

O-235-11

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION

No. 2515291A

BY MR ALEXANDER JOHN GIBSON WHITTLES AND MRS HOLLIE WHITTLES  
TO REGISTER THE SERIES OF FOUR TRADE MARKS




IN CLASS 42

AND

IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 99574A BY  
PURPLE FROG STUDIOS LIMITED

## BACKGROUND

1) On 1 May 2009 Mr Alexander John Gibson Whittles and Mrs Hollie Whittles (hereinafter the applicants), applied to register the following series of four trade marks:

Number	Mark	Filing Date	Class	Specification
2515291	 <p>A series of four marks</p>	01.05.09	42	Creating, maintaining & hosting of web sites for others.

2) The application was examined and accepted, and subsequently published for opposition purposes on 26 June 2009 in Trade Marks Journal No.6791.

3) On 24 September 2009 Purple Frog Studios Limited (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade mark:

Number	Mark	Filing and Registration Date	Class	Specification
2199191	PURPLE FROG	04.06.1999 & 26.11.1999	42	photographic and graphic design services

b) The opponent states that the marks are visually, aurally and conceptually similar and that the services offered under Class 42 are also similar. They state “Graphic design” covers text and typography plus images and pictures and the layout of these to sell products and services and this covers all media, from print through to digital assets online, such as websites, and on CD and film.” The opponent claims use of its mark since 1999 and therefore contends that the application offends against Sections 5(2)(b) & 5(4)(a).

4) On 30 November 2009, the applicants filed a counterstatement which denied the opponent’s claims. They state that the hosting of websites for others does not include any photographic or graphic design. Similarly, the opponent’s services are not similar to the creation of websites for others. They state that the creation of a website involves writing of source code and that this only incidentally involves the input of text and, where appropriate, creation of the layout. They point out that the sub-categorisation of Class 42 highlights the differences between the services. They also contend that the marks are visually different whilst accepting that they are aurally identical

and conceptually similar. They also dispute that the opponent's mark has a highly distinctive character. They also put the opponent to strict proof of use.

5) Both parties filed evidence, and both seek an award of costs in their favour. The matter came to be heard on 13 June 2011. At the hearing, the opponent was represented by Mr Silcock of Counsel instructed by Messrs Blake Laphorn; the applicant was represented by Mr Reed of Counsel instructed by Messrs Wright Hassall LLP.

## **OPPONENT'S EVIDENCE**

6) This consists of a witness statement, dated 2 June 2010, by David Finch the Managing Director of the opponent, a position he has held for eleven years. He states that the mark PURPLE FROG was first used in 1999 in relation to the creation, maintenance and hosting of websites for others. He provides a list of clients which covers half of England. He states that his company offers the services of creating and designing websites, maintaining and updating websites and offering advertising via, inter alia, the internet. Mr Finch provides the following table which he states relates to the "creation, maintenance and hosting of websites for others".

Year	Amount £
2000	321,183
2001	361,296
2002	430,809
2003	889,421
2004	971,509
2005	952,127
2006	1,000,709
2007	1,176,273

7) Mr Finch states that in on 17 November 2005 his company registered the domain name [www.purplefrogonline.co.uk](http://www.purplefrogonline.co.uk) (exhibit DF10 confirms this). He states that he first became aware of the applicants in January 2006 when they incorporated Purple Frog Systems Ltd and offered Business and Management Consultancy services. He saw no overlap between the services and did nothing. It was only in 2009 that he became aware that the applicants were offering the creation, maintenance and hosting of websites. He states that the two applicants are the "controlling minds" of Purple Frog Systems Ltd and Purple Frog Ltd, whilst Mr Whittle is the sole director of Purple Frog IT Ltd. He provides, at exhibit DF14, copies of Companies House records which corroborate his claim, in that Mr and Mrs Whittle are directors/company secretary of the first two companies and Mr Whittle is the sole director of the last company named. At exhibits DF15 & 16 he provides copies of the websites of these companies and they clearly do offer, inter alia, creation, design and maintenance of websites, Search Engine Optimisation (SEO) and e-commerce links. At exhibits DF17 & 19 he provides copies of internet searches on the terms "Purple Frog Web Design", "Purple Frog Website Design", "Purple Frog Studios Web Design" and "Purple Frog Web". In each case both the applicant and their various companies and the opponent company were listed.

