell's evidence at the hearing, I do not think that there can be much doubt that 'passion' is a word that is capable of being used in a non-trade mark sense in relation to at least sex toys. The differences between the parties is whether or not the word 'passion' is capable of being used naturally, in the relevant trade, so as to designate characteristics of the registered goods and services, and whether it retains the capacity to function as a trade mark for these goods and services. In that connection, I note that the AskOxford online dictionary extract in evidence gives, "intense sexual love" as one of the meanings of the word 'passion'. That seems to be consistent with the use of the word in terms such as 'passion tool' and in well known phrases such as 'a night of passion'. The relevant average consumer, being reasonably well informed, would be aware that the word 'passion' has such a meaning. I therefore find that the word 'passion' is capable of being used, in trade, to designate the intended purpose or result of products designed to help bring about "intense sexual love". That clearly applies to sex aids. Further, I note that the evidence includes examples of condoms marketed on the basis that they provide sexual stimulation, and of various

cosmetic devices intended to enlarge the male sexual organ for improved sex. The above finding therefore also applies to 'condoms' and 'apparatus and instruments for ...cosmetic treatments'.

42. On behalf of the proprietor, Ms Edwards-Stuart says that 'passion' cannot be used as substitute for goods for which the proprietor's mark is registered. She pointed out that if one walked into a sex shop and asked for 'passion' the request would not be understood. That may be correct, although I note (from exhibit 5 to Mr Coyle's first witness statement) that the front page of the web site called 'truly-passionate.co.uk' lists alongside other more immediately recognisable product areas, such as "Lingerie Sets for her" and "vibrators", the category "Passion for her". This suggests that relevant traders attach a particular meaning to the word 'passion' and expect their customers to do the same. More importantly, the test is not whether 'passion' may be used as a substitute for the name of a particular product, but whether it is descriptive of characteristics of the registered goods. For the reasons given above, I find that it is descriptive of a characteristic of the following goods covered by the Class 10 registration for the word Passion:

'Vibrators, vibromassage apparatus, condoms, massage apparatus; electronic massaging apparatus; Apparatus and instruments for cosmetic treatments and parts and fittings and accessories for all the aforesaid goods.'

- but that it is not descriptive of characteristics of the remaining goods (below):

Apparatus and instruments for applying electrical currents to the skin for stress relief; parts and fittings and accessories for the aforesaid goods.'

I will call the goods in the first category "the objectionable goods" and the goods in the second category "the surviving goods".

43. There is no suggestion that the meaning of the word 'passion' has changed between the date of the trade mark registration and the date of the application for invalidity. Consequently, I find that the registration of the mark PASSION for the objectionable goods was contrary to section 3(1)(c) of the Act.

44. In case I am wrong about that I will also consider the section 3(1)(b) ground for invalidation in relation to the registration word PASSION in Class 10. Because one of the meanings of 'passion' is "intense sexual love", I find that it is a word that is likely to be regularly used in the marketing of sex aids. Indeed Ms Attwell conceded in cross examination that such use "is not uncommon". Again, because the usage stems from the meaning of the word 'passion', the position was unlikely to be any different at the date of the registration. A word that is used on a "not uncommon" basis so as to attract relevant consumers to a class of products is unlikely to also serve to guarantee that the products are those of one particular trade source. I therefore find that at the date of the registration, the average consumer of the objectionable goods would have regarded the word 'passion' as conveying only a promotional message – that these products are associated with the achievement of sexual passion. Consequently, I find that the registration of the word PASSION for the objectionable goods was contrary to section 3(1)(b) of the Act.

45. The reasoning behind the adverse section 3(1)(b) finding does not apply to the surviving goods. Consequently, the section 3(1)(b) ground fails insofar as the registration of the mark PASSION for these goods is concerned.

46. I turn next to the registration of the trade mark PASSION for the services in Class 35 for retailing ladies underwear, lingerie and accessories, and adult entertainment products. In this context 'ladies underwear and lingerie' etc. includes garments designed specifically to provide sexual stimulation. I do not therefore think that the meaning and significance of the word 'passion' when used in relation to the marketing of these goods would be any different from when it is used in relation to the marketing of (other) adult entertainment products. The registration also covers mail order services related to other kinds of ladies underwear and lingerie. However, it would be sufficient if, at the date of registration, the mark was unregistrable for a sub-set of the descriptions of the services for which it was registered. Consequently, for the reasons given in Tribunal Practice Notice 2/2006, absent an application from the proprietor to amend the registered specification, the registrability of the mark PASSION for mail order retail services related to other types of ladies underwear and lingerie is irrelevant.

