

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2239544
BY PARITY INTERNET LIMITED
TO REGISTER THE TRADE MARK:**



IN

CLASS 42

AND

**THE OPPOSITION THERETO
UNDER No 51835
BY
PARITY GROUP PLC
BASED UPON THE EARLIER RIGHT:**

PARITY

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in the matter of application no 2239544
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BACKGROUND

1) On 19 July 2000 Parity Internet Limited (referred to afterwards as PIL) applied to register the trade mark:



The application was published in the Trade Marks Journal for opposition purposes on 20 September 2000 with the following specification:

creating and maintaining web sites for others; hosting web sites of others; web site design; creating and maintaining web sites; information provided on-line from a computer database from the Internet; leasing access time to computer data bases; advisory services relating to computer based information systems; computer consultancy; computer database consultancy; designing of computer databases

The services are in class 42 of the International Classification of Goods and Services. PIL claim the colours purple, green and white as an element of the trade mark.

2) On 7 December 2000 Parity Group plc (referred to afterwards as PG) filed a notice of opposition to this application.

3) PG states that it has traded under or by reference to the name PARITY since July 1994 and has established a substantial reputation in the use of the name in the field of information technology and the provision of consultancy, training, systems' development, application management and support and the like consultancy services to companies trading and doing business over the Internet (e-commerce) either directly or through its subsidiary companies. PG states that, acting through one of its subsidiary companies, it entered the field of website

design in April 1999 and has devoted significant time and resources to developing this side of the business.

4) PG states that use of the trade mark of PIL in relation to the services it encompasses is likely to induce the belief that there is a trade connection between such use and PG with consequential damage to the trade or business of PG. Use of PIL's trade mark is liable to be prevented by the law of passing-off and so the application should be refused under the provisions of section 5(4)(a) of the Trade Marks Act 1994 (the Act).

5) PG requests that the application be refused in its entirety and seeks an award of costs.

6) PIL filed a counterstatement in which it denies the claims of PG and puts PG to proof of its claims. PIL requests that the application should proceed to registration and seeks an award of costs.

7) After the completion of the evidence rounds I advised both sides that I believed a decision could be made without a hearing. However, the sides were advised that they retained their right to a hearing. Neither side requested a hearing, so I will make a decision after a careful study of the papers. Both sides filed written submissions and I take these into account in reaching my decision. Both sides also filed evidence.

EVIDENCE

Main evidence of PG

8) This consists of a witness statement by Ian O'Driscoll. Mr O'Driscoll is the commercial director of PG. Mr O'Driscoll states that PG was incorporated on 2 April 1998 as Action Group Plc and changed its name to PG on 30 April 1999 as part of a scheme of arrangement to reorganise the companies controlled by Parity Plc. He states that Parity Plc had originally been incorporated as Inter-Euro Staff Agency Ltd on 19 November 1973, then became Computer Appointments and Contracts Limited on 21 October 1982 before becoming Comac Group Plc on 18 June 1987. Comac Group Plc changed its name to Parity Plc on 6 July 1994 and Parity Plc became Parity Limited on 1 October 1999, after its business was transferred to PG. Mr O'Driscoll exhibits at exhibit 1 copies of the certificates of incorporation relating to the above. He states that any reference in his evidence to PG includes reference to PG's predecessors in business.

9) Mr O'Driscoll states that from its beginnings PG has provided services to the computer or information technology industry. He exhibits a copy of the annual report and accounts of Parity Plc for the year 1994. Mr O'Driscoll draws attention to the description of the principal activities in the annual report:

“The Group's principal activity during the year was the provision of services to the IT industry.”

He also draws attention to pages 4 and 5 of the report where PG's main trading subsidiary is identified as a leading United Kingdom agency for the provision of contract information technology specialists. He states that although this subsidiary traded as CSS Trident PG was well-known under the Parity name for the provision of services to the IT or computer industries. Mr O'Driscoll states that in the second part of 1994 PG bought the consultancy

division of LBMS which combined both management and technical consultancy, this was renamed Parity Consulting. He states that at about the same time PG bought a training business which subsequently traded as Parity Training. Mr O'Driscoll states that in November 1994 PG bought another training business which was absorbed into Parity Training. He states that PG also bought a well established systems and software development business which became Parity Systems. Mr O'Driscoll states that following these acquisitions Parity Solutions was created as the second main trading subsidiary of the group. Parity Solutions operated the trading divisions of Parity Solutions, Parity Consulting and Parity Training. Mr O'Driscoll states that from that time PG has provided "advisory services relating to computer based information systems" as well as general "computer consultancy".

10) Mr O'Driscoll states that in the year ended 31 December 1993 PG's total turnover had been £19,768,000, of which £15,951,000 was attributed to United Kingdom operations. For the year ended 31 December 1994 the total turnover amounted to £88,791,000, of which £77,685,000 was attributed to United Kingdom operations. He states that all activities were sourced from the United Kingdom.

