

TRADE MARKS ACT, 1963

Decision in Hearing under Section 26

IN THE MATTER OF two applications for registration of trade marks (Nos. 176475 and 176476) and in the matter of opposition thereto.

PHONENAMES LIMITED Applicant

1-800 FLOWERS INC. Opponent

**The applications**

1. On 8 November, 1995, Phonenames Limited, a British company, of 143 Maple Road, Surbiton, Surrey, KT6 4BJ, United Kingdom, Manufacturers and Merchants, made two applications (Nos. 95/7685 and 95/7687) to register the terms “800 FLOWERS” and “800 FLORIST”, respectively, as Trade Marks in Part A of the Register in Class 31 in respect of the following goods:

*“Natural flowers, dried flowers, wreaths of natural flowers, flower bulbs;  
plants.”*

2. The applications were subsequently advertised as accepted for registration in Part B of the Register under Nos. 176475 and 176476, respectively, in Journal No. 1821 on 24 September, 1997.
3. Notices of opposition to the registration of the marks pursuant to Section 26 of the Act were filed on 2 February, 1998 by 1-800 Flowers Inc., of 1600 Stewart Avenue, Westbury, New York, United States of America. The Applicant filed counter-statements on 30 April, 1998 and evidence was subsequently filed by the parties under Rules 37, 38 and 39 of the Trade Mark Rules, 1963.
4. The opposition became the subject of a Hearing before me, acting for the Controller, on 12 December, 2005. The parties were notified on 30 January, 2006

that I had decided to uphold the opposition and to refuse registration of the marks. I now state the grounds of my decision and the materials used in arriving thereat.

### **Notices of Opposition**

5. In its notices of opposition the Opponent states that it is engaged in trade in flowers and floral delivery services and that it has a very substantial reputation in relation to those goods and services under the trade marks 1-800-FLOWERS (and device) and 0 800-FLOWERS, which are the subject of applications for registration as set out in Appendix I. It then specifies the following grounds of opposition to the present applications for registration, namely that,

- (i) the use by the Applicant of the mark propounded for registration would lead to the Applicant's goods being passed off as, or mistaken for, the Opponent's goods and services,
- (ii) the Applicant's mark would be disentitled to protection in a Court of Justice and registration of the mark would therefore offend against Section 19 of the Act,
- (iii) the Applicant is not the proprietor of the mark and did not, at the date of application for registration, have a present and definite intention of using it in the State as required by Section 25 of the Act,
- (iv) the mark is not a trade mark within the statutory definition (Section 2 of the Act) and is not intended to be used as a trade mark,
- (v) registration of the mark would be contrary to the EC Harmonisation Directive (Council Directive 89/104/EEC), and
- (vi) registration of the mark should be refused in exercise of the Controller's discretion.

### **Counter-statements**

6. In its counter-statements the Applicant denies all of the grounds of opposition raised against the applications and states that it has no knowledge of the Opponent's claimed trade in flowers and floral delivery services or its claimed proprietorship of the trade marks cited in the notices of opposition<sup>1</sup>.

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<sup>1</sup> those statements appear dubious – see paragraph 46 *et seq.* below

## **The evidence**

7. The evidence filed in these proceedings is quite voluminous and I do not believe it is necessary to include a comprehensive synopsis of it in this statement of the grounds of my decision. In the following paragraphs I simply itemise the various Declarations filed and mention briefly the alleged facts that establish the framework within which the present proceedings arise, without comment at this stage as to whether or not the assertions made by the various deponents are borne out. I will return to relevant elements of the evidence when I consider the merits of the particular grounds of opposition against the applications.

### *Rule 37*

8. Evidence submitted by the Opponent under Rule 37 consisted of a Declaration (and Exhibits FL1-FL10) dated 4 January, 1999 and a Declaration (and Exhibits FL1 and FL2) dated 4 May, 1999, both made by Christopher G. McCann, Vice-President of the Opponent.
9. In his Declaration dated 4 January, 1999, Mr. McCann states that the Opponent is “*a nationwide florist that sells flowers and floral products by telephone, interactive and online services and at retail stores*”. He explains that US-based customers can order flowers for delivery to anywhere in the continental United States simply by dialling “1-800-FLOWERS”, which, on an alpha-numeric telephone keypad, equates to the telephone number 1-800-3569377. The Opponent alone has the right to use that telephone number in the United States. Mr. McCann states that his company also receives orders from countries other than the United States, including Ireland, but that it may be necessary for customers located outside of the United States to use “*the numeric telephone number which corresponds to 1-800- FLOWERS*”. The Opponent has enjoyed phenomenal commercial success with huge annual turnover and marketing expenditure (approximately \$125 million and \$13.75 million, respectively, in 1995, the year that the present applications were filed). Mr. McCann states that it is now the second-largest company in its market sector in the United States. With regard to the awareness of the Opponent and its trade marks outside of the United States, he says that the Opponent has registered or applied to register its marks in

at least a dozen other countries, including Ireland, and that it enjoys a large volume of international sales, including from orders filled in Ireland, a significant portion of which were received from customers ordinarily resident here.

10. In his Declaration dated 4 May, 1999, Mr. McCann states that, in each of the years 1990-1994, the Opponent filled orders from customers in Ireland and also filled orders for which the recipients were in Ireland and he exhibits lists of names and addresses of the relevant customers and recipients.