47. Mr Reed had some difficulty at first in identifying which characteristic of the relevant mail order and Internet web site retail services was described by the word 'passion'. He submitted that the word 'passion' serves as a softer and more socially acceptable description than the more literally descriptive 'sex shop'. This might indicate that 'passion' is a word that may be used naturally, in trade, to describe the nature of the services. The highpoint of this aspect of the applicant's case was the evidence that Ann Summers has, on a few occasions, been described as a 'passion' or 'passion and fashion' retailer. Whilst the point appears plausible, I do not think that it is wholly consistent with the dictionary meaning of the word 'passion' and in these circumstances the meagre evidence of actual descriptive usage in relation to retail services is insufficient to make it out. Consequently, I reject the section 3(1)(c) ground as far as the Class 35 services are concerned.

48. For a finding that a mark lacks distinctive character, it is sufficient that the word mark in question, whilst not describing particular characteristics of the services, represents only promotional or advertising information which the average consumer will perceive as such, rather than as an indication of the commercial source of the services: see the judgments of the Court of First Instance of the European Community in Cases T-130/01, *Real People, Real Solutions* at paragraphs 29 and 30, and T-128/07, *Suez v OHIM* (Delivering the essentials of life), at paragraph 20. I have already found that, at the date of registration, the average consumer of the objectionable goods would have regarded the word 'passion' as conveying only a promotional message – that the products are associated with the achievement of sexual passion. The Class 35 services are plainly about the marketing of the objectionable Class 10 goods and other products of a similar nature. Consequently, I find that the relevant average consumer's reaction to the mark PASSION for the Class 35 services would mirror his or her reaction to the use of the mark for the objectionable goods. I therefore find that the mark was registered for the Class 35 services contrary to section 3(1)(b) of the Act.

49. In the light of these findings, I do not consider it necessary to determine whether the registration of the mark PASSION for the Class 35 services or the objectionable goods was also contrary to section 3(1)(d). There is no evidence that the word 'passion' was customary, at the date of the registration of the mark, in relation to the non-objectionable Class 10 goods. Consequently, insofar as it is necessary to decide the ground, I reject it.

50. The next issue is whether the above findings require a further finding that the Passion device mark was wrongly registered for the Class 35 services and for the objectionable goods. I have not found this an easy decision to make. On the one hand, the differences between the word 'passion' as such and the Passion device mark are not great. Examined individually none of the features of the device mark – the stylised letters of the word 'passion', the substitution of a swirl for the dot

above the letter 'i', and the appearance of the word on a square background of a contrasting colour - are particularly striking. On the other hand, I accept that the differences between the Passion device mark and the word 'passion' would not go unnoticed by the average consumer of adult products. The device mark cannot therefore be said to consist exclusively of a descriptive indication and cannot be susceptible to the section 3(1)(c) ground for invalidation. The real question is whether the visual elaboration of the word 'passion' in the device form would serve to identify the trade source of the goods and services offered under it, in circumstances where the word 'passion' *per se* would not, and thus avoid the ground for rejection under section 3(1)(b) of the Act.

51. I note from my everyday experiences that fancy lettering and eye catching presentation of a word or words are not the exclusive preserve of the world of trade marks. Similar use of words occurs regularly in purely advertising and promotional uses. An average consumer of adult entertainment products and associated retail services would also be aware of this. I must therefore guard against making the assumption that a non-distinctive word used in a slightly fancy form will necessarily convey trade mark significance to relevant consumers. In my view, the visual elaboration of the word 'passion' in the device mark is not such that it would convey a trade source message to a relevant average consumer of the objectionable goods and Class 35 services. Rather, the Passion device mark would – like the word 'passion' alone - be taken to serve only a promotional purpose in relation to goods and services associated with the achievement of sexual passion. I therefore find that the Passion device mark was registered for the Class 35 services, and for the objectionable goods in Class 10, contrary to section 3(1)(b) of the Act.

52. This brings me to the proprietor's case for maintaining the registration of the mark PASSION and the Passion device mark in Class 35 under the proviso to section 47(1) on the basis that the marks acquired a distinctive character after the date of registration. There is no corresponding claim in relation to the goods registrations in Class 10. Once it is shown that the trade marks were invalidly registered, the onus shifts to the proprietor to show that the mark(s) acquired a distinctive character after registration: see *Treat* [1996] RPC 281 at page 302.