11) Mr O'Driscoll exhibits at exhibit 3 a copy of the Parity annual report and accounts for 1995. He states that it can be seen from page 2 of the report that PG continued to promote itself as an information technology services company which provides computer consultancy, systems development, training and related skills under the Parity name. Mr O'Driscoll notes that pages 2 and 3 of the report list a number of PG's clients which include undertakings such as British Gas, The DSS, English Heritage, The Foreign & Commonwealth Office, Lloyds Bank, Lloyds of London and The Royal Mail. Mr O'Driscoll draws attention to the last three lines of page 11 which read:

"Where appropriate, consultants liaise with other Parity divisions to provided a complete package to design, develop, install and support systems as well as train IT and end user staff whilst providing temporary support from freelancers to manage resource shortages."

In the context of this case I note the following from page 12 of the report:

"Parity systems provides systems integration, software development, support and maintenance services from offices in Wimbledon and Hemel Hempstead supported by its unique custom built Software Development Centre in Antrim."

Mr O'Driscoll states that for the year ended 31 December 1995 PG's turnover amounted to £125,015,000 of which £112,257,000 was attributed to the United Kingdom but with all the activities being sourced from the United Kingdom.

12) Mr O'Driscoll exhibits annual reports and accounts for the year 1996 and 1997. He states that for the year ended 31 December 1996 PG's turnover amounted to £160,634,000 of which £124,638,000 was attributed to the United Kingdom. For the year ended 31 December 1997 the comparable figures were £202,078,000 and £150,148,000 respectively. I note that in the financial review of the 1997 report the following is written:

"Total turnover for the Group has increased by 25% to £202.1m, comprising CSS Trident £107.8m (1996 - £90.6m), Parity Solutions £41.9m (1996 - £35.7m) and Eurosoft £43.0m (1996 - £35.8m)."

13) Mr O’Driscoll exhibits PG’s annual report for 1998. He states that during that year Parity Solutions developed web enabling systems for the financial community and billing software for the major utilities for the de-regulation programmes then in force, as well as business intelligence systems for the telecommunications industry. He states that key skills marketed by Parity Solutions included Internet technology. Mr O’Driscoll states that PG’s turnover for the year ended 31 December 1998 was £290,200,000 of which £184,764,000 was attributed to the United Kingdom.

14) Mr O’Driscoll exhibits the annual report for 1999. He states that in that year PG began to operate even more actively in the field of the Internet, becoming involved in the provision of intranet solutions as well as main stream web design and creation. Mr O’Driscoll states that in April 1999 TMS Information Solutions was purchased, this undertaking developed intranet and knowledge management systems. He states that in December 1999 Interactive Developments was bought, which he describes as one of the leading web architects in the United Kingdom.

15) Mr O’Driscoll states that by the end of 1999 Parity Solutions had 100 web design consultants and “had evolved into an end to end internet business solutions company”. He refers to page 6 of the 1999 annual report in which it is mentioned that Parity was appointed to develop the complete systems required by Comdirect Bank AG to enable direct share dealing over the Internet. He also makes specific reference to page 7 of the annual report which relates to the provision of a total system for The Rent Service, part of the DETR. Mr O’Driscoll states that for the year ending 31 December 1999 PG had a turnover of £314,154,000 of which £59,692,000 is attributed to Internet business solutions in the United Kingdom and £136,567,000 is attributed to software services in the United Kingdom.

16) I note that at page 4 of the report the following is written:

“These actions were supported by the acquisition of TMS Information Solutions (TMS) and Interactive Developments (Idev) to add new knowledge management and web design skills to the Group. At the year end, Parity Solutions had 100 web design consultants and had evolved into a true end-to-end e-business solutions company.”

The following financial details also appear in the report:

	<u>Turnover £m</u>	
	1999	% change
e-business/Solutions		
Parity Solutions	59.7	20.3
Software Services		
Parity Eurosoft	74.0	13.6
TelTech	43.9	8.9
Parity Resources	136.6	1.1

Teltech is described elsewhere in the report as a software services business based on the north-east coast of the USA.

17) Mr O'Driscoll exhibits the annual report for the year 2000. In considering the contents of this report it is necessary to bear in mind that the date of the filing of PIL's was 19 July 2000. Anything after this date is likely to have little bearing upon this case. Mr O'Driscoll states that in 2000 PG was "promoting Parity Solutions as an end to end technology solutions provider, combining IT consultancy, with web design and architecture, and systems integration and training". He states that pages 4 to 9 of the report outline the particular nature of the businesses provided by Parity Solutions and by Parity Software Services. Mr O'Driscoll states that examples of the kind of work undertaken by PG can be seen on pages 6-10 of the report.

