

O-201-09

**TRADE MARKS ACT 1994
AND
TRADE MARKS (INTERNATIONAL REGISTRATION) ORDER 1996**

**IN THE MATTER OF APPLICATION NO. 2408295A BY IT VERLAG FÜR
INFORMATIONSTECHNIK GMBH TO REGISTER THE TRADE MARK
“DIGITAL ID WORLD” IN CLASSES 16 AND 41**

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO. 95063
BY DIGITAL ID WORLD, LLC**

AND

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 893380 AND A
REQUEST BY DIGITAL ID WORLD, LLC TO PROTECT THE TRADE MARK
“DIGITAL ID WORLD” IN CLASSES 35 AND 41**

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO. 71621
BY IT VERLAG FÜR INFORMATIONSTECHNIK GMBH**

**TRADE MARKS ACT 1994 AND
TRADE MARKS (INTERNATIONAL REGISTRATION) ORDER 1996**

**IN THE MATTER OF application No. 2408295A by IT Verlag Für
Informationstechnik GmbH to register the trade mark “DIGITAL ID WORLD”
in Classes 16 and 41**

and

**IN THE MATTER OF Opposition thereto under No. 95063 by Digital ID
World, LLC**

and

**IN THE MATTER OF International Registration No. 893380 and a request to
protect the same trade mark by Digital ID World, LLC in Classes 35 and 41**

and

**IN THE MATTER OF Opposition thereto under No. 71921 by IT Verlag Für
Informationstechnik GmbH**

BACKGROUND

1) On 5 December 2005, IT Verlag Für Informationstechnik GmbH (“VFI”), of Mühlweg 2b, Sauerlach, 82 applied under the Trade Marks Act 1994 for registration of the trade mark “DIGITAL ID WORLD” in respect of various goods and services. The application was subsequently divided due to partial refusal. The surviving part of the application (2408295A) was published in the Trade Marks Journal on 8 December 2006 in respect to the following goods and services:

Class 16: *Magazine.*

Class 41: *Organisation of events, fairs, congresses, symposien.*

2) On 8 March 2007, Digital ID World, LLC (“DIDW”) of 3 Speen Street, Framingham, Massachusetts 01701, USA filed notice of opposition to the application. There is a single ground of opposition based upon Section 5(4) (a) of the Trade Marks Act 1994 (“the Act”). DIDW claims that registration of VFI’s mark is liable to be prevented by virtue of the rule of law of passing off by virtue of its reputation and goodwill in the identical mark in respect of magazines, e-mailed magazines, information (via the Internet) and arranging and conducting business conferences and trade shows, all such goods and services being concerned with the field of digital identity.

3) VFI subsequently filed a counterstatement denying the opponent's claims.

4) On 22 February 2006, DIDW also made a request for protection of international registration no. 893380 ("the designation") in Classes 35 and 41 in relation to the same mark and for the following specifications of services:

Class 35: Arranging and conducting trade shows in the field of digital identity.

Class 41: Arranging and conducting business conferences in the field of digital identity.

5) The registration date of the International registration itself is also 22 February 2006. The mark for which protection is sought is also "DIGITAL ID WORLD". Protection was provisionally refused based, in part, on VFI's application 2408295A being cited as a similar earlier mark and the designation was suspended pending the outcome of the opposition proceedings in respect of VFI's earlier mark. However, following the Registry's change to a "notification" practice on 1 October 2007, DIDW were offered the opportunity to progress the designation and they chose to do so and the designation was subsequently published in the Trade Marks Journal on 21 December 2007.

6) On 20 March 2008, VFI filed notice of opposition to the designation. The grounds of opposition are based upon:

- a) Section 5(1) of the Act in that VFI's application is for a mark identical to its mark, the subject of its UK application 2408295A, detailed above, and in respect to identical goods or services.
- b) Section 5(2) (a) in that VFI's application is for an identical mark and in respect of similar goods or services.
- c) Section 5(2) (b) in that VFI's application is for a similar mark and in respect to identical or similar goods or services.
- d) Section 5(4) (a) by virtue of the law of passing off. It relies on use of its mark since May 2005 and in respect to all the goods and services listed in its above detailed application.

7) VFI subsequently filed a counterstatement denying DIDW's claims.

