

O-293-09

TRADE MARK APPLICATION No. 2419089B
IN THE NAME OF RANK LEISURE HOLDINGS LIMITED
TO REGISTER A TRADE MARK IN CLASS 41
AND
OPPOSITION No. 94786
BY GALA GROUP INVESTMENTS LIMITED

BACKGROUND

1. On the 4 April 2006, Rank Leisure Holdings Limited ("Rank") applied to register the trade mark shown below in Class 41.



2. The trade mark is proposed to be registered for:

Casino services; gaming, gambling services; amusements; recreational services; club entertainment services; entertainment services provided at casinos including cabaret entertainment services and the provision of live and recorded music; organisation of competitions.

3. On 20 November 2006, Gala Group Investments Limited ("Gala") filed notice of its opposition to the registration of the trade mark. The grounds of opposition were originally more numerous. Further, I heard, and accepted, an application to amend the opponent's grounds. In summary, they are now that:

- i) Having regard to Gala's earlier UK trade marks (shown below), which are registered under No. 2288446 as a series of five marks in Class 41 for identical or similar services to those covered by Rank's application, there is a likelihood of confusion between the parties' trade marks, and registration of Rank's mark would therefore be contrary to s.5(2)(b) of the Trade Marks Act 1994 ("the Act").



- ii) Having regard to the use that started in October 2001, by Gala, of the mark shown immediately below, and the subsequent use by Gala of variants of that mark, in relation to casino services, the use of Rank's mark would amount to passing off and registration of the mark would therefore be contrary to s.5(4)(a) of the Act.



4. Rank filed a counterstatement in which it:

- i) Contends that a single letter has little or no distinctive character and that the differences between the mark applied for and Gala's earlier trade mark are sufficient to avoid any likelihood of confusion.
- ii) Denies that the sign relied upon by Gala to support its passing off claim is protected as an earlier right under s.5(4)(a) and puts Rank to proof of its claim.
- iii) Claims that the mark applied for was put into use in mid-2006 and relies on the fact that, to Rank's knowledge, there has been no resulting confusion with Gala's business.

THE EVIDENCE

The Opponent's Evidence

5. The opponent's principal witness is Mr John Tristram Cronk, who is the Group Company Secretary of Gala Coral Group Limited. Mr Cronk is also a barrister with responsibility for legal matters. Mr Cronk explains in his witness statement that the opponent is an "indirect wholly owned subsidiary" of his company, which licenses its intellectual property to other members of the group, including Gala Casinos Limited.

6. According to Mr Cronk, Gala entered the casino business in 2000 when it purchased the casino business previously operated by Ladbroke Casinos Limited. In 2001 a re-branding exercise was undertaken at a cost of over £2 million and the Gala Casino and G logo branding applied to the casinos. By April 2006 when Rank's application was filed, Gala had 28 casinos in operation in the UK under the Gala Casino name, and which used the G logo branding in some way or another.

7. There were almost 2 million admissions to Gala's casinos in 2001, rising to 2.8 million admissions in 2005, and over 2 million admissions in the period January-April 2006. The number of admissions does not equal the number of customers. If a customer goes to a casino ten times, this counts as ten admissions. However, as Mr

Cronk explains, the casino market in the UK is not large and, by 2004, Gala operated around 20% of the UK's casinos.

8. Mr Cronk states that the (original) G logo was used on internal items such as restaurant and bar menus. Examples of these are exhibited as JJTC2. These show that the G logo was used separately from, but sometimes in conjunction with, the name Gala Casinos. According to Mr Cronk, the G logo and various variations of it were later (in 2004/5) used on external signage for some of Gala's casinos, such as on doors and windows. Examples of this are provided at exhibits JJTC3-5 and JJTC10, which show a version of the G logo being used in conjunction with the name Gala Casino at Gala's Leicester, Sunderland and (after the relevant date) Bristol casinos .

9. The precise nature of the use of Gala's branding is explained further in its branding guidelines which were adopted in January 2006, and which Mr Cronk exhibits as JJTC37. These state that:

“Any communications that will be seen outside of the casino should always use the full Gala Casino logo... (the words GALA CASINO in a rectangular border). This includes outdoor posters, direct mail packs, How to Play leaflets etc.

Membership communications, however, should be branded on the outer with the 'Gala G' only.

The 'Gala G' can also be used to reinforce branding, but only with the full Gala Casinos logo.

The 'Gala G' is only ever used on its own for communications that will remain in the casino. For example, menus, posters, internal communications.”

10. Mr Cronk's evidence is that by the relevant date in April 2006 the external use of the G logo in conjunction with the name Gala Casinos had been extended to Gala's casinos in Birmingham, Nottingham (1 of 2 there), Bradford and Glasgow (1 of 4 there). Accordingly, along with Leicester and Sunderland mentioned above, there were at least six Gala casinos with external branding featuring a version of the G logo in conjunction with the name Gala Casinos by the relevant date. More Gala casinos featured a version of the G logo in their external branding after the relevant date.