*Rule 38*

11. Evidence submitted by the Applicant under Rule 38 consisted of a Statutory Declaration (and Exhibits JFZ1A and 1B and JFZ2-JFZ13) dated 5 November, 1999 of James Francis Zockoll, Chairman of the Zockoll Group Limited and of the Applicant, which is a wholly owned subsidiary of the Zockoll Group Limited. Much of this Declaration is taken up with rebuttal of the Opponent's claims to have traded in Ireland and to have a reputation under its trade marks here, which is an aspect of the case that I do not need to go into at this stage. As regards the Applicant's business, Mr. Zockoll explains that his company<sup>2</sup> acquired the telephone numbers 1-800-3569377 (1-800-FLOWERS) and 1-800-3567478 (1-800-FLORIST) from Telecom Éireann (now Eircom) in May, 1995. Although those numbers, along with some others, were subsequently withdrawn, their reinstatement was secured through proceedings in the High Court. The present applications for registration of the trade marks 800 FLOWERS and 800 FLORIST were made immediately following the withdrawal of the telephone numbers and at a time when, says Mr. Zockoll, the Applicant had a clear intention to set up a floral business based on the alpha-numeric telephone numbers 1-800-FLOWERS and 1-800-FLORIST. That business has since been established through the conclusion of contracts with a number of florists whose services may be accessed through the use of the free-phone telephone number 1-800-3569377 (1-800-FLOWERS), which number is advertised in the Golden Pages.

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<sup>2</sup> apparently a reference to The Zockoll Group Limited

*Rule 39*

12. Evidence submitted by the Opponent under Rule 39 consisted of –

- a further Declaration (and Exhibits CMC1-CMC9) dated 12 October, 2000 of Christopher G. McCann,
- a Statutory Declaration (and Exhibits LB1-LB5) dated 28 September, 2000 of Liam A Brady, a private investigator,
- a still further Declaration (and Exhibit A) dated 13 February, 2001 of Christopher G. McCann,
- a Statutory Declaration (and Exhibits POCL1 and POCL2) dated 19 February, 2001 of Patrick O'Connor Lawler, a registered Trade Mark Agent, of MacLachlan & Donaldson, Trade Mark Agents, and
- Statutory Declarations of Niamh Clarke, Trevor Kellett and Ian Dunlop (all Irish citizens) and Karlin Jeanne Lillington, Christine McKegney and Shelley Lange Rahiya (all citizens of the United States of America) bearing dates in January and February, 2001.

13. In his Declaration dated 12 October, 2000, Mr. McCann responds to Mr. Zockoll's criticism of his earlier evidence with regard to the Opponent's use of its trade mark I-800-FLOWERS in this jurisdiction and offers some additional evidence in support of the Opponent's claim to have a reputation under that mark here. This is a matter that I will return to when considering the merits of the opposition under Section 19 of the Act.

14. In his Declaration, Mr. Brady sets out the results of an investigation that he conducted, on the instructions of the Opponent's Trade Mark Agents, into the Irish registered company 800 FLOWERS LIMITED and into two florists, Flowers 'n Thoughts of Dundalk, Co. Louth and Mad Flowers of College Green, Dublin, which are mentioned in Mr. Zockoll's evidence under Rule 38. He says that he visited the registered office of 800 FLOWERS LIMITED at 56-58 Townsend Street, Dublin 2 and found that that office is the headquarters of Dyno-Rod Limited and bore no sign or name-plate for "800 FLOWERS". He telephoned the number given on the company's website for its "head office" (1-800-356747) and found that calls to that line go directly to Dyno-Franchise Limited in Surrey,

England. He also visited the premises of the florists named above and did not encounter any instance of the use of the company name or trade mark 800 FLOWERS. Between 11 and 23 May, 2000, he made a number of telephone calls to 1-800-3569377 from within the 01 and 04 telephone areas and was connected on each occasion to one or other of the named florists. He ordered flowers for delivery from each and the bouquets delivered bore no mention of the trade mark 800 FLOWERS.

15. In his Declaration dated 13 February, 2001, Mr. McCann returns to a matter that he has addressed in his previous Declarations, namely, the use by customers of the Opponent's website, and he reports that 2,864 Irish users visited the 1-800-FLOWERS website during the period 30 June – 4 December, 2000. He says that the internet is now the Opponent's fastest growing sales channel.

16. In his Declaration, Mr. O'Connor Lawler reports on a survey conducted by his firm in late 2000/early 2001 to gauge the extent to which the Opponent's trade mark 1-800-FLOWERS was known amongst Irish people and U.S. citizens resident in Ireland. He exhibits a questionnaire that was circulated together with the responses received and claims that those responses show that 25% of the respondents would associate the use of the trade mark 800 FLOWERS with 1-800-FLOWERS.

17. The Declarations of Niamh Clarke, Trevor Kellett, Ian Dunlop, Karlin Jeanne Lillington, Christine McKegney and Shelley Lange Rahiya are all in similar terms and in each case the deponent states that s/he associates the name 1-800-FLOWERS with a U.S. company and, if s/he were to encounter use of the name 800 FLOWERS in Ireland, s/he would associate its use with the U.S. company.

### **The hearing**

18. At the Hearing the Opponent was represented by Brian O'Moore, SC instructed by MacLachlan & Donaldson, Trade Mark Agents and the Applicant by Paul Gallagher, SC instructed by F.R. Kelly & Co., Trade Mark Agents. Of the grounds of opposition cited in the notices of opposition, Mr. O'Moore relied on those based on Section 19, on Sections 2 and 25 and on the Controller's discretion

to refuse registration. I consider each in turn below and will refer, as necessary, to the relevant evidence and to the very comprehensive and insightful submissions made at the hearing.