53. So far as I am aware there is no authority on the date by which it must be shown that the marks acquired a distinctive character in these circumstances. However, the answer seems to me to be plain – the date of the application for invalidation. Otherwise the outcome of a valid application for invalidation could be affected by subsequent events. The relevant date is therefore 31 July 2007.

54. In other respects, the relevant law is now well established and not in dispute. It was recently very fully summarised by Mr R Arnold Q.C. as the Appointed Person (as he then was) in Case BL O/166/08, *Vibe Technologies Limited*. I note, in particular, the following summary from paragraph 64 of Mr Arnold's decision.

“..... in assessing whether a trade mark has acquired a distinctive character the competent authority must make an overall assessment of the relevant evidence, which in addition to the nature of the mark may include (i) the market share held by goods bearing the mark, (ii) how intensive, geographically widespread and long-standing the use of the mark has been, (iii) the amount invested by the proprietor in promoting the mark, (iv) the proportion of the relevant class of persons who, because of the mark, identify the goods or services as emanating from the proprietor, (v) evidence from trade and professional associations and (vi) (where the competent authority has particular difficulty in assessing the distinctive character) an opinion poll. If the relevant class of persons, or at least a significant proportion of them,

identifies goods or services as originating from a particular undertaking because of the trade mark, it has acquired a distinctive character: *Windsurfing Chiemsee v Huber* at [49]-[53], Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECR I-1318 at [23], *Philips v Remington* at [60]-[62], *Libertel v Benelux-Merkenbureau* at [67], *Nestlé v Mars* at [31] and C-25/05P *August Storck KG v Office for Harmonisation in the Internal Market (Storck II)* [2006] ECR I-5719 at [75].”

55. I would add two further points to this analysis. Firstly, the ECJ held in Case C-108/05 *Bovemij Verzekeringen NV v Benelux-Merkenbureau (EUROPOLIS)* [2006] ECR I-7605 that a trade mark may be registered on the basis of acquired distinctiveness “only if it is proven that the trade mark has acquired distinctive character through use throughout the territory of a member state”. Secondly, a trade mark may acquire a distinctive character as a result of its use with, or as part of, another mark: *Nestle S.A. v Mars UK Limited*, Case C-353/03. Consequently, as a matter of law it is possible for PASSION to have acquired a distinctive character as a result of its use in the form of the Passion device mark or as part of name of the ‘passion online’.

56. The proprietor’s evidence is not as helpful as it might be because it does not:

- i) make any attempt to identify the proprietor’s share of the relevant market under the marks;
- ii) show the geographical spread of the proprietor’s mail order customers;
- iii) indicate how often the proprietor’s mail order catalogues were issued.

57. Further, many of the exhibits in evidence are undated or unclear or both. This has made it difficult to assess the claim of acquired distinctiveness. Some things are clear. It is evident from the turnover figures provided that the proprietor is a small business. The turnover of the Internet and mail order elements of the business (which are the subject of the trade mark registrations at issue) are unlikely to have much exceeded £200k in any of the years prior to the relevant date. The size of the market is not clear, but as it includes a high street name like Ann Summers, it is likely to be measured in at least tens of millions of pounds per annum, and maybe even in hundreds of millions of pounds. Given the nature of the market, a significant proportion of those sales are likely to be made through mail order or Internet web sites. Ms Attwell indicates that the proprietor has a list of 20,000 customers who have opted-in to receive e-mail offers. Assuming that this is an approximate indication of the proprietor’s customer base at the relevant date, the proprietor is unlikely to have had more than a small fraction of the relevant mail order/Internet sales market under the marks.

58. The proprietor’s marks had been in use for around nearly 8 years at the relevant date. Insofar as the mail order retail services are concerned, the absence of the information mentioned above means that I do not know the number of catalogues sent out during this period or the geographical locations of the recipients.

59. As I noted above, the proprietor’s turnover figures appear to include services provided through the proprietor’s retail shop in Cardiff, which opened in 2005. Although these services are strictly outside the scope of the registrations (which do not cover the services of the bringing together of goods on retail premises), such services could have helped to promote the marks in relation to the registered services and is therefore capable of contributing to the acquisition of distinctive character. I have therefore taken the existence of the Cardiff retail shop into account, but have also borne in mind that, to the extent that it is additional to the Internet and the mail order services, it is likely to represent mainly local use of the marks in and around the Cardiff area.

60. Ms Attwell acknowledges that the amount spent promoting the marks appears low. She attributes this to market characteristics. The fact remains that the amount invested in promoting the marks is very modest.

