

O-152-04

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 12037
BY REED SOLUTIONS PLC
FOR A DECLARATION OF INVALIDITY
IN RESPECT OF TRADE MARK No 2147163
REED CATERING GROUP
IN THE NAME OF REED BUSINESS INFORMATION LIMITED

BACKGROUND

1) Trade Mark No 2147163 REED CATERING GROUP stands registered from the filing date of 6 October 1997 for the following specifications:

In Class 16: **A**Printed publications and periodicals; instructional and teaching materials.@

In Class 35: **A**Advertising, promotional and marketing services.@

2) By an application dated 30 October 2000 Reed Solutions Plc applied for a declaration of invalidity in respect of this registration. The grounds are in summary:

a) The mark is in breach of Section 3(1)(b) in that it consists of a common surname in combination with two wholly descriptive and non-distinctive words and, at the time of application, the registrant failed to show that the mark applied for had acquired a distinctive character in relation to the goods and services for which it is registered.

b) The mark in suit should be declared partially invalid on the grounds that the evidence used to overcome the initial objection under Section 3(1)(b) was insufficient to warrant acceptance of such a wide specification.

c) The applicant has trade mark number 1296450 REED registered for **A**employment agency services@in Class 35 which it has used extensively. Therefore the mark in suit should be declared invalid under Section 5(2)(b) and 5(4)(a).

d) The applicant also relies upon the Particulars of Claim Number HC 000 3439 dated 31 July 2000 which states in summary:

i) That the applicant has, since May 1960, used the trade mark REED on employment agency services and recruitment services. That the mark has been extensively advertised, and is used through 274 branches operating in 182 locations throughout the UK.

ii) Since 1995 the mark REED has also been used for the provision of services online including recruitment services, such as job searching facilities, interactive training, recruitment and career information and advice.

iii) Turnover and advertising figures for services under the REED mark are as

follows:

Year	Turnover ,	Advertising ,
1995	150,242,000	2,371,715
1996	191,013,000	2,706,390
1997	226, 929,000	4,284,459
1998	243,882,000	3,973,265
1999	293,712,000	5,444,601

3) The registered proprietor filed a counterstatement denying the above grounds, and also claiming, in the alternative, that the mark has acquired a distinctive character as a result of the use made of it after registration.

4) Both sides ask for an award of costs in their favour.

5) Both sides filed evidence in these proceedings and the matter came to be heard on 23 April 2003 when the applicant was represented by Ms Himsworth of Counsel instructed by Messrs Grant Spencer Caisley & Porteous. The registered proprietor was represented by Ms Michaels of Counsel instructed by Messrs DJ Freeman.

APPLICANT'S EVIDENCE

6) The applicant filed four statutory declarations. The first, dated 1 July 2002, is by Jacqueline Helen Simpson, the applicant's Trade Mark Attorney. At exhibits JHS1 - JHS4 Ms Simpson provides copies of various documents involved in the original examination of the mark in suit.

7) Ms Simpson takes issue in particular with the declarations filed by the registered proprietor's Company Secretary Mr Ian Michael Glencross in support of the original application. These declarations are also filed as part of the proprietor's evidence and have been detailed as part of my summary of that evidence. In essence Ms Simpson contends that none of the documents supplied by Mr Glencross shows use of the name REED solus. It is, she states, always used as part of a company or division name. Similarly, the turnover figures relate to the whole of the Reed Group and not just to sales under the REED name. She further claims that the goods and services covered by these turnover figures are not specified. Lastly, Ms Simpson states that the claim by Mr Glencross that REED is recognised and known as part of the company names of Reed Elsevier Plc and Reed Business Information Limited and also as the name of numerous divisions within the organisation does not mean that REED is a trade mark or that it has become distinctive of the proprietor.

