

**TRADE MARKS ACT 1938 (AS AMENDED) AND
TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No 1527496
BY PAPETERIE ZUBER RIEDER
TO REGISTER A MARK IN CLASS 16**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No 43039 BY ESPRIT INTERNATIONAL**

**TRADE MARKS ACT 1938 (AS AMENDED) AND
TRADE MARKS ACT 1994**

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**IN THE MATTER OF Application No 1527496
by Papeterie Zuber Rieder to register a mark in
Class 16**

10 and

**IN THE MATTER OF Opposition thereto under
No 43039 by Esprit International**

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DECISION

On 20 February 1993 (but claiming an international priority date of 10 February 1993)
20 Papeterie Zuber Rieder of France applied under Section 17 of the Act to register the following
mark:

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ESPRIT DE NATURE


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40 for a specification of goods reading "Unfinished paper for use in manufacture; all included in
Class 16".

The application is numbered 1527496.

45 On 29 August 1995 Esprit International filed notice of opposition to this application. They
say that they are the proprietors of two registrations (details of which appear below) and have
made substantial use of the marks in relation to the goods for which they are registered. In the
light of this objection is said to arise under Sections 11 and 12(1) of the Act. They also ask
for the application to be refused in the exercise of the Registrar's discretion.

Details of the registrations relied on by the opponents are as follows:-

No	Mark	Class	Journal	Specification	
5	1243016	16	5667/850	Paper, paper articles, cardboard, cardboard articles, tags and labels, all included in Class 16; stationery, office requisites (other than furniture) and tissues (other than surgical tissues) made of paper; adhesives for stationery or household purposes, writing instruments, drawing instruments, decalcomanias, pen holders (not of precious metals or coated therewith), pencil holders, table napkins made of paper, bookends; patterns for dressmaking and patterns for making clothes; but not including books, pamphlets, leaflets, printed matter or instructional materials and not including any goods of the same description as any of these excluded goods.	
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25	1515183	ESPRIT	16	6105/11051	Paper, paper pads, paper patterns for making clothing; printed matter, newspapers, periodical publications, books, notebooks, note pads, agenda and address books; writing and drawing instruments and articles; stationery; all included in Class 16.
30					The applicants filed a counterstatement which in effect denies the above grounds. They also offer a number of observations on the matters in issue.
35					Both sides ask for an award of costs in their favour.
40					Both sides filed evidence. The matter came to be heard on 1 June 2000 when the opponents were represented by Mr K R Havelock of D Young & Co, trade mark attorneys and the applicants by Mr T Rundle of Sommerville & Rushton, trade mark attorneys.
45					By the time this matter came to be decided, the old Act had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. These proceedings having begun under the provisions of the Trade Marks Act 1938 however, they must continue to be dealt with under that Act in accordance with the transitional provisions set out at Schedule 3 of the 1994 Act. Accordingly, all references in this decision are references to the provisions of the old law, unless otherwise indicated.

Opponents' evidence

The opponents filed statutory declarations as follows:

- 5 Ronald J Lehrman dated 3 December 1996
 Susie Reece-Jones dated 6 December 1996

10 Mr Lehrman is Assistant Secretary of Esprit International. His comments are in the nature of submissions on the twin issues of similarity of marks and goods. I bear these comments in mind in reaching my own decision.

Ms Reece-Jones is the Managing Director of Esprit (UK) Ltd, a wholly owned subsidiary of the opponents. She gives the following information on the opponents' use of their marks:-

15 "My Company first sold paper goods and stationery under the Trade Mark ESPRIT in 1992/1993 and the first line of goods produced and sold in the United Kingdom included notebooks, writing paper and other similar articles of stationery. My Company also produced a collection of stationery goods known as the ESPRIT logo collection which included folders, notebooks, boxes and planners. My Company has
20 extensively used the Trade Mark ESPRIT in relation to such goods in the United Kingdom, continuously from the date of first use referred to above up to the present time.

25 My Company has always used the Trade Mark ESPRIT in relation to products having a "natural" feel or appearance, including paper made from waste products or recycled materials. There are here produced and shown to me marked Exhibit "SRJ-1" specimen materials showing the manner in which the mark is used in relation to stationery items and paper articles, and including a specimen sales enquiry for planners of recent date. It will be noted from the specimens included in the Exhibit, that the
30 mark ESPRIT is used in relation to such articles in a number of ways eg on the goods themselves and on tags attached to or included in or with the goods. In the case of planners or organisers, the mark is also used on closures of the goods."

Applicants' evidence

35 The applicants filed statutory declarations as follows:-

- Tony Severs dated 6 May 1997
40 Richard Philip Maury dated 15 January 1998

Mr Severs is a Director of PDC Agencies (trading as PDC Paper), the UK agent for the applicants since 1979. He says that:

45 "Paper has been sold in the UK under the Trade Mark ESPRIT DE NATURE for about 4 or 5 years to date. We have exclusive agency in the UK for this product, and as far as I am aware the only sales in the UK have been made to wholesalers, and never

to retailers. Most of the paper sold in this way to wholesalers would be sold on to specialist finishers and printers.