61. Apart from the mention of her business in 2005 in a BBC Wales radio show (see paragraph 24 above), Ms Attwell also claims (in her third witness statement) that the proprietor's PASSION trade mark had been regularly mentioned "for over one year" (i.e. for at least a few months prior to the relevant date) on Talksport Radio, which has over one million listeners. However, the associated exhibit (exhibit 10) does nothing to establish or clarify how the trade marks were promoted or whether the marks were promoted in respect of mail order or Internet web site services.

62. I conclude that there is insufficient evidence of the use of the marks in relation to mail order retail services so as to justify a conclusion that the mark PASSION, or the Passion device mark, had acquired a distinctive character to a significant proportion of the relevant class of persons by the relevant date.

63. The unexplained geographical scope of the proprietor's business is less of an issue for the Internet web site retail services. These plainly cannot be less than national (and as the web site has a '...co.uk' address, I doubt if there is a serious issue that much of the use is outside the UK).

64. There are figures for the number of unique daily visits to the proprietor's web site in 2008. Although this is after the relevant date in July 2007, I believe that it is capable of shedding light on the position at the relevant date where the web site had been operational for nearly 8 years prior to that. I therefore accept that it is likely that the proprietor's web site was being visited by several thousand unique visitors per day by the relevant date. A large organisation would probably regard this as a modest level of interest, but it is not an insignificant number of visits. The difficulty here is in identifying the proportion of these visits that were intentional, as against the proportion that were merely the result of persons browsing the Internet for sites with a sexual content by reference to the ordinary meaning of the word 'passion'.

65. I acknowledge that there is some evidence that the proprietor's Internet retail services were being acknowledged by third parties prior to the relevant date: see the examples mentioned in paragraph 24 above. However, it is not possible to conclude from this that the mark PASSION or the Passion device mark had acquired a distinctive character to a significant proportion of the relevant class of persons by the relevant date.

66. In this connection, I note that a majority of the (limited) number of references to the proprietor's services by third parties in publications refer to the proprietor as 'passion online' rather than as just 'passion'. This is the name of the proprietor's Internet site and features in most of its promotional activity. Where a name is distinctive, the addition of the descriptive words 'on line' are liable to be taken as no more than a reference to the mode of trading. However, where the preceding name is also non-distinctive (like 'passion') it cannot be assumed that the public will discount the 'online' part of the name when identifying the service provider. I do not have to decide this point but, in my view, the evidence presents a more convincing case that the mark 'passion online' had become distinctive of the proprietor's Internet website services than it does that the word 'passion' *per se* had come to serve this purpose.

67. I find that there is insufficient evidence of their use in relation to Internet website retail services so as to justify a conclusion that the mark PASSION, or the Passion device mark, had acquired a distinctive character to a significant proportion of the relevant class of persons by the relevant date.

68. The proprietor's case on acquired distinctiveness therefore fails.

The Passing Off Objection

69. This brings me to the proprietor's section 5(4)(a) ground for invalidation. Section 5(4)(a) of the Act states that a trade mark shall not be registered:

“.....if, or to the extent that, its use in the United Kingdom is liable to be prevented 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”

70. The requirements to succeed in a passing off action are well established and are summarised in *Halbury's Laws of England* 4th Ed at paragraph 165 as follows:

- “1) that the claimant'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 goods offered by the claimant are goods of the defendant;
- 3) that the claimant has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.”

71. 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 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.”

72. I would add one further point to this analysis of the law. Passing off does not require that a majority of those in the relevant market are deceived. The test is whether, on the balance of probabilities, a substantial number of persons would have been deceived by the proprietor’s use of the mark PASSION or the Passion device mark: *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473.

73. It is well established that the relevant date in a passing off action is the date of the commencement of the action complained of: *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429. Consequently, for the proprietor, Miss Edwards-Stuart invited me to assess the position at the date that the proprietor commenced use of the Passion device mark in September 1999. However, Mr Reed submitted that I should assess the position at the date of registration of the marks, which is the date of the applications for registration in March and May of 2002.

74. It is not unusual for opposing counsel to disagree on this point in section 5(4)(a) cases. In my view, the section 5(4)(a) ground must be assessed at the date of the applications in 2002. This follows from Article 4(4)(b) of Directive 2008/95/EEC (the predecessor of which is the basis for section 5(4)(a) of the national law) which states that an opponent’s right to prevent the use of the mark applied for must have existed at the date of the application for registration. However, under the national law of passing off, that cannot be the case where the objector had no right to prevent the offending use at the date it commenced. So it is also necessary to look at the position in 1999.