8) The second declaration, dated 29 July 2002, is by Derek Beal the Group Finance Director of Reed Executive Plc the parent company of Reed Solutions Plc. Mr Beal states that when he joined Reed Employment in 1989, Reed Executive Plc (the parent company) had central control of all Reed group companies and trading divisions, all of which, he claims, carried out

business under the REED trade mark, this includes a division entitled REED Technical, Industrial and Catering. An organisation chart showing a link between the two companies is provided at exhibit DB1. He states that during the early nineties the different companies were merged into a single operating unit. He states that in April 2000 these units were again split up but all still trade under the REED mark and still offer recruitment services. The new structure, at exhibit DB2, has no division/subsidiary with Catering as part of its title. At exhibits DB3-4 he provides turnover and advertising figures for the services provided under the REED mark in the UK. These are as follows:

Year	Turnover ,	Advertising ,
1992	82,346,000	n/a
1993	89,813,000	n/a
1994	115,255,000	n/a
1995	150,242,000	2,472,070
1996	191,013,000	2,855,018
1997	226,926,000	4,469,511

9) The third declaration, dated 1 August 2002, is by Joan Edmunds the Legal Director of Reed Executive Plc. She states that Reed Executive Plc has a range of subsidiaries which have specialised in the provision of employment agency services, recruitment services and other related services, all offered under the REED trade mark.

10) Ms Edmunds makes extensive reference to the High Court case HC00003439 which featured the same parties as the instant case. At exhibit JE1 is a copy of the judgement in the case. I do not intend to summarise it here but will refer to it as and when it is relevant in my decision.

11) At exhibit JE2-3 Ms Edmunds provides copies of two statements which also featured in the above High Court proceedings. She states that these statements were not challenged at the time by the proprietor in the instant case.

12) At exhibit JE2 is a statement, dated 30 November 2001, by Catherine Lucy Nicholson, the Director of Marketing and Communications at Reed Executive, the parent company of Reed Solutions plc. She states that the REED brand has been actively marketed and promoted in the field of employment and recruitment since the 1960s. She provides a list of corporate marks all of which feature the word REED prominently with other descriptive words in smaller font underneath, such as, inter alia, REED Accountancy Personnel, REED Banking Personnel, REED Corporate Solutions, REED Employment Solutions, REED Graduates, REED Insurance Selection and REED Social Care Personnel. Ms Nicholson provides an extensive range of exhibits which show that these corporate marks have been advertised and promoted through a range of mediums and that activities have generated considerable publicity. In August 2000 Ms Nicholson took control of online advertising and was provided with a budget of , 500,000 per annum. She purchased the

word REED on the Excite search engine but found that REED on Yahoo had been purchased by totaljobs.com from 24 November 1999 until 4 November 2000. This meant that if anyone typed the word REED into the Yahoo search engine an advertisement for totaljobs.com would appear.

13) At exhibit JE3 is a copy of a statement, dated 23 November 2001, by Elizabeth Anne Christie, the Director of Property and Purchasing for Reed. Ms Christie states that she has been an employee of the Reed Group since 1976 and has primarily been involved in the marketing and advertising activities of the group. Ms Christie states that in 1995 the company established a recruitment website on the internet, REED.co.uk. She provides details of the activities of the Reed Group in promoting their recruitment services to both those seeking employment and those seeking employees. Although a number of the extensive exhibits are undated or dated after the relevant date, it is clear from those that are dated prior to the relevant date that the name REED has been used extensively in all advertising mediums in relation to employment services. It is also clear that the group has achieved significant media coverage via various activities.

14) The fourth declaration, dated 1 August 2002, is by Martin Fallon, the Operations Director of Reed Employment Solutions and Reed Hospitality Solutions, divisions of Reed Solutions Plc a position he has held since 1997. He states that his company specialises in employment agency services, recruitment services and other related services all of which are offered under the trade mark REED. He further states:

My company has a number of divisions specialising in different industries, including REED EMPLOYMENT SOLUTIONS, REED CORPORATE SOLUTIONS and REED HOSPITALITY SOLUTIONS. It has traded under the name REED CATERING for more than ten years. The specialist division REED CATERING, now REED HOSPITALITY SOLUTIONS, was set up in 1988 and it focuses on the provision of personnel in the catering sector.