***Section 19 – use of marks disentitled to protection in a court of law***

19. Section 19 of the Act reads as follows:

*“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 law, or would be contrary to law or morality, or any scandalous design.”*

20. The origins and legislative history of that Section (or, rather, of Section 11 of the UK Trade Marks Act, 1938 of which our Section 19 is the equivalent) have been the subject of detailed analysis in numerous well-known decisions of the English courts. In *BALI Trade Mark* [1969] RPC 472, Lord Upjohn observed that the Section was “*designed not so much for the protection of other traders in the use of their marks or their reputation but for the protection of the public*”. It can thus be contrasted with Section 20<sup>3</sup>, which he described as “*a weapon in the hands of a registered proprietor*” and which a trade mark proprietor can use to defend his private interest in the mark in question. Section 19, on the other hand, pursues an object that is in the public interest, namely that registration is not afforded to marks, the use of which would be likely to deceive consumers or cause confusion among them. With that in mind, it is useful to recall that, in order to succeed in an objection under Section 19, an opponent does not need to show that there is an actual probability of deception leading to passing off but merely that the use of the mark put forward for registration would cause a number of consumers to wonder whether it might not be the case that the goods in question come from the same source as those marketed by the opponent<sup>4</sup>.

21. The Opponent asserts that the use by the Applicant of the marks propounded for registration would be likely to deceive and cause confusion among consumers

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<sup>3</sup> equivalent of Section 12 of UK Trade Marks Act, 1938

<sup>4</sup> *BALI*, pg. 496

here because of its own prior use of its trade mark 1-800-FLOWERS. The Applicant denies that the use that the Opponent has made of that trade mark has come to the notice of consumers here such that there would be any likelihood of confusion if it were to use the marks put forward for registration. Whether or not the Opponent's trade mark 1-800-FLOWERS was known to consumers in this jurisdiction as of the date of filing of the present applications (the relevant date) is, therefore, the first question to be addressed and there is a good volume of evidence, from both sides, on that matter.

22. The Opponent has given evidence of long and extensive use of the name 1-800-FLOWERS in the United States. It first registered the mark there in 1975 and its turnover and marketing expenditure under the trade mark in the three years immediately prior to the relevant date were approximately \$300 million and \$33 million, respectively. Of course, this trade has been largely in the United States, which is the Opponent's home market but there is some evidence also of orders placed with the Opponent for delivery to recipients in Ireland (approximately 365 orders) and of orders placed by customers having addresses within the State (approximately 55 individuals) prior to the relevant date. In addition, the Opponent claims that, by virtue of the widespread references to it in media articles relating to the flower business, the appearance of its trade mark in U.S. television programmes that are aired in Ireland and the high volume of personal and business travel between Ireland and the United States, its reputation under the trade mark 1-800-FLOWERS has "spilled over" into this jurisdiction such that it is known to a substantial number of persons here.

23. The Applicant has also given evidence on this aspect of the case. At paragraphs 3 and 4 of his Declaration filed as evidence under Rule 38, Mr. Zockoll describes the way in which an order placed in one country for delivery of flowers to a recipient located in another is handled by the company receiving it. Mr. Zockoll explains (and there is no surprise in this) that such orders are filled using the services of so-called "relay services", which provide a link between the florist who receives the order and the florist who actually makes up and delivers the bouquet to the recipient. Interflora, which would be known to consumers here, is such a relay service and Mr. Zockoll says that the best known such relay services



in the United States are AFS, FTD and TELEFLORIST. For a given order, the amount paid by the customer will cover the fee charged by the receiving florist, the fee charged by the relay service and the fee charged by the florist who actually fills and delivers the order, which latter amount will, of course, constitute the greater part of the sum paid by the customer. The significance of this evidence is that it proves (if proof were needed) that, in the flower delivery business, the fact that a given service provider can show that it has received and acted on orders for delivery to a particular country or region does not necessarily prove that it has any real or established business in the country or region in question. Mr. Zockoll refers specifically to orders placed in the United States with the Opponent in 1997 for delivery of flowers to the United Kingdom, Ireland and France and to the fact that the packaging, etc. of the flowers that were delivered referred to the names of the relay service used and the local florists who made up and delivered the bouquets but bore no mention of the Opponent's trade mark.

24. Having regard to all of this evidence, I have to decide whether, on the balance of probabilities, the Opponent's trade mark was known to a substantial number of persons in this jurisdiction as of the relevant date such that there existed potential for confusion if the marks propounded for registration by the Applicant were used at that date as trade marks for the relevant goods. The goods in question are in no way specialised and are sold to consumers generally and it follows that it is the level of recognition of the Opponent's mark among consumers generally that must be assessed in order to determine whether there was sufficient awareness of the mark as of the relevant date for a real and tangible danger of confusion to have existed<sup>5</sup>. I speak of awareness of the Opponent's mark rather than reputation, or even simple use, of it because I do not believe that the Opponent's evidence establishes any direct use of the mark in this jurisdiction prior to the relevant date. Given the nature of the particular business and how it is organised, I do not think that the delivery of flowers, on foot of orders placed abroad, to recipients located within the jurisdiction is evidence of direct, or indeed any, use of a trade mark here by a foreign service provider. I also think it likely that most, if not all, of the

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<sup>5</sup> contrast with the position in *TRANSFERMATIC Trade Mark* [1966] 83 RPC 568 in which the goods were highly specialised and likely to be purchased only by senior managers of mass production factories

persons resident in this jurisdiction whom the Opponent has named as its customers would have placed their orders with the Opponent when they were temporarily in the United States and when they would have had access to the Opponent's service via the relevant freephone number rather than having to access that service from here by prefixing that number with an international dialling code; that is simply not a probable scenario.

25. Nevertheless, an awareness of the Opponent's trade mark among consumers here as of the relevant date, even if that awareness has not resulted from actual trading within the jurisdiction, should be sufficient to ground the objection under Section 19. If, as stated, the object of the Section is the prevention of deception and confusion of consumers, then potential deception or confusion, howsoever arising, must disentitle a mark to protection. Where the allegation of likely deception or confusion is grounded on a similarity with another mark, it cannot be the case that, although a likelihood of deception or confusion is apparent, the prohibition on registration cannot apply for the sole reason that the opposing mark came to be known to consumers here as a result of activity other than direct trading<sup>6</sup>.

