

O-359-12

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2503569

BY

CONSUMER FOCUS

TO REGISTER THE TRADE MARKS (A SERIES OF TWO):



IN CLASSES 16, 35, 36, 37, 38, 39, 40, 41, 41, 43, 44 and 45

AND

THE OPPOSITION THERETO

UNDER NO 99304

BY

GRANT THORNTON INTERNATIONAL LIMITED

1) An application to register the trade marks:



was made by Consumer Focus on 27 November 2008. The trade marks are not limited by colour. The application was published with the following specification:

Class 16:

Printed matter; books, newsletters, printed publications, pamphlets and leaflets; instruction and teaching materials.

Class 35:

Consumer protection services; customer complaints services; liaison services with customer representative groups; publicity, advertising and promotional services; services to help businesses improve their customer services; market analysis and marketing studies; business advice, surveys, appraisals, forecasting, information, statistics, research and planning, relating to customer services; commercial information and advice for consumers [consumer advice shop]; consumer market information services; provision of product information; information and advisory services relating to the administration of grants and the organisation and operation of incentive and loyalty schemes; consultancy, advisory and information services, all relating to the aforesaid services.

Class 36:

Information, advisory and consultancy services relating to monetary affairs, financial services, credit services, investments, real estate and insurance; preparation and issue of reports, papers, publications and consultation papers relating to monetary affairs, financial services, credit services, investments, real estate and insurance.

Class 37:

Information, advisory and consultancy services relating to building, construction, installation, maintenance and repair services and the preparation and issue of reports, papers, publications and consultation papers relating to the aforesaid.

Class 38:

Information, advisory and consultancy services relating to telephony and broadcast services and data transmission preparation and issue of reports, papers, publications and consultation papers all relating to the aforesaid.

Class 39:

Information, advisory and consultancy services relating to transportation and travel, holidays, storage and distribution and to the distribution and supply of gas and electricity; preparation and issue of reports, papers, publications and consultation papers all relating to the aforesaid.

Class 40:

Information, advisory and consultancy services relating to treatment of materials, recycling of waste, recovery of material from waste, waste disposal and the production of energy; preparation and issue of reports, papers, publications and consultation papers all relating to the aforesaid.

Class 41:

Education services; provision of training and learning projects; arranging and conducting conferences, seminars and exhibitions; publication of books; providing on-line electronic publications; publication of electronic books and journals on-line; production of films, video and television programmes; information, advice and consultancy in relation to the aforesaid services; information, advisory and consultancy services relating to education, provision of training, entertainment, sporting and cultural services and the preparation and issue of reports, papers, publications and consultation papers relating to the aforesaid.

Class 42:

Information, advice and consultancy services relating to environmental issues and energy management and efficiency; information, advice and consultancy services relating to scientific and technological services and research and design relating thereto; preparation and issue of reports, papers, publications and consultation papers relating to the aforesaid.

Class 43:

Information, advice and consultancy services relating to services for providing food and drink and temporary accommodation and the preparation and issue of reports, papers, publications and consultation papers relating to the aforesaid.

Class 44:

Information, advice and consultancy services relating to medical and healthcare services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services and the preparation and issue of reports, papers, publications and consultation papers relating to the aforesaid.

Class 45:

Provision of consumer advice and information; consumer advisory services; advisory and information services relating to consumer rights; legal and regulatory advice and information; compilation of legal information; advisory services relating to regulatory affairs; compilation of regulatory information; political lobbying services; policy change initiatives; preparation and issue of reports, papers, publications and consultation papers all relating to consumer affairs; information and advisory services, all relating to the aforesaid services; information, advice and consultancy services relating to security services; dating services; funeral services and undertaking services; detective agency services and the preparation and issue of reports, papers, publications and consultation papers relating to the aforesaid.

2) Grant Thornton International Limited (GTIL) has opposed the registration of the trade marks. It relies upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act).

3) Section 5(2)(b) of the Act states:

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

(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.”

Section 5(3) of the Act states:

—3) A trade mark which –

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be

detrimental to, the distinctive character or the repute of the earlier trade mark.”

Section 5(4)(a) of the Act states:

—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”.

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

—The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

4) GTIL relies on 12 earlier trade mark registrations; none of which are subject to proof of use. In its pleadings GTIL claimed that it had goodwill in relation to all of the goods and services of the earlier registrations, for the purposes of section 5(4)(a) of the Act. It also claimed that all of the trade marks had a reputation for all of the goods and services of the registrations. It also claimed that all of the goods and services of the application were identical or similar to the goods and services of its registrations. At the hearing, Mr Cuddigan, counsel for GTIL, limited the claims to goodwill and reputation to the services specifically identified in the annual review and statements for Grant Thornton UK LLP (GTUK) for the year ended 30 June 2009:

accountancy and growth and development; assurance; corporate finance; forensic investigation services; recovery and reorganisation; taxation and financial planning.

Mr Cuddigan characterised the services as being accounting services with other services which were adjuncts to these services.

5) GTIL no longer claims that all of the goods and services of the application and those of the earlier registrations are identical or similar but relies on a list that was produced in written submissions, and which was treated by GTIL as being its skeleton argument.

6) Mr Cuddigan submitted that the devices and device elements are in two forms, one a reverse of the other. This is certainly not something that is obvious to the naked eye and not something that an average consumer, however, observant would notice. Mr Cuddigan did not submit that the position for the reversed device was any different than for the non-reversed device. Consequently, the case will be considered upon the basis of the trade marks below:



The trade marks in colour are not limited to colour.

7) CF has denied the grounds of opposition.

8) A hearing was held on 14 September 2012. GTIL was represented by Mr Hugo Cuddigan of counsel, instructed by Mischcon de Reya. CF was represented by Mr Paul Harris of Gowlings (UK) LLP.

Evidence for GTIL

9) Evidence for GTIL has been given by Laurence Kehoe. Mr Kehoe is chief legal counsel of GTIL. He is also a partner of GTUK.