11. There are other examples in evidence which show how versions of the G logo were used internally in some or all of Gala's casinos. For example, Mr Cronk gives evidence that new staff uniforms were introduced in February 2006, which featured a version of the G logo on shirt pockets and trousers.

12. Mr Cronk explains that gambling in the UK has been strictly regulated. Although the extent of regulation appears to have gradually relaxed following the implementation of the Gambling Act 2005, the previous regulation in the Gaming Act 1968 meant that:

- i) Casinos were only allowed to operate in 53 designated areas, which generally corresponded to former county boroughs with a population greater than 125k;
- ii) Casinos had to be licensed and licences could be refused if there was judged to be insufficient demand in the vicinity of the proposed site;
- iii) Advertising to the public was restricted to classified advertisements.

13. Mr Cronk explains that Gala choose not to advertise this way. Instead Gala focussed on promotions and advertising directed at its existing customers. In the years 2002 to 2005, Gala spent between £1m and £2.2m per annum promoting its casinos. There is no breakdown of this spend, but Mr Cronk says that it covered such things as call centre costs, an Internet presence, membership promotions and recruitment campaigns.

14. Examples of envelopes used in mail shots to existing members are exhibited to Mr Cronk's statement as JJTC16-23. These feature a version of the G logo (alone) on the front of each envelope. Substantial numbers of these mail shots were issued to Gala's patrons in the years 2003-2006. For example, over 600k were issued in 2005. It is obvious that the promotional material sent inside these envelopes would have carried the name Gala Casino.

15. Mr Cronk says that in June 2006 he became aware that Rank had re-branded its Bury New Road, Manchester casino from 'Grosvenor Casino' to 'G Casino'. Exhibit JJTC 42 is a copy of Rank's web site at www.gcasino.co.uk, which refers to the "G Casino Bury New Road". Mr Cronk points out that one of the consequences of the operation of the Gaming Act was that casinos tended to enjoy a de facto local monopoly. Consequently, even though Rank continued to re-brand its casinos it was not until 1 October 2007 that a Grosvenor Casino was re-branded in an area in which Gala operated a casino. Mr Cronk puts this down as the reason that no verifiable instances of confusion had come to light by the date of his statement on 13 December 2007.

16. Gala also filed two witness statements by Neil Howells, who has since January 2005 been General Manager of the Nottingham International Casino, which is operated by Gala. Mr Howells states that whilst on a business trip to Manchester he drove down Bury New Road and saw what he initially thought was a Gala Bingo site. He says that his initial confusion was because the 'G' on the side of the building appeared to him to be exactly the same as the 'G' he was used to seeing on Gala's literature and promotional material.

17. Mr Howells also gives evidence about another event, which he believes shows confusion between Rank's re-branded casinos and those of Gala. He says that in August 2007 his casino set about recruiting a Hospitality Manager. Candidates for the position were required to visit two different Gala casinos and to provide feedback during the course of an interview. On 29 August 2007, Mr Howells, together with Matthew Severn and a second colleague, interviewed a Mr Sunny Chadha. When asked about the casinos that he had visited, Mr Chadha mentioned those at Leicester and Luton. Mr Howells says he was confused by this because Gala did not

have a casino in Luton. Mr Chadha's application was unsuccessful. However, it subsequently became apparent to Mr Howells (it is not clear how) that Mr Chadha had visited the casino operated by Rank at its Luton site.

18. Mr Severn also submitted a short witness statement confirming (but not elaborating on) the description of facts in Mr Howells' statement.

The Applicant's Evidence

19. Rank's evidence takes the form of a witness statement dated 24 June 2008 by Jacqueline Abraham who has held the position of Head of Marketing for Grosvenor Casinos Limited (a wholly owned subsidiary of Rank) since 2006. Ms Abraham has been employed by Grosvenor Casinos since 2001, and by Rank since 1997.

20. Ms Abraham states that her company operates 27 casinos under the name Grosvenor and a further five under the mark applied for. The latter are in Manchester, Luton, Blackpool, London Piccadilly and Thanet. All of these opened after the relevant date in these proceedings, the first opened in June 2006, the last in February 2008.

21. According to Ms Abraham, the mark was developed to fit with her company's new "concept casino design". A more contemporary look was required, but the new brand would also have to "sit alongside and relate to the Grosvenor branding". An agency came up with an idea that matured into the trade mark in this application.

22. Through another subsidiary, Rank registered the domain name www.gcasino.co.uk in September 2005.

23. Ms Abraham exhibits a significant amount of press coverage of her company's new casinos as exhibit JA1. It is clear from this that the media's reaction to Rank's mark, perhaps led by the applicant's promotion of it, was to call it 'G Casino'.

24. Exhibit JA2 consists of examples of Rank's promotional material as used at its re-branded casinos. As one would expect, the mark applied for features prominently and (from the pictures which make up exhibit JA4) it is clear that the mark is used as the only branding on the exterior of the re-branded casinos.

