

O-385-13

TRADE MARKS ACT 1994

IN THE MATTER OF CONSOLIDATED PROCEEDINGS

1. REGISTRATION 2598898 IN THE NAME OF CRANLEYS SOLICITORS AND AN APPLICATION FOR THE INVALIDATION THEREOF UNDER NO 84409 BY CRANLEYS PARTNERSHIP LLP
2. APPLICATION NO 2601285 IN THE NAME OF CRANLEYS PARTNERSHIP LLP AND OPPOSITION THERETO UNDER NO 103189 BY CRANLEYS SOLICITORS

Background and pleadings

Invalidation proceedings under No 84409

1. Registration No 2598898 stands in the name of Cranleys Solicitors (CS) for the trade mark CRANLEYS in respect of “legal services including legal advice, legal representations, will draftings, conveyancing” in class 45. It was applied for on 21st October 2011 and completed its registration procedure on 27th January 2012.
2. On 17th May 2012, Cranleys Partnership LLP (CP) filed an application seeking to have the registration declared invalid. This is based on grounds under section 47(2)(b) of the Trade Marks Act (“the Act”) based itself on multiple grounds, under Section 3(6), 5(2)(a), 5(3) and 5(4)(a) of the Act. The grounds under Section 5(2)(a) and 5(3) are based upon the earlier trade mark CRANLEYS. This trade mark was filed on 15th July 2010 and registered on 15th October of the same year in respect of the following goods and services:

Class 16

Printed matter and printed publications.

Class 35

Business management, business administration, office functions, advertising services provided via the Internet, accountancy, auctioneering, trade fairs, opinion polling, data processing, provision of business information.

Class 36

Financial services, real estate agency services, financial services provided via the Internet and provision of financial information.

Class 41

Education, providing of training.

3. In its application, in respect of the ground under Section 3(6), CP claims that CS acted in bad faith in applying for the attacked trade mark as it had assured them, during a period of correspondence between the parties regarding the respective business names in use, that it would not do so. Further that it would cease to use CRANLEYS alone. In respect of Section 5(2)(a), CP considers the respective trade marks to be identical and goods and services to be similar. In this respect, CP specifically argue that accountancy services and legal services are closely similar. As regards Section 5(3), CP considers that it has acquired a reputation in respect of CRANLEYS for all of the goods and services listed above and that use of the later trade mark will inevitably lead the relevant public to believe there to be a link between them which is unfair to CP. Finally, in respect of Section 5(4)(a), CP claim that it has used the earlier sign CRANLEYS in respect of the earlier goods and services listed above and also in respect of legal services including those relating to company formations and company advice. As such, any use of the later trade mark will inevitably lead to a misrepresentation and damage.
4. CS filed a counterstatement denying the claims made. Specifically, in respect of the allegation of bad faith, CS argues that it had every right to apply for a trade mark in respect of Class 45 which covers services it does not deem similar to any provided by CP. In respect of Section 5(2)(a), CS accepts the trade marks are identical but argues that the goods and services are not similar. As to Section 5(3), CS puts CP to strict proof as to its evidence of reputation and unfair advantage is denied. Finally, in respect of Section 5(4)(a), CS does not accept that it uses its trade mark in a field

which is similar to any earlier sign of CP. Further, CS does not accept that CP has established goodwill in respect of any services similar to that of its mark.

Opposition proceedings under 103189

5. CP applied to register the word only trade marks CRANLEYS Cranleys (a series of two marks) on 15 November 2011. The application was published in the Trade Marks Journal on 27 January 2012 in respect of the following services:

Class 45:

Legal services; conveyancing services; security services for the protection of property and individuals; consultancy services relating to health and safety's detective agency services.

