

TRADE MARKS ACT 1994

**IN THE MATTER OF trade mark
application No. 2232253 in the name of
Squirrel Storage Limited**

and

**Opposition thereto No. 51598 by
Squirrel Thames Valley Ltd**

BACKGROUND

1. The details of trade mark application No. 2232253 are as follows:

Mark: SQUIRREL

Squirrel

squirrel

Class 35: Provision of off-site data storage facilities provided over the Internet and telephone networks; computerised data storage facilities; provision of a computerised disaster recovery facility.

Class 39: Storage, handling, removal, guarding, crating, boxing, collection and delivery of documents, business records, data media, video and recording tapes and discs.

2. The application was filed on 12th May 2000, and published for opposition purposes.
3. On 26th October 2002 Squirrel Thames Valley Ltd (the opponents) filed notice of opposition together with a statement of grounds. The grounds of opposition are under ss. 5(4)(a) and 3(6). The matter proceeded through the statutory evidence rounds, at the conclusion of which an oral hearing was requested. The hearing took place before me on 14th November 2002 where Dr. C G Pike represented the opponents and Mr. Simon Belcher represented the applicants.

EVIDENCE

The Opponents' evidence in chief

4. This consists of a statutory declaration made by Mr Adam Edward Hamilton, Director of the opponents' company. Mr Hamilton states that the mark SQUIRREL was continuously used by himself as a sole trader (trading as Squirrel Self Storage) between October 1992 and February 1999. In February 1999 the sole trader business was incorporated into a limited company, Squirrel Thames Valley Limited (the opponents in this matter), who have continued to use the mark. The use was as a service provider of self storage facilities for a variety of

goods. Mr Hamilton also states that the mark has been used both as the word SQUIRREL and also pictorially in various logos comprising a representation of a squirrel character.

5. The self storage facilities have been provided at Barnet in Hertfordshire since 1992 and, additionally, at High Wycombe in Buckinghamshire since 1999. Mr Hamilton states that his customer base principally comprises customers from London and the Home Counties, though occasionally from further a field.
6. A number of documents associated with the setting up of the original sole trader business in 1992 are submitted: examples include correspondence relating to the lease of the Barnet site, correspondence seeking quotations for a brochure print run, documents relating to the setting up of a business bank account, correspondence relating to business insurance and also a VAT certificate for the business. Other documents are filed showing use of the mark on items such as brochures, invoices and photographs of the Barnet site. Further documents are submitted, which show a history of use and trade, including bank statements, rent demands, advertising invoices, web-site print outs and customer invoices.
7. Mr Hamilton states that approximately £1000 - £4,000 was spent annually on promoting the mark in the years before the date of opposition. Turnover is given as follows:

“10. Sales in respect of the services provided before the date of opposition were as follows:

Year ended September 1993 £43,700
 Year ended September 1994 £88,600
 Year ended September 1995 £111,700
 Year ended September 1996 £141,500
 Year ended September 1997 £146,300
 Year ended September 1998 £156,100
 Year ended September 1999 £170,700.”

The Applicants’ evidence in chief

8. This can be set out as follows:

Simon Ruston	Director of Storage/Executive Director of the applicants’ company	First witness statement dated 12 th December 2001 describing the history of the applicants and also the industry in general.
Simon Ruston	Director of Storage/Executive Director of the applicants’ company	Second witness statement dated 27 th December 2001 which supplements the information given in first witness statement.

Simon Ruston	Director of Storage/Executive Director of the applicants' company.	Third witness statement dated 12 th February 2002 which supplements the information given in first and second witness statements.
Jason Schofield	Managing Director of the applicants' company.	Witness statement dated 12 th February 2002 commenting on the high regard of the applicants' services by its users and detailing an instance of confusion.
Val Kersey	Facilities and Services Director of Hammond Suddards Edge (Law firm) – a customer of the applicants.	Witness statement (undated) describing the use they make of the applicants' services.
Truda Lansdowne	Employee of KPMG, a customer of the applicants.	Witness statement dated 11 th February 2002 describing the use they make of the applicants' services.
Tony Hunt	Business Manager employed by Barclays Bank Plc, a customer of the applicants.	Witness statement dated 11 th February 2002 describing the use they make of the applicants' services.
John Eveleigh	Head of Records Management employed by The Leeds Teaching Hospitals NHS Trust, a customer of the applicants.	Witness statement dated 8 th January 2002 describing the use they make of the applicants' services.
Jim Booth	Executive Director of Prism International, a trade association in the storage and archiving industry.	Witness statement dated 15 th January 2002 describing their knowledge and opinion of the applicants.