25. Ms Abraham states that her company has spent around £1m advertising and promoting its five new casinos. Advertisements have been placed at cinemas, on radio, in local press, on outdoor posters, on advertising vehicles and in direct mailings. Examples of these are provided as exhibit JA3. Again the mark applied for features prominently. However, some of the promotional material also reveals use of the words 'G Casino' in ordinary script, and GCASINO as part of the domain name mentioned above. For example, a 'preview party invitation' states "G Casino Bury New Road invites you to the Launch Night Party". This particular document does not feature the mark applied for as such. Some material features both the mark as applied for and the words G Casino in ordinary script. For example, a poster promoting the launch of the same casino features the mark applied for and, in the promotional text the words "Your casino is being transformed and your new G casino will be even bigger and better". Further, it is evident from Exhibit JA3 that the

applicant has used local radio advertising in Manchester, Luton and Blackpool at a cost of around £80k. Having regard to the rest of the evidence, I infer that the mark was promoted on the radio by verbalising it as 'G Casino'.

26. Ms Abraham explains that customers become members of her firm's casinos and are thereby required to provide certain personal details, which the casino retains. Members get encoded membership cards, which are scanned when they enter a casino. This has permitted Rank to compile figures showing that over 400,000 visits were paid to their five new casinos in the period December 2007-May 2008. Ms Abraham also provides measurements of the distances between the five casinos operating under the mark applied for and the nearest casino operated by Gala. Both parties have a casino in London Piccadilly. The parties' Manchester and Stockport casinos are 8 miles apart. There is more than 25 miles between the other three casinos operating under the mark applied for and the nearest Gala casino.

27. According to Ms Abraham, her company has procedures for customers to record complaints and observations, which include the provision of a free telephone number. These are brought to the attention of the appropriate member of management. Branding or marketing queries or complaints would be routed to her. She says that she has not received any indication of incidences of confusion between her company's casinos and those of Gala.

28. Finally, Ms Abraham's evidence gives some indication as to Rank's target customer. According to a document in exhibit JA5 there are two types of customer. A 'transactional player' whose main focus is gaming and who is likely to visit the casino frequently and alone, and 'social visitors' who are likely to visit the casino with friends on a fairly regular or occasional basis.

29. For the sake of completeness, I should also mention that Gala filed evidence in reply in the form of a witness statement by Vanessa Lawrence, who is a Trade Mark Attorney employed by A A Thornton & Co, which represents Gala in these proceedings. Ms Lawrence's 'evidence' consists of a series of criticisms of Ms Abraham's evidence. There is no evidence of fact. I will bear these points in mind but there is no need to describe them further.

THE HEARING & THE APPLICATION TO AMEND A GROUND OF OPPOSITION

30. The matter came to be heard on 17 July 2009. Rank was represented by Mr Guy Tritton of Counsel, instructed by Wildbore and Gibbons, Trade Mark Attorneys.

31. Gala was not represented at the hearing, but on 13 July its Trade Mark Attorneys, A A Thornton & Co, filed written submissions in lieu of attendance. In those submissions a number of Gala's claims, including that Rank had filed its application in bad faith, were dropped. Somewhat surprisingly, given that Gala did not intend to be represented at the hearing, Gala also made an application to amend its s.5(4)(a) claim. Gala asked for the s.5(4)(a) ground to be amended so that it was based on the Gala Casino and G device mark first used by Gala in 2001 (see paragraph 3(ii) above) "through to the range of variants [of the letter G] subsequently used by the opponent". These are shown below.



32. The timing of this request inevitably meant that the application had to be considered as a preliminary matter at the hearing on 17 July. On behalf of Rank, Mr Tritton objected to the application to amend the s.5(4)(a) ground of opposition. His grounds for doing so were primarily that:

- i) The application was very late and no explanation for the delay had been offered.
- ii) When a party is relying on an unregistered right, it is essential for that party to clearly identify the right at an early stage of the proceedings.
- iii) The grounds of opposition cited only one sign – Gala Casinos in combination with a particular G device. To permit Gala to rely on rights in a number of signs incorporating the letter G would be to permit Gala to present a substantially different case to the one that Rank had met in its evidence.
- iv) Allowing the amendment would therefore prejudice Rank and should be rejected.

33. It is true that Gala offered no explanation for the delay in making the request to amend its pleadings. However, I consider it important that the variant G devices upon which Gala wishes to rely were all clearly identified and shown in Mr Cronk's evidence. So if Gala is merely asking for the variant G devices it has used to be taken into account, in one sense it is asking for no more than to be allowed to update its pleadings in line with the case presented in its evidence. On that footing, there should be no question of Rank having been taken by surprise or denied the opportunity of responding to Rank's case in its own evidence. However, if Gala is asking to be permitted to change its case so as to assert that it has an earlier right in various G devices independently of the words Gala Casinos, then that is plainly a substantially different case to the original one. Further, given that most of the use shown in Mr Cronk's evidence is of G devices in combination or conjunction with the words Gala Casinos, I do not believe that it would have been obvious to Rank that Gala was changing its case in this way. Consequently, if Gala's request is to amend its passing off case so as to rely on an earlier right in various G devices solus, I

reject it for the reasons suggested by Mr Tritton. However, to the extent that it asks to be permitted to amend its case so as to reflect the variations to the G device shown in its evidence in combination with the words Gala Casinos, I accept it.