26. So, does the evidence establish, as a matter of probability, that there was a substantial number of ordinary consumers in this jurisdiction as of the relevant date who were aware of the existence of the Opponent's trade mark 1-800-FLOWERS notwithstanding that the Opponent had not traded under the mark here? In my opinion, the answer to that question must be that it does not. The three main facts relied on by the Opponent to assert that its mark was known here as of the relevant date are advertisement of its services in newspapers and periodicals in circulation here, the use of its mark to create "realism" on the sets of U.S. television shows that are aired here and the substantial number of U.S. citizens that live in, or visit, this country. As regards the first of these, I think one must exercise caution in drawing conclusions from the fact that advertisements for goods or services may have appeared in foreign publications that have a circulation here; such advertisements are, of necessity, aimed at consumers in the

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<sup>6</sup> that was the view of the Court of Appeal of New Zealand in *Pioneer Hi-Bred Corn Co. v Hy-Line Chicks Pty. Ltd* [1979] RPC [No. 19] 410 although, admittedly, there is a significant difference between the language of Section 19 and that of the analogous provision under consideration in that case

market in which the relevant products are offered for sale, which is invariably the country of origin of the relevant publication. Nor is it to be expected that Irish readers of the foreign publication are likely to pay particular heed to the advertisements carried therein as they will have an intuitive perception that the advertisements are not aimed at them and that the relevant products are unlikely to be readily available to them. It is not the same as advertising carried in a national or local publication, which is of direct interest and relevance to its readership. So, while I do not discount entirely the fact that the Opponent had advertised in newspapers such as the New York Times and USA Today and that such newspapers may circulate here, I do not regard that fact as particularly significant or likely to sway the balance of probabilities in favour of a finding that the Opponent's trade mark was known to consumers here as of the relevant date. Similar reasoning applies as regards the fact that the Opponent's mark has appeared on U.S. television programmes that are popular in this country. I think it unlikely that the use of the mark in the manner described by the Opponent would have caused it to become impressed upon the consciousness of Irish audiences to any significant extent, if at all.

27. As to the fact that considerable numbers of U.S. citizens, many of whom may be assumed to be familiar with the Opponent's mark, visit Ireland every year, I think that that is not something to be accorded any significance in determining the extent of awareness of the mark among consumers here or the likelihood of deception or confusion arising if the Applicant's marks were to be used as trade marks for the relevant goods. The "average consumer" must be understood as meaning the average Irish consumer, not in terms of nationality, of course, but certainly in terms of country of residence. To include tourists of any nationality in the pool of consumers to be considered for the purposes of determining the likelihood of confusion between trade marks within the Irish market would be to fundamentally distort the assessment and would be inconsistent with the system of protection of marks within territorial limits. In contrast, the Opponent's evidence with regard to the number of U.S. citizens ordinarily resident here at any given time is, in my opinion, quite relevant to the question before me and I note that approximately 30,000 U.S. citizens were registered as resident here in each of the

years 1990-1995<sup>7</sup>. That is not an insignificant figure but, again, I do not think that the presence within the market in this jurisdiction of a body of consumers of that size, an unspecified proportion of whom may be assumed to have known the Opponent's mark, is sufficient to infer that the mark was known to a *substantial number* of persons here, given that the goods in question are aimed at consumers generally.

28. The final observation that I need to make on this aspect of the matter is in relation to the survey results exhibited with Mr. O'Connor Lawler's Declaration filed as part of the Opponent's evidence under Rule 39. While the assertion in that Declaration to the effect that 25% of the respondents to the survey associated the trade mark 800 FLOWERS with the Opponent might appear impressive at first glance, Mr. O'Moore did not make any play of it at the hearing (quite sensibly, in my opinion) and I think it is fair to say that even a cursory examination of the evidence shows that the survey was fundamentally flawed. Apart from the fact that it was conducted some five years after the relevant date, the vast majority of the persons surveyed (121 of 135) were customers of the Opponent, whose names were selected from the Opponent's sales records and who were, therefore already familiar with the Opponent and its trade mark. The survey questionnaire itself is worded in such a way as to effectively prompt the answers that it seeks to elicit, namely, that 1-800-FLOWERS and 800 FLOWERS are interchangeable names and that the use of the latter would indicate a connection with a particular company being the same company that is identified by the former. That kind of survey evidence is not at all helpful, let alone persuasive.

29. For the reasons that I have given, I conclude that the Opponent's evidence is not sufficient to establish a probability of recognition and awareness of the Opponent's trade mark 1-800-FLOWERS among a substantial number of persons within this jurisdiction as of the relevant date. It follows that there was not the requisite potential for deception or confusion to arise if the Applicant were to use the marks propounded for registration as of that date in order for the prohibition on

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<sup>7</sup> paragraph 5 of Christopher McCann Declaration dated 12 October, 2000

registration contained in Section 19 to apply. I therefore dismiss the opposition to registration based on that Section.

***Sections 2 and 25 –marks proposed to be used as trade marks within the statutory definition***

30. A “trade mark” is defined at Section 2 of the Act as meaning, for the purposes of the present applications, “*a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right ... as proprietor ... to use the mark ...*”. Section 25 requires “*a person claiming to be the proprietor of a trade mark used or proposed to be used by him*”, who is desirous of registering it, to apply to the Controller for registration. It follows that an application for registration that is made in the name of a person who is not the intended user of the mark, i.e. the use of the mark will not indicate a connection in the course of trade between the relevant goods and that person, is open to objection and liable to be refused<sup>8</sup>. At the hearing, I referred to this as a “technical objection”, intending to distinguish it from a substantive objection against a mark, *per se*, based on absolute or relative grounds. That prompted Mr. O’Moore to point out, quite correctly, that it is, in fact, a very fundamental objection insofar as it goes to the very essence of the entire scheme of the Act, namely, that a trade mark, in order to be registrable, must function to identify the goods of its proprietor who must be the Applicant for registration.