Declarations of Mr Ruston

9. Mr Ruston has provided three witness statements in these proceedings; I will summarise them as one. The applicants began trading as Squirrel Storage Limited, using the SQUIRREL sign in 1991, and continually since. Mr Ruston states that the applicants have facilities in Leeds, Manchester (since June 1998) and Birmingham (since November 2001 - after the relevant date in these proceedings). They also have access to another company's facilities in London on a reciprocal basis.
10. Mr Ruston points out that the nature of self-storage services differ from archiving services (see paragraph 3 of his first Witness Statement). Although the applicants have provided both, they do appear to be primarily concerned with the latter. Mr Ruston states that his company is among the largest of a number of UK based independent archiving services.

11. A number of documents (e.g. business invoices, VAT certificates, company accounts) have been submitted which support the fact that the applicants have continually traded since 1991. Also submitted are extracts from advertising directories showing the applicants' advertisements. These adverts are placed in Yorkshire editions of the advertising directory, and also further a field, e.g. Manchester. Documents showing use of the mark are also submitted.
12. Some financial documents are submitted from which the following turnover figures are taken:

Year end March 92	£207, 819	Year end March 97	£648, 646
Year end March 93	£298, 362	Year end March 98	£1, 034, 640
Year end March 94	£307, 669	Year end March 99	£1, 822, 809
Year end March 95	£398, 399	Year end March 00	£2, 160, 924
Year end March 96	£501, 282	Year end March 01	£2, 570, 326

Witness statement of Jason Scofield

13. Mr Schofield states his belief that the applicants are a highly regarded company in the UK and around the world. He also describes one instance of confusion whereby a business contact of his based in South Africa was under the misapprehension that the opponents' High Wycombe premises must have been an extension of the applicants' business.

Various other witness statements

14. Five other witness statements are filed from individuals who represent some of who appear to be the applicants' main customers. They all describe the nature of the ir own business and the service that the applicants performfor them. This appear to be primarily business document archiving services. All the witnesses state that they have not heard of the company operating as Squirrel Thames Valley Ltd (the opponents).

The opponents' evidence in reply

15. The opponents did not file any evidence in reply.

DECISION

16. The bad faith ground was not pursued at the hearing. I do not consider there is any evidence to support it, and I have not considered that ground further. That leaves only that under s. 5(4)(a), and I think it would be helpful if I set out the law, in respect of passing off, in some detail before proceeding.
17. S. 5(4) of the Act states:

'A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

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

18. I adopt the guidance given by the Appointed Person in the *Wild Child Trade Mark* [1998] RPC 455, at 459 to 461:

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

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

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

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

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

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

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

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

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

19. Turning, first, to goodwill, this has been variously defined: for example, as ‘Nothing more than the probability, that the old customers will resort to the old place’ (as per Lord Eldon in *Cruttwell v Lye*, (1810) 17 Ves 335 at 346) and, more famously, Lord Macnaghten’s ‘..the attractive force which brings in custom.’ The latter definition does not necessarily fix goodwill to a particular physical location, underlining the importance of a mark of trade as a token, or cipher, for the goodwill. Customers, on seeing the trade mark, are reassured the product or service to which it relates is of a particular quality and/or has certain features with which they are familiar, but the mark is not the goodwill. Following from this, the role of the law is to secure a traders goodwill under his name, the former being ‘.. a property right, for the protection of which a trade-mark is an instrumentality’ (*Prestonettes Inc. v Coty*, 264 US 359 at 368 (1924)). As Millett L J states in the UK case *Harrods Ltd v. Harroddian School Ltd* [1996] RPC 697 (CA), at p.711:

“Passing off is a wrongful invasion of a right of property vested in the plaintiff, but the property which is protected in an action for passing off is not the plaintiff’s proprietary right in the name or get-up which the defendant has misappropriated but the goodwill and reputation of the business which is likely to be harmed by the defendant’s misrepresentations”.