10) In 1980 Grant Thornton International Incorporated (GTII) was formed in Illinois, the founder members were the firms of Alexander Grant & Co and Thornton Baker. Other firms from around the world subsequently joined the GTII organisation. In 1986 Alexander Grant & Co and Thornton Baker changed their

names to Grant Thornton. The Grant Thornton brand has been known in the United Kingdom since 1986. In July 2007 the GTII organisation changed its domicile to the United Kingdom and the business and undertaking of GTII was transferred to GTIL. Mr Kehoe states that GTIL is one of the world's largest and leading organisations of independently owned and managed accountancy and consultancy firms. The member firms of GTIL are all members of the United Kingdom company. GTIL seeks firms of good quality and repute with a view to inviting them to join the organisation as member firms. The member firms of GTIL currently have over 2,600 partners and employ over 30,000 people worldwide in approximately 105 countries.

11) A rebranding launch took place worldwide on 19 February 2008 when the new branding was seen for the first time:



The new brand replaced all member firms' signage, both internal and external, on 19 February 2008.

12) GTUK has offices in 27 locations in the United Kingdom, including Cardiff, Belfast, Birmingham, Edinburgh, Glasgow, Newcastle and London. GTUK has a client base of 40,000 and employs over 4,000; 200 of whom are partners. Mr Kehoe states that the device and the composite trade marks have been in continuous use in the United Kingdom since 19 February 2008. All of the material exhibited by GTIL shows use of the device with the words Grant Thornton in the form above.

13) Included at exhibit LK3 is a list of services provided by GTIL, downloaded from grantthornton.co.uk on 15 April 2010, so after the date of application for registration.

14) Mr Kehoe states that exhibit LK4 contains various publications published by GTUK. He states that these were available at the "relevant time" from GTUK's offices or from its website. Mr Kehoe states that these are a sample of the hundreds of publications, in the form of reports, newsletters, brochures and leaflets produced and available (free of charge) from GTUK. All of the publications were published in 2008. Mr Kehoe's characterisation of the publications is given.

farming figures – summer 2008. Provides information in connection with tax services including tax changes and tax charges.

Perspective – September 2008. A quarterly newsletter produced for the manufacturing and engineering industries.

Charity news – autumn edition 2008. A quarterly publication. Services covered include asset allocation, risk, assurance and internal audit.

If you've got it, protect it – spring 2008. Discusses pre-nuptial agreements and the protection of assets.

Local Government Insolvency Services – summer 2008. Quarterly publication. It discusses bankruptcy and the need for insolvency services.

The credit crunch: a practical guide – June 2008. Discusses business management, administration, management consultancy and business advisory and consultancy services.

Securing Finance Financing and refinancing in today's economic climate – November 2008. Discusses financial affairs.

Building on experience: Forensic and Investigation Services in Property and Construction – published in 2008. The publication covers GTUK's forensic and investigation services provided by its property and constructions group.

Tech topics – September 2008. A newsletter covering the technology sector.

VAT Training for Business – for a course on 2 July 2008.

Eat or be eaten: is consolidation the future? – 2008. GTUK advise on the finance, business planning and project finance for the food and drink industry.

An ever-changing landscape – summer 2008. Covers the waste sector.

Leisure and hospitality event – for 24 April 2008.

15) All of the publications display the composite trade mark. The publications advise what Grant Thornton is:

—“Grant Thornton” means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton UK LLP is a member firm within Grant Thornton International Ltd (“Grant Thornton International”). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered by the member firms independently.”

Exhibited at LK5 is a copy of a publication entitled *Transparency report 2008 Edition*. The publication is about Grant Thornton. It gives, in the foreword, an overview of Grant Thornton's work:

—“Grant Thornton, honesty and integrity have always been at the heart of our business. Dedicated to conducting our work in a responsible fashion, we are proud of our high quality audit reporting and robust independence.

Our Transparency report for the year ended 30 June 2008 has been produced on a voluntary basis this year to meet the requirements of the EU 8th Directive by providing a clear view of how we operate, the values that underpin who we are and how we maintain public trust in our audit capability. With the emergence of six credible international networks, Grant Thornton has and will continue to retain its own identity and culture. However, we believe strongly in the value of cooperation with the other leading firms in the profession where it is in the public interest to do so.

Our merger with RSM Robson Rhodes created a firm that offers greater resource, deeper expertise and enhanced credibility. Similar strengthening of Grant Thornton International member firms has taken place in a number of jurisdictions as part of a global strategy to continue to enhance a genuine international capability. This global strategy has enabled us to work closely with Grant Thornton India, where we have now been involved, in one capacity or another, in almost every corporate listing or admission of Indian companies on the main market or AIM in the last year.

We continue to go from strength to strength in Audit. We have increased the number of our FTSE 250 audit clients from one to six, we currently audit more AIM-listed companies than any other firm and we are the third largest auditor of the UK's top 2,500 private companies. This year we were also awarded Auditor of the Year Award (Outside the Big Four) 2008 – RealFD Excellence Awards.

We are also one of the principal providers to the Audit Commission, Audit Scotland and the Wales Audit Office, of external audit of public sector bodies. Our major clients include Manchester City Council, Bristol City Council, a number of London Boroughs and a range of significant healthcare trusts, all of which are large and complex organisations. We also work with the National Audit Office and the Northern Ireland Audit Office, as well as auditing a number of NHS Foundation Trusts.

In non-audit services, our standing is equally positive. We work with one in six of the FTSE 100 and many other high-profile organisations, and our people have recently won the 'Best High Net Worth Team' and 'Lifetime Achievement' at the LexisNexis Taxation Awards. Our annual review of corporate governance in the FTSE 350 has become a standard reference document in the market. Our Recovery and Reorganisation team continued its track record of growth as demand for our services began to grow on the back of the economic downturn.

With 300 corporate finance professionals nationwide, Grant Thornton is the number one mergers and acquisitions adviser in the privately-held middle market for deal values up to £50 million and we completed 88 transactions last year. Our Government Infrastructure Advisory team has also been leading the way among the industry's top rated financial advisers. It ranks first place in a number of league tables.

In addition, our specialist Forensic and Investigation team has conducted investigations and provided expert evidence in connection with very large, high profile international audit negligence assignments.”

A further definition of GTUK is given:

—Grant Thornton UK LLP (the firm) is a single national limited liability partnership (LLP) registered in England and Wales with registered number OC307742. All of our professional activities are conducted through the LLP, while certain support and infrastructure activities are carried out through the LLP's wholly owned subsidiaries. Within our organisation, the term 'partner' indicates a member or senior employee of the firm who is not in partnership for the purposes of the Partnership Act 1890."