31. The Opponent’s assertion is that the marks that are the subject of the present applications are not intended to be used by the Applicant, Phonenames Limited, and that the use of the marks will not, in practice, serve to indicate a connection in the course of trade between the goods and Phonenames Limited. Mr. O’Moore argued that proof of this assertion is to be found in the Applicant’s own evidence in which Mr. Zockoll explains the role played by the Applicant in the franchise operations that form the business of the group of companies headed by The Zockoll Group Limited. At paragraph 7 of his Declaration filed as evidence in support of the applications under Rule 38, Mr. Zockoll refers to related opposition

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<sup>8</sup> except in the circumstances specified in Section 37 of the Act but those are not applicable in this case

proceedings before the United Kingdom Trade Mark Registry and he exhibits, as Exhibit JFZ5, a copy of a Statutory Declaration dated 30 September, 1996, which he made in those proceedings. At paragraphs 2-18 of the latter Declaration, Mr. Zockoll sets out in detail the nature of the business engaged in by the Applicant, Phonenames Limited, and its relationship with its parent company, The Zockoll Group Limited, and with other members of the group of companies headed by that company. Having described the development of a successful drain-cleaning franchise run through Dyno-Rod Plc, a wholly-owned subsidiary of The Zockoll Group limited, Mr. Zockoll goes on to explain how it is intended to develop further franchise operations around the concept of “phonenames”. He says,

*“For the phonenames business, ....., a separate company has been set up, Phonenames Limited, ....., which is also a wholly owned subsidiary of The Zockoll Group. [Phonenames Limited] are the company responsible for promoting and marketing the alpha-numeric concept. This involves educating the consumer about what numbers go with which letters to form a standard keypad. This is accomplished, for example, by showing consumers and our potential licensees samples of the standard keypads and producing templates to fit over existing telephone keypads. It is also necessary to educate the consumer to use the letter “O” (not the number “0”) when dialling a phonename. The Zockoll Group leases the telephone numbers from the service providers and licenses them to third parties through [Phonenames Limited]. There is an inter-company charge to [Phonenames Limited] for The Zockoll Group’s services.”*

32. Mr. Zockoll then proceeds to explain how the use of a particular phonename<sup>9</sup> will function in practice to connect callers to the relevant telephone number with service providers in their local area. This is to be done either by “origin dependent routing” (whereby the telephone service provider designs a telephone network under the relevant number and uses the geographic origin of calls made to that number to automatically sends such calls to the nearest service-provider) or by “central telemarketing” (whereby a company established for the purpose takes

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<sup>9</sup> he gives the example 0800 PLUMBER, i.e., 0 800 7586237 (0 800 being the free-phone code in the UK as opposed to 1 800 which is used here)

all the calls to the relevant number and, having entered the relevant details on a central computer, dispatches them to the local service provider in the caller's area). Both scenarios involve the creation of what Mr. Zockoll refers to as a trading company, which would be permitted by Phonenames Limited to use the relevant trading name (800 FLOWERS or 800 FLORIST in the present case) and whose function would be to create and design the network of service-providers whose services will be accessible via the corresponding telephone number.

33. Mr. O'Moore's contention, on behalf of the Opponent, was that the model of trading thus described was not such as would involve the use of the relevant trade marks, 800 FLOWERS or 800 FLORIST, for the purpose of indicating, or so as to indicate, a connection in the course of trade between the Applicant and the relevant goods. In fact, he argued, there is no such connection and the Applicant's role in the franchising operation is as stated by Mr. Zockoll, *viz.*, to promote and market the phonename concept, *per se*, whether related to the provision of flower delivery services or not, and to collect fees from service providers recruited by the "trading company" to participate in the franchise scheme. Mr. Gallagher responded to this assertion by referring to the clear evidence of Mr. Zockoll to the effect that the Applicant had, at the relevant date, a definite intention to set up a floral business under the marks for which registration was applied. That evidence has not been contradicted and, in fact, the business has since been established. The fact that the business operates on the basis of a franchise does not in any way prevent the Applicant from directly trading in the relevant goods itself. Nor should it be assumed that the normal conditions of a franchise, whereby the franchisor exercises due control over the quality, etc., of the product identified by the relevant brand, are not present in this case and the Applicant's role as franchisor should be regarded as sufficient to establish the requisite connection in the course of trade between it and the relevant goods.

34. This case is somewhat unusual insofar as there is ample evidence available to me as to the Applicant's intentions, as of the date of filing of the applications, with regard to the use of the marks in question and, indeed, as to the business that the Applicant has operated in this jurisdiction since that date. It is often the case that an objection under Sections 2 and 25, having been raised somewhat speculatively

by an opponent, is met with a flat denial and subsequently simply abandoned. That is not the case here. In this case, I am satisfied that the Opponent's prior knowledge of the business operations of the Applicant and its related companies gave it cause to seriously doubt whether the Applicant intended to trade in goods such as those covered by the present applications and that its objection to registration on this ground has been a central plank of its opposition from the start. The objection having been raised, it fell to the Applicant to deny and disprove it and it is fair to say that the Applicant's evidence on the matter is both candid and comprehensive. Mr. Zockoll has held nothing back in describing the franchising operations pursued by his companies and he cannot be faulted for the open manner in which he has approached the giving of evidence on this aspect of the case. Unfortunately for the Applicant, the very clear message of that evidence is that the Applicant has never been engaged in the production or sale of goods such as those covered by these applications and nor has it ever been intended that it should be so engaged. The Applicant is concerned with the promotion of a concept – the use of words to convey telephone numbers – which is fundamental to the franchise operations of the group of companies of which it is a member. As regards the intended use of the marks that are the subject of the present applications, it appears that any such use would be by the entity that Mr. Zockoll refers to as the “trading company” and, even then, it is far from clear that such use would be for the purpose of indicating a connection between that entity and the relevant goods; it seems to me more correct to say that any use of the marks would be in connection with a *service* of receiving orders for delivery of flowers and arranging for those orders to be filled but, in any event, I think there can be no doubt but that the present Applicant is not the intended user of these marks as trade marks for the relevant goods.