8) Mr Finch states that one of his clients, Yuasa Batteries, based in Wales contacted him and asked if he had opened an office in Wales as they had come across Purple Frog Design Consultants. The client had assumed that they were connected due to the highly distinctive nature of the name Purple Frog. Mr Finch states that the purple frog device was used until 2007 when they changed to the words “Purple Frog” in a green and grey font, although they do still occasionally use the old device element. He points out that the applicant has the domain name [www.purplefrogstudios.com](http://www.purplefrogstudios.com) which directs traffic to the applicants other websites, despite the fact that none of the applicants companies is called Purple Frog Studios. Below is a summary of the exhibits provided which I believe are relevant to my decision:

- DF1: Copy of certificate of incorporation of opponent dated January 1999.
- DF2: Invoice dated 29 February 2000 regarding website design, domain name rental and server space rental. The invoice has a large purple frog device at the top and the opponent’s name Purple Frog Studios Ltd at the bottom of the invoice.
- DF4: A definition of a graphic designer from Wikipedia which states that it includes website design.
- DF5: This shows a definition of “web design” from Wikipedia which states “web design is a kind of graphic design intended for development and styling of objects of the Internet’s information environment to provide them with high-end consumer features and aesthetic qualities. This offered definition separates web design from web programming, emphasising the functional features of a web site, as well as positioning web design as a kind of graphic design”.
- DF6: This is from About.com., and provides the following definition of “Full service Agency”: “An Agency that handles all aspects of the advertising process, including planning, design, production and placement. Today, full-service generally suggests that the agency also handles other aspects of marketing communication, such as public relations, sales promotion, Internet and direct marketing”.
- DF7: This consists of 44 invoices. Numbers 1-8 are dated after 1 May 2009 however there are 36 prior to this date. These date from February 2000-March 2009. Prior to August 2007 they all have the device of a large purple frog at the top of the page; the twelve after this date have the name “Purplefrog” at the top of the page. All state that payment should be made to “Purple Frog Studios Ltd”. The invoices cover the creation, design and artwork for websites, SEO, updating websites, enabling e-commerce on websites, domain name and server rental as well as the creation of normal print brochures and logos.
- DF8: copies of website pages which are said to have been created by the opponent for its clients. However, only one would appear to be dated prior to 2009. It shows a website for the Spicer Hallfield Store and is dated 2007.

- DF9: This consists of letters and quotations for work as well as actual invoices. Most are prior to the relevant date of 1 May 2009. These consist of a quotation for a company called Pages in London, dated 4 December 2006. It refers to a meeting and provides a detailed costing for the design and implementation of a trading platform for e-commerce. It includes annual payment for use of servers, SEO, hosting and performance reports. The second is dated September 2007 and is for Spicer Hallfield regarding the creation of a website, an on-line store and hosting the website. The last quotation and attached invoices begins in January 2008 and relates to EFM Management Limited. It includes designing and building a new website and later changes which straddle the relevant date.
- DF12: This consists of two pages from the opponent's website. They are dated 22 October 2008 and in it they discuss why websites should be regularly updated and offering their services to readers.
- DF 21: Copy of a calendar sent to clients in 2005 and a mailer that was sent out in 2006. Both show use of the purple frog device and name and refer to website design, e commerce, website hosting and site management.

## **APPLICANT'S EVIDENCE**

9) The applicant filed two witness statements. The first, dated 16 August 2010, is by Alexander John Gibson Whittles one of the joint applicants. He states that when he first set up his company his aim was to offer two types of services, generic IT consultancy and highly specialised Business Intelligence contract services. The later covers large scale databases, data warehousing, multi-dimensional data cubes, artificially intelligent data mining and management information reporting systems. To this end, a company was set up with the assistance of an accountancy firm. The name of this accountancy company was Orange and Gold Accountants and the company set up for Mr Whittles on 11 January 2006 was called OGMPS130 Ltd. This company dealt with the Business Intelligence services whilst another company Purple Frog Ltd was established on 26 May 2006 to offer generic IT consultancy services. On 23 April 2007 OGMPS130 Ltd changed its name to Purple Frog Systems Ltd. At this stage it was decided to concentrate all business into this new company and so Purple Frog Ltd became dormant and remains dormant as at the date of the statement. He states that as the company grew it was decided to use Purple Frog Studios as the trading name for Purple Frog Systems Ltd. He does not provide a date or any reason for such a change. He states that the companies run by the applicants do not offer graphic Design services. He denies that graphic design is similar to web design or creation and he makes a number of other submissions which are not evidence.