—Grant Thornton UK LLP is entirely owned by its members."

—Grant Thornton UK LLP is a member firm within Grant Thornton International Ltd."

16) Mr Kehoe refers to page 17 of the report in relation to the provision of software. The relevant passage reads:

—Grant Thornton International develops resources that assist member firms in delivering a robust and rigorous audit. They include:

- the Horizon™ audit methodology, with supporting state-of-the-art software, manuals and policies, benchmarked against the International Standards on Auditing, International Standards on Quality Control, and the IFAC Code of Ethics for Professional Accountants
- protocols that enable member firms to consult with audit specialists in other member firms throughout the international organisation
- a comprehensive intranet service that includes up to date information for member firms on relevant professional standards, a worldwide restricted-entity list, an International Financial Reporting Standards help desk, topical alerts, financial statement templates and examples."

17) Exhibited at LK6 are envelopes, sample pages from a note pad, a pencil, a business card and compliments slip; these bear the composite trade mark.

18) Mr Kehoe gives the number of hits recorded on the website grantthornton.co.uk from 19 February 2008 to 27 November 2008. There were a total of 1,890,204 hits. There is no indication of unique visitor numbers, the location of the visitors, time spent on the website, the cause of the visit or any click-throughs. In the absence of such details the table of hits is of little value¹.

19) Exhibited at LK7 is a copy of the annual review and statements for GTUK for the year ended 30 June 2009. This shows that turnover in the year ended 30 June 2008 was £394,137,000. This was made up of the following:

Accountancy and growth and development:	£20,940,000
Assurance:	£117,172,000
Corporate finance:	£65,650,000
Forensic investigation services:	£14,764,000
Other:	£4,981,000
Recovery and reorganisation:	£67,907,000
Taxation and financial planning:	£102,723,000

20) From February to November 2008 GTUK spent £3,027,217 on marketing.

21) Exhibited at LK9 are 5 advertisements that bear a copyright year of 2008, that, Mr Kehoe states, have been shown throughout the United Kingdom and on GTUK's website.

22) Exhibited at LK10 are copies of pages downloaded from accountancymagazine.com dated July 2008. In a table of the top United Kingdom accountancy firms GTUK was fifth in 2008 and 2007. The ratings are based on fees earned. GTUK's fees earned are recorded as £389 million. The firm that was fourth, Ernst & Young LLP, earned fees of £1,226 million.

23) Mr Kehoe states that GTUK is the number one auditor for the Alternative Investment Market. Exhibited at LK11 is a copy of *Joining AIM A Professional Handbook*. The chapter on the nominated adviser in an Aim flotation was written by a director of Grant Thornton Corporate Finance. The chapter on the rôle of the reporting accountant in an AIM flotation was written by two members of Grant Thornton Corporate Finance.

24) GTUK acts as the accountants and auditors for the Institute of Chartered Accountants. In 2008 Grant Thornton won the RealFD award for auditor of the year (outside of the big four). In 2008 Grant Thornton's Manchester office won the LexisNexis taxation award for best tax team in a large firm and in the same awards a head of the firm's national tax office won tax lecturer of the year. In 2008 GTUK won the award of automotive service solutions company, awarded by the Institute of Transport Management. In 2008 Grant Thornton won the Local Improvement Financial Trust award for best advisor.

25) Exhibited at LK14 are screen shots from the websites of GTIL and CF and copies of brochures produced by CF and extracts from CF's annual report and accounts for 2008/2009.

26) Mr Kehoe made a second witness statement which consists of submission and a critique of the evidence of CF rather than evidence of fact.

Evidence for CF

27) This consists of a witness statement by Philip Cullum who is the deputy chief executive of CF.

28) CF is a statutory body created by the merger of energywatch, Postwatch and the National Consumer Council. CF addresses consumer issue across different sectors; undertaking cross-sectional research and providing a voice for consumers in discussion with companies, regulators, national government and European Union bodies. CF started operating on 1 October 2008. CF is also responsible for redress schemes for all licensed energy suppliers and postal providers. Exhibited at PC1 is a page relating to the “personality traits” of the CF logo. The device is supposed to be 3 rotated Cs, representing creativity, conviction and courage.

29) CF consists of CF, Consumer Focus Scotland, Consumer Focus Wales and Consumer Focus Post (for postal consumers in Northern Ireland). Mr Cullum states that each body has its own colour. Exhibited at PC2 are screenshots from the websites of each of the bodies; showing the device in purple, orange and blue (twice).

30) Mr Cullum states that CF had a high profile start through its work campaigning for fair energy prices, protecting postal services and lobbying for better digital rights for consumers. Mr Cullum states that CF had press coverage from the *FT* and *Economist* to the *Mail* and *Mirror*, GMTV, and the Today programme. Mr Cullum states that BBC Breakfast got their largest response for the year (he doesn't state which year) after CF highlighted the unfairness of pre-payment meter customers paying more for their energy. Mr Cullum states that CF has given evidence to select committees on energy, the future of postal services and regulation and consumer protection at European Union level. It has submitted evidence to a wide variety of consultations.

31) Mr Cullum states that the CF logos have been used continuously since 1 October 2008.

32) Exhibited at PC3 is a leaflet published in June 2010 by CF entitled *Who we are, what we do*.

33) Exhibited at PC4 is a copy of the site map from consumerfocus.org.uk, downloaded on 6 September 2010. The exhibit also includes screenshots from the website in relation to the structure of CF, the team who work in CF, complaint handling, the extra help unit, energy help and advice, campaigns, publications and reports in 2010, consultation responses in 2010 and legacy publications.

34) Exhibited at PC5 is a selection of leaflets published in January 2010: *Are you missing out on free services and other benefits?*, *Overarching standards of*

conduct for energy suppliers, How to complain about your energy supplier (and the Welsh language version – Sut i gwyno am eich cyflenwr ynni), Switching energy supplier – advice for small businesses, Debt blocking and the Debt Assignment Protocol, (and the Welsh language version Blocio dyledion a'r Protocol Aseinio Dyledion), Are you having difficulty paying your energy bills? (and the Welsh language version Ydych chi'n cael anhawster i dalu eich biliau ynni?) and Consumer Focus Investigations When can we help? On all of the leaflets the trade mark the subject of the application appears on the front with the device element in purple.