35. It appears also, from the evidence of both the Applicant and the Opponent, that the business model which Mr. Zockoll said<sup>10</sup> it was intended to apply to the exploitation of the phonenames concept has, in fact, been applied as originally intended. So, for example, at paragraph 17 of his Declaration filed as evidence under Rule 38, Mr. Zockoll reiterates his assertion that his company always

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<sup>10</sup> in 1996 when he made his Declaration in the UK proceedings and again in 1999 when he confirmed his earlier statements in his Declaration in these proceedings



intended to use the trade marks 800 FLOWERS and 800 FLORIST in Ireland and he exhibits, as Exhibit JFZ11, copies of correspondence with Irish florists relating to their proposed participation in the flower delivery service to be operated under the number 1 800 3569377 (1 800 FLOWERS). This material includes copies of letters sent on stationery bearing the names of companies called Fingertip Marketing Ltd. and 1-800 FLOWERS Ltd. to the florists referred to in Mr. Brady's Declaration filed as part of the Opponent's evidence under Rule 39, namely, Flowers 'n Thoughts of Dundalk, Co. Louth and Mad Flowers of College Green, Dublin. Fingertip Marketing Ltd. and/or 1-800 FLOWERS Ltd. appears to be fulfilling the role of the "trading company" referred to in Mr. Zockoll's evidence insofar as the correspondence is entered into as part of the creation and design of a network of service providers whose services are accessible via the relevant telephone number. The only mention of the Applicant, Phonenames Ltd., in this correspondence or the enclosures thereto comes at the end of the "Shared Service User Agreement" which is concluded with the relevant florists when it is stated that the cheque (in respect of the fee payable for participation in the scheme) is to be made payable to Phonenames Ltd. That corresponds with a statement made by Mr. Zockoll in his Declaration in the UK proceedings (Exhibit JFZ5 referred to in paragraph 20 above) that "[Phonenames Ltd.] is responsible for the promotion and marketing of the phonenames business. ....[Phonenames Ltd.] receive a royalty from its licensees for use of the trade marks, slogans and phonenames.". While the correspondence at JFZ11 relates to the exploitation of the telephone number 1 800 3569377 (1 800 FLOWERS) as opposed to the use of the trade mark 800 FLOWERS, *per se*, it is significant in that it is entirely confirmatory of the manner of trading that Mr. Zockoll said it was intended to apply to the use of the trade marks 800 FLOWERS and 800 FLORIST in Ireland. That manner of trading is not one in which there appears to be any use of the relevant trade marks for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and Phonenames Ltd.

36. I have also referred to the Opponent's evidence on this aspect of the case and I think it is correct for me to have regard to Mr. Brady's evidence as to the operation, in practice, of the flower delivery service provided via the telephone number 1 800 3569377. Mr. Brady has given evidence that he visited the

premises of the florists providing that service and that he ordered flowers for delivery using the service on three occasions but that he did not witness a single instance of the use of the trade mark 800 FLOWERS, either on the premises or on the wrappings of the flowers themselves. I regard that evidence, which has not been contradicted by the Applicant, as further proof that the manner of trading which Mr. Zockoll said it was proposed to apply to the use of the trade mark in Ireland is, in fact, in operation but that it does not, however, involve the use of the mark as a trade mark for the relevant goods at all.

37. Before concluding my consideration of this ground of opposition, I must refer to the submissions made on behalf of the Applicant to the effect that the Applicant is, and always has been, free to use the marks as trade marks notwithstanding its particular role in the franchise operations that have been described above, and that there is no evidence to suggest otherwise. While I would agree that it has not been proven beyond doubt that such a possibility is not open to the Applicant and that it was not open to it at the time of the filing of the present applications for registration, these are civil proceedings and the standard of proof is on the balance of probabilities. Looked at in that light, I think the evidence points clearly to the inference that there was never any real intention on the part of the Applicant to use these marks as trade marks for the relevant goods within the statutory definition. That is a fundamental requirement of registration, as noted at *Kerly's Law of Trade Marks and Trade Names (Twelfth Edition)*, para. 2-04, "*It is explicit in the definition of a trade mark, that the connexion in the course of trade to be indicated by the mark must be with the proprietor ....; as distinct, for instance, from use of a mark to indicate such goods by whomsoever made.*" While I do not doubt that it was Mr. Zockoll's intention at the relevant date that the trade marks 800 FLOWERS and 800 FLORIST should be used in relation to a flower delivery service in the State, I am satisfied that that intention was not to be realised by the use of the marks as trade marks for goods with which the present Applicant, Phonenames Limited, was to have any connection whatsoever.

38. I therefore find that the Applicant did not intend to use the trade marks that are the subject of these applications as trade marks for the relevant goods, within the

statutory definition, and that the applications do not comply with the requirements of Section 25(1) of the Act and must be refused accordingly.

***Sections 2 and 25 –intention to use marks conditional on other events***

39. A further basis for the opposition under Sections 2 and 25 of the Act was advanced at the hearing, namely that any intention that the Applicant may have had to use the marks put forward for registration was entirely dependent on the availability to it of the corresponding freephone numbers and that it was not, therefore, an unconditional intention to use as envisaged by Section 25 of the Act. Mr. Gallagher rejected that assertion, stating that the institution of the legal proceedings for the reinstatement of the relevant telephone numbers and the filing of these trade mark applications were both done in pursuit of the Applicant's clear intention to use the trade marks. Having already found that the Applicant did not have the requisite intention to use the marks within the statutory definition, it becomes unnecessary for me to address this point but I do so for the sake of completeness and in order to dispose of all of the matters raised before the Controller.

