

1 THE PATENT OFFICE

The Conference Room,
Harmsworth House,
13-15 Bouverie Street,
London EC4Y 8DP.

2
3
4 Monday, 2nd December 2002

5 Before:

6 MR. G. HOBBS QC
7 (Sitting as the Appointed Person)

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9 In the Matter of the Trade Marks Act 1994

10 -and-

11 In the Matter of Trade Mark No: 2053772 in the name of
12 FIRST GROUP PLC

13 -and-

14 In the Matter of Application for Invalidity
15 thereto under Invalidity No: 11363 by NATIONAL CAR RENTAL
16 SYSTEM INC

17 - - - - -

18 Appeal of the Applicant from the decision of
19 Mr. D.W. Landau, acting on behalf of the Registrar, dated
20 17th May 2002

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22 (Transcript of the Shorthand Notes of Marten Walsh Cherer Ltd.,
23 Midway House, 27/29 Cursitor Street, Lond on EC4A 1LT.
24 Telephone No: 020-7405 5010. Fax No: 020-7405 5026.)

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MR. J. MITCHENER (of Messrs Field Fisher Waterhouse) appeared
as Agent on behalf of the Appellant/Applicant.

MR. M. KRAUSE (of Messrs Haseltine Lake Trade Marks) appeared
as Agent on behalf of the Respondent/Registered Proprietor.

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D E C I S I O N
(Approved by the Appointed Person)

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1 THE APPOINTED PERSON: The words EASTERN NATIONAL were
2 registered with effect from 24th January 1996 as a trade mark
3 for use in relation to "passenger transportation services
4 incorporating related travel arrangement services" in Class
5 39.

6 They were registered under number 2053772 in the name
7 of First Group Plc ("the Respondent"). In accordance with
8 the provisions of section 72 of the Trade Marks Act 1994, the
9 registration of the Respondent as the proprietor of the trade
10 mark is prima facie evidence of the validity of the original
11 registration.

12 On 17th January 2000 National Car Registration Inc
13 ("the Applicant") applied for a declaration of invalidity in
14 relation to registration 2053772. The application was made
15 on various grounds. I need only mention that the validity of
16 the registration was challenged under sections 5(2)(b) and
17 5(4)(a) of the 1994 Act.

18 So far as relevant for present purposes, the challenge
19 under section 5(2)(b) was based on the Applicant's earlier
20 registered trade mark number 2017578, consisting of the
21 following word and device:



22 registered with effect from 13th April 1995 for use in relation
23 to "automobile rental and reservation services" in Class 39.
24 This earlier trade mark registration also benefits from the
25 rebuttable presumption of validity prescribed by section 72 of
26 the 1994 Act.

1 The challenge under section 5(4)(a) was based on the
2 contention that the word NATIONAL was so closely identified
3 with the Applicant's automobile rental and reservation
4 services that it was likely, in January 1996, that people in
5 the United Kingdom would be deceived or confused if the words
6 EASTERN NATIONAL were used as an indication of trade origin
7 in relation to "passenger transportation services
8 incorporating related travel arrangement services"
9 unconnected with the Applicant.

10 The Respondent joined issue with the Applicant on
11 these objections in a Counterstatement filed on 25th April
12 2000. The application for a declaration of invalidity came
13 on for hearing before Mr. D.W. Landau, acting on behalf of
14 the Registrar of Trade Marks, on 7th May 2002. In a written
15 decision issued on 17th May 2002 Mr. Landau held that the
16 registration in question was not invalid on any of the
17 grounds alleged by the Applicant. He rejected the
18 application for a declaration of invalidity and ordered the
19 Applicant to pay the Respondent £635 as a contribution
20 towards its costs of the proceedings.

21 On 14th June 2002 the Applicant gave notice of appeal
22 to an Appointed Person under section 76 of the Act contending
23 that its objections to validity under sections 5(2)(b) and
24 5(4)(a) should have been upheld and that the hearing officer
25 was wrong to reject them on the grounds that he did. I

1 propose to deal first with the appeal under section 5(4)(a).