20. Goodwill has to be earned by human endeavour: it is created by marketing and trade and is preserved by the same - it occurs when the mark is used in trade on a product or service, and goodwill in the business develops, for which the mark is the indicium. The law offers protection to the goodwill and reputation that the opponents can thus demonstrate *in trade*.
21. However, it should be noted that, as is stated in *The Law of Passing Off* by Wadlow (*Wadlows*; paragraph 2.25; 2nd Edition) ‘Goodwill is created by trading, and very slight activities have been held to suffice’. A number of cases spring to mind (e.g. *BBC v Talbot* [1981] F.S.R. 228, *Globelegance BV v Sarkissian* [1974] R.P.C. 603 and *Stannard v. Reay* [1967] F.S.R. 140).

22. With this background in place, and turning to the case at hand, I must establish the extent of the opponents' goodwill in this matter, as its existence is questioned by the applicants.
23. In this regard, Dr. Pike noted that, though the applicants' business was a 'start up' enterprise in 1992 - and 'relatively modest' at that - trade as a provider of 'mainly' self-storage of personal and business goods was steady and increasing over the years that followed, culminating in the formation of the limited company, Squirrel Thames Valley Limited, in 1999. Clear evidence of real trade exists (see the invoices in Exhibit 9 to Mr. Hamilton's statement). He also brought to my attention the location of the business – on the Great North Road, a major commuter route.
24. Dr. Pike pointed out the exact identity between the two marks at issue, and the opponents' use of the motif of a squirrel, on much of its documentation, reinforcing its trading image. He stated:

“In totality what this is submitted to demonstrate is that the business right from the start has sought to establish a brand name. To establish an unregistered trade mark and to use that to promote itself. The mark SQUIRREL is evocative of an animal which stores things away and that was the reason for the choice of the mark. It is around that mark that the common law rights in passing off have been developed.”

25. Further, an internet web-site has been in operation since 1998, some two years before the application at issue.

26. Finally, Dr. Pike made the following comment:

“..the opponent admits that the applicant shows use of the applied for mark in relation to storage services, primarily archiving services, and primarily in the Leeds/Yorkshire area.

That use was acknowledged right from the start. It was acknowledged in the opponent's statement of case. The applicant's introduction of such weighty evidence on this point is submitted to be wholly unnecessary because the point was admitted ...

The applicant's evidence clearly goes beyond Leeds and Yorkshire. The opponent also admits that the evidence shows more recent use of the applied for mark, primarily in relation to archiving services in other localities.”

These localities are confined to north of England: Manchester (since 1998) and Birmingham (after the relevant date).

27. For the applicants, Mr. Belcher argued, initially, that the opponents had no protectable goodwill under the mark. He also presented an alternative submission, which I will come to later. Dealing with his opening contention first, he also noted the 'start-up-nature of the opponents' business in 1992, and the slow growth in their turnover since that date, to only £170,000 as of 1999. In Mr. Belcher's view this did 'not represent anything that can be

considered a substantial business'. Further, the opponents use had been restricted to a single location, for the majority of the period, and there was little spend on advertising.

28. Despite these comments, I find that the opponents' trade is genuine and real. Though small, there is no requirement in law that it be 'substantial' to benefit from protection by the law of passing off. I have already commented that relatively small amounts of trade can create protectable goodwill.
29. Turning to the issue of confusion (misrepresentation), Dr. Pike described the situation between the parties as the 'classical, historical co-existence situation', where two modest businesses developed their goodwill, separately, in different parts of the UK, unknown to each other. However, recent events – the application in particular – but also the natural, organic business expansion, has led to conflict in law and, potentially, confusion in the trade.
30. I am in little doubt that the latter is inevitable for the goods in Class 39. The marks are identical, while the services specified in the application are:

“Class 35: Provision of off-site data storage facilities provided over the Internet and telephone networks; computerised data storage facilities; provision of a computerised disaster recovery facility.