10) Mr Whittles states that he had no idea of the existence of the opponent when choosing the name Purple Frog Studios and that there was no visible reference to such a name anywhere. He states that the "studio" element is not important to the opponent as it was not referred to on the opponent's website. He also states that in 2009 the opponent's website did not offer web design services. At pages 53-72 of exhibit AJGW1 he provides a print out of the opponent's website taken at 24 September 2009. He also claims that the opponent's website has been re-worded since the launching of the opposition to reflect the claims made by the opponent rather than what the opponent was actually doing at the relevant date. He also makes a number of statements

regarding exhibit DF12, effectively stating that the date claimed for it is incorrect and that the opponent's claims regarding this exhibit are false. I did not consider this exhibit important to these proceedings and so have not documented these claims here. It is further claimed that web design was not shown as being offered on the opponent's website in October 2008 as claimed, but rather it was only put on in April 2010.

11) Mr Whittles points out that in the invoices submitted by the opponent at exhibit DF7, the two year period March 2008-March 2010 do not include a single new website. He states that they do include renewals for maintenance of old sites, updates to existing pages, expansion to sites, photographic manipulation and an advertisement. He points out that Mr Finch claims that web design work in this period generated £258,000 but no invoices show such work. He also claims that the geographical locations of the two companies would prevent any confusion or misrepresentation. The following are summaries of pages from exhibit AJGW1:

- Page 29: Definition from Oxford Dictionary of “graphic design: the art or skill of combining text and pictures in advertisements, magazines or books”.
- Page 31: definition from Wikipedia for “graphic design” which includes the following: “Common uses of graphic design include identity (logos and branding), web sites, publications (magazines, newspapers and books), advertisements and product packaging”.

12) The second witness statement, dated 16 August 2010, is by Mrs Hollie Whittles the other joint applicant. She states that they work in and around Telford and have been recognised and accredited by organisations in this area. They are shown as IT consultants. She points out that the opponent has claimed no such accreditation.

## **OPPONENT'S EVIDENCE IN REPLY**

13) The opponent filed three witness statements. The first, dated 23 December 2010, by James Olney, the web developer at Purple Frog Studios Limited, a position he has held since February 2001. He states that prior to his arrival the opponent had developed a number of small websites but it was decided that this was an area that should be expanded and he had the necessary skills. His work entailed maintaining existing websites and developing new ones. He states that after approximately a year the company had confidence in its abilities and began offering services such as SEO, email template design, email campaigns, online advertising and animation. He states that the term “website design” was falling out of fashion and instead the phrase “new media development” began to be used. Later this changed again to “online” and then “digital” to reflect the changes in customer expectations and technological advances. He states that these services have been referred to in differing ways. He states that up until March 2006 the version of the opponent's main website was “very text heavy with exhaustive sections covering every aspect of web related work”. By this time in addition to the existing website ([www.purplefrog.co.uk](http://www.purplefrog.co.uk)) the company launched [www.purplefrogonline.co.uk](http://www.purplefrogonline.co.uk) to cover website work which left the main website free to give a broader picture of the services offered by the company. He disputes the evidence of Mr Whittles and states that at all times the main website

promoted their web design services. At exhibit JO1 he provides print outs from the “waybackmachine” archive for the years 2000-2008.

14) These show use of the name Purple Frog Studios from 2000-2008, although the device element alters from a cartoon purple frog to a representation of a real frog in 2004. From 2000 the opponent is advertising its ability to offer a complete multimedia package which includes web design, on-line catalogues and full e-commerce. By 2004 they were including SEO and offering a total package from initial site planning. They speak about the provision of “technically solid websites” and by 2006 referring to website hosting. Mr Olney points out that these exhibits come from an independent third party and refute the allegations by the applicant that the opponent altered its website subsequent to launching the opposition.