40. It is well established that a person must have a *present and definite* intention to use a trade mark at the time of applying for its registration<sup>11</sup>. I do not think it follows, however, that the intention to use must be entirely unconditional and it is surely the case that many, if not all, business decisions are conditional on some or other circumstance, which may or may not be within the power of the undertaking in question to control. That applies also to the question of proposed use of a trade mark, which might be contingent on, say, securing funds to finance an expansion into a new line of goods or on securing sufficient orders or contracts to make trading viable. If real preparations were underway to commence business under a certain trade mark, I do not think that it could be said that there was not a present and definite intention to use the mark simply because the proposed use was contingent on the outcome of those preparations.

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<sup>11</sup> *Batt* [1898] 15 RPC 534, followed in *Ducker's Trade Mark* [1928] 45 RPC 105; see also *Imperial – v-Philip Morris (NERIT)* [1982] F.S.R. 72

41. It is really a question of fact in every case and, in the present case, I think that the Applicant, having already secured the relevant freephone numbers and having instituted proceedings for their reinstatement when they were removed, displayed the kind of earnest intention that may be expected of a person claiming to have an intention to use a trade mark. Of course, if it had been unsuccessful in its efforts to recover the freephone numbers then it would have been impossible for it to pursue the exploitation of the phonename concept in the way that it has done since but that does not mean that it did not have a *bona fide* intention of so doing at the relevant time. In the circumstances of the case, I am not prepared to refuse these applications solely on the basis that any intention to use the marks was conditional on the success of the legal action against Telecom Eireann.

***Section 25(2) – discretionary refusal of applications***

42. Section 25(2) provides that, subject to the Act, “*the Controller may refuse the application or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think right*”. There is, therefore, in addition to the grounds for mandatory refusal, a residual discretion to refuse registration and the Opponent has sought the exercise of that discretion adversely to the Applicant on the basis that the applications lack *bona fides* for the following reasons, namely;

- (i) that the Applicant is falsely described as a “*Manufacturer and Merchant*” in the applications for registration, thereby disguising the true nature of the Applicant’s business and, by extension, the fact that it did not itself intend to trade in goods of the kind covered by the applications,
- (ii) that the applications for registration having been made for the purposes of bolstering the Applicant’s position in its litigation against Telecom Eireann, they were not made in good faith but merely as a tactic in that dispute, and
- (iii) that the Applicant, being aware of the Opponent’s trade under its trade mark(s) wrongly sought to appropriate for itself the Opponent’s trade

marks and to frustrate the Opponent's legitimate desire to enter the market here.

43. As to the first of these, I should say that it is a serious matter for an application for registration to contain any information that is false or misleading and that, upon proof of a deliberate intention on the part of an applicant to mislead, there is no doubt but that the application should be refused. In the present case, no evidence was adduced to show that the Applicant is not a "manufacturer and merchant" and nor is there any evidence as to how, if it is not, it came to be so described in the applications for registration. Indeed, this aspect of the Opponent's case only emerged at the hearing and, while that does not invalidate it, it creates a difficulty for the Applicant in answering it and for me in deciding it.

44. On the balance of probabilities, I think that the description of the Applicant as a manufacturer and merchant was erroneous. As I have already said at paragraph 34 above, the Applicant's object is the promotion of the phonenames concept and I think it very unlikely that it manufactures anything and doubtful that it sells anything, in the sense of being a merchant. As to how the description came to be included in the applications for registration, it is entirely possible that the Applicant gave its Agents no instructions in that regard and that the Agents simply included the description as a matter of course, as almost every applicant for registration under the 1963 Act was so described. If that was the case, then the filing of the applications could be said to have been given insufficient care and attention but I would not be inclined to say that there was *mala fides* on the part of the Applicant. Perhaps I can be accused of being overly generous to the Applicant but, in the absence of any evidence on a point that was raised late in the day, I am prepared to give it the benefit of the doubt. In any event, the point is moot as I have already found that the Applicant did not have an intention to use the marks as trade marks for the relevant goods and any mischief that may have arisen from the erroneous description of the Applicant in the applications for registration has been avoided.

45. With regard to the fact that the applications for registration were made in the context of the Applicant's legal action against Telecom Eireann, it will be clear

from my earlier remarks that I do not regard that as indicative, in itself, of the Applicant not intending to use the marks as trade marks for the relevant goods. Nor do I think that fact should lead to the conclusion that the applications themselves were wanting in *bona fides* or that the Applicant sought to misuse the application procedure as a tactical weapon in its dispute with Telecom Eireann. While some of Mr. Zockoll's remarks are unfortunate in the impression that they create as to the Applicant's intentions, his evidence, taken in its totality, is to the effect that the Applicant genuinely intended to commence operations within the State and that the applications for registration were made in the context of that intention and in pursuit of it. That being the case, I do not think that the timing of the applications in immediate response to the withdrawal by Telecom Eireann of the relevant freephone numbers is as significant as it might at first appear. On this point also, I would not exercise the Controller's discretion to refuse the applications.