THE PASSING OFF RIGHT CASE

34. I find it convenient to start with the passing off right case. Section 5(4)(a) of the Act states that a trade mark shall not be registered:

“.....if, or to the extent that, its use in the United Kingdom is liable to be prevented by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade”

35. The requirements to succeed in a passing off action are well established and are summarised in *Halbury's Laws of England* 4th Ed at paragraph 165 as follows:

“1) that the claimant’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods offered by the claimant are goods of the defendant;

3) that the claimant has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.”

36. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

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

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

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

37. I would add one further point to this analysis of the law. The test is whether, on the balance of probabilities, a substantial number of persons would be deceived by the use of the mark applied for: *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473.

38. There can be no doubt that Gala has a substantial goodwill under the mark Gala Casinos in respect of casino services. Further, given the extent of the use of various G devices on branding displayed inside Gala’s casinos prior to the relevant date, and the more modest (but, I think, more significant) use of a G device in conjunction with the words Gala Casinos on the exteriors of some of Gala’s casinos, I have no doubt that at the date of Rank’s application Gala can claim to have owned an earlier right in composite signs consisting of the words Gala Casinos and at least some of the G devices shown in Mr Cronk’s evidence.

39. Mr Tritton’s case was primarily that the attractive power in any of the composite signs in which Gala may have had an earlier right was loaded heavily in favour of the words Gala Casinos, the G devices being no more than a “limping” addition. By this he meant that the G device was used to reinforce the Gala name. It was not an alternative or equally powerful identifier of Gala’s goodwill. Gala’s own branding guidelines made this clear.

40 I accept Mr Tritton’s submission on this point. In any event, the visual differences between the mark applied for and any of the composite Gala Casinos & G device marks upon which Gala can rely in support of its s.5(4) case is, in my view, sufficient to rule out the likelihood of a substantial number of persons being confused or deceived by use of the mark applied for. In coming to this conclusion I have borne in mind that there is no evidence of Gala (or anyone else) having identified its services as G casinos or G Gala Casinos. This is not surprising. When confronted by the

composite signs in question would one naturally verbalise the words before the letter G devices.

41. I am not impressed by the evidence of Mr Howells that he initially confused some signage he saw at Rank's site in Bury New Road, Manchester, with a Gala Bingo site. Rather oddly, Mr Howells says that he was confused because the respective G's were exactly the same. A simple comparison of the mark applied for and any of the G devices shown in Mr Conk's evidence shows that this is not the case. It is possible, although unlikely, that Gala Bingo uses a different G device to Gala Casinos. I simply do not know. Further, the brief passing confusion he describes is not evidence of deception in the course of trade and therefore provides no material support for the passing off right claim.

42. The evidence about Mr Sunny Chadra is also of little weight. Mr Chadra has not given evidence himself, so Mr Howells and Mr Severn's evidence that Mr Chadra was confused, and what caused it, is really just speculation. In any event, it appears to have been an isolated incident and, in my judgment, little can be inferred from it.

43. In the absence of misrepresentation, the passing off right case is bound to fail. I find accordingly.

THE SECTION 5(2) CASE

44. The relevant part of s.5(2)(b) is as follows.

"(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."

45. Gala relies on trade mark registration No. 2288446, which was filed on 18 December 2001. The five marks covered by that registration therefore qualify as earlier trade marks for the purposes of s.5(2)(b). The marks were entered in the UK register on 31 May 2002, which is less than five years before the date of publication of the opposed trade mark. Consequently, there is no question of the opponent having to prove use of the earlier marks under s.6A of the Act.

46. In my consideration of whether there is a likelihood of confusion between the earlier marks and Rank's mark, I take into account the guidance from the settled case law of 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] F.S.R. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Matratzen Concord v OHIM C-3/03* [2004] ECR I-3657, and *Shaker di L. Laudato & C. Sas v OHIM C-334/05 P* (LIMONCELLO). 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 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) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must normally 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*, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements; *Shaker di L. Laudato & C. Sas v OHIM*

(e) nevertheless, the overall impression conveyed to the relevant public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components; *Matratzen Concord v OHIM*,

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the respective services, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

(g) 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*,

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of s.5(2); *Sabel BV v Puma AG*,

(i) 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.*

Similarity of Services

47. The series of five earlier trade marks relied upon by Gala are registered in respect of the following services in Class 41.

“Operation of casinos, bingo halls and clubs and related leisure, recreational and entertainment services; entertainment services by or relating to games; gambling services; games and music broadcasts; electronic game, quiz and competition services provided online; organisation, production, promotion and management of performances and competitive events.”