15) The next witness statement, dated 23 December 2010, is by Mr Finch who has provided an earlier statement. At exhibit DF24 he provides a spreadsheet of invoices relating to the creation, maintenance and hosting of websites for others dated between 31 January 2000 - 31 March 2009. He also provides a CD containing the actual invoices, of which there over one thousand. He states that a large number of these relate to ensuring that their client’s websites were optimised for search engines and states that it would be strange if the opponent’s own website was not similarly optimised as claimed by the applicants. He refutes the applicants claim and states categorically that Purple Frog’s main site and online site have always been indexed and optimised and any search for “Purple Frog web design” or “Purple Frog web hosting” would result in the opponent’s websites being found.

16) Mr Finch states that when his company first began they targeted small and medium sized businesses. Since the beginning of 2006 they have targeted larger corporations which demand a full service agency to meet all their marketing needs. This was the reason for developing a separate online site. He states that his company does not advertise to build a website as clients want much more than this. The clients want both online and offline marketing and want a single agency to provide all the services. He points out that in the applicant’s evidence, Mr Whittle states that when he searched the opponent’s website, they were promoting “digital and off line advertising”. Mr Finch states that the term “digital” is the latest term for “online”. Similarly, Mr Finch states that his company advertises that it is a “web agency” which means that it offers a range of web services. At exhibit DF26 he provides a copy of a Google search for “web agency” which shows over 80 million results, the top results of which are for agencies offering web design/hosting/marketing/ ecommerce” amongst their services. He states that following criticism of his figures regarding web activity he reviewed all the invoices for the time 2000-2009 despite the fact that this took over 45 hours, the latest figures vary only slightly from those originally quoted and are as follows:

Year	Total Turnover £	Related to the creation, maintenance and hosting of websites for others £
2000	321,670	18,266
2001	361,296	17,984
2002	430,811	26,814
2003	889,422	59,295
2004	971,507	68,166

2005	952,147	69,034
2006	1,000,715	46,917
2007	1,172,583	81,114
2008	1,372,432	163,634
2009 Jan-March	253,920	25,988

17) Mr Finch states that clients come to the opponent and ask them to create a website. They do not differentiate between design and programming. He states that clients want a one stop shop taking care of all aspects of creating a website. He states that as his business has grown so has the geographical area they cover, so that now they have dealt with clients in most counties in the south of England. Mr Finch confirms that he is a member of The Institute of Chartered Accountants in England and Wales, and the Chartered Institute of Marketing. He is also a member of B2B Marketing, Digitalagencyexpert.com, Online Marketing Network and Technology for Marketing and Advertising.

18) The third witness statement, dated 4 January 2011, is by James Hylton the Sales and Marketing Manager of Yuasa Battery Sales (UK) Ltd a position he has held since November 2005. He states that he has access to his company's records and that he is authorised to speak on behalf of his company. He states that his company has used the opponent to create (including design), maintain and host its website since October 2001. When Yuasa moved to Ebbw Vale they continued to use the opponent. He states that the opponent provides a complete service to his company both in regard to websites but also marketing and promotion both online and in printed form. He states that if he saw the name "Purple Frog" he would assume that it was connected with the opponent company. He provides the annual expenditure of his company with the opponent on the creation, maintenance and hosting of websites as follows:

Year	£
2001	925
2002	2315
2003	1735
2004	6095
2005	795
2006	Not provided
2007	11886
2008	13232

19) That concludes my summary of the evidence filed, insofar as I consider it necessary.

## **DECISION**

20) At the hearing Mr Reed contended that the evidence of Mr Hylton was not evidence in reply and so should be excluded. However, I note that at paragraph 27 of Mr Whittles' evidence he refers to a reference made by the opponent in its initial evidence to Yuasa Batteries and states:

"Ebbw Vale is some way in from the Welsh/English border and will therefore not be confused as to which Purple Frog they are contracting with."



21) This, along with statements casting doubt on the veracity of the statements made by the opponent in its initial evidence, placed an onus upon the opponent to counter such claims. As such I regard the evidence of Mr Hylton to be acceptable, other than the two paragraphs (8 &9) which the opponent agreed to withdraw some considerable time prior to the hearing.