Findings of fact

35) There is no evidence of use of the device trade mark of GTIL on its own; the use shown is in the form:



36) It is possible for the device trade mark to have a reputation of its own, separate to the composite trade mark (see by analogy *Société des produits Nestlé SA v Mars UK Ltd Case C-353/03ⁱⁱ*). Whether the device element has acquired a reputation on its own, for the purposes of section 5(3) and/or 5(4)(a), is a question of fact. Mr Cuddigan submitted that the Grant Thornton name is so well-known that the consumer, on seeing the composite trade mark, would not take cognisance of the word element but of the device element. The average consumer on seeing a composite trade mark, that includes a component that is highly distinctive through use, will primarily take cognisance of that highly distinctive component. That is the element with which he will identify the supplier of the goods or services. The submission of Mr Cuddigan is rejected. Within documents, it is the Grant Thornton name that appears. The composite trade mark tops and tails documents and appears upon stationery. By the time of the filing of the application, 27 November 2008, the composite trade mark had been in use for just over 9 months. The customers of GTIL/GTUK had for years identified the business with the name Grant Thornton. There is no evidence to support the premise that they gave any great weight to the device element that appears before the name. The device element has not been used on its own. There is no evidence as to how the customers of GTIL/GTUK perceived the trade mark; no evidence, that they would see, for instance, the device element as a trade mark in its own right. In the absence of evidence establishing that the device element upon its own had established a reputation on its own, the claims in relation to the device only trade mark in relation to sections 5(3) and 5(4)(a) of the Act are dismissed and GTIL cannot rely upon the device only trade mark in relation to these grounds of opposition.

37) Mr Harris submitted that GTIL could not rely upon any reputation as the users of the trade marks and the owner of the goodwill is GTUK not GTIL. Mr Cuddigan submitted that this line of argument should have been raised in the counterstatement or in evidence. CF could hardly raise the matter in the counterstatement as it had not seen the evidence of GTIL. The relationship between GTIL and GTUK is hardly a matter for the evidence of CF. It is for GTIL to establish its claims. In order to bring an opposition under sections 5(1), 5(2), 5(3) and 5(4), the opponent has to have a locus standi. Consequently, it is fundamental that an opponent establishes its locus standi.

38) Mr Harris made reference to bare licences and the position in *Scandecor Development AB v Scandecor Marketing AB and Another* [1999] FSR 26. (Also the subject of a reference to the Court of Justice of the European Union (CJEU) by the House of Lords [2001] ETMR 74.) It is difficult to see that those proceedings are on a par with the current proceedings. In those proceedings there was a dispute as to the ownership of the goodwill:

—The effects of the expansion of international trade, the globalisation of markets and the growth of multi-national corporate conglomerates, are all reflected in this and similar disputes. A company incorporated outside the United Kingdom and carrying on business in a number of other countries may expand into the U.K. market in a number of different ways. It may establish a branch or form a subsidiary company to manufacture or to trade in its products or services in the United Kingdom; or it may appoint an unconnected company to act as the sole or exclusive distributor of its products or the supplier of services in that local territory for a fixed term, or until terminated on notice or other specified events; or it may enter into an agreement with a local company to make and sell its products under licence. The local company may use the same marks in the territory as the foreign company uses in other territories both in its corporate name and in relation to its products and services. No problems are likely to occur while the local subsidiary, distributor, agent or licensee company is a member of the same group or is bound by a contractual arrangement containing provisions governing the use of the mark. Difficulties, like those in the present case, are likely to arise when the corporate or the contractual connection is severed and there are no express post-termination contractual provisions designed specifically to regulate the future use of the mark in the local territory. Who is then entitled to use the mark in relation to goods or service or in the corporate or trading name?”

The issue, as raised by Mr Harris, relates to the absence of a licence between GTIL and GTUK.

39) Mr Harris referred to the nature of a licence as per sections 28 to 31 of the Act; in particular that the Act requires that it is in writing. Those parts of the Act relate to the rights of a licensee in infringement actions. There is nothing that,

outwith the rights given by sections 29 – 31, requires a licence to be in writing. There is also nothing in the evidence to the effect that there is not a licence between GTIL and GTUK.

40) In relation to section 5(3), GTIL must establish that it owns an earlier trade mark(s) and that the trade mark(s) has a reputation for some or all of the services for which it has protection. There is no requirement that it uses the trade mark(s) for which it claims there is a reputation. There is no requirement that the users of the trade mark(s) have a licence in writing from the owner of the trade mark. In this case it is clear from the evidence that GTUK uses the trade marks of GTIL with the consent of the latterⁱⁱⁱ; not that there is a requirement for such consent. GTIL can rely upon any reputation established for its trade marks in relation to section 5(3) of the Act.

41) In relation to passing-off, the question relates as to whom the goodwill belongs, who conducts the business related to the signs upon which GTIL relies. The annual review and financial statements is for GTUK. The complements slip, the business card, the publications identify GTUK, but also state that GTUK is a member firm within GTIL. The users of the services are advised that “[s]ervices are delivered by the member firms independently” and that GTIL and the member firms are not a worldwide partnership. GTIL does not appear to have a business, the business is with GTUK. It is the ownership of the business that is fundamental to goodwill and having a basis under passing-off. Parker J in *Burberrys v J C Cording & Co Ld* [1909] 26 RPC 693 said:

—The principles of law applicable to a case of this sort are well known. On the one hand, apart from the law as to trade marks, no one can claim monopoly rights in the use of a word or name. On the other hand, no one is entitled by the use of any word or name, or indeed in any other way, to represent his goods as being the goods of another to that other's injury. If an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property, to protect which it is granted, is not property in the word or name, but the property in the trade or good-will which will be injured by its use. If the use of a word or a name be restrained, it can only be on the ground that such use involves a misrepresentation, and that such misrepresentation has injured, or is calculated to injure another in his trade or business.”

The business upon which GTIL relies is the business of GTUK, it does not have goodwill from its own activities. Consequently, for GTIL to have a locus standi for the purposes of passing-off, it must rely upon the basis of there being a licence between GTUK and GTIL. At 3-147 of *The Law of Passing-off* (fourth edition), Professor Wadlow considers that a licence can be —express or implied”. He also writes:

—~~the~~ in the absence of agreement to the contrary or other supervening factors, the goodwill in the business so carried on by the licensee under the licensed name or mark will accrue to the licensor rather than the licensee.”