48. Rank does not dispute that at least some of the respective services are identical. I find that ‘casino services; gaming, gambling services’ in the application are identical to ‘operation of casinos, bingo halls and clubs’, ‘gambling services’, and ‘electronic game services provided online’ for which the earlier marks are protected. Further, I find that ‘amusements’, ‘recreational services’, ‘club entertainment services’, ‘entertainment services provided at casinos including cabaret entertainment services and the provision of live and recorded music’ are covered by the ‘[services] related [to gambling and casinos] leisure, recreational and entertainment services’ for which the earlier marks are protected. Finally, I find that ‘organisation of competitions’ in the application is identical to ‘electronic quiz and competition services provided online’ and ‘organisation, production, promotion and management of competitive events’ for which the earlier trade marks are protected. In short, all the services in the application are identical to at least one of the services for which the earlier marks are protected.

Average Consumer

49. The average consumer of ‘casino services; gaming and gambling services’ is likely to be a person who enjoys gaming and gambling. He or she may be the sort of serious regular gambler described in Ms Abraham’s evidence, or in the case of casino services, the more social type of player for whom gambling may not be the only reason to visit a casino. This type of person is also likely to be the typical user of:

‘amusements; recreational services; club entertainment services; entertainment services provided at casinos including cabaret entertainment services and the provision of live and recorded music; organisation of competitions.’

50. The social gambler/game/competition player etc. is likely to pay an average level of attention when selecting the services. The serious gambler might be thought to be likely to pay an above average level of attention when selecting the services. However, as Gala points out in its written submissions, there are only a limited number of operators providing services at casinos, and up until relatively recently each casino enjoyed a virtual de facto local monopoly. In a market composed of just a handful of undertakings with little or no history of local competition, consumers are unlikely to have become accustomed to distinguishing between similar marks. It is not a huge point, but it appears to me that I should be cautious about assuming that even serious gamblers are accustomed to paying an above average level of attention to the identity of the operator when selecting the casino that they wish to use. Accordingly, I find that the relevant consumer will pay an average level of attention when selecting the services.

Distinctive Character of the Earlier Mark

51. Some of the trade marks in the series of earlier marks are registered in various colours. However, the 4th and 5th marks are registered in black and white. In my judgment, the 5th mark represents Gala’s best case. I will therefore use that mark as

the basis for my analysis of the strength of the earlier mark and for my comparison of the marks.

52. It is a part of Rank's case that a single letter is necessarily devoid of distinctiveness and therefore that the earlier mark must be taken as having only a minimum degree of inherent distinctive character, which must be rooted in the style and presentation of the letter G, rather than in the letter G *per se*. In support of this point Mr Tritton referred me to paragraph 7.5 of the OHIM examination guidelines, which state that, by analogy with colours, single letters *per se* must be regarded as devoid of any distinctive character. This approach is justified on the grounds that it safeguards the general availability of such signs. However, the practice has been struck down by a relatively recent judgment of the Court of First Instance of the European Communities ('CFI'). In Case T-23/07, *BORCO-Marken-Import Matthiesen GmbH & Co. KG v OHIM*, the CFI found that a decision of an OHIM Board of Appeal, which appeared to apply OHIM's practice, was wrong in law and that the distinctiveness of single letter marks had to be assessed on a case by case basis as with other categories of trade mark. This appears to me to be consistent with the reasoning of the ECJ in Case C329/02P, *SAT. 1 v OHIM* [2005] ETMR 20, in which the ECJ found that the public interest in maintaining the general availability of certain signs was not a separate consideration from the exclusion of signs that are incapable of fulfilling the essential function of a trade mark - of distinguishing the goods or services of one trader from those of other traders. The court noted that this had to be assessed from the viewpoint of the relevant public (see paragraphs 23-27 of the court's judgment).

53. The required approach appears to me to be broadly consistent with paragraph 2.5 of this Office's examination guidelines, which is as follows:

"2.5 Single letter marks

There is no bar to the acceptance of single letters as trade marks. Each case must be considered individually. A single letter mark may be distinctive for a wide range of services. A single letter may be descriptive or non-distinctive for many goods, but may be acceptable for many other goods. Research is required in each case so as to avoid registering a descriptive indication as a trade mark. For example, the letter "K" appears to be a distinctive trade mark for footwear, but the letter "H" is a customary indication of a width fitting for shoes, and so would not be distinctive. However, the letter "H" would appear to be a distinctive trade mark for drinks. Particular care is required where the goods are technical items such as computers, machines, motors and tools, where particular letters often have a descriptive meaning or have become customary in the language or in the bona fide and established practices of the trade.

Where a letter is not distinctive, a plain rectangular or oval border is unlikely to make the mark distinctive. However, a fancy or unusual border may be enough. Colour may also assist in providing the mark as a whole with the necessary power to individualise the goods/services of one undertaking."