15) Mr Fallon provides at exhibit MF1 a number of items of literature including brochures and an invoice. However, whilst the invoice is dated it shows use of REED and REED Personnel Services Plc but not REED Catering. There are terms of business brochures which show use of REED Catering in 1995, and REED Catering Personnel in 1997 and 1998. The other items are either not dated or show use of only the REED mark. He states that REED CATERING (since 2000 REED HOSPITALITY SOLUTIONS) provides accredited Food Hygiene training and each candidate is provided with training and guidelines in relation to hygiene, safety, health and related subjects. At exhibit MF2 is a copy of the certification dated 1994 and also an invoice for examinations held at Reed Catering dated 1991. There are also copies of marketing literature relating to food hygiene courses which are undated. He also provides turnover figures for the services provided under the mark REED CATERING as follows:

Year	Turnover ,
1994	3,295,000

1995	4,778,000
1996	5,278,000
1997	7,800,000
1998	8,696,000

16) Mr Fallon states that the mark REED CATERING has been marketed and promoted inter alia via newspapers, magazines and direct mail. At exhibit MF3 he provides copies of a press release dated 1991, two handouts dated 1992 and 2000, a press advertisement hand dated May 1996 (which paper/ magazine is not stated), an internal memorandum addressed to Reed Catering and a press report dated July 1992 which carries a story about Reed Catering. At exhibit MF4 is an undated brochure for Reed Hospitality Solutions.

REGISTERED PROPRIETOR-S EVIDENCE

17) The proprietor filed three witness statements. The first, dated 14 October 2002, is by Alexander Victor Carter-Silk a solicitor working for the proprietor-s trade mark agency. He confirms that the mark in suit met with an objection under 3(1)(b) and that two declarations dated 12 August 1997 and 19 March 1999 were filed by Ian Michael Glencross. These are provided at exhibits AVCS1 & 3. There is also a letter and attachments from the trade mark attorney at exhibit AVCS2. At exhibit AVCS4 he too provides a copy of the High Court Judgement HC 0003439 of 20 May 2002.

18) In his two declarations, dated 12 August 1997 and 19 April 1999, Mr Glencross provides broad background information regarding the global business of Reed Elsevier Plc of which Reed Business Publishing Ltd (RBP) is a part. As a very large company Reed Elsevier Plc has a number of divisions and subsidiary companies. He states that in the publishing and ancillary fields, the trade mark REED is exclusively associated with the group of companies which make up Reed Elsevier plc and by being part of that group, the trade mark REED is distinctive of products produced by my company@. He states that the group is primarily a publisher although they also deal with exhibitions. Mr Glencross also states that the goods and services are provided through a broad range of formats including books, magazines, recorded tapes and discs and computer tapes and discs. He provides turnover figures for both RBP and Reed Elsevier. However, it is not clear what products and services these figures relate to nor, in the case of RBP, whether these figures relate to the UK.

19) Mr Glencross provides exhibits which appear to be annual reviews. These refer to a large number of companies which have the word AReed@ within their name such as AReed Elsevier@, AReed International plc@, AReed Educational & Professional Publishing@, AReed Exhibition Companies@ and AReed Travel Group@. Within some reports the two parent companies are, after the initial full reference, referred to as AReed@ and AElsevier@ rather than by their full designations. Under each heading is a narrative giving details of activities in the year just ended. It is not clear whether these marks are used in the marketplace.

20) At exhibit AVCS2 to Mr Carter-Silk-s declaration is a copy of a letter from the proprietor-s Trade Mark Attorney Messrs F J Cleveland, dated 23 September 1998 which has

attached examples of use made of the mark REED. The attached document is a copy of part of the Reed Elsevier Annual Review 1997. The pages provided appear to be part of a chapter entitled 'Review of Operations'. There are three headings 'Reed Educational & Professional Publishing', 'Reed Exhibition Companies' and 'Reed Travel Group'. Under each heading is a narrative giving details of activities in the year just ended. It is not clear whether these marks are used in the marketplace.