18) The annual report now divides the company into two sections Parity Solutions and Parity Software Services. The report states that Idev and Comtec were fully integrated into Parity Solutions during the year. Parity Solutions is described as combining business and IT consultancy, web design and architecture and systems integration and training services. Parity Software Services is effectively described as a business that supplies IT staff to other undertakings. It would seem to be the business that was once run under the CSS Trident name. Relevant to this case is the following:

"A good example of this multi-disciplinary approach is the on-line share dealing service developed for comdirect, a subsidiary of Commerzbank AG. This project was started in 1999 with strategic consultancy, followed by front end web design and then full systems development and integration, before going live in 2000."

Reference is made to long-standing clients such as BAA, BAT, the Post Office, the Charitable Aids Foundation, Scottish Power and Northern Electric. There is reference to Parity Training which gives IT skills training. The pages referred to by Mr O'Driscoll include details of projects undertaken for boxclever Technology, auctions2business, Kellogg's, Baxter Healthcare IV and Domino Printing Services. There is no clear indication when these projects were carried out, whether on or before 19 July 2000.

19) Mr O'Driscoll exhibits at exhibit 9 a bundle of "case studies" which PG use as advertising and marketing tools. He states that these case studies describe projects on which PG has been involved. Mr O'Driscoll states that this is old material and that it is difficult to confirm the precise dates but to the best of his knowledge the dates he gives are accurate. He states that, in any event, "it is obvious from the telephone numbers that they pre-date April 2000 when the London telephone numbers changed from 0181 and 0171 to "020"".

20) Mr O'Driscoll states that the case studies "IT Infrastructure Support at Customs and Excise" (dating from 1997), "HM Customs and Excise Developing a Partnership" (dating from 1995) and "The Power of Partnership Drives ECGD's IS Strategy (dating from 1997) illustrate PG's reputation in relation to advisory services relating to computer based information systems and computer consultancy and database consultancy services. The first case study deals with the implementation of an integrated set of off-the-shelf software packages by a joint Customs and Excise and Parity Solutions team. The set includes off-the-shelf software for help desk call logging and incident managing, configuration management, workstation management, server management, local area network management and software management. The second case study refers to Parity Solutions involvement with Customs and Excise from 1989. The rôle of Parity Solutions appears to have been one of advice and

consultancy revolving around information technology. The case study for ECGD relates to consultancy and advisory services for information technology.

21) Mr O'Driscoll states that the case study entitled "IT Infrastructure at the Civil Aviation Authority" dates from 1994 and that the business that became Parity Solutions has an established reputation in information systems dating back many years. This study shows that the relationship with the Civil Aviation Authority began in 1991. Advisory, consultancy and information technology management services have been supplied.

22) Mr O'Driscoll states that database consultancy and support services are described in the case studies "Parity Solutions assists Flemings..." and "Countryside Commission Enjoying England's Green and Pleasant Land". He states that these studies date from 1999 and 1995 respectively. Two paragraphs from the latter study give an idea of the nature of the work that was carried out:

"Starting in late 1993, Parity built IFMIS at its Software Centre in Antrim linking it to the Countryside Commission's IT infrastructure. Using the Informix database software, the Centre allowed the Commission to exploit Parity Solutions' development resources to deliver a high-quality software application. Parity Solutions ensured goods communications between the Centre and the Commission.

and

"Parity Solutions is currently providing a full support and maintenance service on IFMIS. This is conducted from Antrim using many of the people involved in developing the original system and using the same telecommunication links."

23) Mr O'Driscoll states that PG's reputation in the design, testing and production of databases is illustrated by the following case studies:

- "Building, Enhancing and Maintaining the Integrated Financial Management Information System" dating from 1998
- BUPA case study (1994)
- MOD case study (April 1996)
- "Helping the Queen send her messages" (1996)
- MANWEB case study (October 1994)

Included in the first case study is the following:

"The requirement was for Parity to design, code, unit test and produce a detailed system test plan for the additional functionality, screens and reports. Enhancements to existing screens, functions, menus and database table definitions were also implemented."

24) Mr O'Driscoll states that PG has provided IT services for the following: University of Aberdeen, Scottish Power (Glasgow), Health and Safety Executive and TTL (Edinburgh), Northern Electric (Newcastle-upon-Tyne), ICI (Teesside), University of Central Lancashire (Preston), Department of Health and GE Capital (Leeds), DETR (York), DETR (Hull), Royal & Sun Alliance and Health and Safety Executive (Liverpool), Genesis (Manchester), Benefits Agency (Sheffield), Lincoln County Council, Nottingham County Council, Boots (Nottingham), Norwich Union (Norwich), Shropshire County Council (Shrewsbury), Rent

Office Service and Independent Review Service (Birmingham), DETR and Northampton County Council (Northampton), MOD (Cambridge and Gloucester), HM Customs and Excise (Colchester), Ramesys (Cardiff), BAE Airbus and Hewlett Packard (Bristol), GEC Marconi (Frimley), Kent County Constabulary (Maidstone), Saga (Dover), Countryside Commission, The Charity Commission, UK Hydrographics Office (Taunton), BAT (Southampton), DETR, BUPA, AMEX and Legal & General (Brighton), Friends Provident (Exeter), offices of the MOD and The Rent Service throughout the United Kingdom. Mr O'Driscoll also states that PG has supplied services to numerous organisations in London.