Sections 28 – 31 of the Act do not relate to the law of passing-off. Section 2(2) of the Act specifically states ~~nothing~~ in this Act affects the law relating to passing off”.

42) GTUK and GTIL are regularly referred to together, if in order to distinguish between them. There can be no doubt that GTUK uses the trade marks of GTIL on the basis of at least an implied licence. GTIL accrues goodwill from the use of its trade marks by GTUK. (If this is not the case, GTUK would be allowed to join the proceedings as a joint opponent; refusing such a request would be captious.) This goodwill relates to accountancy and adjunct services; as per the submissions of Mr Cuddigan.

43) It has been decided that, for the purposes of sections 5(3) and 5(4)(a), GTIL cannot only rely upon the device trade mark on its own. The trade mark has only been used in the form below:



GTIL had goodwill at the time of the adoption of the trade mark, a substantial reputation in relation to accountancy and , in the words of Mr Cuddigan, adjuncts to accountancy services. The rebranding was across the business in the United Kingdom and the goodwill would be associated with the new sign with almost immediate effect^{iv}. A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20,1993. This was the subject of consideration 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 which the General Court (GC) stated:

—50First, 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.”

The reasoning of the GC, *mutatis mutandis*, is followed in relation to the Act. GTIL has established that at the date of the filing of the application for registration, it enjoyed goodwill by reference to the sign above. CF began operating on 1 October 2008; the behaviour complained of, therefore, commenced at this earlier date. At that earlier date, GTIL enjoyed goodwill in relation to the sign above and so was the senior user and so can rely on the sign above in relation to its goodwill

44) GTIL must establish that the above trade mark was known by a significant part of the public concerned by the products covered as of the date of the filing of the application, 27 November 2008^v. The CJEU in *General Motors Corporation v Yplon SA* stated how a party would establish this reputation:

—27In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

The trade mark of GTIL had been used from 19 February 2008, the application was filed on 27 November 2008. This is a relatively short time for a particular trademark to become known by a significant part of the public concerned; even with the springboard of the existing business. GTUK is the biggest accountancy firm outside of the big four. It is also a long way away from the smallest of big four, Ernst & Young LLP; in 2008 GTUK had earned fees of £389 million against earned fees of £1,226 million for Ernst & Young LLP. GTUK has offices throughout the United Kingdom; it spends a significant amount on promotion. The trade mark Grant Thornton would satisfy the requirement for reputation; it is not as clear, in relation to what at the time of the filing of the application would still be a new trade mark, as to the position of the trade mark above. However, there was a complete rebranding, which included stationery and signage. Taking into account the existing business and the all-encompassing rebranding, GTIL enjoyed, at the date of the application for registration, the necessary reputation for section 5(3) of the Act in relation to those services of its registration that fall within the parameters of its accountancy business. At the hearing GTIL relied, for sections 5(2)(b) and 5(3) of the Act, upon the specification for, *inter alia*, United Kingdom trade mark registration no 2467655; which is registered for the trade mark shown in paragraph 43. The specification for that registration is:

Class 09:

Apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; calculating machines, data processing equipment and computers; computer software and computer hardware;

downloadable news, information and publications supplied over a global communication network; CD's, DVD's, CD-Roms.

Class 16:

Paper, cardboard and goods made from these materials, not included in other classes; printed matter; photographs; stationery; adhesives for stationery or household purposes; office requisites (except furniture); instructional and teaching material (except apparatus); brochures, publications.

Class 35:

Advertising; business management; business administration; office functions; **accounting services, auditing; business management consultancy; tax planning; tax consulting and advisory services;** personnel recruitment and personnel management; **economic forecasting, consulting and advisory services relating to mergers, acquisitions, joint-ventures;** market research services; database management; **business research and analysis.**

Class 36:

Insurance; financial affairs; monetary affairs; real estate affairs; financial services; **financial consulting and advisory services;** financial valuations; **actuarial services;** financial management.

Class 41:

Education; providing of training; entertainment; sporting and cultural activities; education services, publishing services; training services; conferences, workshops.

Class 42:

Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; computer programming; computer systems analysis; computer network services.

Class 45:

Security services for the protection of property and individuals; **provision of legal information, illustrations, dissertations, essays, commentary, consultations; briefs, notes, synopsis, summaries, notices, critiques, observations, circulars, directives, legislation and legal practices in the fields of accountancy, auditing, business management consultancy, tax planning, consulting and advising, mergers, acquisitions, joint ventures, risk managements, economic forecasting market research;** legal advice in

relation to human resources, personal recruitment and personnel management, database management and business research and analysis; intellectual property rights consultancy, licensing and evaluation, fraud prevention services; litigation support services; arbitration; mediation; providing alternative dispute resolution services; investigation services; legal investigation services; private investigation services.

GTIL has the requisite reputation in respect of the services which have been highlighted; which fall within the parameters of the submissions of Mr Cuddigan as to the reputation of GTIL.

Other matters

45) CF has adduced evidence as to how it uses its trade mark. In *Oakley, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-116/06*, the GC stated:

—76Consideration of the objective circumstances in which the goods and services covered by the marks in dispute are marketed is fully justified. The examination of the likelihood of confusion which the OHIM authorities are called on to carry out is prospective. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time, and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that is, that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not – and which are naturally subjective – of the trade mark proprietors (*QUANTUM*, paragraph 75 above, paragraph 104, and *T.I.M.E. ART/Devinlec v OHIM*, paragraph 75 above, paragraph 59).”

(Also see *NHL Enterprises BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-414/05* and *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 147/03*.) It is necessary to consider the trade mark the subject of the application in respect of the goods and the service for which the application has been made; the consideration cannot be limited to the manner of the use shown. The goods and services of the registrations of GTIL cannot be limited to the use shown either. It is necessary to consider notional and fair use of the trade marks as registered and the trade marks as applied for in relation to the full spectrum of the goods and services of their specifications.

46) There is a tranche of case law to the effect that lack of confusion in the market place is indicative of very little: *The European Limited v The Economist*

Newspaper Ltd [1998] FSR 283, *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch), *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 and *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-498/07 P*. In *The European Limited v The Economist Newspaper Ltd* Millet LJ stated:

—“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark.”