5 The paper sold under the Trade Mark ESPRIT DE NATURE is not intended for the average consumer, but for specialist companies such as perfume companies which represent "niche markets". As far as I am aware, the ultimate consumer of the retailed products would not see the Trade Mark ESPRIT DE NATURE, but of course we do not have any control over this.

10 The paper which we sell to wholesalers under the Trade Mark ESPRIT DE NATURE is unfinished in the sense that further processing of the paper would always be carried out before the final goods were retailed. This is why the Trade Mark Application specifies "unfinished paper for use in manufacture".

15 Exhibit TS1 is a book of samples of such paper, which would be available for use by prospective purchasers of the unfinished paper. This paper could be described as an up-market recycled paper, and it is intended primarily for text and cover and publishing. The French manufacturer, Papeterie Zuber Rieder, claims to have manufactured approximately 700 tons in 1995 and 900 tons in 1996, in 16 different
20 colours."

He concludes by saying that he was not aware of the opponents' use of ESPRIT in retail outlets until he was informed of these opposition proceedings. Neither he nor his fellow Directors are aware of any confusion. He considers confusion to be unlikely because the
25 opponents' use is in relation to finished, printed paper sold through retail outlets in contrast to the applicants' use on unfinished paper sold to wholesalers.

Mr Maury is a partner in the firm of trade mark attorneys acting for the applicants. The purpose of his declaration is to exhibit (RPM1) an extract from the Phillips International Paper
30 Directory which lists paper mills throughout the world and is a reference book aimed at paper merchants and converters which buy paper in bulk. It is not circulated to traders in the stationery market for whom there is a different directory. He points out that neither PDC, the applicants' UK agent, nor the applicants, appear in the directory for the stationery market whereas they do appear in the Phillips Directory for the purchase of paper in bulk.

35 That concludes my review of the evidence.

The matter falls to be decided under Sections 11 and 12 of the Act. These Sections read as follows:-

40 "11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be
45 contrary to law or morality, or any scandalous design.

12.-(1) Subject to the provisions of subsection (2) of this section, no trade mark shall be registered in respect of any goods or description of goods that is identical with or

nearly resembles a mark belonging to a different proprietor and already on the register in respect of:-

- a. the same goods
- b. the same description of goods, or
- c. services or a description of services which are associated with those goods or goods of that description."

The reference in Section 12(1) to a near resemblance is clarified by Section 68(2B) of the Act which states that references in the Act to a near resemblance of marks are references to a resemblance so near as to be likely to deceive or cause confusion.

The established tests for objections under these provisions are set down in Smith Hayden and company Ltd's application (Volume 1946 RPC 101) later adapted, in the case of Section 11 by Lord Upjohn in the BALI trade mark case 1969 RPC 496. Adapted to the matter in hand, these tests may be expressed as follows:-

(Under Section 11) Having regard to the user of the opponents' mark ESPRIT, is the tribunal satisfied that the mark applied for ESPRIT DE NATURE (in the form shown at the start of this decision) if used in a normal and fair manner in connection with any goods covered by the registration proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

(Under Section 12) Assuming user by the opponents of their mark ESPRIT in a normal and fair manner for any of the goods covered by the registration of that mark, is the tribunal satisfied that there will be no reasonable likelihood of deception amongst a substantial number of persons if the applicants use their mark normally and fairly in respect of any goods covered by their proposed registration?"

I was also referred to passages from a number of other reported cases - these being Jellinek's application 1946 RPC 59, IKF Koyo Trade Mark, 1958 RPC 112 and Aristoc v Rysta, 1945 RPC 65. I bear these in mind.

I will deal firstly with Section 12. The applicants' specification covers "unfinished paper for use in manufacture". The evidence sheds further light on the specification. The paper is unfinished in the sense that it is subject to further processing by printers or other specialist finishers. Mr Severs says that it is up-market recycled paper intended primarily for 'text and cover and publishing'. It is not sold onto the retail market. Rather it is traded through wholesalers. However as Mr Havelock pointed out neither side's specifications are restricted in terms of channels of trade. The opponents registrations cover mainly finished articles of stationery and printed matter but also include the term 'paper'. That term is unrestricted. On the basis that the general will normally include the specific (and allowing for notional use by the opponents within the general heading 'paper') I conclude that the term would cover unmanufactured paper and thus the respective sets of goods are the same.

The matter therefore turns on my view of the marks themselves. The opponents rely on two registrations. I propose to consider the matter on the basis of No 1515183 for the word ESPRIT in plain block capitals given the slight uncertainty as to how the mark of No 1243016 would be seen and referred to. The applicants' mark consists of the words ESPRIT DE
5 NATURE presented in arcuate form.