75. In some cases a person who had a right to object at the date of commencement of the offending use may have lost that right by the date of the application for registration, perhaps because of established and concurrent use of the marks by the parties. See, for example, *Daimler Chrysler AG v Alavi* [2001] RPC 42. However, on behalf of the proprietor, Miss Edwards-Stuart conceded that if the applicant’s case succeeded at the earlier date it would also succeed at the later dates. Consequently, I need only consider the position at the date of commencement of use of the marks in respect of the Class 35 services and the objectionable goods. There does not appear to be any use of the marks by the proprietor in respect of the surviving Class 10 goods. Consequently, the position as far as these goods are concerned must be assessed at the date of the trade mark applications on 18 May 2002.

76. I start by settling the disputed facts.

What was the date of commencement of the proprietor’s use of the registered marks?

77. There is little real dispute about this. Ms Attwell claims to have commenced trade under the Passion device mark in September 1999. Although there is very limited support for this claim in the proprietor's own evidence, Ms Taylor fourth witness statement states that the parties' advertisements "regularly appeared side-by-side in late 1999 and 2000." The advertisements themselves do not appear to be in evidence. However, I cannot imagine that this statement would have been made if they did not feature the name Passion in some shape or form. Consequently, I find that the proprietor started to trade at some level under the Passion device mark (as Ms Attwell claims) in September 1999 in relation to mail order and Internet web site retail services connected with adult entertainment and associated products.

What was the nature and extent of the applicant's goodwill at the date of commencement of the use of the Passion device mark and (as far as the surviving goods are concerned) at the date of the Class 10 application for registration?

78. Ms Taylor's written evidence (exhibit 4 to her first witness statement) is that for the year ended 30 April 1998, and whilst trading as "N.E.S. and PASSION8", she turned over £87.5k in goods sold in the UK. Her evidence is that this figure increased to £122k in the year to April 1999, to £172k in the year to April 2000, to £279k in the year to April 2001, and to £600k in the year to April 2002.

79. In cross examination it was put to Ms Taylor that after October 1995 (when the Passion8 name was first used) she was still generating some trade under her previous trading names of 'N.E.S.' or 'NE Services'. Ms Taylor's response was that "NE Services is PASSION8".

80. The point was not pursued much further during cross examination, but in submissions Ms Edwards-Stuart invited me to find that the sales figures put forward by Ms Taylor included goods sold by reference to the name 'N.E.S.'. In support of this submission she pointed to the twin trading names on Ms Taylor's accounts for 1997/8. Further it was pointed out as late as June 2001 an article appeared in the problem page of the Sun newspaper (in exhibit 5 to Ms Taylor's first witness statement) which identified Ms Taylor's business as 'NE Services' rather than as 'Passion8' (although it is fair to point out that it mentioned that NE Services website was called 'Passion8shop.com').

81. Having called Ms Taylor for cross examination, it would have been better if these specific points had been put to her before being made in submissions. My analysis of the Passion8 catalogues in evidence (exhibit 2 to Ms Taylor's first witness statement), the earliest of which appears to be a copy of the Passion8 catalogue from 1999, indicates that 'NES' was used as the name of the business and 'Passion8' as the name of its catalogue. Online orders were directed to Passion8shop.com and mail orders to 'NES'. The reason for the use of the N.E.S. name becomes clearer from the narrative introduction to the catalogue, which states that:

"NES is run and owned by women and our cornerstone is discretion and confidentiality. When you entrust us with your order it is no-one else's business except yours and ours. I guarantee that we will not sell, trade or give away your details to another company. All orders will be delivered by the Royal Mail in an unmarked, securely sealed box. Your credit card statement will read NES Mail Order." (emphasis added)

82. The name Passion8 was plainly more suitable for attracting customers than 'NES', but less discrete for other purposes. On the balance of probabilities it seems likely that both names were being used in relation to the same trade rather than separate trades having been conducted under the two names. I note that the proprietor's mail order forms in evidence use the name MarketSpace

limited in much the same sort of way. Further, I accept Ms Taylor's evidence that she mailed Passion8 brochures to her existing customers throughout the period 1996 to 1999, and probably beyond. I therefore accept Ms Taylor's evidence as to the turnover in goods achieved through the Passion8 mail order catalogue and, later, through the web site 'Passion8shop.com'.