54. The UK guidelines may not be perfect. It might be said that they do not pay sufficient attention to the need to consider whether a single letter is able to perform the function of a trade mark in the perception of the relevant average consumer. However, the guidelines at least appear to embody the well established principle that the distinctiveness of a trade mark must be assessed in relation to the goods or services for which they are to be (or in this case 'have been') registered. I remind myself that they are guidelines. I must, of course, make my own assessment.

55. There is no suggestion that the letter 'G' is descriptive of characteristics of any of the services for which Gala's mark is registered. Nor is there any evidence that it is commonplace or customary for traders in these services to use letters for other non-trade mark purposes. For example, the history of traders using letters in relation to various goods, for indexing purposes, is not relevant to the services at issue. Apart from potentially identifying a trade source, the letter G appears to be an arbitrary choice as a mark for the services at issue. In my view, the relevant average consumer would recognise the earlier mark for what it is - a trade mark for the services for which it is registered. The 'G' stands out as the distinctive and dominant element of that mark. I accept that the extreme simplicity and lack of originality of a single letter means that it cannot be considered to be a strongly distinctive feature. The letter G in the earlier mark therefore has a moderate (but not negligible) degree of distinctiveness in relation to the services covered by the application. The earlier mark as a whole also includes the particular font in which the letter G is registered and the rectangular border, which appears to 'frame' the letter 'G'. The particular presentation of the letter G therefore contributes to the level of inherent distinctive character of the earlier mark, but not by very much. In my view, the earlier trade mark as a whole has a below average (but not the lowest level) of inherent distinctiveness for the relevant services.

56. Gala had used the registered mark (and indeed some variant 'G' marks) in respect of casino services for around 4.5 years by the relevant date in April 2006. However, mere use of a mark does not guarantee enhanced distinctiveness. I accept Mr Tritton's submission that the nature of Gala's use of the mark, as reflected in its branding guidelines, was such that it did little more than to support and promote the Gala name. I do not therefore accept that the distinctive character of the earlier mark was enhanced to any material extent by the use made of it prior to the relevant date.

Similarity of Marks

57. As I noted above, the earlier mark consists of an upper case letter G in a particular font and light colour, underlined and framed within a dark and contrasting plain rectangular border. The mark applied for consists of a letter G in cursive script and light colour, a smaller letter 'c', all within a dark and contrasting circular border and accompanied by the word 'Casino'. In addition to being smaller than the letter G, there is noticeably less colour contrast between the letter 'c' and the background to the figurative element of the mark than there is between the letter G and that background. Consequently, on account of its relative size and more limited colour contrast, the letter 'c' is considerably less striking than the letter G in the figurative element of the mark. In my view, the letter 'c' in cursive script is not negligible to the point where it would usually go completely unnoticed in the figurative element of the mark applied for. Rather, the effect is to relegate it to a background feature.

58. The letter C in the word Casino shares the same cursive script as the same letter as it appears in the figurative element of Rank's mark. Consequently, the capacity of the stylised 'c' to make its own contribution to the distinctive character of the mark is further eroded by the fact that, as presented, it seems merely to provide a stylistic link to the word 'Casino'. The overall effect of this is that, from a visual perspective, the letter G in cursive script is dominant to the point where the mark is liable to be perceived as a (stylised) G Casino mark rather than as a (stylised) GC or CG Casino mark. The letter G is therefore a prominent feature of both marks and the marks are visually similar to this extent. The fact that both marks utilise a letter G in a light colour on a contrasting dark background is a further minor point of visual similarity. Nevertheless, the differences of script, shape and style of background, and the inclusion of the word Casino in the later mark, mean that there is a moderate degree of overall visual similarity between the respective marks.

59. There is no doubt in my mind that if it were used as a stand alone mark, Gala's earlier mark is liable to be verbalised as a 'G' mark. It follows from what I have said above that Rank's mark is likely to be verbalised as a 'G Casino' mark. This is borne out by Ms Abraham's evidence, which shows that the mark applied for has in fact been verbalised exclusively as 'G Casino', both by the applicant and by third parties. Mr Tritton suggested that the applicant had used both the mark applied for and the separate word mark 'G Casino'. This is strictly correct, but I think irrelevant. This is because the evidence shows that when Rank uses the word mark 'G Casino' it is referring to the mark applied for. The concurrent use of the word and logo marks reflects the inherent difficulty in re-producing the stylistic features of the logo mark in the text of promotional material. It does not mean that the many references to Rank's mark as 'G Casino' are references to the word mark rather than the mark applied for. Indeed, in a different context, Mr Tritton relied on the fact that Rank uses no sign on the exterior of its re-branded casinos other than the mark applied for. It is therefore plain that it is this mark that the applicant and others have in mind when identifying Rank's re-branded casinos as G Casino. And that is how the mark would have been verbalised in the radio advertisements mentioned in Ms Abraham's evidence. Such verbalisation of the mark applied for must therefore be regarded, at least *prima facie*, as a normal and fair oral use of the mark: *Premier Brands V Typhoon [2000] FSR 767*. I am not persuaded by Mr Tritton's arguments to change that presumption. Consequently, I find that the mark applied for is likely to be verbalised as 'G Casino'.