25) Mr O'Driscoll exhibits specimen copies of a number of orders and invoices. The invoices start from 28 March 1995 and end on 19 July 2000. The orders begin on 12 January 1995 and end on 21 January 2000. The orders and invoices show various Parity names eg Parity Systems, Parity Solutions, Parity, Parity Training. The services covered include information technology consultancy and training, software services and software support.

26) Mr O'Driscoll exhibits at exhibit 11 leaflets entitled "Project Management Services" and "Application Management Services" which he states date from May and June 1999 respectively. He states that these leaflets illustrate aspects of the computer management consultancy services that PG offers. The former leaflet divides the project management services into five main segments: consulting services, professionals services, support office, health check service and recovery service. The latter leaflet states that the aim of the service is to deliver "high quality, cost-effective software application management and maintenance services".

27) Mr O'Driscoll exhibits at exhibit 12 a leaflet about the information technology training services that Parity Training has supplied to British Aerospace.

28) Mr O'Driscoll exhibits at exhibit 13 three "Customer Solutions case studies" leaflets in the name of Interactive Developments, the web design company acquired by PG in December 1999. He states that Interactive Developments is branded as being a Parity Group Company and that the leaflets bear the Parity name in the bottom right hand corner. There is nothing in the leaflets which indicates from when they emanate and Mr O'Driscoll does not give any indication of this either. Consequently, I do not consider that these leaflets can help me in reaching my decision in this case.

29) Mr O'Driscoll exhibits at exhibit 14 two leaflets which deal with PG's work in the setting up of Oracle and Lotus software systems in businesses. Mr O'Driscoll states that these leaflets demonstrate PG's expertise in software development work. He states that the leaflets emanate from April 1999 and 1995 respectively. Mr O'Driscoll exhibits further leaflets relating to PG's services in relation to IBM S/390 and the services they supplied to prevent businesses suffering problems from "the millennium bug". A final leaflet, exhibit 16, deals with PG's services for Euro conversion.

30) The final exhibit is a copy of an e-mail from Kevin Still, dated 22 January 2001. Mr O'Driscoll states that Mr Still was formerly IT director of one of PG's clients, Intrum Justitia, and at the time of sending the e-mail was managing director of an organisation called Paymentor Limited. The e-mail was sent to jcox@parity.co.uk, whom I assume is an employee of PG. The e-mail reads as follows:

“Jeremy,

First Happy New Year.

I am attending the DTI’s UKOnlineforBusiness Partners launch on 29 January. I noticed that Parity are also a partner. The name from Parity is Brent Ludewick – Parity Internet. Do you feel there is any merit in seeking Brent out and exploring any synergy in our respective E-Commerce strategies?

Regards

KEVIN”

Evidence of PIL

31) This consists of a witness statement by Brent Allen Ludewick. Mr Ludewick is the business development manager of PIL. He states that he has been in the web design business since 1996.

32) Mr Ludewick exhibits details from the website of Companies House which show that PIL was incorporated on 1 September 1999.

33) Mr Ludewick states that the trade mark application has a colour limitation. He exhibits at BAL3 a representation in colour of how PIL’s trade mark is used.

34) Mr Ludewick states the PIL is “a new media and web design company that provides Internet solutions for associations, societies, institutions, charities and other professionals and their associated bodies”. He states that PIL’s principal business is to design websites for the aforesaid bodies so they can advertise and conduct business on the Internet. Mr Ludewick states that PIL’s first contract was with Thompsons Solicitors. He exhibits a letter from PIL to Thompsons Solicitors dated 14 December 1999 which indicates that PIL registered web site addresses for its client. Also included is an invoice which describes the service provided in the following terms:

“Initial registration, web space and 1st domain plus 2 years Registration and 1 year web forwarding for each additional domain:”

Mr Ludewick exhibits further invoices. These are to Chapel Down Wines Ltd and Plaza Publishing. They are dated January 2000. Those for Chapel Down relate to website design and those for Plaza to costs for website.

35) Mr Ludewick states that PIL established a marketing agreement with “Association Manager”, which he describes as the leading journal for associations and membership based organisations. He states that as part of that agreement he writes a number of articles for the magazine. Mr Ludewick states that he wrote his first article in January 2000, he does not state when it was published. The article is exhibited and it outlines “a web strategy”. Mr Ludewick is identified as “business development director at Parity Internet Limited a new media and web design company that provides internet solutions for trade associations”. He states that the association’s website has a link to PIL’s website.