83. I am less convinced about the reliability and cogency of the advertising figures provided in Ms Taylor's evidence for the period prior to the year 2000. According to Ms Taylor's written evidence, her business spent £37,368 advertising and promoting goods in the UK under the Passion8 mark in 1998, and this increased to over £50k in 1999, £61k in 2000 and £78k in 2001. Ms Taylor lists 32 newspapers and magazines in which adverts for 'Passion8' have appeared "since 1995". There are plenty of examples of small and classified advertisements in evidence from the year 2000 onwards, but very few prior to that. This might be thought to represent nothing more than the difficulty in tracing historical records, but in fact there is evidence of advertisements from 1996, but none for 1997-1999. The three advertisements from 1996 are dated from March to May and were all placed in the classified section of Cosmopolitan magazine. Each promotes the applicant's "love toys, erotica, videos, books and condoms" under the name Passion8.

84. Curiously, many of the facts attested to in Ms Taylor's evidence, and much of the material intended to support those facts, are also included in the witness statement of Mr Coyle, which was made the same day. In general, it is not good practice for a legal adviser to give evidence of facts that are a) not within his or her own knowledge, and b) given by another witness with first hand knowledge of the matters in issue. To be fair, Mr Coyle does say that he has "due knowledge of the facts of this case", but he does not explain how he came to have knowledge of Ms Taylor's business, and I think it very likely that he relied upon Ms Taylor and her records for this purpose. That makes it even stranger that there are differences between Mr Coyle's evidence and that of Ms Taylor. In particular, Mr Coyle provides details of the applicant's "advertising campaign", which lists the publications in which she has advertised her business (and when). This list does not include many of the publications listed in Ms Taylor's evidence and does not include any advertising in printed publications between May 1996 and January 2000.

85. In these circumstances I do not think that I can place much weight on the unsupported assertion in Ms Taylor's evidence that the Passion8 brochure was widely promoted in magazines and newspapers in the period 1996-1999.

When did the website 'Passion8shop.com' go live to the public?

86. I accept Ms Taylor's evidence that this website was promoted to the public in April 1999.

87. I do not think that there is anything in the applicant's point that the web site was not recorded in the web archive records until October 1999 (i.e. after the relevant date). The proprietor's own site is not recorded until May 2000 and yet the proprietor claims (expressly in paragraph 5 of Ms Attwell's first witness statement) that its 'Passiononline' web site was in use in 1999. Further, as I noted above, the applicant's 1999 'Passion8' catalogue invites orders to its Passion8shop.com web site and Ms Taylor's evidence under cross examination was that the 1999 'Passion8' catalogue was first issued to her customers in April 1999.

Is there evidence of deception?

88. In her witness statement dated 20 April 2007, Ms Taylor says that she has arranged for a thorough search of her business's records to be undertaken, which she says revealed several

instances of confusion with the proprietor's marks. The relevant documents are exhibited as ST7 and these show that:

- i) An e-mail enquiry dated 13 November 2000 addressed to "Dear Passiononline" and asking for a copy of the proprietor's "Love to Love Passion catalogue" was sent to the applicant's e-mail address at 'passion8shop.com.
- ii) Another e-mail dated 24 November 2000 addressed to 'Dear Passiononline' and asking if she could return a faulty sex toy to the proprietor's Freepost address was sent to the applicant's e-mail address.
- iii) The contents of two facsimile transmissions dated February and March 2001 suggest that the publishers of the magazine FHM (or one of their service providers) recorded the applicant at the proprietor's then address.
- iv) Two postal communications in 2005 and 2006 were addressed to the applicant at the proprietor's address.

89. In my view, none of these examples show deception of the public. In each case the person concerned appears to have been well aware who he or she was dealing with. All these instances show is that people sometimes misaddress things. That is plainly more easily done when two businesses in the same field of business have similar names, but this sort of confusion is not evidence of misrepresentation and damage.

90. On 31 August 2004, Ms Taylor responded to an earlier letter from Ms Attwell complaining about the similarity of the parties' web sites (see exhibit FA2 to Ms Attwell's first witness statement). This letter covered more than just the similarity between the applicant's Passion8 mark and the registered marks. In particular, it responded to the proprietor's concern that the applicant had adopted the colour pink as a background for its web pages, which the proprietor regarded as copying of its colour scheme. I need say nothing more about that particular allegation. The relevant part of Ms Taylor's response stated that:

"As far as I am aware there has never been any confusion on the part of any of our customers between ourselves and Passion.....or Passiononline nor have we ever received orders or enquiries from your customers."

91. In cross examination, Mr Taylor was asked about the truth of this statement. She said that:

- i) The letter was written without legal advice, and
- ii) She had not checked her records before writing it.

