

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

**IN THE MATTER OF APPLICATION No 1548265 BY
BANCO ESPIRITO SANTO E COMERCIAL DE LISBOA SA
TO REGISTER THE MARK BES IN CLASS 36**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
No 43033 BY BANCO EXTERIOR DE ESPANA SA**

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TRADE MARKS ACT 1994**

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**IN THE MATTER OF Application No 1548265 by
Banco Espirito Santo E Comercial De Lisboa SA to
register the mark BES in Class 36**

10 **and**

**IN THE MATTER OF Opposition thereto under
No 43033 by Banco Exterior De Espana SA**

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DECISION

20 On 21 September 1993 Banco Espirito Santo E Comercial De Lisboa SA applied under
Section 17 of the Trade Marks Act 1938 to register the mark BES for a specification of
services which reads “banking services; all included in Class 36”. The application is numbered
1548265.

25 On 25 August 1995 Banco Exterior De Espana SA filed notice of opposition to this
application. The grounds of opposition are in summary as follows:-

- 30 (i) under Sections 9 and 10 of the Act in that the mark applied for is neither
adapted to distinguish or capable of distinguishing the services concerned (the
opponents actually refer to ‘goods’ as pointed out by the applicants but I take
this to be no more than a clerical error)
- (ii) under Section 11 in that the mark applied for is likely to deceive or cause
confusion
- 35 (iii) under Section 12 by reason of registrations standing in the name of the
opponents (see below for details).

They also ask for the application to be refused in the exercise of the Registrar’s discretion.

40 Details of the registrations referred to above are as follows:-

No	Mark	Class	Journal	Specification
45 1434995	BEX	36	5963/1096	Insurance services; currency exchange services; bankers’ clearing services; co- operative credit society services; investment trust services for holding

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1439148

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5962/0932



companies; brokerage services relating to shares, bonds and property; trustee services; issuing of travellers' cheques and letters of credit; financial analysis; banking services; capital investments; debt collection and credit agencies; fiduciary, financing and loan services; real estate appraisal and management; safe deposit services; preparation of financial reports; lease-purchase financing; leasing of farms and leasing of real estate; all included in Class 36.

Insurance services; currency exchange services; bankers clearing services; co-operative credit society services; investment trust services for holding companies; brokerage services relating to shares, bonds and property; trustee services; issuing of travellers' cheques and letters of credit; financial analysis; banking services; capital investment; debt collections and credit agencies; fiduciary, financing and loan services; real estate appraisal and management; safe deposit services; preparation of financial reports; lease purchase financing; leasing of farms and leasing of real estate; all included in Class 36.

1450241

36

5952/8853



Insurance services; currency exchange services; bankers' clearing services; co-operative credit society services; investment trust services for holding companies; brokerage services relating to shares, bonds and property; trustee services; issuing of travellers' cheques and letters of credit; financial analysis; banking services; capital investment; debt collection and credit agencies; fiduciary, financing, leasing and loans services; real estate appraisal and management; safe deposit services; preparation of financial reports; all included in Class 36.

The applicants filed a counterstatement denying the above grounds. Both sides ask for an award of costs in their favour.

Both sides filed evidence in these proceedings. Neither side has requested a hearing. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

5 By the time this matter came to be decided, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly, all references in the later parts of this decision are references to the provisions of the old law.

10 Opponents' evidence

The opponents filed a statutory declaration dated 12 August 1996 by Francis Anthony Beresford, the Senior Manager of the opponent company. He says his company's London branch has been in existence since 1992 and he has been employed by them since 1990. In
15 summary he makes the following points:-

- the opponents have been using the trade mark BEX in the United Kingdom since at least as early as 1992 in respect of banking services
- 20 - since 1992 there have been some 50,000 transactions under the mark
- approximately 1.6 million Spanish pesetas have been spent on advertising and publicity since 1992. Advertisements have appeared in the Financial Times, The Economist, Kellys, Brittans, Telerate and the Banker's Almanac
- 25 - the mark appears on stationery and literature (copies are shown at Exhibit FAB1).

As a result it is said that the opponents have acquired a substantial reputation in their mark.
30 Finally Mr Beresford comments on the issue of comparison of marks.

Applicants' evidence

The applicants filed a statutory declaration dated 12 September 1997 by Hugh Frederick
35 Robert Stewart, their Senior Manager. In summary he says:

- the applicants are the registered proprietors of the marks BANCO ESPIRITO SANTO and BES logo in respect of banking services. Exhibited at HRFS-1 are examples of the BES logo in use
- 40 - the mark BES has been used in this country since at least 1992. Exhibited at HRFS-2 are specimen materials showing use of the mark including editorial materials from the national press, credit, debt and guarantee cards and extracts from the company's annual reports for the years 1992-5

- the services are targeted at Portuguese emigrants. Further material relating to such services are at Exhibit HRFS-3. The bank is said to have over 18,500 such accounts of which over 11,000 are active

5 - Since 1992 many tens of thousands of transactions have been undertaken under the mark BES

- the mark has been advertised in the national and banking press. At least £495,000 has been spent on this since 1992.