22) As it provides the opponent's strongest case, I shall first consider the ground of opposition under Section 5(4)(a) of the Trade Marks Act 1994 which reads:

“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

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

23) In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

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

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

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.'

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

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

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

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

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

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

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

24) I also note the comments of Pumfrey J in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)*, in which he said:

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

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

25) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited* [2008] EWHC 1960 (Pat) in which he says of the above:

“Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

26) First I must determine the date at which the applicant’s claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Joined Cases T-114/07 and T-115/07. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off,

that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

27) In the evidence filed by the applicants there is evidence of use of the mark in suit by various limited companies. However, the applicant’s are Mr & Mrs Whittles. There is no suggestion that the goodwill resulting from such use has been transferred to the Whittles, although I accept that they are the sole directors of the companies shown to have used the mark. The mark must therefore be regarded as being unused by the applicants as at the date of the application for registration and so the relevant date for the purposes of Section 5(4)(a) must be 1 May 2009.

28) In determining the issue I rely upon the following exhibits from the initial statement by Mr Finch DF2, 4, 5, 6, 7, 8, 9, 12, 21 as well as the turnover figures relating to the creation, maintenance and hosting of websites for others from Mr Finch’s second witness statement. I also take into account the unchallenged evidence of Mr Olney and Mr Hylton. All of which are summarised earlier in this decision.

29) I take into account the following when considering the above evidence. The goodwill must be of more than a trivial nature. In *Hart v Relentless Records* [2002] EWHC 1984 Jacob J stated:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994 . The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in *BALI Trade Mark* [1969] R.P.C. 472 . The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge’s finding). Again that shows one is looking for more than a minimal reputation.”

30) However, one does not need to be a large player to be protected under the law of passing-off. In *Stacey v. 2020 Communications Plc* [1991] F.S.R. 49 Mr. Justice Millett said:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

31) I also note that in *Stannard v Reay (Mr Chippy)*[1967] FSR 140 it was held that:

“...even though the plaintiffs had only been trading for about three weeks, there was evidence of substantial takings by the business which fell when the defendants commenced trading. It was not impossible for goodwill in a new kind of business to be built up in a short period of time...”

(I note that the decisions in both *Stacey* and *Stannard* were made in the context of injunctive relief before full trial).

32) Finally, the following comment of Slade LJ in *Chelsea Man Menswear Limited v Chelsea Girl Limited and Another* [1987] RPC 189 is also relevant:

“However, the authorities show quite clearly that a plaintiff who has established a cause of action in passing off can obtain relief by way of injunction extending beyond the boundaries of the particular areas in which he has proved the existence of his reputation and goodwill.”

33) The applicants contend that the opponent was a full service advertising agency and that the designing of websites was only a peripheral part of its business. They contended that the opponent had, in the ten years (1999 – 2009), only 89 clients who required a website to be designed. Even if this figure is correct, and the opponent disputed it at the hearing, I do not accept that I should ignore this level of activity.

34) The applicant also contended that the opponent was involved in designing websites but not their creation. The creation of websites was said to be the actual programming code, not the element of design which is seen on the internet. It was pointed out that the opponent sub-contracted out the writing of the programme code. I do not accept this contention, to my mind the creation of a website must include the graphic design element that the eventual consumer views. Simply providing a list of zeros and ones, or obscure commands would not be what most businesses looking for a website would expect to receive. In any case the opponent offers a turnkey operation where they provide the whole package of programming code and design so that the client is provided with a website which the customers of the business can access. As far as the clients of the opponent are concerned that fact that the programming aspect is sub-contracted out would not matter as their contract for the whole package would be with the opponent.

35) The evidence clearly shows that the opponent has offered, in addition to its advertising services, website creation, updating and maintenance; Search Engine Optimisation, email template design, online advertising and catalogues, full e-commerce, domain name rental; server space rental and graphic design. All these services were offered to customers in the UK prior to the date of application on 1 May 2009. I accept that most of the activities took place in and around Gloucestershire, Buckinghamshire, Oxfordshire and Greater London, although not confined wholly to these areas; they also had a presence on the internet. However, even if its activities had been confined to a small geographical location this would not have debarred them from having protectable goodwill in the UK. (*Mr Chippy*). The opponent has provided turnover and promotional figures, which whilst not huge are not insignificant.