36) Mr Ludewick states that in July 2000 PIL launched the “Online Associations survey”. He gives details of this survey. The results of the survey appeared in the October 2000 issue of “Association Manager”, which are exhibited. The results of the survey indicate that 65% of the respondents were trade associations, 17% charity or voluntary, 9% professional

associations, 4% institutes or institutions and 5% other. The results also indicate that 182 associations took part in the survey, of which 73% were based in London and the south east. Mr Ludewick states that PIL has advertised and continues to advertise in each issue of the journal. He exhibits a copy of an advertisement, Mr Ludewick does not advise when the advertisement was published. The advertisement bears the words Parity, Parity Internet and parityinternet.com. The advertisement states that the advertiser provides comprehensive Internet solutions for associations.

37) Mr Ludewick goes on to advise how PIL makes contact initially with clients and then goes on from there. He states that in most cases the initial contact comes from either the marketing director or the client's web development committee. Mr Ludewick states that the initial meeting is usually very technical and requires a sophisticated knowledge of the services that PIL offers. He states that there will be various meetings to develop a design strategy. Mr Ludewick states that the services offered by PIL are highly sophisticated and aim specifically at organisations that have a working knowledge of web design services.

38) Mr Ludewick states that the annual turnover of PIL in 2000 was approximately £29,000 and approximately £79,000 in 2001. (The date of the application is 19 July 2000.) Mr Ludewick states that the use of PARITY INTERNET by PIL has become well-known in the field of website design for trade associations, societies, institutions, charities and other professional bodies.

39) Mr Ludewick goes on to give his view as to what the business of PG involves. He exhibits at BAL18 an extract from the web site of dPa Corporate, downloaded on 17 January 2001. The key part of this to Mr Ludewick would appear to be the following:

“With the market shifting and e-commerce becoming the focus for the future, Parity acknowledged early on the need to change in order to stay ahead. It asked dPa to help communicate its repositioning as an e-business provider.”

Mr Ludewick states that PIL is concerned with website design and services ancillary to website design. He states that until the acquisition of Interactive Developments in December 1999 PG was not involved in website design.

40) Mr Ludewick states that TMS Information Solutions Limited, acquired by PG in April 1999, was involved in intranet development. He considers such services very different to those provided by PIL. He exhibits at BAL19 a press release relating to the acquisition of TMS by PG.

41) Mr Ludewick states that an extract from PG's website, exhibited at BAL20, shows that Interactive Developments has not been established as a fully integrated part of PG's business. The page, downloaded on 18 January 2001, states:

“Following its acquisition of Interactive Developments in December 1999, Parity Solutions has evolved i the UK's leading web development groups, with award-winning designs across a range of market sect Services include website strategy, design, development and implementation as well as fully integration internal business systems to give true end-to-end e-business capability.”

(The printout has the far right of the text missing, hence the strange way that the piece reads.)

42) Mr Ludewick exhibits at BAL21 various pages downloaded from the Interactive Developments website on 27 July 2000. He makes various submissions as to the import of these pages. The Interactive Developments name and device are shown, underneath which is written A Parity Group Company. Included amongst the clients is Barnado's.

43) Mr Ludewick exhibits at BAL22 a statement from PG dated 7 June 2000 which advises that from July 2000 PG will consist of two distinct businesses: Parity Solutions and Parity Software Services. The statement describes the two businesses in the following terms:

“Parity Solutions led by Managing Director Keith Jennings, our e-business solutions company with 750 staff. The combination of web, systems integration and training services in one company will provide a strong competitive offering to customers migrating their business processes to capitalise on the new e-economy.

Parity Software Services, our International IT skills business led by Managing Director Rick Bacon, brings together Parity Resources, Parity EuroSoft and TelTech in the UK, Continental Europe and the USA respectively. The investments outlines below will allow the business to provide an integrated one-stop-shop in IT resources and recruitment across Europe and the USA for its blue-chip client base.”

Mr Ludewick goes on to exhibit at BAL23 an article advising that Parity Solutions will be re-branded as Plerion “to differentiate its offerings from the international staffing solutions division of Parity”.

44) Mr Ludewick exhibits at BAL24 details of an application made by Parity Solutions Limited to register the trade mark PLERION in the United Kingdom. The application was filed on 18 May 2001. Mr Ludewick also exhibits details of the domain name PLERION.NET. He also exhibits at BAL26 pages downloaded from the PG website on 14 May 2002. He states that the latter shows that PG was focusing its marketing strategy on the following areas of business: energy, manufacturing and retail, financial, government and communications. Mr Ludewick states that these sectors fall outside the scope of PIL. The rest of Mr Ludewick's statement represents submissions rather than evidence of fact and so I will say no more about it here but take on board his comments in reaching my decision.

PG's evidence in reply

Second witness statement of Ian O'Driscoll

45) A large part of this witness statement represents submissions and a critique of the evidence of PIL rather than evidence of fact. I will make no comment on this aspect of the statement but take on board the comments.

