

O-338-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2332810
BY LEND LEASE EUROPE LIMITED
TO REGISTER THE TRADE MARK
TOUCHWOOD
IN CLASSES 35 & 36**

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 92428
BY W H MASON & SON (TIMBER MERCHANTS) LIMITED**

BACKGROUND

1) On 21 May 2003, Lend Lease Europe Limited, of York House, 7th Floor, 23 Kingsway, London, WC2B 6UJ applied under the Trade Marks Act 1994 for registration of the trade mark TOUCHWOOD in respect of the following services:

In Class 35: “Advertising; dissemination of advertising matter; production of advertising matter; provision of advertising space; assistance (business management); auctioneering; business consultancy; business management and organization consultancy; business research; demonstration of goods; direct mail advertising; employment agencies; market research; office machines and equipment rental; organization of exhibitions for commercial or advertising purposes; outdoor advertising; public relations; rental of advertising space; sales promotion; shop window dressing; business services in the field of commercial property development; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket, a hypermarket, a department store, a general merchandise retail outlet and a cash and carry outlet.”.

In Class 36: “Rental of offices”.

2) On 16 April 2004 W. H. Mason & Son (Timber Merchants) Limited of Wetmore Road, Burton-on-Trent, Staffordshire, DE14 1QN filed notice of opposition to the application. The grounds of opposition, subsequently amended, are in summary:

a) The opponent is the proprietor of trade mark No. 2063429 TOUCH WOOD which is registered for goods in Class 20. The opponent claims that the goods for which its mark is protected may be provided under, and are thus similar to, the following Class 35 services of the applicant,

“The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket, a hypermarket, a department store, a general merchandise retail outlet and a cash and carry outlet”.

b) The opposition is restricted to these services. The opponent states that the marks are confusingly identical and/or similar. The mark therefore offends against Section 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994.

c) The opponent also claims that its investigations suggest that at the time of filing the application the applicant did not have any genuine intention of using the trade mark applied for in respect of “the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket, a hypermarket, a department store, a general merchandise retail outlet and a cash and carry outlet”. The opponent therefore contends that the application should be refused by virtue of Section 3(6) of the Trade Marks Act 1994.

3) The applicant subsequently filed a counterstatement denying the opponent’s claims.

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. Neither side wished to be heard although the applicant has provided written submissions which I shall refer to as and when required in the course of my decision.

OPPONENT'S EVIDENCE

5) The opponent filed a witness statements, dated 22 December 2005, by Arnold Vincent Hallam, the opponent's Trade Mark Attorney. At exhibits AVH1-3 inclusive Mr Hallam provides copies from the applicant's website which he claims shows the mark in suit being used in relation to, inter alia, services such as real estate, construction, development, finance and consulting. He states that it does not show use on the services which are the subject of the opposition. Mr Hallam states that as there is no indication on the website that the applicant intends to expand into such services, that:

“From this it maybe concluded that if there is no indication of the use of the mark some 18 months from the date of application that there is a serious question to be answered as to whether there was any intention to use the mark in relation to such services at the time of filing the application.”

6) Further, Mr Hallam states that the specification under attack is so broad that “it casts doubt both on the bona fide intention of the applicants to use the mark on, or in relation to, all possible goods that may be sold through such outlets and the ability to use the mark in respect of which protection is sought to serve as a bona fide intention of origin. In relation to the first point, while it is the case that such stores may carry a wide variety of goods, the selection of goods is never so broad as to include all possible goods (e.g. from food to furniture, from animals to automotive vehicles)”.

APPLICANT'S EVIDENCE

7) The applicant filed a witness statement, dated 29 March 2006, by Mark Roland Foreman the applicant's Trade Mark Attorney. He points out that the applicant is the owner of trade mark number 2288777 which is for a series of five TOUCHWOOD marks for services in Class 35 and that the opponent in the instant case also opposed trade mark 2288777. He denies the allegation of bad faith and provides at exhibit MRF4 articles from the applicant's website relating to a retail centre in Solihull under the name TOUCHWOOD. The articles are dated June 2000 and September 2000.

8) At exhibit MRF5 he provides copies from the website www.touchwood-solihull.co.uk which states, inter alia, “...warm welcome to Touchwood, one of the UK's most exciting shopping and entertainment destinations. Opened in September 2001, Touchwood was designed to be a very different, more sophisticated retail experience....”.