8) Both of the above proceedings were subsequently consolidated and both sides filed evidence. Neither side requested a hearing, but VFI filed written submissions in lieu of a hearing. Both sides ask for an award of costs. After careful consideration of the papers, I give this decision.

DIDW's Evidence

9) This takes the form of an affidavit dated 19 November 2007, by Philip Becker, Managing Partner and founder of the business now known as DIDW and a witness statement dated 18 January 2008, by Kevin C. Krull, Vice President of Business Operations and General Counsel for International Date Group Inc. ("IDG"). Mr Becker states that he founded Digital Identity World, Inc in February 2002 and commenced using the mark "DIGITAL ID WORLD" and that in December 2005, the business was transferred to Digital ID World, Inc and then to DIDW.

10) Mr Becker provides details of an annual "DIGITAL ID WORLD" conference, held in the USA in 2002 to 2006 and states that it "has been held annually since then [2002]". These details illustrate that the number of attendees has gradually risen from 262 in 2002 to 703 in 2005 and 686 in 2006. Mr Becker states that the number of delegates from the UK, in the years 2002 to 2006 inclusive, were five, seven, seven, five and twelve respectively. A brochure for the 2005 conference is provided at Exhibit PB1 with the title "DIGITAL ID WORLD" appearing prominently at the top of the cover page and also elsewhere within the brochure. The mark appears in an ordinary typeface with the "ID" element appearing in red. Mr Becker states that the aim of this conference "was to provide a forum for information technology professionals to engage with business (and government) leaders concerned with the rapidly emerging need to use high technology in recording and presenting personal identities for security and other purposes".

11) Mr Becker states that from October 2003 until April 2005, DIDW published a printed "DIGITAL ID WORLD" magazine directed at a small group concerned with the specialised subject matter and that this was subsequently replaced by a "DIGITAL ID WORLD" e-mail newsletter. Exhibit PB2 provides copies of front covers of the printed magazine dated between November/December 2003 and April/May 2005 with the "DIGITAL ID WORLD" mark appearing prominently at the top. The exhibit also provides three copies of the e-mail newsletter of the same title, dated 14 April, 1 September and 27 October 2005.

12) Mr Becker explains that, over the years, marketing expenditure has been modest because DIDW is dealing with a small specialised market but that, on average, the annual marketing expenditure is calculated at about \$120,000.

13) Mr Becker addresses the issue of "the relevant consumer" explaining that it is extremely small group and the subject matter is of no interest to the ordinary consumer. To illustrate this he states that UK attendees have included specialist and senior people from the BBC, BT, Microsoft, Hewlett Packard, Fujitsu, BP and the British Consulate-General. Mr Becker states he is aware that many delegates were confused when a "DIGITAL ID WORLD" event was held in Germany in 2005 when it was not, in fact, organised by DIDW and several people contacted

him to let him know that they were upset that the “DIGITAL ID WORLD” mark was being stolen.

14) Mr Becker also provides a number of submissions which I will return to, as necessary, later in my decision.

15) In his witness statement, Mr Krull explains that DIDW is 50% owned by CXO Media, Inc and that the ultimate parent of CXO Media, Inc. is IDG. He is aware that on 1 May 2006, DIDW licensed the mark “DIGITAL ID WORLD” to Informa Alliances for use in the UK. A copy of the licence agreement is provided at Exhibit KK1 and this records that the grant of licence is for use of the mark in respect of a tradeshow and conference and for online purposes associated with producing such an event in the UK, including an event specific URL. The agreement specifically does not include the use of the mark in respect of books, magazines, print publications or any online purpose other than that associated with the event. Mr Krull states that IDG and Informa Alliances subsequently terminated the agreement on 15 December 2006 and a copy of the termination agreement is provided at Exhibit KK2.

VFI’s Evidence

16) This takes the form of a witness statement dated 31 March 2008, by Ulrich Parthier, Managing Director of VFI. He states that VFI have been using the mark “DIGITAL ID WORLD” in the UK since 2005 when it started marketing its conference held in Germany that year. He further states that he is not aware of any incidents of confusion arising from this conference.

17) The remainder of Mr Parthier’s statement is in the form of submissions and I shall deal with these, as appropriate, later in the decision.