21) I do not intend to summarise the judgement in relation to case No HC0003439 at exhibit AVCS4. I will refer to it as and when it is necessary in my decision.

22) The second statement, dated 14 October 2002, is by Mark Vickers Kelsey the Chief Operating Officer of Reed Business Information Limited (RBI). He states that the proprietor is a 'global publisher that concentrates on four key areas of business; science; legal; education and business-to-business publishing'. He also states:

It is my understanding that it is widely believed both within and outside RBI that one of RBI's core skills is as a recruitment advertiser. Indeed, RBI generates the greatest coverage of industry specific recruitment advertising of any publisher in the UK. Recruitment advertising generates in the region of 20 percent of RBI's revenue and RBI has approximately 5 percent market share of the whole recruitment advertising market in the United Kingdom.

23) Mr Kelsey states that RBI's specialist trade journals have for many years carried recruitment advertising at the back of the magazine. At exhibit MVK1 he provides copies of magazines showing recruitment advertisements over a number of years and in different fields of employment.

24) Mr Kelsey claims that the applicant has placed advertisements in RBI's publications 'over many years'. He also claims that the two parties are not in competition as they are not in the same business. He states that RBI also provides other recruitment services such as salary surveys, which gives advice to advertisers on salary levels; publications dealing with career opportunities and summits with major recruitment advertising agencies to discuss key recruitment issues.

25) Mr Kelsey states that the advent of the internet has fundamentally changed the nature of recruitment advertising as the on-line cost of advertising is considerably less than the cost of the printed version. In order to maintain revenue each magazine determined its own strategy. Some accepted advertising for their internet site only, others insisted on both printed and on-line advertising being purchased.

26) Mr Kelsey states that each RBI magazine has a banner title and each is promoted using the magazine title as the primary brand. These include titles such as 'Computer Weekly', 'Personnel Today', 'Caterer and Hotel Keeper', 'Farmers Weekly' and 'New Scientist'. He also claims that:

When RBI launches a new title it also tends to rely, initially, on the strength of the RBI brand to market it in order to give it credibility. For example, as explained, many

of the titles fall within particular market sectors and will also be marketed in groups or clusters using Reed plus the cluster title as a secondary brand. For example, Reed Healthcare comprises among other publications, Doctor, Hospital Doctor, Practice Nurse, Update and Update Plus.

27) Mr Kelsey states that RBI rarely engages in corporate advertising, although each magazine carries a notice stating that Reed Business Information Limited is the copyright owner and the owner of the magazine.

28) The third statement, dated 14 October 2002 is by Paul Robert Charles Sissons, a Director of RBI and Head of RBI Recruitment, which he states is a department representing the recruitment and classified sales operations across 11 out of RBI's 15 key recruitment titles and 10 recruitment web products.

29) Mr Sissons explains that a recruitment title is a publication that includes a large recruitment advertising section. He states that examples of such are New Scientist, Estates Gazette, Community Care and Computer Weekly. He states that RBI Recruitment is a name used (externally only if necessary) to describe the portfolio of recruitment titles. He describes the applicant as being an employment agency which he defines as an organisation whose primary purpose is to place candidates in jobs and earn fees from doing so. He contrasts this to his organisation where the responses to an advertisement do not go to RBI but to the organisation who placed the advertisement.

30) Mr Sissons states that:

The primary branding in relation to general recruitment activities will usually appear somewhere on the product, flyer or invitation. This will usually be Reed Business Information together with our globe logo.

31) At pages 70-76 of exhibit PRCS1 are invoices from RBI to the applicant for advertisements taken out in RBI's publications. These show that a number of the applicant's companies have advertised in a variety of the registered proprietor's publications such as New Scientist, Computer Weekly, Community Care and Estates Gazette. He also states that from 1987 - 1996 his company exhibited at the Chartered Institute of Personnel and Development (CIPD) conference under the name Reed Business Publishing. He describes this as The event for the human resource sector. He provides brochures at pages 86-140 of exhibit PRCS1 which show that the company were present. However, he states that the applicant's stand is different to the RBI stand, he describes it thus:

The Reed brand is clearly visible, unlike the RBI stand where the RBI logo is secondary to journal brands.