92. The absence of legal advice may throw doubt on the wisdom of making the statement, but I do not see why it should affect the truth of it. The evidence of confusion described above is the result of a subsequent thorough search for such evidence. It will be evident from what I have already said that I do not believe that it shows that there has been deception. In my view, the statement in her letter represented Ms Taylor's genuine assessment of the situation in 2004. Indeed, subject to the above points, Ms Taylor accepted as much during cross examination.

The Passion word mark and the Passion device mark for the Class 35 retail services and the objectionable goods in Class 10

93. The sign 'Passion8' is an obvious but clever visual elaboration of the word 'passionate'. Even if the word 'passionate' itself lacks distinctiveness for goods and services associated with enhancing sexual relations, the sign Passion8 has the necessary spark of distinctiveness and I find that it is inherently capable of distinguishing the goods and services at issue.

94. The extent of the goodwill and reputation required to found a passing off action is not comparable to the requirements for registering a non-distinctive trade mark on the basis of acquired distinctiveness. As noted at sections 8-9 to 8-12 of Christopher Wadlow's 'The Law of Passing Off', inherently distinctive signs have been protected although the use made of them has been relatively slight. That is one of the reasons why it is possible to acquire local rights in a sign that cannot be protected at national level. However, the judgment of Jacobs J. (as he then was) in *Hart v Relentless Records* [2003] FSR 36, indicates that a trivial goodwill will not do. In that case, the judge rejected the claimant's case on the basis of insufficient goodwill. In doing so he noted that the law of infringement of unregistered marks had long since been repealed and that the law of passing off does not protect goodwill of only a trivial extent.

95. It appears that the claimant in *Hart* had been trying unsuccessfully for three years to promote musical recordings under the name 'Relentless'. He had issued a number of demo tapes but he had not managed to secure actual sales under the name. The applicant's established use of the mark Passion8 at the relevant date of September 1999 is also pretty thin. However, Ms Taylor had been trading under the name Passion8 for around four years by that date. A number of catalogues under the Passion8 name had been issued to her established customer base during that period sufficient to generate a turnover of over £120k in the year to April 1999. Further, in April 1999, a web site had been established under the name Passion8shop.com, which promoted the 1999 Passion8 catalogue. Given the likely average cost of the products, this is indicative of a small trade but not, in my view, a trivial one. The matter is not clear cut but, on balance, I find that the applicant had acquired sufficient goodwill under the sign Passion8 so as to be able to protect that name by September 1999.

96. The correctness of that conclusion can be tested by considering what a court's likely reaction would have been to another trader offering similar goods under a catalogue or web site called Passion8 in 1999. In my view, the applicant's predecessor would have been able to restrain such use under the law of passing off.

97. What about the proprietor's use of the Passion word and device marks? I first consider this on the footing that my earlier finding is correct and neither mark would have been indicated the trade source of the goods or services at issue to the relevant average consumer either in September 1999 or subsequently. If that is right, it must follow that the average consumer would not be confused or deceived by the use of the proprietor's marks. And, by extension, neither would the 'substantial number of persons' required under the law of passing off. This is because, although they are conceptually different they come to the same thing: they exclude those who whose reactions are atypical: see paragraph 82 of the judgment of the Court of Appeal in *Reed Executive Plc v Reed Business Information Limited* [2004] RPC 40. Consequently, if my earlier findings are correct, the section 5(4)(a) case must fail for the Class 35 services and the objectionable goods for want of any misrepresentation.

98. In case my earlier findings are wrong, I will go on and consider the applicant's case, firstly on the footing that the word 'passion' was capable of identifying the trade source of the goods and services at issue in September 1999, and secondly, on the footing that even if the word 'passion' *per se* was not so capable, the Passion device mark was.

99. I remind myself that the fields of commercial activity are the same but that the applicant enjoyed only a small goodwill at the relevant date. I get little assistance from the evidence of the few instances of supposed actual confusion, which I have dismissed for the reasons set out above. However, I see some force in Mr Reed's submission on behalf of the applicant that this is an area of trade in which deception is less likely than usual to come to light because customers may be too embarrassed to complain about the quality of adult pleasure products. Consequently, it would be wrong to attach too much weight to the absence of evidence of actual deception. In any event, there is very limited evidence of use of the Passion word mark. However, there is no denying the similarity between the sign 'Passion8' and the Passion word and device marks – specifically, the word 'passion' accounts for all, or a substantial proportion of, each of the marks.