DECISION

Section 5(1)

18) Firstly, I will consider VFI’s opposition, as based on Section 5(1) of the Act. This reads:

“(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods and services for which the trade mark is applied for are identical with the goods and services for which the earlier mark is protected.”

19) An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means –

- (a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) 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,”

20) VFI’s mark was filed on 5 December 2005 and, if protection is conferred, DIDW’s designation will be protected in the UK from 22 February 2006. Thus VFI’s mark is clearly an earlier mark in accordance with the Act.

Comparison of the marks

21) In the European Court of Justice (“the ECJ”) Case C-291/00 (*LJT Diffusion SA v Sadas Vertbaudet SA*) (“*Sadas*”), the Court said in relation to Art 5(1)(a):

“Article 5(1)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks 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.”

Whilst Art 5(1)(a) refers to the scope of rights available to a proprietor once a mark is registered, I intend to apply the same guidance to the situation I have here, namely where an earlier mark is relied upon to prevent registration of a later mark. Indeed, the Court says in *Sadas* that the same interpretation of Art 5(1)(a) applies also to Art 4(1)(a).

22) Both marks are for the same words “DIGITAL ID WORLD” and both are without any embellishment. Therefore, DIDW’s mark reproduces, without any modification or addition, all the elements present in VFI’s mark and as such, I must conclude that the respective marks are identical.

Identity of the goods and services

23) The respective goods and services of both the earlier mark and the designation are reproduced below:

VFI’s earlier mark	DIDW’s designation
Class 16: <i>Magazine.</i>	Class 35: <i>Arranging and conducting trade shows in the field of digital identity.</i>
Class 41: <i>Organisation of events, fairs, congresses, symposien.</i>	Class 41: <i>Arranging and conducting business conferences in the field of digital identity.</i>

24) In approaching this consideration, it is important to recognise that the respective specifications need not be co-extensive to be considered identical. The Court of First Instance (CFI) in *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-133/05*, at paragraph 29, states:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

25) VFI's Class 41 services “[o]rganisation of events” are a broad category of services that include the organisation of all types of events that are proper to the Class. As such, it is clear to me that DIDW's “[a]rranging and conducting business conferences in the field of digital identity” in the same Class are a subset of services covered by VFI's broader term. Therefore, in light of the CFI's guidance in *Meric*, I have no hesitation in concluding that these respective services are identical.

26) VFI, in its submissions, argues that DIDW's Class 35 services are “similar” and it is implicit in such a position that it does not consider these Class 35 services to be identical to its own. In light of VFI's position, I will not comment further other than to say that I concur that DIDW's Class 35 services are not identical and I will go on to consider their level of similarity to VFI's services in my analysis of the grounds based upon Section 5(2) (a) of the Act.

27) To summarise, I find that all of DIDW's services listed in its Class 41 specification are identical to VFI's Class 41 services, and the ground of opposition based upon Section 5(1) is successful insofar as it relates to DIDW's Class 41 services.

Section 5(2) (a)

28) Section 5(2) (a) reads:

“(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, ...

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

29) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 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*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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.*,

(c) 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-Mayer Inc*,

(d) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(e) 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*,

(f) 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 and Adidas Benelux BV*,

(g) 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-Mayer Inc*.

Comparison of marks

30) I have already found the marks to be identical.

Comparison of goods and services

31) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods and services should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the ECJ stated at paragraph 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.’

32) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, paragraph 53 of the judgment of the Court of First Instance (CFI) in Case T-164/03 *Ampafrance S.A. v OHIM – Johnson & Johnson (monBeBé)*).

33) I have already concluded that DIDW’s “[a]rranging and conducting trade shows in the field of digital identity” in Class 35 are not identical to VFI’s “[o]rganisation of events, fairs, congresses, symposien” in Class 41. However, both sets of services are the same or at least very similar in nature and intended purpose in being events generally arranged by members of a particular industry or group of industries in order to meet and discuss industry-relevant issues and/or promote the industry’s goods and services. The respective services may also relate to the same subject matter and, as such, may also be provided by the same undertaking. The method of use will generally be the same as both sets of services will involve the preparation of information relating to goods and services in a form to be presented to attendees of such events and this form can be the same for both, for example trade stands and presentations.