60. All the services in the application can be provided at a casino. The distinctive character of Rank's mark is therefore likely to be loaded in favour of the figurative element of the mark rather than on the word Casino. If I am right so far, the figurative element of Rank's mark is likely to be verbalised as 'G'. If used alone, the earlier mark is certain to be verbalised in the same way. I do not overlook the effect of the additional word Casino in Rank's mark, but I find that there is a relatively high degree of aural similarity between the marks.

61. Neither mark has any immediately recognisable concept beyond the idea of a letter G. The marks are conceptually similar to that extent, but the weight that can be attached to this similarity must also reflect the 'strength' of the shared concept. A letter is not a strong concept. This is because, by itself, a single letter doesn't have an instantly recognisable meaning in the way that a dictionary word or some pictures

might. I conclude that there is high degree of conceptual similarity between the marks, but that only limited weight should be attached to this.

62. The net effect of the similarities and differences described above is that assessed on a scale of 1-10 (1 being remotely similar and 10 being identical), the overall similarity between these marks rates around a 5.

Likelihood of Confusion

63. Mr Tritton pointed to the absence of evidence of actual confusion, despite the concurrent use of the marks by the parties (after the relevant date), as support for Rank's denial of a likelihood of confusion. However, when assessing the likelihood of confusion under s.5(2) of the Act it is necessary to consider all the circumstances in which the mark applied for might be used if it were to be registered: see *O2 Holdings Ltd v Hutchison 3G Ltd* Case, C-533/06, ECJ, at paragraph 66 (in relation to the corresponding provision of the underlying Trade Mark Directive). By parity of reasoning the same must to the earlier mark. Indeed, it is apparent from the terms of s.5(2) of the Act that the comparison required is between the mark applied for and the earlier trade mark as registered. Consequently, unlike the position with regard to the passing off right claim, I am required to consider the consequences of concurrent use of the parties' marks in circumstances in which Gala's G device mark is used alone and in a range of normal circumstances, rather than merely as an appendage to the word Gala, as has mainly been the case to date. The global assessment required by the law does not therefore permit me to rely on the distinguishing effect of Gala's use of the word Gala. Consequently, I find that the concurrent use that has taken place is an unreliable indication of what would occur if, for example, Gala used its G device in the same way that Rank has started to use the mark applied for.

64. The difficulty of relying on what had happened (or not happened) so far can be illustrated by looking at the high point of this part of Rank's case, which is that both parties operate a casino in Piccadilly, London, without any apparent confusion. However, not only has this concurrent use been short (just months), it appears from Mr Cronk's evidence that the Gala G device appears only on the interior of its Piccadilly casino, including on a backlit unit behind the reception desk. The word Gala alone seems to be used for external branding purposes at this casino. Consequently, consumers visiting Gala's Piccadilly casino will have already selected the casino they wish to use before they see the Gala G device. This tells me very little about what would happen if Gala used the Gala G device alone for the external or primary branding of its Piccadilly casino. My attention was also drawn to the relative proximity of the parties' casinos in Stockport/Manchester and Liverpool/Blackpool. However, examination of Mr Cronk's evidence suggests that the Gala G device mark is again used only internally at Gala's Stockport casino. Mr Cronk says that Gala purchased the Liverpool casino from another operator and did not even operate it under the Gala name, let alone the Gala G device, at the date of Mr Cronk's statement in December 2007. The proximity of that casino to the casino that Rank operates in Blackpool under the mark applied for is therefore irrelevant. For these reasons, I must reject the invitation to infer from the absence of evidence of actual confusion that there was no likelihood of confusion at the relevant date.

65. In Rank's favour is that:

- a) the earlier mark has a below average level of distinctive character,
- b) although the marks are similar, the overall level of similarity between them is not of the highest degree.

66. It is in Gala's favour that the respective services are identical and the marks are similar to a certain degree (more so to the ear than to the eye). In assessing the weight to be attached to the respective degrees of visual and aural similarity it is necessary to take account of all the circumstances in which the later mark might be used, and of the effect of the similarities and differences between the marks in those circumstances: see, for example, paragraphs 75 and 76 of the ECJ's judgment in Case C-498/07P, *Aceites del Sur-Coosur SA v OHIM*.

67. I start by considering whether there is a likelihood of confusion caused by the way the marks look. It seems unlikely to me that a gambler/game player who is regularly exposed to one of the marks at issue will imperfectly recollect that mark for the other. Nor are there sufficient stylistic similarities between the two marks so as to lead such a consumer to believe that the same undertaking is responsible for both.

68. There is a greater likelihood of confusion through imperfect recollection on the part of the occasional gambler, game/competition player, for whom the letter G may be the most memorable feature of both of the marks. A consumer who is only an occasional visitor to a casino operated under one of the marks is likely to be receptive to visual promotion of the other mark, particularly in the context of casino services where the addition of the word 'Casino' in Rank's mark does very little to distinguish that mark from the earlier mark. There is a similar risk of confusion arising through imperfect recollection in the context of new customers, who may see an advertisement for one of the marks, perhaps on a poster or in a cinema advertisement, and then some time later, come across services offered under the other mark.