2 The Applicant tendered three witness statements with a
3 view to demonstrating that the word NATIONAL had, at the
4 relevant date, become distinctive per se of the trade origin
5 of automobile rental and reservation services for which it
6 was responsible by way of trade or business in the United
7 Kingdom. These were the witness statements of Jeremy Mills,
8 Nigel Trotman and Nigel Tuffey. Their evidence was given in
9 the form of synchronised statements written in what appear
10 to have been closely prescribed terms. Such statements
11 invite scepticism of the kind expressed by Lord Esher M.R. in
12 **Re Christiansen's TM** [1885] 3 RPC 54 at 60:

13 "Now, to my mind, when you have evidence given upon
14 affidavit, and you find a dozen people, or twenty
15 people, all swearing to exactly the same stereotyped
16 affidavit, if I am called upon to act upon their
17 evidence, it immediately makes me suspect that the
18 affidavits are then not their own views of things and
19 that they have adopted the view of somebody who has
20 drawn the whole lot of the affidavits, and they adopt
21 that view as a whole and say 'I think that affidavit
22 right' and they put their names to the bottom."

23 The hearing officer took the view that no real weight
24 could be given to the evidence of these three witnesses in
25 relation to the issues that he was required to determine. I

1 think he was right to adopt that position.

2 The most that I can get from the evidence filed on
3 behalf of the Applicant is that there was, for a period of
4 approximately 20 years down to 1998, a collaborative
5 relationship under which the automobile rental and
6 reservation services provided by the Applicant in North
7 America were promoted in association with EUROPCAR automobile
8 rental and reservation services under the umbrella brand
9 INTERRENT.

10 The Applicant's Vice President of Franchise Development,
11 Larry Soleta, refers in paragraph 6 of his witness
12 statement to use of the designation NATIONAL alongside the
13 EUROPCAR and INTERRENT names. He suggests that this combination
14 will have educated the public to the affiliation between the two
15 companies and also helped his company to maintain a high
16 degree of recognition in Europe as a distinct business. He
17 says that "As a result any person who became familiar with
18 the EUROPCAR mark also became aware of the NATIONAL mark."

19 However, in paragraph 8 of her witness statement Jane
20 Colton, Chief Legal Counsel for ANC Rental Corporation,
21 makes it clear that the Applicant does not suggest that by
22 means of any of these activities in Europe it had acquired
23 "goodwill" in the narrowest (by which I take her to mean legally
24 specific) sense of the word in the designation NATIONAL.

25 I cannot see any basis in the evidence for concluding

1 that the Applicant's activities had rendered the word

2 NATIONAL distinctive per se of any services actually
3 provided by the Applicant in the United Kingdom. The word
4 is inherently apt to describe a class or category
5 of services of the kind provided by the Applicant. It fits
6 easily into the classification of such services as being
7 local, national or international. The evidence on file is not
8 sufficient, in my view, to establish that the word NATIONAL had
9 acquired a distinctive character through use in the United
10 Kingdom in relation to the Applicant's services prior to January
11 1996. Over and above that, there does not appear to me to have
12 been any real likelihood that the Respondent's use of the
13 designation EASTERN NATIONAL for "passenger transportation
14 services incorporating related travel arrangement services" would
15 cause deception or confusion as a result of any use previously
16 made of the designation NATIONAL in relation to the Applicant's
17 services.

18 There is a basic difference, in terms of the need
19 fulfilled, between the services offered by the Applicant and
20 those offered by the Respondent. In the one context the customer
21 is going to be transporting him or herself and in the other
22 context the customer is going to be transported by someone else.
23 I do not think that this difference would, of itself, be
24 sufficient to negate the risk of deception or confusion if words
25 or elements with a high degree of distinctive power and

1 similarity were used to identify the trade origin of the rival
2 services to members of the public in the United Kingdom. However,
3 the present case is not a case of that kind. The ordinariness of

4 the word NATIONAL and the absence of evidence sufficient to
5 establish distinctiveness through use of it in the United Kingdom
6 lead me to conclude that this is a case in which small
7 differences should be regarded as sufficient to distinguish the
8 rival uses of the designations in question. In my view, the
9 Applicant has not established that it was in a position to object
10 to use of the designation EASTERN NATIONAL in relation to the
11 services of interest to the Respondent on the ground that such
12 use would, in January 1996, have involved a likelihood of
13 misrepresentation damaging to the goodwill of a business
14 belonging to the Applicant in the United Kingdom.