34) If the respective services are provided to members of the same industry group, the similarities identified above may result in separate events being in competition with each. It could be argued that a “trade fair” may have a focus towards the promotion of goods and services of a particular industry and a fair, congress or symposien may have a focus towards provision of information relevant to a particular industry. However, both types of event will often contain elements of the other and because of this there will be no strong distinction in the minds of the relevant consumer and as such, I find that these respective services are of the highest level of similarity.

35) I do not believe that VFI's case is any stronger by relying upon any similarity between its "magazines" and DIDW's Class 35 services and as such I do not intend to take this point further.

The average consumer

36) As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who the average consumer is for the goods and services at issue. Having established that the respective services may be provided to members of the same industry groups, it follows that the average consumer will be the same for both sets of services. These average consumers will generally be drawn from the specialist business population who will have an interest in the subject of the trade fair, congress or the like and as such is likely to have a more detailed knowledge of operators in the field than would be the case where the general public was concerned. As such the level of attention paid to the purchasing act will be reasonably high and well considered. That said it is likely that the consideration given to the subject matter of the event or the quality of speakers etc. will be, at least, equal to the consideration of who the organiser is.

Distinctive character of the earlier trade mark

37) The mark consists of the words "DIGITAL ID WORLD". All three separate elements are readily understood by the relevant consumer. The letters "ID" are commonly understood as being an abbreviation for "identification" and as such, the mark, when viewed as a whole is seen as a reference the world of digital identification. Without any further embellishment, unusual presentation or additional matter, the mark, therefore, possesses only a low level of inherent distinctive character.

38) The effect of reputation on the global consideration of a likelihood of confusion was considered, within the context of Section 5(2) (b) of the Act, by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). He concluded that the recognition of the earlier mark in the market is one of the factors which must be taken into account in making the overall global assessment of likelihood of confusion. I consider his comments to be equally applicable to my analysis under Section 5(2) (a) and I must, therefore, consider if VFI's mark enjoys any enhanced distinctive character as a result of the use made of it.

39) In his witness statement, Mr Parthier states that VFI "started marketing in the UK in order to promote the conference which we held in Germany in 2005". No further information is provided regarding the scale of this promotion or as regards to their being any additional activity in the UK and, as such, I must conclude that what use there may have been in the UK was not sufficient so as to confer any enhanced level of distinctive character.

Likelihood of confusion

40) The marks are identical and I have found that the respective services are of the highest level of similarity, that the relevant consumers are the same specialist business consumers and that the level of attention paid to the purchasing act will be reasonably high and well considered. In considering the likelihood of confusion, I am mindful of the comments of the CFI in *Honda Motor Europe Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 363/06 that the likelihood of confusion between two conflicting marks is in no way undermined by the fact that the public is mostly composed of specialists. Taking a balanced view and adopting the global approach advocated by case law, I find that the above factors combine to create a likelihood of confusion. The relevant consumer will be lead to confuse the marks and to expect the respective services to be provided by the same or economically linked undertaking. In coming to this conclusion I have noted, in particular, the identity of marks and that the respective services are of the highest level of similarity.

41) To summarise, I find that all of DIDW's services listed in its Class 35 specification fall foul of VFI's ground of opposition based upon Section 5(2) (a).

42) Combining the outcomes of the grounds based upon both Section 5(1) and Section 5(2) (a), the whole of DIDW's application is successfully attacked by VFI. In light of these findings, it is not necessary for me to go on and consider the grounds based upon Section 5(2) (b) of the Act. I must now consider if the circumstances surrounding the parties' cross claims in respect to Section 5(4) (a) of the Act disturb these findings.

Section 5(4) (a)

43) Section 5(4) (a) reads as follows:

“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

(b)

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”.

44) The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] R.P.C. 455. Adapted to

opposition proceedings, the three elements that must be present can be summarised as follows:

- (1) that the opponents' 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 applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponents; and
- (3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicant's misrepresentation.

45) The first step in assessing whether the respective claims based upon Section 5(4) (a) of the Act will disturb my findings in respect to Sections 5(1) and 5(2) (a), I must first identify if either party has a protectable goodwill in the UK and if so, what is the extent of such a goodwill. I will begin by considering the case put before me in respect to DIDW's goodwill.