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As a result he says that the applicants have acquired a substantial reputation in the mark applied for. He too comments on the marks themselves. I bear in mind the parties' comments in reaching my decision.

15 That completes my review of the evidence.

Although the opponents have raised objections based on Sections 9 and 10 of the Act they have provided no evidence or reasons in support of these grounds. In the circumstances I do not propose to consider these grounds any further but will simply confirm that I cannot see that any objection arises under either Section.

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Sections 11 and 12 of the Act read as follows:-

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“11. It shall not be lawful to register as a service mark or part of a service 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 contrary to law or morality, or any scandalous design.

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12.-(1) Subject to the provisions of subsection (2) of this section, no service mark shall be registered in respect of any services or description of services that is identical with or nearly resembles a mark belonging to a different proprietor and already on the register in respect of the same services, the same description of services, or goods or description of goods which are associated with those services or services of that description.

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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.

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The established tests for objections under these provisions are set down in Smith Hayden and Company Ltd's application (Volume 1946 63 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:-

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(Under Section 11) Having regard to the user of the marks BEX (or BEX and device), is the tribunal satisfied that the mark applied for, BES, if used in a normal and fair manner in connection with any services covered by the registration proposed will

not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

5 (Under Section 12) Assuming user by the opponents of their marks BEX (or BEX and device), in a normal and fair manner for any of the services covered by the registrations of those marks, 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 BES, normally and fairly in respect of any services covered by their proposed registration?

10 I will deal with the matter firstly under Section 12. The opponents have three marks registered but it will be convenient to make the comparison based on No 1434995 which is for the mark BEX solus as the opponents will not be in a better position on the basis of the other registrations. It is clear that identical services are involved as the specification of 1434995
15 contains banking services. The matter therefore resolves itself into a comparison of the marks themselves. For this purpose I adopt the well known test propounded by Parker J in Pianotist Co's application (1906) 23 RPC 774. The relevant passage reads:

20 "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 further consider what is likely to happen if each of these trade marks is used in a normal way
25 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 rather you must refuse the registration in that case."

30 Self evidently both BEX and BES have common first letters and only the final letter as a differentiating feature. Nevertheless they seem to me to be easily distinguishable from a visual point of view. Whilst the beginnings of words are often said to be of particular importance, where short words are concerned small differences even at the end of a word can have a
35 marked impact on how words will be seen. Whilst the point is perhaps more easily demonstrated in the context of dictionary words, "beg" and "bet" say, it is also a relevant consideration where invented combinations are involved (as I take BES and BEX to be). So far as the sound of the words is concerned the opponents say that "X" and "S" can be pronounced in a similar way while the applicants argue that "the respective marks may be
40 regarded as the equivalent of the given name BESS and the surname BECKS which are easily distinguishable and in common use". I agree with the applicants that the marks are distinguishable but have come to that conclusion for slightly different reasons. I do not agree that their mark will (necessarily at any rate) be pronounced as BESS. In my view it is more likely to be pronounced as a hard sound as in 'fez'. On the other hand the opponents' mark
45 ends with a strong consonant which creates a distinctive and unmistakeable ending. Therefore the cautionary remarks that are usually made about the risks of slurred endings to words do not in my view apply.

Adapting the wording of the PIANOTIST test I must also of course consider the services to which the marks are to be applied, the nature and kind of customer and all the surrounding circumstances. The services at issue are banking services. They are not services which are used or provided casually. Opening and maintaining a bank account (or obtaining related banking services) is a matter of some importance to any individual and decisions relating thereto are likely to be taken with some care. Corporate users of such services are likely to take even greater care in their dealings with banks. In short I do not think that there is a real tangible risk of confusion on the basis of normal and fair use of their mark by the applicants. The opposition, therefore, fails under Section 12.

Turning to Section 11 both parties claim to have used their respective marks since 1992. Reference is made in the evidence to numbers of transactions and promotional expenditure since that date. I cannot establish from the limited material filed precisely when the marks were first used or the extent of activity up to the material date in these proceedings of 21 September 1993. However I see nothing in the circumstances surrounding the use of the marks which would lead me to a different conclusion to the one I have already reached in relation to Section 12. The exhibits filed by the opponents are either undated or bear dates which are after the relevant date referred to above. Perhaps more significantly the manner of their use further mitigates against any risk of confusion. I say this firstly because their mark is almost exclusively shown with the X in stylised form (as in registrations 1439148 and 1450241) thus drawing further attention to the final letter in the word. Secondly the word BEX is usually associated with other matter and in particular the words Banco Exterior De Espana and/or Argentaria. In short the opponents have not established a superior claim based on their use at the material date and the manner of use of their mark with other distinguishing matter puts them in a weaker position than under Section 12. The opposition, therefore, fails under Section 11.

The opponents also ask for discretion to be exercised against the applicants. I see nothing in the circumstances of this case that would justify a finding in the opponents' favour.

The opposition having failed the applicants are entitled to a contribution towards their costs. I order the opponents to pay the applicants the sum of **£435**.

Dated this 10 day of December 1998

M REYNOLDS
for the Registrar
the Comptroller-General