9) Mr Foreman states that at exhibit AVH3 of the opponent's evidence is the Annual Report to Shareholders 2004. He states that at page 16 of this report it states “Lend Lease is in the top five for shopping centre assets under management in the UK, managing Bluewater, Touchwood and Overgate.”. This, Mr Foreman contends shows that the applicant is active within the retail industry. He also points out that the

specification was in line with the Registry's Practice Amendment Notice 6/05, a copy of which he provides at exhibit MRF7.

OPPONENT'S EVIDENCE IN REPLY

10) The opponent filed a further witness statement, dated 7 July 2006, by Mr Hallam. He states that the Registry's practice regarding retail services changed and requires the types of goods to be specifically stated in the specification of services, he refers to PAN 6/05. He points out that the applicant's specification is indeterminate, and also states that the opponent requested that the applicant change its specification to comply with the change in Registry practice as a way of resolving the instant case, but the applicant refused this request. At exhibit AVH4 he provides a copy of a letter dated 16 December 2005 regarding this matter.

11) Mr Hallam also contends that the applicant has not used the mark in suit as a trade mark but as a geographical location as it is the name of a retail park where stores such as "Next" actually retail goods. He states that such use therefore negates the applicant's claim to have co-existed, and also there has been no possibility for confusion to have arisen.

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

DECISION

13) Although the opponent asked the applicant to amend its specification so that it met the requirements of the new registry practice (paragraph 10 above), I have not been asked to consider whether the services as currently described constitute "services" for the purposes of Article 2 of the Directive corresponding to Section 1(1) of the Act.

14) I shall first consider the grounds of opposition under section 5(2)(a) & 5(2)(b) which read:

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

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

15) An "earlier trade mark" 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.”

16) The opponent is relying upon its UK Trade Mark No. 2063429 which has an effective date of 22 March 1996 and is clearly an earlier trade mark.

17) In considering whether the marks of the two parties are identical I take into account the decision of the European Court of Justice (ECJ) in the *LTJ Diffusion S.A. v Sadas Vertbaudet S.A.* (case C-291/00) [2003] FSR 34 where at paragraphs 49-54 they stated:

“49. On the other hand, Article 5(1)(a) of the directive does not require evidence of such a likelihood in order to afford absolute protection in the case of identity of the sign and the trade mark and of the goods or services.

50. The criterion of identity of the sign and the trade mark must be interpreted strictly. The very definition implies that the two elements compared should be the same in all respects. Indeed, the absolute protection in the case of a sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered, which is guaranteed by Article 5(1)(a) of the directive, cannot be extended beyond the situations for which it was envisaged, in particular, to those situations which are more specifically protected by Article 5(1)(b) of the directive.

51. There is therefore identity between the sign and the trade mark where the former reproduces, without any modification or addition, all the elements constituting the latter.

52. However, the perception of identity between the sign and the trade mark must be assessed globally with respect to an average consumer who is deemed to be reasonably well informed, reasonably observant and circumspect. The sign produces an overall impression on such a consumer. That consumer only rarely has the chance to make a direct comparison between signs and trade marks and must place his trust in the imperfect picture of them that he has kept in his mind. Moreover, his level of attention is likely to vary according to the category of goods or services in question (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26).

53. Since the perception of identity between the sign and the trade mark is not the result of a direct comparison of all the characteristics of the elements compared, insignificant differences between the sign and the trade mark may go unnoticed by the average consumer.

54. In those circumstances, the answer to the question referred must be that Article 5(1)(a) of the directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a

whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

18) The opponent’s mark consists of the two words, TOUCH WOOD whilst the applicant’s mark is a single word, TOUCHWOOD. The applicant has, in its written submissions, claimed that the marks are not identical, even going so far as claiming that they are not similar. The applicant contends that the single word version would be seen as a place name or an invented word whilst the two word version would be seen as a reference to the phrase invoking luck. They claim that there are visual, aural and conceptual differences. In my opinion these contentions are wholly without merit. The only difference in the marks is that one is presented as a single word whilst the other is shown as two words. To my mind they are identical.

19) I now move onto consider whether the goods and services of the two parties are similar, taking into account the restriction of the opposition as set out in paragraph 2 above. The specifications of both parties are shown below for ease of reference.

Applicant’s specification	Opponent’s specification
Class 35: “The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket, a hypermarket, a department store, a general merchandise retail outlet and a cash and carry outlet”.	In Class 20: Articles of wood or imitation wood; but not including statuettes, ornaments or figurines; key rings, animals, plaques and badges, all made wholly or substantially of wood or imitation wood.