46) The "relevant date" for determining an opponent's claim, in the absence of any competing earlier claim on the part of the applicant, will be the filing date of the application in suit. The earlier right must have been acquired prior to that date (Article 4.4(b) of First Council Directive 89/104 on which the UK Act is based). In respect to the proceedings against VFI's mark, DIDW discusses use of the sign in the USA since 2002, but does not make any specific claim to the existence of any goodwill in the UK prior to the filing date and, as such, I will proceed on the basis that the "relevant date" is 5 December 2005.

47) Pumfrey J (as he then was) in the *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case [2002] RPC 19, commented that 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 covered by the applicant's specification of goods. In this respect he commented that evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. I am mindful of these comments in my analysis of DIDW's evidence that follows.

48) In his affidavit, Mr Becker claims that DIDW's event is "the" event in the field, however, he fails to provide any evidence supporting this contention. The annual conference that bears the name "DIGITAL ID WORLD" is held in the USA and Mr Becker disclosed a total of twenty four delegates from the UK attended between 2002 and 2005 (I have ignored the twelve delegates that attended the conference in 2006 as this is after the "relevant date". No information has been provided as to how these delegates found out about the conference and there is

no evidence that the conference was marketed in the UK in any way. Mr Parthier criticises the evidence for this reason and also that the number of UK delegates is not high enough to establish any goodwill in the UK. He also criticises the lack of any evidence illustrating sales in the UK.

49) This issue has been much debated in the courts, most recently by Arnold J in *Hotel Cipriani SRL et al v Cipriani (Grosvenor Street) Ltd et al (CIPRIANI)* [2009] RPC 9 where he commented:

217 ... in the case of claimants who provide services which are physically performed abroad, it is sufficient for goodwill to exist in the United Kingdom that the services are booked by customers from here: compare [Sheraton Corp of America v Sheraton Motels Ltd \[1964\] RPC 202](#) with [Alain Bernardin et Cie v Pavilion Properties Ltd \[1967\] RPC 581](#) . Thus in the latter case Pennycuik J said at 587:

"In [the Sheraton] case the judge found on the facts that the plaintiff corporation effected [sic : the sense is accepted] bookings in this country for their hotels abroad. That operation might very well be held to support what the judge held prima facie on the motion, that it did support a conclusion that the plaintiff corporation had acquired a reputation and goodwill (which terms the judge treated as interchangeable) in this country.

The position in the present case is quite different because there is no suggestion (the plaintiff company has no office here nor is there any suggestion that they would effect [sic : the sense is accept] bookings) that one would make in London a booking of a table in a night club in Paris."

...

219 In [Pete Waterman Ltd v CBS United Kingdom Ltd \[1993\] EMLR 27](#) Sir Nicolas Browne-Wilkinson V-C went further and held that it was sufficient for goodwill to exist in the United Kingdom that a foreign service provider has customers here, and declined to follow Bernardin v Pavilion in so far as it was authority to the contrary. In the Pete Waterman case the evidence showed that British record companies and artists had booked, and been invoiced, directly in this country for making recordings in a New York recording studio operated by The Hit Factory Inc: see pp. 39-40. In finding that The Hit Factory Inc owned goodwill in the United Kingdom, however, the Vice-Chancellor did not rely upon the fact that British customers had booked its services directly, but simply upon the fact that it had customers here: see p. 58. On this reasoning it would not have mattered if the bookings had been made in New York.

220 Counsel for the Defendants submitted that it was not sufficient to generate goodwill in the United Kingdom that a foreign service provider had customers here, and that the Vice-Chancellor's decision in *Pete Waterman* was wrong in this respect because it was inconsistent with *Anheuser-Busch*. I do not accept this. On the contrary, I agree with the Vice-Chancellor's conclusion, if not every step of his reasoning. That conclusion is supported by Dr Wadlow's analysis, in particular at paragraph 3-80:

"After all, an international hotel does not only draw guests and bookings from the city in which it is actually located, so it is unrealistic to regard more than a proportion of its total goodwill as being situated there. The same is true of businesses such as car hire which will be used mainly by visitors. The majority of the reported cases on service businesses have concerned businesses ... providing services at or from fixed premises abroad, and if these cases seem to present the greatest conceptual difficulty that is at least partly the result of the obsolete tendency to associate the goodwill of a business uniquely with the place or places where the business is carried on. This has been repudiated in the case of businesses dealing in goods, and it is now suggested that a service business operating from a place or places abroad has customers and therefore goodwill in England to the extent that persons from England consciously seek out and make use of its services in preference to those available from its competitors, in England or elsewhere. So the foreign business has goodwill here if English residents are prepared to go to it (literally or figuratively) to avail themselves of its services, or if the availability of those services abroad is a material factor in their travelling to wherever the services can be acquired or experienced."

221 As Dr Wadlow goes on to say at 3-81:

"it should not matter either way whether the contract for the provision of the services is made or performed inside or outside the jurisdiction."

50) I take Arnold J's comments into account and note the dichotomy in the opinions of the courts as to whether goodwill can exist in respect of services provided overseas. However, it is clear from Arnold J's comments that, in his view, it is possible that goodwill can exist in the UK even where the service was not procured here. Nevertheless, he also commented (at paragraph 223) that whether a foreign business has goodwill in the UK is a question of evidence. DIDW has stated that between five and seven delegates from the UK attended the conference in each of the years 2002 to 2005 inclusive. These UK delegates

“include specialist and senior people from the British Broadcasting Corporation, BT Group Plc, IBM (UK), Microsoft (UK), Hewlett-Packard (UK), Fujitsu Services (UK), British Petroleum plc and even a representative of the British Consulate-General”. However, no further information is provided. Although not challenged on these facts, DIDW have not provided any proof of actual bookings or even enquiries from UK delegates and there is no evidence as to whether the delegates had knowledge of the conference, whether there was any intention to attend in the future, or to whether they had attended in the past. In the absence of this, I am unable to come to a conclusion that DIDW had established goodwill in the UK.

51) Mr Becker makes a claim in his affidavit that “many were puzzled and confused” by VFI’s event in Germany but there is no evidence to support this claim and as such, I am not able to attach much weight to this.

52) Of course, this is not the end of the matter as DIDW also provide evidence of a licence agreement in the UK. Informa Alliances was granted a licence on 1 May 2006. This was for use of the mark in respect of a tradeshow and conference and for online purposes associated with producing such an event in the UK, including an event specific URL. There are two criticisms of this. Firstly, the agreement applies to a period that begins after the “relevant date” and, secondly, the mere existence of the agreement is not evidence that Informa Alliances ever put the mark into use in the UK. As VFI have pointed out, the agreement was terminated on 15 December 2006, only seven months after the licence was granted, and it suggests that this indicates a lack of success of the venture.

53) DIDW also published a printed “DIGITAL ID WORLD” magazine between October 2003 and April 2005 and replaced this with an e-mail newsletter of the same name. However, there is no evidence that these publications were circulated to customers in the UK and as such it does not add anything to the claim of the existence of goodwill in the UK. Similarly, there is no evidence that any of the \$120,000 annual marketing expenditure was ever used to market the services in the UK.

54) In summary, DIDW has failed to demonstrate that it has a protectable goodwill in the UK and, as a result, its opposition based upon Section 5(4) (a) fails and VFI’s application can proceed to registration. A consequence of this is my findings, in respect of VFI’s opposition to DIDW’s designation, remain undisturbed and the designation is refused in its entirety. In light of these findings it is not necessary to make a finding on VFI’s claims in respect to Section 5(4) (a).

COSTS

55) IT Verlag Für Informationstechnik GmbH has been successful in respect to both sets of proceedings and is entitled to a contribution towards its costs. I take

account of the fact that no hearing has taken place but that it did file written submissions in lieu of attendance. I award costs on the following basis:

Notice of opposition and preparing statement	£200
Opposition fee	£200
Considering other side's statement	£300
Preparing evidence and considering other side's evidence	£600
Filing written submissions	£400
TOTAL	£1700

56) I order Digital ID World, LLC to pay IT Verlag Für Informationstechnik GmbH the sum of £1700. 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 13th day of July 2009

**Mark Bryant
For the Registrar,
the Comptroller-General**