Class 39: Storage, handling, removal, guarding, crating, boxing, collection and delivery of documents, business records, data media, video and recording tapes and discs.”
31. Though a 'common field of activity' (*McCulloch v May* [1947] 65 RPC 58) is no longer a requirement in passing off, clearly the similarity of the trade(s) in question is a factor which must be considered (*Annabel's (Berkeley Square) Ltd. v Schock* [1972] RPC 838) when determining confusion in respect of passing off. - Consumers are more likely to assume a connection or be confused where trades are closely related or the same. It seems to me that the services in Class 39 are likely to include the personal and business storage activities engaged in by the applicants. At the very least, these activities are very similar. The other activities seem some distance from those in which the opponents have an established goodwill.
32. However, the question remains as to the extent of the opponents' protection. Should a small, and admittedly localised, business have protection that extends beyond its historical trading locale, to all corners of the UK, where confusion is unlikely? Particularly as, in certain parts of the north of England, self-storage under the name SQUIRREL would mean the applicants, not the opponents?
33. It is clear that the Courts have, in the past, granted injunctions that are limited by geographical area (e.g. *Cavendish House v Cavendish-Woodhouse* [1968] RPC 448 and *Levey v Henderson-Kenton (Holdings) Limited* [1974] RPC 617). In *Cavendish*, the plaintiff had one department store in Cheltenham, Gloucestershire, incorporated under the name Cavendish House since 1928, and the remedy sought – and granted – was an injunction restricted to Cheltenham.

34. Nevertheless, I note the following from *KERLY'S LAW OF TRADEMARKS AND TRADE NAMES* (13th Edition), at paragraph 14-18 that 'The mark or other indication concerned need not be universally known. A small trader with limited clientele is as much entitled to protect his brands and business name as any large concern'. Referring to the *Chelsea Man Menswear Ltd. v Chelsea Girl Ltd.* [1987] RPC 189 case (where the defendants intended to open a chain of retail shops called "CHELSEA MAN" selling menswear, and the plaintiff's had evinced limited trade under that name in three locations in the UK) *KERLY'S* adds:

"The overriding consideration, in judging extent of reputation, is whether the claimant has built up a goodwill to the point where substantial damage will be caused to it by the acts he complains of."

35. This point is further confirmed in *Chelsea Man* by Nourse LJ at page 207:

"I do not think that there is any point of principle beyond the general requirement that the injunction should give the plaintiff reasonable protection against the damage which is likely to be caused to the goodwill of his business by the confusion which is likely to result from the passing off. Every case of passing off depends on its own facts."

Thus location, size and nature of a business are all particulars of varying significance in each case, and each matter will be determined by its facts. In the same case (page 201ff), the defendants highlighted the plaintiffs' lack of advertising, the relatively small volume of sales under the mark at issue and the localised nature of their business. There, however, Lord Justice Slade then went on to find in their favour. He stated at page 20, line 25:

"In any passing off action the court has to consider not only the nature and extent of the plaintiffs' reputation (if any), but also what are the acts, or threatened acts, complained of."

36. This can be compared with the nationwide scope that would be granted by the application in suit. This factor will invariably be considered in passing off cases before the Registrar. It should be noted, however, that I do not believe that *Chelsea Man* supports the contention that the existence of protectable goodwill in a part of the UK means that it can, *prima facie*, be protected in every part of the UK. Nevertheless, it does support the notion – which captures the prohibition set by s. 5(4) – that registration of a mark is 'liable to be prevented' when the claimant has built up a goodwill to the point where substantial damage will be caused to it by the acts complained of, that is, registration of a confusing mark.
37. I further note the following extract from *The Law of Passing-Off* by Wadlow (2nd Edition), paragraph 2.42 (emphasis mine):

"The nature of goodwill means, as a matter of law, that it cannot extend over national boundaries. The converse is not automatically true, in that goodwill does not necessarily extend right up to the boundaries at which it must stop. Goodwill may be localised in a specific region within a state. If all the plaintiff's customers come from that region, it cannot very well be said that the plaintiff's goodwill is of any greater extent. *In practice, the courts are reluctant to confine the plaintiff's remedy to a*

limited geographical area in all but the clearest cases, and a fairly thin spread of goodwill outside the plaintiff's main centre of operations is likely to suffice. In *Chelsea Man v. Chelsea Girl* the plaintiffs operated retail menswear shops in Leicester, Coventry and London Oxford Street. The defendants argued that any injunction should be confined to around those areas, but the Court of Appeal granted one with nationwide effect. In *Brestian v. Try* the plaintiff had hairdressing salons in London and Brighton. The Court of Appeal found in his favour against a hairdresser based in Tunbridge Wells and did not qualify the scope of the final injunction.