100. Accordingly, if (contrary to my primary findings) the word 'passion' had the capacity to identify the commercial source of the relevant goods and services at these dates, albeit as only a weakly distinctive mark, I find that the resemblance between the sign Passion8 and the Passion word and device marks would have been sufficient for their use to deceive a substantial number of the applicant's customers. Deception in these circumstances has the obvious potential to cause damage through diversion of sales. Consequently, if the mark PASSION had the capacity to identify the trade source of mail order and Internet retail services relating to adult pleasure products, and the associated goods that fall in Class 10, in September 1999 (or at the dates of the registrations in 2002) then the registration of the marks for these goods and services was invalid because it was contrary to section 5(4)(a) of the Act.

101. Turning to the second alternative, which is that my primary findings are correct to treat the Passion word as non-distinctive of trade source, but wrong to treat the Passion device mark in the same way, then I would hold that the section 5(4)(a) would fail. This is because, on this footing, the distinguishing capacity of the Passion device mark depends on the particular visual elaboration of the word 'passion' in that mark, which is absent in the earlier right 'Passion8'. Where two marks share a non-distinctive feature the public can be expected to be alert to detailed differences between them so as to distinguish one from the other. This is a well established approach to the use of descriptive marks under the law of passing off, the best known case being *Office Cleaning Services v Westminster Window and General Cleaning* [1946] 63 RPC 30, but also applies to marks sharing non-distinctive elements: see paragraphs 84-86 of the Court of Appeal's judgment in *Reed v Reed*, mentioned above.

The Passion word mark and the Passion device mark for the surviving goods in Class 10

102. 'Apparatus and instruments for applying electrical currents to the skin for stress relief; parts and fittings and accessories for the aforesaid goods', are not self evidently adult pleasure products. On the contrary, these goods appear to serve a medical or therapeutic purpose. As far as I can see, there is no evidence that would support a different finding. If that is right, the modest extent of the applicant's predecessor's goodwill at the relevant date combined with a) the differences between the fields of commercial activity and, b) the differences between the sign Passion8 and the registered marks, and c) the likely differences between the customer bases, is sufficient to rule out any likelihood of deception. Consequently, the section 5(4)(a) ground fails for these goods.

Conclusion

103. The application for invalidation succeeds in respect of all the goods and services except for:

‘Apparatus and instruments for applying electrical currents to the skin for stress relief; parts and fittings and accessories for the aforesaid goods’

Costs

104. The applicant having succeeded, it would normally be entitled to a contribution towards its costs. On behalf of the proprietor, Miss Edwards-Stuart asked me to take into account that the applicant had unnecessarily increased the proprietor’s costs by a) making applications to invalidate the trade marks for the Class 35 services a year after making similar applications to cancel the registration of the trade marks for the Class 10 goods, and b) filing a good deal of unnecessary and irrelevant evidence.

105. There is no explanation as to why the applicant adopted a staged approach to the attack on the proprietor’s registrations, but there is no suggestion that it was part of a deliberate strategy to disrupt the proprietor. The proceedings were subsequently consolidated and the applicant relied on the evidence that it had already filed in the goods applications to support the later applications to invalidate the registrations of the marks for services. In these circumstances, I do not think that the applicant behaved unreasonably in bringing its applications at different times.

106. I see more force in the complaint about the applicant’s evidence. Unfortunately, it is not unusual in Registry proceedings to find evidence that is wholly or largely irrelevant because it goes to matters long after the relevant date. I am reluctant to characterise the mere filing of such evidence as unreasonable behaviour. However, it is true that the proportion of the applicant’s evidence going to matters after the relevant date in this case was particularly high, and this was compounded by the:

- i) volume of the evidence;
- ii) duplication of much of it;
- iii) poor quality and lack of indexing of the material in the exhibits.

107. This undoubtedly and unnecessarily increased the proprietor’s costs, as is clear from Miss Edwards-Stuart’s 27 page skeleton argument, at least a third of which is devoted to explaining the irrelevancy of much of the applicant’s evidence.

108. These proceedings started before the issue of Tribunal Practice Notice (TPN) 4/2007 and are therefore subject to the guidance provided by TPN 2/2000. On that basis I would normally have assessed the applicant’s entitlement to costs as follows:

£800 – official fees
£400 - completion of applications and considering counterstatements
£1200- filing of evidence
£600 - considering proprietor’s evidence
£800 - attending hearing
£200 - to cover the cost of Ms Taylor attending the hearing for cross examination

Total: £4000

109. However, in recognition of the points made about the quality, relevancy and duplication of so much of the applicant's evidence, I will reduce that award by £1000.

110. I therefore order that, subject to any appeal, the proprietor should pay the applicant the sum of £3000 within 28 days of the date of this decision.

Dated this 18th Day of December 2008

**Allan James
For the Registrar**