69. I regard the higher level of aural similarity between the marks as significant in the context of Ms Abraham's evidence that Rank advertises its mark through local radio broadcasts. The possibility of such advertisements is no doubt a result of the on-going liberalisation of the gambling and gaming market under the Gambling Act 2005. The possibility of both parties promoting the same services in the same area under marks that are liable to be verbalised as 'G' and 'G Casino' respectively (again, especially for casino services) is likely to lead to confusion.

70. In assessing the weight to be attached to this it is also necessary to take account of the visual differences between the marks to the extent that these counter the likelihood of confusion. Regular gamblers/game players who are quite familiar with the look of one or both of the marks at issue are only likely to suffer initial confusion from the aural similarity between the marks. However, even initial confusion may be commercially relevant where a consumer is attracted to one of the service providers by a radio broadcast promoting the mark of the other, even if he or she subsequently realises from the visual presentation of the mark at the point of supply of the services that the mark promoted on the radio was not the mark that he or she had in mind.

This is because having gone to the trouble of travelling to the promoted casino, such consumers may be inclined to use the services on offer despite their realisation that the services in question are offered under a different mark to the one that initially attracted them. As Mr Geoffrey Hobbs QC noted in *Whirlpool v Kenwood* [2008] EWHC 1930 (Ch) whilst sitting as a Deputy Judge in a Community Trade Mark Court in connection with a claim brought under an analogous provision of the Community Trade Mark Regulation:

“It is sufficient for the purposes of Article 9(1)(b) to establish the existence of a likelihood of confusion in only part of the Community. The concept of *'using in the course of trade'* is amplified by Article 9(2) in a way that appears to make it sufficient for the purpose of establishing liability under Article 9(1)(b) for there to be *'a likelihood of confusion on the part of the public'* at any material stage or in relation to any material aspect of the commercialisation of the sign in question. From that I think it follows that 'bait and switch' selling can be prevented under Article 9(1)(b) on the basis that the process of buying goods or services should, from selection through to purchase, be free of the distorting effects of confusion. I mention that because Whirlpool's claim under Article 9(1)(b) relied on the proposition that there would be a likelihood of confusion unless and until the branding of the kMix as a KENWOOD product impinged upon the consciousness of interested consumers: the shape and appearance of the kMix would initially tell them it was a 'KitchenAid' product and the KENWOOD branding would not tell them otherwise until after they had gone down the road of selection with a view to purchase. It is possible for a claim to succeed on that basis.”

71. I therefore feel able to attach a limited amount of weight to the likelihood of initial aural confusion amongst even those consumers who are quite familiar with the look of one of the parties' marks.

72. I attach more weight to the likelihood of aural confusion amongst consumers who are occasional or new gamblers/game players etc. If such consumers are attracted by a radio advertisement for 'G' casinos or 'G Casino', they are liable to approximate the mark promoted by radio with whichever of the parties' marks they next encounter. The consequences of this are likely to be more significant in future because (judging from JJTC 39 to Mr Cronk's evidence) it is no longer a legal requirement for the public to become a member of a casino, or to be admitted by such a member, in order to gain immediate access. Consequently, in the future, there are fewer safeguards that can be relied upon to help negate any likelihood of confusion arising from the way that the marks sound.

73. This is also a relevant factor in the case of the social gambler, for whom word of mouth recommendation (or non-recommendation) is likely to play a significant part in the selection of a service provider.

74. Having considered the matter very carefully and in the round, I have come to the conclusion that, in this case, the identity of services and the similarities between the marks outweigh the differences between them and the moderate level of distinctiveness of the earlier mark. In my view, concurrent use of the marks in a range of normal circumstances is likely to lead to a significant level of confusion amongst average consumers of the services at issue. Gala's objection to the registration of Rank's mark under s.5(2)(b) therefore succeeds.

COSTS

75. The opposition originally included an allegation of bad faith, but quite properly that was dropped. Both parties are major players in the casino business. The reason that Rank adopted the mark applied for is fully explained in Ms Abraham's evidence – the idea was to produce a modern brand whilst maintaining a link with the Grosvenor brand (presumably through the use of a letter G). At most, Rank is guilty of failing to conduct a trade mark search or (assuming that I am correct) incorrectly analysing the results. The case is therefore a standard opposition and there can be no question of costs being assessed on anything other than the usual scale.

76. On that basis I order Rank to pay Gala the sum of £1400 made up of:

Filing Notice of Opposition	£300
Considering counterstatement	£150
Filing evidence	£500
Considering Rank's evidence	£250
Written submissions	£200

- this sum to be paid within 7 days of the end of the period allowed for appeal.

Dated this 24th day of September 2009

**Allan James
For the Registrar**