20) In carrying out the comparison of the specifications of the two parties I take into account the factors referred to in the opinion of the Advocate General in *Canon*; page 127, paragraphs 45-48. In its judgement, the ECJ stated at paragraph 23:

“23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

21) I also note the Registry Practice in such matters as shown at paragraph 49.14 of the Registry Manual which states:

“In case C-418/02, Advocate General Phillipe Leger opined [agreeing with communication No. 3/01 from the President of OHIM] that “the risk of confusion between [retail] services and the products, if it cannot be excluded, is nevertheless improbable except in particular circumstances, for example when the respective marks are identical or almost identical and well established on the market.”

The ECJ did not feel the need to answer the referring court’s question about the scope of protection of retailers’ marks and so there is no definitive statement of law. Nevertheless, the Advocate General’s Opinion is of persuasive value. In the

light of it we will consider raising a section 5(2) objection in the course of official examination where:

- a mark is registered (or proposed to be registered) for retail services (or similar descriptions of this service) connected with the sale of specific goods or types of goods;
- another mark is registered (or proposed to be registered) by a different undertaking for goods of the type expressly mentioned in the specification of the retail services trade mark;
- the earlier trade mark has at least a normal degree of distinctive character, i.e. marks with low distinctive character, such as, for example, common surnames, need not be cited;
- the later trade mark is not just similar to the earlier mark but is identical or virtually identical to it, or contains a dominant and/or independently distinctive feature of it.

The reputation of the earlier trade mark and (unless it is obvious) the practices of the trade will only be taken into account on the basis of evidence in opposition or invalidation proceedings.

In view of these factors, we will conduct a search for earlier trade marks as detailed in the guide to cross searching which is an annex to this manual.”

22) I am also aware of the decision taken by the First Board of Appeal at OHIM in Joined Cases R682 and 685/2004-1 where they stated at paragraphs 32 & 33:

“32. As regards “retail and wholesale services including on-line retail store services”, the CTM owner did not limit these services to specific goods. Therefore, this general wording must be taken to include the goods covered by the earlier mark. As a logical consequence, these services are similar, for the reasons already indicated – and that will not be repeated – to the goods of the earlier mark. Since the signs are similar, there is a likelihood of confusion.

33. The comments of the CTM owner as regards the excessively broad protection offered to marks registered for retail sales are not pertinent. What is at issue in these proceedings is not, abstractly, the scope of protection of marks, but, concretely, the likelihood of confusion with an earlier right based on the perception of the relevant consumers.”

23) Although the registry manual deals with issues where the retail services are for specified goods this note was issued post the ECJ decision in *Praktiker* Case -418/02 where at paragraph 52 the Court held:

“52. The answer to the first two questions referred for a preliminary ruling must therefore be that the concept of “services” referred to by the directive, in particular in Article 2, covers services provided in connection with retail trade in goods.

For the purposes of registration of a trade mark for such services, it is not necessary to specify the actual service(s) in question. However, details must be provided with regard to the goods or types of goods to which those services relate.”

24) The registry practice was written in relation to marks where the specification would clearly state the goods or types of goods to which the retail services relate. In the instant case the application was received pre-*Praktiker* and so the specification did not include the goods or type of goods to which the services related. As such they must be regarded as relating to all goods and services. The applicant was afforded an opportunity to comment on this view and also the opportunity to offer a revised specification stating the goods or types of goods to which its retail services related. The applicant declined both to comment and to offer a revised specification. In view of the above to my mind it is clear that as the applicant’s specification is non-specific it covers services connected with all goods and as such it must encompass services connected with the opponent’s goods.

25) I must also consider the average consumer for articles of wood. These must be regarded as the general public who are reasonably well informed and reasonably circumspect and observant, although I must take into account the concept of imperfect recollection.

26) Taking account of all of the above when considering the marks globally, I believe that there is a likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(a) therefore succeeds.

27) Even if the marks were not considered identical due to one being a single word whilst the other is two words, then they would be considered very similar. The result under Section 5(2)(b) would also be in favour of the opponent.

28) Although the issue is decided I will nonetheless consider the ground of opposition under Section 3(6) which reads:

“3.(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

29) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that...