46) Mr O'Driscoll states that in the application PARITY is in a reversed out block and written in sans serif script. He states that PG's use of PARITY is also in a reversed out block and written in sans serif script. Mr O'Driscoll states that the dominant colour of the application is purple. He states that Interactive Developments Limited extensively used the colour purple. Mr O'Driscoll states that from about May 2001 PG companies started to use purple. This is well after the date of application and so does not have a bearing upon this case. The use by Interactive Developments Limited of the colour purple also does not have a bearing upon this

case. The issue, if there be one, is identification of the colour purple with the use of PARITY by PG on or before the date of application by PIL. There is no evidence to support such usage. Mr O'Driscoll exhibits examples of the PARITY logo in green and blue.

47) Mr O'Driscoll states that dPa is a public relations company. He states that it was employed to raise awareness generally of PG and what it does. Mr O'Driscoll exhibits pages downloaded from the dPa website on 30 July 2002.

48) Mr O'Driscoll states that with the advent of a new chief executive officer it was decided not to proceed with the re-branding of Parity Solutions and Parity Training as PLERION. He states that now there is simply the Business Solutions Division of PARITY, the Training Division of PARITY and the Software Services Division of PARITY. Mr O'Driscoll states that there was never any intention to give up rights in PARITY. He states that PLERION name was never used and the trade mark application withdrawn.

Witness statement of Benjamin Alexander Ramage

49) Mr Ramage is a trade mark attorney.

50) Mr Ramage sent out questionnaires to five of PG's customers in the United Kingdom. The questionnaires included a copy of the PIL's trade mark in colour. The quarter circle at the bottom right hand corner of the trade mark appears yellow in the reproduction, rather than green as in the trade mark as applied for. He received three questionnaires in reply. The questionnaire listed the services of the application and asked if the person replying would associate the services with any particular company. One respondent stated that he would make an association with Parity Solutions Ltd. A second respondent stated that he would query whether the company was Parity Solutions. This respondent also stated that the font bears a passing resemblance to the Parity Solutions font and that the blue based colour is also similar. The third respondent stated that she would possibly not make any association. She stated that the Parity that she knows has different colours but that she does know the name and associates it with only one company. In a follow up witness statement this respondent, Caroline Scott, stated that she associated the name with Parity Plc, a computer consultancy which has its head office in Wimbledon.

DECISION

51) Section 5(4)(a) of the Act states that a trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented 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. In this case the rule of law relied upon by PG is the law of passing-off.

52) I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC in the *Wild Child case* [1998] 14 RPC 455. In that decision Mr Hobbs stated that:

"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] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 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."

.....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. In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

53) The first issue that I need to decide is what is the relevant date in the proceedings. "Kerly's Law of Trade Marks and Trade Names Thirteenth Edition" states at 8-106:

"It is suggested that the issue must be determined as at the date of the application for the mark in issue. The question is whether or not use of the mark applied for is liable to be prevented as at that date. If, however, the mark the subject of the application is

already in use then this may require consideration of the position at an earlier time too. The relevant date for proving reputation and goodwill in claiming for passing off is the date of the commencement of the activities complained of.”

This position is in accordance with the findings in *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429. In this case PIL was incorporated on 1 September 1999. However, I do not see mere incorporation can be described as an activity giving rise to complaint. It requires, in my view, something more than that, something more than sitting on the register at Companies House. Clearly “something more” was happening in December 1999 as evidenced by the letter and invoice of 14 December 1999 from PIL to Thompsons Solicitors about registering domain names. From 7 January 2000 there is an invoice from PIL to Chapel Down Wines Ltd for “web site design retainer” and domain registration. Mr Ludewick states that PIL traded under the name PARITY INTERNET from the date of incorporation. This has not been challenged. PIL must have taken some form of action to have clients who could be invoiced in December 1999 and January 2000. It must have been out in the market, before the dates of the invoices, seeking work. Mr Ludewick has clearly indicated in his evidence that his business relates to web design. The specification of the application goes considerably beyond this. As far as the following part of the specification is concerned:

creating and maintaining web sites for others; hosting web sites of others; web site design; creating and maintaining web sites

taking into account all the evidence before me I consider that the relevant date is 1 September 1999. In relation to the other parts of the specification, for which there is no evidence that PIL have been involved in, the relevant date is the date of the application, 19 July 2000.

54) I need to consider first the goodwill PG enjoyed as of 1 September 1999. In its submission PIL states:

“In summary therefore, we believe that whilst the Opponent has shown that they started using PARITY in 1994, they have not shown any use in the Applicant’s field of activity.”

Pumfrey J in *South Cone Inc. v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 stated:

"There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s 11 of the 1938 Act (see *Smith Hayden (OVAX)* (1946) 63 RPC 97 As qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date."