32) Lastly, Mr Sissons explains that the company carries out salary surveys which are printed in its publications such as those previously mentioned.

33) That concludes my review of the evidence. I now turn to the decision.

DECISION

34) The request for the declaration of invalidity is made under the provisions of Section 47(1) & (2) of the Act. These state:

A47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.@

35) The application is based upon Sections 3(1)(b), 5(2)(b) and 5(4)(a). I shall deal first with the ground under Section 3(1)(b) which reads:

A3.-(1) The following shall not be registered -

- (a)
- (b) trade marks which are devoid of any distinctive character,
- (c)
- (d)

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.@

36) At the hearing I was referred to the *Red Letter* case O/150/03 where the Hearing Officer provided a summary of the principles to be followed in applying Section 3, gleaned from a number of authorities including *Cycling IS...* Trade Mark Applications [2000] RPC 37 and the ECJ cases of *Libertel Group BV V Benelux Markenbureau*, Case C-104/01 and *Linde AG (and others) v Deutsches Patent-und Markenamt*, Joined Cases C-53/01 to C-55/01. The principles were summarised as follows:

\$ the exclusions from registrability contained in Section 3/Article 3 are there to ensure

that trade marks whose use could successfully be challenged before the Courts are not registered. The defence available to other traders by virtue of Section 11/ Article 6 does not obviate the need for a »stringent and full examination« in order to prevent trade marks from being improperly registered (*Cycling IS* paragraphs 40-42 and *Libertel* paragraphs 57-59);

\$ an objection under Section 3(1)(b) operates independently of objections under Section 3(1)(c) (*Cycling IS* paragraphs 43-45 and *Linde* paragraphs 67-68);

\$ for a mark to possess a distinctive character it must identify the product (or service) in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product (or service) from the products (or services) of other undertakings (*Linde* paragraphs 40-41 and 47);

\$ it is legitimate, when assessing whether a sign is sufficiently distinctive to qualify for registration, to consider whether it can be presumed that independent use of the same sign by different suppliers of goods and services of the kind specified in the application for registration would be likely to cause the relevant class of persons or at least a significant proportion thereof, to believe that the goods or services on offer to them come from the same undertaking or economically-linked undertakings (*Cycling IS* paragraph 53);

\$ a trade mark's distinctiveness is not to be considered in the abstract but rather by reference to the goods or services in respect of which registration is sought and by reference to the relevant public's perception of that mark (*Libertel* paragraphs 72-77 and *Cycling IS* paragraphs 54-61);

\$ the relevant public must be deemed to be composed of the average consumer who is reasonably well-informed and reasonably observant and circumspect (*Libertel* paragraph 46 referring to Case C-342/97 *Lloyd Schuhfabrik Meyer*).

37) The proprietor did not dissent from the fact that these are proper considerations. The proprietor's sign REED CATERING GROUP is registered for APrinted publications and periodicals; instructional and teaching materials@in Class 16 and AAdvertising, promotional and marketing services@in Class 35. The evidence of use has been detailed earlier in the decision.

38) The applicant contends that the mark consists of a surname and two ordinary dictionary words and that as such evidence of distinctiveness is required. They contend that the evidence provided at the time of registration was evidence of use of Reed Business Information and/or Reed Elsevier rather than use of Reed simpliciter or the mark in suit. Ms Himsworth contended that the proprietor was claiming distinctiveness by proxy and referred me to the comments of Mr Geoffrey Hobbs, acting as the Appointed Person in the *Kraft Jacobs Suchard* case (BL 0/106/03) where at paragraphs 19 & 20 he said:

A19. In other words, the Applicant maintains that **TOBLERONE** = (*in cross-section*) and (*in cross-section*) = **TOBLERONE** irrespective of the actual proportions of the

triangular shape applied to the relevant confectionery or its packaging and irrespective of whether the relevant confectionery is presented either in elongated form or in segmented form as depicted in this paragraph.