Some businesses are so inherently localised that the geographical extent of their associated goodwill can be defined with reasonably precision. If so, any injunction should preferably be confined to that area. In *Clock v. Clock House Hotel* (1936) 53 RPC the Court of Appeal granted an hotel a permanent injunction against a road house some five miles away, but the injunction was confined to those specific premises. A restaurant in the London suburb of Kingston-upon-Thames was refused an interlocutory injunction against one in central London in *Clouds Restaurant v. Clouds Hotel*. In the Canadian case of *Blades Enterprises v. Thibault* (1975) 65 DLR (3d) 378 an injunction was refused to one restaurant against another 30 miles away, the plaintiffs having only a few months priority, and the nature and customers of the parties' restaurants differing. Department Stores have been awarded interlocutory injunctions restricted to the towns in which they were situated in *Cavendish House v. Cavendish-Woodhouse* and *Levey v. Henderson-Kenton*. In both cases the defendants were already established outside those towns. In many of these cases, particularly the older ones, it is difficult to say whether the plaintiff's difficulty was lack of goodwill outside his home area or lack of distinctiveness. *The two are likely to go together, but in theory a business could be known in a remote area of the country without there being any possibility of its having any customers there.*"

38. It may be possible to argue that the matter in this case reflects the situation found in *Chelsea Man*, and a geographical limitation to the application – for example, confining it to outside the London area – would be inappropriate. Here also there would be confusion at the margins, as these two businesses continued to expand and grow. There is evidence that such confusion has occurred already (see, for example, the first Witness Statement of Jason Schofield). Though both parties pointed to the localised past history of the businesses at issue, this may not be the case in the future.
39. And it maybe that the opponents' goodwill cannot be so contained. Turning, again, to *Chelsea Man*, that case concerned clothing as opposed services. Nourse LJ stated that the product in that case:

“..is one in which the mark or label bears much influence. Even where clothes are distinctive of their origin a purchaser will often check the label first. And where they are not distinctive the label is often decisive of the purchase. .. The goods are durable and .. the label remains as a reminder of their origin. At the same time, their nature is not such as to give them any inherent association with a particular place or area and the mobility of those who wear them can carry the trader's reputation far and wide.”

The products in Chelsea Man were seen to be capable of spreading the tentacles of the defendants reputation throughout the whole of the UK. The same may be argued here: I note, in particular, the website operated by the opponents since 1998.

40. Nevertheless, I do not believe that I need to make a finding on the adequacy or reasonableness of a geographical limitation to the application in this case. Mr. Belcher put forward an alternative submission based on an amendment to the specification of the Class 39 services, recorded on a continuation sheet to a Form TM21, as follows:

“Services relating to the storage, handling, removal, crating, boxing, collection and delivery of documents, business records, data media, video and recording tapes and discs; but not including services relating to the self-storage of any of the aforesaid goods and materials.”

Both parties were of the view that this would remove any misrepresentation, and allow the parties to co-exist. Mr. Belcher stated, comparing self-storage services and the archiving :

“I think it has been acknowledged as a common position that self-storage services are different in their nature, they are different in terms largely of the customers to whom they are offered We are then looking at a situation where the services in which the prior right is alleged to exist are different in nature from the services which are covered by the Class 39 specification. I should point out that the Class 35 specification (it is a two-class specification) remains unchanged.”

Dr. Pike added:

“.. the proposal is attractive to us and the principal reason for that is that the opponent’s business has been branded consistently as Squirrel Self-Storage. The real business interest in archiving means real archiving services rather than providing a self-storage place to leave documents.”

41. In this regard, I also note paragraphs 3 - 4 of the first Witness Statement of Mr. Ruston. In that he emphasises the difference between the activities and I note, in particular, his statement that the type of customer, that is the relevant consumer, will be different in each case: self-storage appealing to the private consumer – who is typically given a key or access code to enable him to gain access to his goods at will – while archiving is a service of interest to businesses such as banks, healthcare trusts and the like.
42. On the basis that the misrepresentation is unlikely given the differences noted, I will therefore allow the application to proceed to registration provided the amendment to the Class 39 specification is made as per the TM21 above.

43. Finally, costs. Both parties have had some success in this case and I find it hard to state with certainty as who would be the most satisfied by the result. With some slight hesitation, as the application appears to have survived mostly intact, I will regard the matter as a 'score-draw' and decline to make any costs award to either side.

Dated this 23rd Day of December 2002.

**Dr W J Trott
Principal Hearing Officer
For the Registrar.**