Professor Annand, sitting as the appointed person, in *Loaded* BL0/191/02, accepted that proof of goodwill could be accomplished by other means.

55) PIL accepts that PG was using PARITY in various forms from 1994. The issue before me is of the goodwill of PG and of the sign connected to that goodwill. From the evidence of Mr O'Driscoll I have no doubt that PG has used the sign PARITY in relation to various of its businesses since 1994. (Part of the time CSS Trident was used in relation to the supplying of staff rather than a PARITY sign.) There is a clear connection from the evidence between the various enterprises which have used the PARITY sign. From the evidence, which has not been challenged, of the relationship between the various undertakings I consider that this case is on a par with *Dawnay, Day & Co Ltd v Cantor Fitzgerald International* [2000] RPC 669 in so far as use by related entities is concerned. PG has used PARITY in a variety of forms eg a stylised house mark, Parity Solutions and Parity Resources. PG's business has been on a large scale. I find it difficult to believe that many people involved in the business of supplying Information Technology advice, consultation and solutions to problems would not have been aware of the various services supplied under PARITY by PG. In his witness statement Mr Ludewick states that he is aware of PG. I also note that in his evidence he exhibits, at BAL21, a page downloaded from the website of Interactive Developments which advises that it is a Parity Group Company. This page was downloaded on 27 July 2000; long before this opposition was filed, indeed only eight days after this application was filed. This indicates that PIL would have been aware of PG some time ago.

56) Various claims have been made as to a goodwill in relation to web related services. PG relies on the acquisition of TMS Information Solutions in April 1999, in its own words an intranet and knowledge management system company and of Interactive Developments in December 1999. PIL was already involved in the web business by December 1999 and so can claim, in relation to this particular area, to be the first one on the block, having kicked off its business in September 1999. I have no doubt that in the acquisition of the TMS and Interactive Developments businesses PG took over their goodwill. However, there is an absence of evidence as to when the PARITY name was actually used in relation to these businesses. Ironically the earliest use shown is from PIL in the form of Mr Ludewick's exhibit BAL21. On the basis of the evidence, taking into account the relevant dates, I am of the view that in this opposition the goodwill relating to the services that were supplied by TMS and Interactive Developments cannot assist PG. However, what they can certainly rely upon is a goodwill associated with the name PARITY for consultation, advisory, software and staff services in relation to information technology. Consultation and advice are vague terms that in themselves say little. In the context of the evidence a clear picture is drawn however. PG under the PARITY name have supplied an extensive service to a large number of undertakings throughout the United Kingdom. This service involves setting up computer systems for clients. PG is in at the initial planning stage, it then puts in the system and afterwards gives a back-up service to sort out any problems. Although PG uses off-the-shelf software packages it has a software arm in Antrim which adapts these packages to the requirements of the customer. In effect a customer can contact PG and ask it, from scratch, to put in place an information technology system. This is what the evidence shows it to have been doing.

57) PIL has spent a lot of time arguing the case that its customers are different and that it was supplying web services before PG. To succeed in a passing-off case there is no necessity for the services to be identical or the customers. The customer profile difference seems marginal anyway. PIL states that its customers are charities, associations or the like. PG has shown

that its customers include the Countryside Commission, the Charities Commission, the Charitable Aids Foundation and English Heritage, which although they might not be charities have a close relationship with charities and in the case of the Countryside Commission and English Heritage perform rôles not unlike certain charities. Even if the existing customer profile is different this is of little aid to PIL, as its specification is not limited to any particular group. In my view any such limitation would anyway be artificial to the extreme. The question I need to ask is not whether at the relevant date(s) PG was supplying identical services to a similar customer base as PIL but whether use of the trade mark of the application for the specification it covers would lead the public to suppose that PG had made itself responsible for the quality of the services of PIL (see *Harrods v Harrodian School* [1996] RPC 697).

58) PG has supplied three questionnaires and exhibited the Still e-mail in relation to the issue of confusion of the public. The questionnaires tell me little; not only is the sample size very small it is also taken from customers of PG but customers chosen by PG! The questionnaires emanate from well after the relevant dates and so do not reflect the position as of then. It is clear that PG took on the website side of its business after the relevant date, so possibly skewing the reaction. Those questioned were also asked about the specification as a whole. There was, for instance, no request for their reaction to website services on their own. PG in its submissions consider that the questionnaires enjoy validity because three out of five persons responded. With a sample so small and so skewed I cannot see that this validates the survey. The head note to *Imperial Group plc & Another v. Philip Morris Limited & Another* [1984] RPC 293 gives a useful summary to the requirements for a survey:

“If a survey is to have validity (a) the interviewees must be selected so as to represent a relevant cross-section of the public, (b) the size must be statistically significant, (c) it must be conducted fairly, (d) all the surveys carried out must be disclosed including the number carried out, how they were conducted, and the totality of the persons involved, (e) the totality of the answers given must be disclosed and made available to the defendant, (f) the questions must not be leading nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put, (h) the exact answers and not some abbreviated form must be recorded, (i) the instructions to the interviewers as to how to carry out the survey must be disclosed and (j) where the answers are coded for computer input, the coding instructions must be disclosed.”