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

30) In considering this issue I take into account the comments of The Privy Council in *Barlow Clowes International Ltd (in liquidation) & Others v Eurotrust International Limited & Others*, (Privy Council Appeal No 38 of 2004 on which judgment was

delivered on 10 October 2005 - not reported at the time of writing). In particular, their Lordships considered a submission from Counsel that an inquiry into the defendant's views about standards of honesty is required. The following passage from Lord Hoffman's judgment sets out the position as follows:-

“[Counsel for the defendant] relied upon a statement by Lord Hutton in *Twinsectra Ltd v Yardley* [2002] 2 AC 164, 174, with which the majority of their Lordships agreed:

“35. There is, in my opinion, a further consideration which supports the view that for liability as an accessory to arise the defendant must himself appreciate that what he was doing was dishonest by the standards of honest and reasonable men. A finding by a judge that a defendant has been dishonest is a grave finding, and it is particularly grave against a professional man, such as a solicitor. Notwithstanding that the issue arises in equity law and not in a criminal context, I think that it would be less than just for the law to permit a finding that a defendant had been ‘dishonest’ in assisting in a breach of trust where he knew of the facts which created the trust and its breach but had not been aware that what he was doing would be regarded by honest men as being dishonest.

“36. I consider that the courts should continue to apply that test and that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he set his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

15. Their Lordships accept that there is an element of ambiguity in these remarks which may have encouraged a belief, expressed in some academic writing, that *Twinsectra* had departed from the law as previously understood and invited inquiry not merely into the defendant's mental state about the nature of the transaction in which he was participating but also into his views about generally acceptable standards of honesty. But they do not consider that this is what Lord Hutton meant. The reference to “what he knows would offend normally accepted standards of honest conduct” meant only that his knowledge of the transaction had to be such as to render his participation contrary to normally acceptable standards of honest conduct. It did not require that he should have had reflections about what those normally acceptable standards were.

16. Similarly in the speech of Lord Hoffmann, the statement (in paragraph 20) that a dishonest state of mind meant “consciousness that one is transgressing ordinary standards of honest behaviour” was in their Lordships' view, intended to require consciousness of those elements of the transaction which make participation transgress ordinary standards of honest behaviour. It did not also require him to have thought about those standards were.”

31) On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. In terms of the date at which the matter falls to be considered, it is well established that the relevant date for consideration of a bad faith claim is the application filing date or at least a date no later than that (*Hotpicks Trade Mark*, [2004] RPC 42 and *Nonogram Trade Mark*, [2001] RPC 21).

32) Section 32(3) of the Act sets out, as a basic requirement of making an application, that an applicant confirm in a statement that the trade mark is being used, either by the applicant or with his consent, in relation to the goods or services for which they seek registration of their mark, or they have a bona fide intention that it shall be so used. The section does not require that an applicant be using the trade mark in relation to all, or indeed any of the goods or services for which they seek registration at the time of application for registration, only that where the mark is not in use that there is a bona fide intention that it will be so used. Section 32(3) clearly allows for some futurity in putting the trade mark into use, and although the section does not set a timescale, from the provisions of Section 46 it would appear that the Act envisages that an applicant should have a real intention of doing so within the five years following registration.

33) I accept that the applicant's business as set out in the evidence does not appear to include retailing. They would appear to be a property development company which builds and manages retail parks. The actual retail outlets are occupied by other companies and the goods sold from shops which do not bear the applicant's trade mark or name. However, just because they have yet to retail goods does not automatically lead me to conclude that they will not do so in the future, and within five years of applying for the mark in suit. I have no evidence that the applicant had, at the time of the application, no bona fide intention of using the mark in suit upon all of the services applied for. The onus is on the opponent to make its case and in the instant case it has singularly failed to do this. The ground of opposition under Section 3(6) fails.

34) The opponent has been successful in its opposition with regard to the following part of the applicant's Class 35 specification:

“The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket, a hypermarket, a department store, a general merchandise retail outlet and a cash and carry outlet.”

35) The opponent did not oppose the rest of the applicant's specification, and so the application can proceed in relation to the following:

In Class 35: “Advertising; dissemination of advertising matter; production of advertising matter; provision of advertising space; assistance (business management); auctioneering; business consultancy; business management and organization consultancy; business research; demonstration of goods; direct mail advertising; employment agencies; market research; office machines and equipment rental; organization of exhibitions for commercial or advertising purposes; outdoor advertising; public relations; rental of advertising space; sales

promotion; shop window dressing; business services in the field of commercial property development.”

In Class 36: “Rental of offices”.

COSTS

36) As the opponent was successful it is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of £1,000. 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 30th day of November 2006

**George W Salthouse
For the Registrar,
the Comptroller-General**