15 I now turn to consider the appeal under section
16 5(2)(b). The question for consideration under this section is
17 whether there are similarities, in terms of the marks and
18 services in issue, that would have combined to give rise to a
19 likelihood of confusion if the earlier and later marks had been
20 used concurrently in the United Kingdom in relation to services
21 of the kind for which they were respectively registered and
22 proposed to be registered in January 1996.

23 In paragraph 22 of its judgment in case **C-39/97 Canon**
24 **K.K. v. Metro Goldwyn Mayer Inc.** the European Court of
25 Justice emphasised that, even if the objection arises in a case

1 where a mark is identical to another with a highly distinctive
2 character, it is still necessary to adduce evidence of similarity
3 between the goods or services covered by the rival marks. I
4 should observe at this juncture that no such evidence was adduced

5 in the present case. The hearing officer was therefore left to
6 make up his mind on the basis of common general knowledge and the
7 application of common sense to the materials that were in
8 evidence before him.

9 In paragraphs 26 et seq of its judgment in the **Canon** case,
10 the European Court of Justice held that there can be no
11 likelihood of confusion in the sense required by section 5(2)(b)
12 of the 1994 Act if it does not appear that the public could
13 believe that the goods or services covered by the trade marks in
14 issue come from the same undertaking or economically linked
15 undertakings.

16 When, as in the present case, the marks in issue are not
17 identical, they need to be distinctively similar in order to be
18 capable of inducing such a belief in the mind of the average
19 consumer of the goods or services concerned.

20 Marks which converge upon a particular mode or element of
21 expression may or may not be found upon due consideration to be
22 distinctively similar. The position varies according to the
23 propensity of the particular mode or element of expression to be
24 perceived, in the context of the marks as a whole, as origin
25 specific (as for example in **Wagamama Ltd. v City Centre**

1 **Restaurants Plc** [1995] F.S.R. 713) or origin neutral (as for
2 example in **The European Ltd. v. Economist Newspapers Ltd** [1998]
3 F.S.R. 283). The relevant propensity may, on established
4 principles, be inherent or acquired through use. This leaves room
5 for evidence demonstrating that the mode or element of expression

6 in question has an established significance which the average
7 consumer would ascribe to the marks in issue.

8 However, the requisite degree of distinctiveness cannot be
9 demonstrated simply by evidence of entries in the Register of
10 Trade Marks. Entries in the Register do not of themselves affect
11 the way in which marks are perceived and remembered.

12 For the reasons I have given in relation to the appeal
13 under section 5(4)(a), I consider that this is a case in which
14 the similarities, such as they are, between the marks in issue
15 and the services in issue are not sufficient to give rise to the
16 required likelihood of confusion. The hearing officer seems to
17 have concluded in paragraph 56 of his decision that the relevant
18 objection was liable to be rejected either for lack of similarity
19 between the services in issue or for lack of similarity
20 between the marks in issue. In view of the established principle
21 that a lesser degree of similarity between services may be offset
22 by a greater degree of similarity between marks and vice versa
23 (see paragraph 17 of the Judgment of the ECJ in **Canon** and
24 paragraph 19 of its judgment on **Case C-342/97 Lloyd Schuhfabrik**
25 **Meyer GmbH v Klijsen Handel BV**) it is necessary to focus on the

1 net effect of the given similarities and differences. I therefore
2 prefer to uphold his determination under section 5(2)(b) on the
3 basis that confusion does not appear to have been likely upon
4 assessment of the net effect of the similarities and differences
5 between the marks and services in issue. In the circumstances,
6 the appeal under section 5(2)(b) of the Act fails. For these

7 reasons, shortly stated, the appeal will be dismissed.

8 **For proceedings; see separate transcript**

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