In *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 Laddie J stated:

—“It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market place but no confusion has been caused, then there cannot exist a likelihood of confusion under Article 9.1(b) or the equivalent provision in the Trade Marks Act 1994 ("the 1994 Act"), that is to say s. 10(2). So, no confusion in the market place means no infringement of the registered trade mark. This is, however, no more than a rule of thumb. It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.”

47) Both parties use their trade marks within parameters and in ways that do not reflect the breadth of notional and fair use. Consequently, the absence of any evidence of confusion is not pertinent.

Likelihood of confusion – section 5(2)(b) of the Act

Average consumer and the purchasing process

48) As per the submissions of GTIL, the consideration is made on the basis of the specification of 2467655 (also the specification for United Kingdom registration nos 2461886, 2461949, 2467656, 2471888 and 2461948).

49) The goods and services of the registrations and the application cover a wide spectrum. A large number of them will be used by the public at large. Some will be used by businesses or organisations eg *business advice* of the application and *services relating to mergers* of the registration. There will be a wide variation in the care and attention that will be taken in the use/purchase of the respective goods and services. Owing to this wide variation, further consideration will be given, if necessary, in the global appreciation of the likelihood of confusion.

50) In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined Cases T-117/03 to T-119/03 and T-171/03 the GC stated:

—49—However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

51) The goods and services are likely primarily to be used or purchased as the result of seeing promotional material, consulting directories and websites and the like. However, oral use will not be insignificant; for instance in recommendation. Visual similarity will have more importance than aural similarity.

Comparison of trade marks

52) The trade marks to be compared are:



53) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details^{vi}. The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components^{vii}. Consequently, there cannot be an artificial dissection of the trade marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant^{viii}. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public^{ix}.

54) The earlier trade marks are not limited to colour and so for the purposes of the comparison of the respective trade marks, the coloured trade mark of CF

must be drained of colour^x. Consequently, it is only necessary to consider the monochrome trade mark of CF.

55) The device element of the trade marks of CF is not insignificant when considered in relation to the trade mark as a whole. Where a trade mark consists of both figurative and verbal elements, it does not automatically follow that it is the verbal element which must always be considered to be dominant (*Duscholux Ibérica, SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-295/11*). Mr Cuddigan submitted that Consumer Focus lacks distinctiveness; that it sends out a clear message. The words Consumer Focus are imprecise, they give a vague impression as to what the purpose of the goods and services may be, but there is no precision or clarity. The words are not the most distinctive but they, for the goods and services, cannot be considered to be non-distinctive. If the words Consumer Focus are weak, this does not mean that they cannot be a dominant element; as the GC stated in *NEC Display Solutions Europe GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-501/08*:

—35That conclusion cannot be called into question by the applicant's assertion that the word 'more' has no distinctive character. It should be borne in mind, that weak distinctive character of an element of a compound mark does not necessarily imply that that element cannot constitute a dominant element where – owing, in particular, to its position in the sign or its size – it may make an impression on consumers and be remembered by them (Case T-153/03 *Inex v OHIM – Wiseman (representation of a cowhide)* [2006] ECR II-1677, paragraph 32, and Case T-7/04 *Shaker v OHIM – Limiñana y Botella (Limoncello della Costiera Amalfitana shaker)* [2008] ECR II-3085, paragraph 44).”

The device element of CF's trade marks is highly abstract; it is a vague swirl. It is a distinctive element but is unlikely to be the element upon which the consumer relies in recalling the trade mark, this will be the word element. The mind is naturally attracted to word elements, as they can be readily assimilated and remembered. The device is more distinctive than the words, in that being an abstract device it has no meaning or significance in relation to the goods and services. However, for the average consumer the hook for the memory will be the words. It is upon the words that the eye immediately focuses. The words of CF's trade marks are the dominant component; if not the more distinctive element of the trade mark.

56) In the composite trade mark of GTIL, the eye focuses upon the words. The words consist of two relatively common surnames. The public is used to identifying surnames with the origin of goods and services; surnames and full names are the most basic of indicators of trade origin. Mr Cuddigan described the device element in terms of a Mobius strip. This might be a way of verbalising the impression of the device but the average consumer will simply see an

abstract shape. The hook for the memory of the consumer will be the two words. They are not descriptive or allusive of the goods and services. The words are the dominant and distinctive components of the trade marks.

57) The device only trade mark consists of the single element, and so this must be the dominant and distinctive component.

58) The device of the trade marks of CF is a vague swirl, the majority of the device is unfilled. The lines do not comprise the majority of the device. The device of GTIL is for the most part solid; the centre is not circular, unlike the trade marks of CF. The device of GTIL is made of thick bands. The average consumer will not analyse the respective devices. He or she will simply see them as shapes which are formed within a circle. It is difficult to see how the respective devices could be considered similar. The immediate impression is that they are different; under a careful scrutiny they are even more clearly different. The worst effects of imperfect recollection will not make them similar.

59) The word element of CF's trade mark is alien to GTIL's device trade mark. It is conceptually dissonant to GTIL's composite trade mark. The word element also brings in further visual and aural differences. The composite trade mark of GTIL is not similar to the trade marks of CF.

60) The lack of similarity between both trade marks of GTIL and that of CF will not be any different if the trade marks are in the same colours eg purple.

Conclusion

61) In order for there to be a likelihood of confusion the trade marks have to be similar. Consequently, the similarity of the respective goods and services have not been considered. However, it has been taken into account that various of the goods and services are patently identical eg GTIL's class 41 specifications include all of the class 41 services of the application. The identity of the goods and services is not going to have an effect on the likelihood of confusion owing to the differences in the trade marks. GTIL has established that its composite trade mark enjoys a reputation. That trade mark includes the words Grant Thornton which clearly distinguish the trade mark from that of CF. Even if it were considered that there is a limited degree of similarity between the trade marks, the differences between the trade marks are such that, taking all the other factors of the global appreciation into account, there would still not be a likelihood of confusion.