36) The applicant also contended that the opponent had not traded under the same mark for the whole of this period. I fully accept this and my summary of the evidence records this fact. However, they have always traded under the name Purple Frog Studios and this has been on all their invoices. I accept that until 2007 it did not appear at the top of the invoices. Instead from 1999-2007 the device of a frog appeared at the top of the invoice. This device altered over time but was always recognisable as a frog. At the bottom of the invoice clients were informed to make payments to "Purple Frog Studios Ltd". Since 2007 the words "Purple Frog" have appeared at the top of the invoice with the same payment instructions as before appearing at the bottom of the page. To my mind this should be seen as use of the mark "Purple Frog" for the whole of the period 1999-2009. In my opinion the opponent has provided sufficient evidence to prove that at the relevant date it enjoyed a protectable goodwill in the mark "PURPLE FROG" in relation to the services listed earlier in paragraph 35. Even if I am wrong in this conclusion then the use of the words "Purple Frog" without a device of a frog since 2007 demonstrates that goodwill existed as identified by the words "Purple Frog" since 2007.

37) I now turn to consider the issue of misrepresentation. The first question surrounds the marks of the two parties. The applicant is seeking registration of a series of four marks which, by the nature of being a series have only very minor differences. The marks all consist of the words PURPLE FROG where the letter "O" in frog is replaced by a device of a frog. The opponent has used the mark "PURPLE FROG". Even the applicant accepts that aurally and conceptually they are identical, but maintains that they are visually different and that this difference will avoid any misrepresentation. I disagree entirely with this view. The only visual differences are that the font used by the applicant has a 3D effect, the letter "G" in frog is elongated to underline the mark and there is a frog device replacing the letter "O". To my mind the average consumer would see the applicant's mark as a "purple frog" mark. The differences are relatively minor and are far outweighed by the similarities. The marks must be considered to be very similar.

38) It is well established that it is not necessary for the parties to a passing-off action to be in the same area of trade or even a related area of trade. The point can be supported by reference to Millet L.J.'s judgment in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697. However in the instant case the applicants are seeking a specification of "Creating, maintaining & hosting of web sites for others". The opponent has shown use of its mark on, inter alia, "website creation, updating and maintenance; Search Engine Optimisation; email template design, online advertising and catalogues, full e-commerce, domain name rental; server space rental and graphic design". To my mind, if not identical, there is clearly a considerable overlap of the services offered by both parties. Taking into account all of the above I conclude that use and registration of the applicants' trade marks in relation to these services would result in misrepresentation of the opponent's mark.

39) I must go on to consider if the opponent has suffered, or is likely to suffer, damage as a result of this misrepresentation. Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 HL stated that the opponent must show that "he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill".

40) In the current case, both parties' marks effectively consist of the words "PURPLE FROG". Registration of the applicants' marks would be in respect of services identical or similar to those

on which the opponent uses its mark. This being the case, people and traders familiar with the opponent's services would expect the types of services in paragraph 35 above under the same or very similar sign to be from the same undertaking that had used that name in the past. I have already found that, as such, there is a real likelihood of deception amongst a substantial number of the relevant public. Taking all this into account and considering the close similarity between the marks, I conclude that the opponent's goodwill will be damaged in that, the opponent may lose business to the applicants because of the existence of a mistaken belief that the applicants' services are in fact those of the opponent. It would therefore be deprived of its benefits. Further, if the services are unsatisfactory in anyway, this will result in the public avoiding the opponent's services in the mistaken belief that it was also responsible for the applicants' services. The ground of opposition under Section 5(4)(a) in respect of all the services applied for in Class 42 succeeds.

41) Given this finding I do not need to consider the ground of opposition under Section 5(2)(b).

#### COSTS

42) The opponent has been successful in its opposition and is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Preparing evidence and considering and commenting on the other side's evidence	£600
Preparing for and attending a hearing	£800
Opposition Fee	£200
<b>TOTAL</b>	<b>£1900</b>

43) I order the applicants to pay the opponent the sum of £1900. 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 June 2011**

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