20. That is a bold proposition. It postulates that, for lack of any material difference between them, the shape now put forward for protection should be assimilated to the generally well-known shape of the TOBLERONE confectionery and packaging identified in the preceding paragraph. However, the overall shapes are clearly different. There is no evidence to substantiate the proposition that consumers would assimilate them in the way that the Applicant suggests and I think they are different to a degree which dictates that they should not be assimilated for the purposes of the assessment required by Section 3(1)(b).@

39) At the application stage the proprietor filed evidence before the Registry intended to establish that their mark had acquired the capacity to communicate that the goods and services included in its specification were those of one and the same undertaking. This evidence has been filed as part of the proprietor's evidence in the instant case and has been summarised earlier in this decision. Ms Michaels accepted that the evidence provided by Mr Glencross does not specify that the turnover was in relation to the UK or the goods and services to which it relates. She drew my attention to the Reed Elsevier combined accounts for 1995 at exhibit JHS2. At page 54 of these accounts it provides turnover figures for various geographical areas, amongst which are two entries for the UK. These state that the turnover in 1994 was , 686 million and in 1995 , 740 million. However, it does not state what goods and services the figures relate to or what trade mark/s these goods and services were sold under. Whilst accepting that this approach was somewhat Arough and ready@, Ms Michaels contended that Aeven if a tiny percentage of those sums related to products marked AReed@, the sums involved would be very significant.@

40) In my opinion, the Registry should be slow to adopt a Arough and ready@ approach to issues surrounding evidence of use. The proprietor also filed evidence that the various magazines and journals it produces all carry notices that the publisher is Reed Business Information Limited. Although some of these publications are obscure and highly specialised, others, such as ANew Scientist@ and AComputer Weekly@ are household names.

41) The evidence of use is so lacking in specifics that it does not establish a reputation in either Reed Elsevier or Reed Business Information. Therefore the issue of distinctiveness by proxy does not arise.

42) At the hearing Ms Michaels accepted that the mark consisted of a surname and two non-distinctive, descriptive words. However, she contended that the mark was inherently distinctive and was registrable without evidence of use. In the case of *MR LONG* [1999] EMTR 406, Geoffrey Hobbs Q.C., acting as the Appointed Person stated:

A..surnames are neither automatically eligible nor automatically ineligible for registration under the Act.@

43) Later he continued:

I think that in order to be registrable a surname or any other sign must possess the capacity to communicate the fact that the goods or services with reference to which it is used recurrently by the applicant are those of one and the same undertaking. When assessing that capacity at the relevant date (the date of application) it is, of course, necessary to bear in mind that surnames, as such, are naturally adapted to identify all individuals so named.

44) The question I need to consider is whether the average consumer will take the sign as identifying the goods and/or services of one undertaking. In my view, the average consumer would view the words "Reed Catering Group" if used on a publication not as a badge of origin but as a reference to the subject matter of the publication. With regard to the services in the proprietor's specification in Class 35: "Advertising, promotional and marketing services". It is accepted that service organisations frequently trade under surnames, usually that of the founder. Therefore use of the mark in suit in relation to these services would not be origin specific.

45) The words "Catering Group" do not add to the distinctiveness of the surname "Reed". Without evidence of factual distinctiveness the mark in suit is not registrable.

46) Consequently, the application for a declaration of invalidity under Section 3(1)(b) succeeds in relation to the Class 16 goods and the Class 35 services.

47) In case I am wrong about this I will consider all of the other grounds beginning with the ground of invalidity under Section 5(2) which reads:

5.(2) A trade mark shall not be registered if because -

- (a)
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

48) An earlier right is defined in Section 6, the relevant part of which states:

6.(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.

49) The applicant's UK Trade Mark registration number 1296450 has a filing date of 23 December 1986. The mark is registered for "Employment agency services included in Class 35". It is therefore, an earlier trade mark for the purposes of Section 5(2).