46. By far the most serious ground on which bad faith in the making of the applications is alleged is that the Applicant is seeking to appropriate for itself trade marks which it knows to be those of the Opponent. In this regard, Mr. O'Moore referred at the hearing to the fact that, in addition to the present applications, the Applicant has registered or applied to register other trade marks previously registered or used by the Opponent in the United States including the slogan JUST CALL OUR NAME. He asserted that the Applicant must have known that there was a likelihood of the Opponent expanding its operations into this market and that, in those circumstances, the applications can only have served the purpose of frustrating those plans and, so, were made in bad faith. Mr. Gallagher responded to the effect that the Applicant is perfectly entitled to establish a business around the freephone telephone numbers that it has legitimately secured from Telecom Eireann and, in doing so, is perfectly justified in using the trade marks that go with the use of those numbers. If the Opponent had seriously intended to expand its operations into this market, then it behoved it to take steps to secure for itself the relevant freephone numbers. Neither the Applicant nor any other undertaking can reasonably be expected to sit on its hands and do nothing while waiting for the Opponent to decide whether or not to enter the market here. The relevant numbers were available and, once they had been

secured by the Applicant, the filing of corresponding trade mark applications was sensible and justified and cannot be characterised as an act of bad faith.

47. There is really no dispute as to the fact that Mr. Zockoll, who is the chairman of the Applicant, knew of the existence of the Opponent and its business prior to the filing of the present applications for registration and, indeed, prior to the acquisition by The Zockoll Group of the corresponding freephone numbers from Telecom Eireann; that is clear from the evidence. I have already referred to Exhibit JFZ5 to Mr. Zockoll's Declaration, which is a copy of a Statutory Declaration (and exhibits) filed by him in proceedings between the parties in the U.K.. One of the exhibits to that Declaration (also Exhibit JFZ5, as it happens) is a bundle of correspondence that passed between the parties in relation to the terms on which 1-800 FLOWERS Inc. might secure from The Zockoll Group the right to use the freephone number 0 800 3569377 (0 800 FLOWERS) in the U.K., to which the latter had secured a subscription from the telephone service provider in that jurisdiction. That correspondence commenced in June, 1994 and it shows that Mr. Zockoll knew of the Opponent and its plans to expand its business to the U.K. prior to the filing of the present applications in November, 1995. I also regard it as evidence that Mr. Zockoll could reasonably have assumed, as of the relevant date, that the Opponent would also seek to expand its operations into this market.

48. On the face of it, therefore, it appears that the question is whether a person acts in bad faith if he seeks registration of the trade mark of a foreign trader in circumstances in which it is reasonable to expect the imminent expansion into this market of the foreign trader's business. In a decision dated 26 November, 2003 in the matter of Trade Mark Application No. 200133 (94/2088) *LITTLE CAESARS* and opposition thereto, I held, in effect, that it is and Mr. O'Moore urged me to reach the same conclusion in this case. Of course, the significant difference between this case and *LITTLE CAESARS* is that the present marks 800 FLOWERS and 800 FLORIST are not random or invented names but are, rather, terms that have a direct application to the operation of a flower delivery service based around the use of freephone numbers and that have an inherent value in that context. They are, therefore, attractive in themselves to any prospective provider of such a service, including the Applicant. Mr. Zockoll's companies have

acquired a huge number of phonename freephone numbers and clearly have plans to build franchise operations around those numbers, which operations will probably involve the use of the corresponding phonenames as trade marks. To the Applicant, therefore, 800 FLOWERS and 800 FLORIST are no different from any of its other phonenames and it contends that the present applications are in furtherance of the flower delivery strand of its business plans and not for the purpose of appropriating the Opponent's trade marks, *per se*.

49. I have to say that this aspect of the case has given me particular difficulty, especially since the Applicant already has the relevant freephone numbers in this jurisdiction and appears to be the only party that can, in practice, make use of the corresponding trade marks. But I think that my function, on behalf of the Controller, is to look only at the trade mark issues that arise and to judge whether, in light of the facts of the case, the present applications may be said to be entitled to registration within the context of the legislation that governs the Controller's functions. To justify refusal of registration in exercise of the Controller's discretion, I must identify an aspect of the Applicant's conduct that is given expression in the applications and which may be said to be lacking in *bona fides*. Certainly, the Applicant's general business plan to pursue telemarketing around the phonename concept cannot be criticised; that field of trading is open to all. Nor was there anything wrong in the Applicant acquiring a suite of freephone numbers equating to useful phonenames – 800 DRAINS, 800 INSURE, 800 DOCTOR, etc.; that was a prudent and necessary step in the establishment of the proposed franchise operations. As to the Applicant's acquisition of the number equating to the phonename 800 FLOWERS (1 800 3569377) in the knowledge that that number would be critical to any expansion into this market by the Opponent, it is not for me to make a judgement, on moral grounds, as to the correctness of that. The Applicant has put itself in a very favourable position as against the Opponent by securing the number in question and can exploit that position to its advantage in any commercial dealings that it may choose to enter into with the Opponent.

50. However, the Applicant now comes to the Controller and seeks a statutory monopoly in the trade mark that consists of the phonename in the knowledge that



the trade mark in question is that of a potential competitor which is likely to seek to enter the market here. In deciding whether to grant registration, the question of the freephone number is really neither here nor there; it is the trade mark that is at issue and, in my opinion, the trade mark is not one in respect of which the Applicant can legitimately seek registration. It is a mark that has been used by the Opponent for many years and with great success, albeit in another jurisdiction, and the Applicant knew of that use and success when it sought to register the mark for itself here. Notwithstanding the inherent usefulness of the mark and the fact that the Applicant had previously secured the corresponding freephone number, the fact remains that registration of the mark in the name of the Applicant would frustrate legitimate expansion of its business by the Opponent in an unjustifiable manner. For that reason, I find that the application for registration of 800 FLOWERS (No. 176475) should be refused in exercise of the Controller's discretion under Section 25(2) of the Act. I would not make the same finding as regards Application No. 176476 for 800 FLORIST as it has not been shown to me that that mark (which also has an obvious usefulness in the context of a telephone-based flower delivery service) had been used by the Opponent to any significant extent as of the relevant date such that its adoption by the Applicant would have constituted a significant impediment to any legitimate expansion plans of the Opponent.

Tim Cleary

Acting for the Controller

7 February, 2006