62) It is not just that the respective trade marks are not similar, they are clearly different. **The ground of opposition under section 5(2)(b) of the Act is dismissed.**

Sections 5(3) and 5(4)(a) of the Act

63) Owing to the findings above, GTIL can only rely upon the composite trade mark under these sections of the Act. Owing to the differences between the respective trade marks there will be neither a link created nor a misrepresentation. **The grounds of opposition under sections 5(3) and 5(4)(a) of the Act are dismissed.**

Costs

64) A case management conference was held on 13 June 2012, subsequent to a request for cross examination by CF. The request for cross-examination was refused; full reasons for the refusal were given in the official letter of 15 June 2012; the body of the letter is given as an annex to this decision. It is appropriate to make an award of £250 to GTIL in respect of the case management conference. The evidence furnished by CF lacked pertinence for the proceedings, no award in favour of CF will be made in respect of the evidence it adduced. Costs are awarded on the following basis:

Preparing a statement and considering the statement of GTIL:	£300
Considering evidence of GTIL:	£250
Preparation for and attendance at hearing:	£500
Minus costs for case management conference	-£250
Total	£800

Grant Thornton International Limited is ordered to pay Consumer Focus the sum of £800. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 26th day of September 2012

**David Landau
For the Registrar
the Comptroller-General**

Annex – letter following case management conference

1. I held a case management conference on Wednesday (13 June 2012) in relation to the applicant's request to cross-examine the opponent's witness, Laurence Kehoe, who is Chief Legal Counsel for the opponent. I said that I would write today with my decision (although I gave this in part at the time). Although Brand Guardians are on record as the applicant's representatives, the applicant was represented by Mr Paul Harris of Gowlings (UK) LLP. Mr Simon Tracey, of Mishcon de Reya, represented the opponent in order to resist the request for cross-examination.

2. Brand Guardian's letter of 30 March 2012 purported to give reasons for the request. I said that I would not allow cross-examination in relation to:

(i) Mr Kehoe's opinion as to what impression the applicant's mark leaves on him (Kehoe I);

(ii) Mr Kehoe's opinion that the applicant's mark does not differentiate the applicant from others in the marketplace (Kehoe II).

3. Mr Harris accepted my decision this far. I asked Mr Harris to go through the other points in Brand Guardian's letter, which did not make clear the basis for the request.

a) The applicant wants cross-examination in relation to the type of damage suffered under section 5(3), which Mr Harris says is not clear from the pleadings and the evidence. This is a pleadings point: it is not clear to me how cross-examination will achieve anything. No cross-examination is allowed in relation to this point.

(b) The applicant wants to cross-examine Mr Kehoe on the claimed overlap of goods and services and routes to market. This is a matter for the Tribunal to decide and for the parties to make legal submissions. No cross-examination is allowed in relation to this point.

(c) Mr Kehoe's evidence in relation to confusion. No real explanation was given for this: the evidence is not about whether there has been confusion, but is Mr Kehoe's opinion that there is a likelihood of confusion. Again, this is a matter for the Tribunal to decide. No cross examination is allowed in relation to this point.

(d) Reputation and extent of use of the Grant Thornton marks. This point appeared, on a final analysis after considerable probing, to come down to what marks had been used by the opponent – the device or composite mark(s) and under which of these Mr Kehoe considers the opponent's reputation to lie. After I asked Mr Harris to point to the part of Mr Kehoe's evidence which was of concern, he took me to Mr Kehoe's concluding paragraph which states that —the

Marks had been used extensively on a global basis though member firms of GTIL [the opponent] and more specifically by GTUK [Grant Thornton UK] in the UK. At all times, GTIL educated (through GTUK) the actual and potential consumers of GTUK's Goods and Services as to the distinctive role played by the Mobius [the device] in identifying those Goods and Services as goods and services provided by GTUK within the context of its membership for GTIL and no other party."

4. Mr Harris referred me to the Tribunal's Work Manual and its stated presumption in favour of cross-examination, referring me to the *Hokko* decision of Mr Geoffrey Hobbs QC, as the appointed person in BL O/048/08. Mr Hobbs' decision set out rule 55 of the Trade Mark Rules 2000. Rule 55 (2) states:

—The registrar may in any particular case take oral evidence in lieu of or in addition to such evidence and shall, unless she otherwise directs, allow any witness to be cross-examined on his statutory declaration, affidavit or oral evidence".

5. Mr Hobbs said that —the question predicated by Rule 55(2) is not whether cross-examination should be allowed, but whether it should be refused." The wording in rule 55(2) has not made its way into rule 64 of the Trade Mark Rules 2008. As the Tribunal's guidance says, the registrar has to be satisfied that it is appropriate in all the circumstances. Mr Harris also submitted that it would be inefficient and inappropriate for challenges to evidence to be made by way of evidence and submissions during the evidence rounds. I disagree. I drew his attention to paragraph 4.8.9. of the Tribunal Section Work Manual which says:

—However, requesting cross-examination may be disproportionate and unnecessarily costly and burdensome, since in trade mark proceedings the evidence stages are sequential, providing opportunities to deal with points during the proceedings."

6. This statement has its direct roots in a decision by Mr Richard Arnold QC, as the appointed person, in *Extreme Trade Mark* BL O/161/07. It clearly is desirable for challenges to evidence to take place earlier rather than later. Nothing in the opponent's evidence in reply is open to challenge: it criticises the applicant's evidence and the remainder is opinion as to whether Mr Kehoe thinks there is a likelihood of confusion, which is neither here nor there. The applicant has had the opponent's evidence in chief since May 2010, having since then filed its own evidence. If I thought there was real merit in cross-examination on Mr Kehoe's first statement, the fact that it is two years old would not deter me from permitting it. But there would have to be clear reasons to allow it, and it has been difficult to ascertain what the reasons are. There is no claim that Mr Kehoe's evidence is incredible, or untrue; or that his version of events runs contrary to another's version. The evidence will speak for itself; it will either prove use of the marks relied upon and reputation, or it will not. I will not allow cross-examination to take

place on such an uncertain platform at this late stage in the proceedings when there has been ample opportunity to make these points before. The parties should note that, in the context of the pleadings and evidence, my decision is a matter of proportionality as well as fairness and cost.

7. The opponent has already put in written submissions in lieu of a hearing, but Mr Harris indicated that even without cross-examination the applicant wishes to be heard. That being the case, there will have to be a hearing; the opponent does not have to attend but, of course, may do so. The hearing (there being no cross-examination) will take place via video conference and arrangements will be put in hand by the Hearings Clerk who will contact the parties shortly. Finally, in relation to costs of the case management conference, I said that these would be considered at the conclusion of the proceedings.