The standard test in relation to comparison of marks is that propounded by Parker J in Pianotist Co's application (1906) 23 RPC 774. The relevant passage reads:-

10 "You must take the two words. You must judge of them both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must
15 further consider what is likely to happen if each of these trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say - not necessarily that one will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public, which will lead to confusion in the goods - then you may refuse the registration, or
20 rather you must refuse the registration in that case."

The similarities and differences between the marks are largely self evident. They share the word ESPRIT but the applicants' mark includes the words DE NATURE with the whole being presented in what I have described as arcuate form. The fact that the applicants' mark
25 incorporates the whole of the opponents' mark as its first element must weigh in the balance but is not necessarily determinative of the matter. It is a question of what impact the totality of the applicants' mark is likely to have on the public for the goods concerned and whether someone encountering goods under the applicants' mark might think that they came from the same stable as ESPRIT goods.

30 I bear in mind that the opponents say they have used their mark in relation to "products having a 'natural' feel or appearance including paper made from waste products or recycled materials". The applicants too say that their product is an up-market recycled paper. In their counterstatement it is suggested that their mark ESPRIT DE NATURE "gives the reader the
35 impression of nature such that he would associate the product with the preservation of nature or with living and working in harmony with nature". If that is suggesting that DE NATURE has some kind of descriptive or allusive quality then it reinforces the fact that the element ESPRIT is likely to be seen as the most distinctive part of the mark. In practice there is no evidence as to whether customers would see the applicants' mark in this way or whether as
40 Mr Rundle suggested at the hearing it would be taken as a new idea thus distinguishing it from the opponents' mark.

ESPRIT is a word that can be found in English dictionaries. It is also a French word and is likely to be recognised as such particularly in the context of the applicants' mark. It is
45 probably most commonly understood in this country through an expression such as esprit de corps which itself reinforces the French origins of the word. In itself it has no obvious significance in relation to the goods concerned. The use of a word of French origin, albeit one

that is reasonably well known in this country, is a feature which is unlikely to be lost on customers.

5 The onus is on the applicants to persuade me that confusion is unlikely. Even allowing for the fact that some people might consider that ESPRIT DE NATURE created a new idea I cannot be certain a substantial number of persons will not think there is some connection with the opponents. If ESPRIT and ESPRIT DE NATURE were used on the same goods, as notionally could be the case, there is in my view a likelihood that customers might think they emanated from the same trade source. ESPRIT DE NATURE might be seen as
10 development of the ESPRIT brand or a sub-brand/variant of the basic mark reflecting use on a new or extended product range. I have considered whether the form in which the applicants' mark is presented displaces the view I have reached but concluded that it does not. The opposition thus succeeds under Section 12.

15 My finding under Section 12 effectively decides the matter but for completeness I will briefly consider the Section 11 objection. The test requires me to consider the actual user of the opponents' mark and normal and fair use of the mark applied for. The position must also be considered at the material date of 10 February 1993. The opponents' starting point is the somewhat vague claim that their mark was first used in 1992/1993. If the reference to
20 1992/1993 refers to a company accounting year there can be no certainty that any use took place before the material date. The position is simply not clear on the basis of the general claim and cannot be deduced from the detail or the exhibits. There is for instance no invoice evidence and the only exhibits that carry dates relate to periods some time after the material date. Nor is there any supporting evidence in terms of turnover figures or promotional
25 expenditure to ascertain precisely what goods had been sold by February 1993. In my view therefore the opposition stands little chance of success under Section 11 because the opponents have not substantiated their underlying claim.

30 Even if I am wrong in coming to the above view the nature of the opponents' actual trade (broadly finished paper products and stationery items) seems to me to be fundamentally different to the applicants' unfinished paper. The exhibit submitted by the applicants is of what one might call a paper swatch book containing various colours and weights of paper from which customers can make their selection with a view to having the unfinished paper printed and prepared to meet their own packaging or other requirements. The opponents have
35 produced no evidence to say why in the particular circumstances of the parties' activities or the trade in general confusion is likely to arise. Even allowing for the fact that the Section 11 test is not restricted to a 'same goods' or 'same description of goods' test I am not persuaded that in practice any objection arises. It is true that the parties have in common that the applicants' 'unfinished paper for use in manufacture' and the opponents' paper products and stationery
40 items may both be made from recycled materials but that does not in itself establish a basis for opposition under Section 11. Even the most basic of the opponents' goods, notepads and headed notepaper for instance, involve some degree of processing and printing etc - they are not simply unmanufactured paper. For all these reasons the Section 11 objection fails.

45 Finally there is the matter of the Registrar's discretion. However as my finding under Section 12 has a mandatory consequence no exercise of discretion is necessary or possible.

As the opposition has succeeded the opponents are entitled to a contribution towards their costs. I order the applicants to pay the opponents the sum of £835. 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.

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Dated this 28 day of June 2000

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M REYNOLDS
For the Registrar
the Comptroller-General