50) In determining the question under section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel Bv v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R 723. It is clear from these cases that:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel Bv v Puma AG* page 224;
- (b) the matter must be judged through the eyes of the average consumer, of the goods / services in question; *Sabel Bv v Puma AG* page 224, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* page 84, paragraph 27;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel Bv v Puma AG* page 224;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel Bv v Puma AG* page 224;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.* page 7 paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel Bv v Puma AG* page 8, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel Bv v Puma AG* page 224;
- (h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG* page 732, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.* page 9, paragraph 29.

51) In essence the test under Section 5(2) is whether there are similarities in marks and goods and/or services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of

confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods and/or services, the category of goods and/or services in question and how they are marketed. Furthermore, I must compare the mark registered and the applicant's registration on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods and services covered within the respective specifications, also taking account of any reputation the marks may have developed.

Similarity of goods and services

52) The applicant's mark REED is registered for **Employment agency services** in Class 35. The registered proprietor's mark REED CATERING GROUP is registered for **Printed publications and periodicals; instructional and teaching materials** in Class 16 and **Advertising, promotional and marketing services** in Class 35.

53) In comparing the two specifications I take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.

54) Clearly the applicant's services in Class 35 are not similar to the proprietor's goods in Class 16. Ms Himsworth stated that the applicant produces documents and brochures with their REED mark upon them but this is merely promotional material for their employment agency services. I therefore turn to the services of both parties under Class 35. Both specifications seem, to my mind, to relate to different specialised areas which are usually provided face to face and will be chosen with great care. In my opinion the specifications in Class 35 are not similar.

Similarity of marks

55) The applicant's mark is REED whilst the mark in suit is REED CATERING GROUP. Clearly the marks have the same initial word, the surname **Reed**. The proprietor's mark has two additional words but these are non-distinctive, descriptive terms. Clearly there are visual and phonetic differences. I also accept that the average consumer views trade marks as wholes. However, the differences relate to descriptive terms and the average consumer would view both marks as **Reed** marks. The marks are very similar.

Reputation

56) The applicant has shown that it has a significant reputation in its REED mark for employment agency services. The applicant has shown evidence of use of **Reed catering** as part of its employment agency services, but the mark is not registered and the use shown is such that the applicant cannot claim reputation under this mark other than that which resides

in the word REED. The proprietor cannot claim to have any reputation in its mark.

Likelihood of confusion

57) With all of this in mind I come to the conclusion that, when all factors are considered, that there was no likelihood of confusion. Consequently, the invalidity application under Section 5(2)(b) fails.

58) I next turn to the ground of opposition under Section 5(4)(a) which reads:

5.- 4) 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, or

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an earlier right in relation to the trade mark.

59) In deciding whether the mark in question REED CATERING GROUP offends against this section, 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:

The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant 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 Art.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 Applicant 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] RPC 341 and *Even Warnik BV - v - J. Townend & Sons (Hull) Ltd* [1979] AC 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 the 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.@

60) Earlier in this decision I found that the applicant had a reputation in relation to employment agency services under the mark REED. I also found that use of the mark in suit (Reed Catering Group) in regard to both Class 16 goods and Class 35 services, on an actual or on a fair and notional basis, would not result in confusion with the applicant's REED mark. In reaching this conclusion I took into account the use by the applicant of the marks REED and REED CATERING. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur in relation to either the goods in Class 16 or the services in Class 35. The ground of invalidity based upon Section 5(4)(a) therefore fails.

Conclusion and costs

61) My finding under Section 3(1)(b) has the effect that the registration is deemed never to have been made.

62) The application for invalidity failed totally in relation to the grounds under 5(2)(b) and 5(4)(a) but was successful in relation to Section 3(1)(b). Therefore, the applicant is entitled to a contribution towards costs. I have taken into account the fact that this case was one of three, with substantially the same evidence and issues. All three cases were dealt with at the same hearing with, effectively, common skeleton arguments. The normal contribution to costs has therefore been reduced to take account of these factors. I order the proprietor to pay the applicant the sum of , 1,600. This sum 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 1st day of June 2004

George W Salthouse
For the Registrar
The Comptroller-General