8. My decision is an interim one in that it does not terminate the proceedings and I have not made an award of costs. Thus, in line with Rule 70 of the Trade Mark Rules 2008, an appeal against my decision can only be made independently of any appeal against the final, substantive, decision with the leave of the registrar.

9. Any request for leave to appeal this decision independently of the final decision in these proceedings should be provided in writing within 7 days of the date of this letter and should be supported by full reasons for the request. The request should at the same time be copied to the other side, who are allowed a further 7 days from the date the request for leave to appeal is received by them to file any comments they may wish to make; a decision on leave will then be made. If leave is granted, the period for actually giving notice of appeal under rule 71 will run from the date leave is granted.

10. A letter in identical terms has today been sent to Mishcon de Reya, reference JXB/31504.66/JXB.

ⁱ The Advertising Standards Agency considered the relevance of hits on a web site in its ruling in the Cool Diamonds.com Ltd case:

–The ASA noted Cool Diamonds kept a log of all the 'hits' to their website on their servers. We noted they had used the 'hits' figure because they believed it was an accurate reflection of the interest generated by their website. We acknowledged their point that a previous ASA adjudication had considered that the term 'hits' was unlikely to mislead readers.

We noted 'hits' referred to the number of items, such as files or images, retrieved from a website and that it was not equivalent to the number of pages viewed by a user or the number of visitors. We noted the more files or images present on a certain webpage, the more 'hits' the website received, which meant that one visitor could generate a high number of hits. We understood that 'hits' was not recognised as a measurement of website traffic by the Joint Industry Committee for Web Standards in the UK (JICWEBS); it only recognised measurements of unique users, page impressions or visits. We also noted the Institute of Direct Marketing website stated "Hit - a highly contentious term that rarely indicates the number of visitors to a website ... So from a marketing point of view, the bottom line is that the hits are misleading - they are never synonymous with the number of site visitors or page-views".

We considered that readers were likely to understand that the claim "5 million hits" was a reference to the websites popularity and that hits was a reliable measure of that popularity. We considered that some readers might go so far as to infer that each month Cool Diamonds had five million visitors or that five million web pages had been viewed by visitors. Because the number of hits a website received was unlikely to reflect, or be a reliable measure of, the number of visitors to the site or pages viewed, we concluded that the claim was likely to mislead readers into thinking the website was more popular than it was."

ⁱⁱ –32 In the final analysis, the reply to the question raised must be that the distinctive character of a mark referred to in Article 3(3) of the directive may be acquired in consequence of the use of that mark as part of or in conjunction with a registered trade mark."

ⁱⁱⁱ In *Makro Zelfbedieningsgroothandel CV and others v Diesel SpA* Case C-324/08 stated:

–35 In the light of the foregoing, the answer to the question referred is that Article 7(1) of Directive 89/104 must be interpreted as meaning that the consent of the proprietor of a trade mark to the marketing of goods bearing that mark carried out directly in the EEA by a third party who has no economic link to that proprietor may be implied, in so far as such consent is to be inferred from facts and circumstances prior to, simultaneous with or subsequent to the placing of the goods on the market in that area which, in the view of the national court, unequivocally demonstrate that the proprietor has renounced his exclusive rights."

In *Mo-Hwa Park g Harmonisierungsamt für den Binnenmarkt (Marken, Muster und Modelle)* (HABM) der Rechtssache T-28/09:

–61 Es ist festzustellen, dass die Zustimmung angesichts der Bedeutung ihrer Wirkung – Erlöschen des ausschließlichen Rechts des Inhabers einer Gemeinschaftsmarke zur Benutzung dieser Marke – auf eine Weise geäußert werden muss, die einen Willen zum Verzicht auf dieses Recht mit Bestimmtheit erkennen lässt. Ein solcher Wille ergibt sich in der Regel aus einer ausdrücklichen Erteilung der Zustimmung. Es kann jedoch nicht

ausgeschlossen werden, dass er sich in bestimmten Fällen konkludent aus Umständen und Anhaltspunkten vor, bei oder nach der Benutzung der fraglichen Marke durch einen Dritten ergeben kann, die ebenfalls mit Bestimmtheit einen Verzicht des Inhabers auf sein Recht erkennen lassen (vgl. entsprechend – für die Zustimmung des Inhabers einer Gemeinschaftsmarke zum Inverkehrbringen von Waren unter dieser Marke durch einen Dritten im Europäischen Wirtschaftsraum [EWR] gemäß Art. 7 Abs. 1 der Ersten Richtlinie 89/104/EWG des Rates vom 21. Dezember 1988 zur Angleichung der Rechtsvorschriften der Mitgliedstaaten über die Marken [ABl. 1989, L 40, S. 1] in geänderter Fassung – Urteil des Gerichtshofs vom 20. November 2001, Zino Davidoff und Levi Strauss, C-414/99 bis C-416/99, Slg. 2001, I-8691, Randnrn. 45 und 46).“

^{iv} cf *BBC v Talbot Motor Co Ltd* [1981] FSR 228.

^v *General Motors Corporation v Yplon SA* Case C-375/97.

^{vi} *Sabel BV v Puma AG* Case C-251/95.

^{vii} *Sabel BV v Puma AG* Case C-251/95.

^{viii} *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^{ix} *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

^x In *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch) Mann J stated:

–419. It is not clear to me that this is a debate which advances the case very much, but the position seems to me to be as follows. As a matter of principle the exercise involves comparing the offending sign with the registered mark and assessing the likelihood of confusion or association. The two things have to be compared. Since we live in a visual world, and signs are visual, some form of appearance has to be considered. If the registered mark is limited to a colour, then the mark that is used has to be compared, as used, to the mark that is registered, as registered (and therefore in colour). If the registered mark is unlimited as to colour then it is registered for all colours. This means that the colour of the offending sign becomes irrelevant. It will not be possible to say that its colour prevents there being an infringement. At this point one can take one of two courses, each of which ought to have the same result. The first is to imagine the registered mark in the same colour as the offending sign. The second is to drain the colour from the offending sign. Either way one then has the material for comparison. One could even imagine them both in a third colour. It does not matter. So in a sense both Mr Purvis and Mr Bloch are right. As a matter of visual convenience it seems to me to be easier to imagine the registered mark in a colour than to imagine the offending sign drained of colour, and I propose to adopt that course.”