The survey falls flat on its face in respect of a and b. With a sample so small and skewed, even without taking into account that the responses fall well after the relevant date, I do not consider that I can give any weight to this survey.

59) There is, of course, the “spontaneous” Still e-mail which shows a confusion by at least one person although well after the relevant date. Confusion is confusion, but the growth and development of PG’s business might have been causal in the confusion. It is impossible to know if the same confusion would have arisen at the relevant dates.

60) PIL in its submissions makes reference to comparison of trade marks as per the strictures of *Sabel BV v Puma AG* [1998] RPC 199. *Sabel* is about likelihood of confusion and about Community law. It is not about the law of passing-off. The question before me as I have said above is whether use of the trade mark of the application for the specification it covers would lead the public to suppose that PG had made itself responsible for the quality of the services of PIL. Although PG has not shown that at 1 September 1999 it used the name PARITY in

relation to website related services it has shown that at that date it had an extensive goodwill associated with the name PARITY in relation to information technology services. A customer seeing the trade mark of PIL for any of the services, including website related services would I believe make the reasonable assumption that PG was behind these services, that it was responsible for them. He or she would see website design services as but another arrow in the quiver of a company that in its own terms is involved in end-to-end application of information technology. PIL comments that PG is pitching itself at the e-commerce end of the market. The evidence shows that PG is involved in a wide area of the market, including e-commerce. Involvement in e-commerce would anyway strengthen the case of PG, a key area of e-commerce is the website. Website design would be seen as a part of an end-to-end package. PIL has made comments about the difference in formats and usage of the respective signs. PG has made claims to the similarities in get-up. In my view what one is looking at is two businesses that use the name PARITY and I do not envisage the public, taking into account the closeness of the natures of the businesses, discriminating between the two through matters of get-up or because sometimes PG uses Parity Solutions or Parity Group or PARITY. In fact the opposite, the various forms in which PG use PARITY make it all the more likely that a customer will consider that the businesses are one and the same or closely interconnected. Put in its simplest form PIL's application is for a trade mark, that is essentially a PARITY trade mark, under which information technology services are supplied to third parties. PG supply information technology services to third parties under the name PARITY. It is to be noted also that PIL's specification is not limited to website related services but includes services for which PG has had a long established reputation ie *advisory services relating to computer based information systems; computer consultancy; computer database consultancy; designing of computer databases*. I do not consider that the sophistication of the purchasing decision or the purchaser is going to effect the issue of misrepresentation where the respective signs and the respective services are so close.

61) PIL has made various comments about PG abandoning its use of PARITY except for its staffing business. PG has answered this. However, even if it had not this would have been a red herring. I need to consider the issue at the relevant date(s). Also the argument of PIL is based on an idea that goodwill associated with a sign vanishes when the sign ceases to be used; this ignores residual goodwill. Owing to the position in the market of PG even if it had abandoned use of PARITY the public would be likely to associate that name with PG for a good time afterwards and so would still consider that PG was responsible for the services of PIL.

62) I have found that PG has the requisite goodwill to which the name PARITY, in various formats, is associated. I also consider that use of the trade mark of the application would be a misrepresentation by PIL which would lead the public to believe that its services are those of PG. In such circumstances PIL could take trade from PG on the back of PG's reputation, which is a damage. It could also damage the reputation of PG if the services it supplied were deficient in some way, another form of damage.

63) PIL has denied that there has been confusion. There has been some even if it is only the Still e-mail. I think little hinges upon that e-mail but I mention it for good order. PIL's business has, compared to PG, been very small beer. It has been, according to it, been aimed at a different clientele. However, there is nothing to stop PIL changing its clientele, nor PG. From the printout filed by PIL it is known that Interactive Developments has Barnado's as a client; the very clientele of PIL. It is also the case that the absence of attested confusion says little. If a customer is completely confused he will not know that he has been confused and that he is not dealing with the company he believes he is dealing with.

63) In its submission PIL adopted a fall back position when it stated the following:

“In the alternative, the specification of services should be limited to ‘creating and maintaining web sites for others; hosting web sites of others; web site design; creating and maintaining web sites’;”

As I have indicated above I consider that there would be a clash with website related services. This limitation does not overcome the objection of PG.

64) PG has succeeded in its claim that registration of the trade mark of PIL would be contrary to section 5(4)(a). The application is to be refused in its entirety.

COSTS

65) Parity Group plc having been successful it is entitled towards a contribution towards its costs. I order Parity Internet Limited to pay Parity Group plc the sum of £1450. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 28TH day of February 2003

**David Landau
For the Registrar
the Comptroller-General**