6. CS oppose the registration, based upon its earlier trade mark registration No 2598898 as already detailed above. This is a partial opposition directed against legal services; conveyancing services only. The opposition is based upon Section 5(1) and Section 5(2)(b) of the Act on the basis that the contested trade mark is identical to the earlier trade mark and for identical services. In the alternative, that it is similar to the earlier trade mark and for identical or similar services.
7. CP filed a counterstatement denying the claims made. Specifically, it argues that it has prior rights in the CRANLEYS name.
8. Both sides filed evidence in these consolidated proceedings. Neither side requested a Hearing, nor were written submissions filed in lieu. This decision is therefore given following a thorough reading of the papers.

The Evidence filed

Applicant's evidence

9. This is a witness statement from Mr Colin Davison, the owner of the applicant company. He explains that he is a qualified chartered accountant, since 1999. The following relevant information is contained in Mr Davison's witness statement:
 - He established the practice in 1998 and this is when CRANLEYS was first used. Exhibit CD1 is a copy of an undated job advertisement (which is from 2003 according to Mr Davison). This, according to Mr Davison shows use of the CRANLEY'S sign.
 - The same exhibit confirms the domain www.cranleys.co.uk. Mr Davison states that it has been used by the applicant since 2001.
 - The applicant's client base, according to Mr Davison, ranges from small and medium sized businesses to some major UK businesses. It has a marketing office in central London which, according to Mr Davison, has meant that its reputation has stretched further than the core counties of Surrey and Hampshire. Exhibit CD2 is a copy of an internet search regarding a book on Property Tax which Mr Davidson edits and which he considers to be a good example of his company's marketing efforts and their geographical spread.

- Mr Davidson explains that his company covers the full range of accounting services, including annual accounts, book keeping, business plans, VAT planning, tax planning, company formation, trusts etc. Exhibit CD3 is a printout from the applicant's website which is an alphabetical list of the services provided. It is noted that this is undated. Mr Davidson goes on to argue that many of his company's services are either legal in nature or are otherwise closely related to legal services, for example, company formation and trusts. These types of legal services have, according to Mr Davidson, been an essential part of the company's offerings from the very outset and continue to do so to date.
- The intention was always that CRANLEYS would be registered as a trade mark in respect of legal services. However, this was overlooked by the trade mark professional dealing with the trade mark application at the time (this trade mark is indeed now registered in respect of other classes, namely 16, 35, 36 and 41).
- Turnover figures for the practice are provided. These are £122,000 in 2005, £248,000 in 2006, £297,000 in 2007, £277,000 in 2008, £295,000 in 2009, £257,000 in 2010, £347,000 in 2011 and £371,000 (estimated) in 2012. As legal services are, according to Mr Davidson, an intrinsic part of the services offered, separate accounts are not available. Nevertheless an estimate of 7-10% of the annual turnover figures provided is given by Mr Davidson in respect of legal services provided.
- According to Mr Davidson, promotional spend on CRANLEYS has consistently been between £22,000 to £36,000 between 2007 and 2012. This has been spent on initial and ongoing development of the CRANLEYS website, on presentations, brochures, flyers and other printed matter, advertisements in newspapers, magazines and journals; attendance at trade shows and exhibitions. Exhibit CD5 shows examples which support the range of activities described. It is noted that much of the material is dated after the material date.
- In respect of the 3(6) claim, Mr Davidson exhibits at CD6, correspondence between the parties. It is noted that much of this correspondence is focussed upon whether or not the Registered Proprietor will agree to stop using CRANLEYS, with alternative spellings etc being negotiated. During this period of correspondence, the Registered Proprietor applied to register the trade mark which is now the subject of these proceedings. As the Registered Proprietor had previously given Mr Davidson written assurance that she would cease using the name CRANLEYS, Mr Davidson argues that the subsequent application was clearly made in bad faith.
- In respect of the 5(2)(a) ground raised, Mr Davidson argues that the respective services overlap as legal services are an intrinsic part of what his company provides. Further, exhibit CD7 contains details of various articles discussing the introduction of the Legal Services Act 2007 which was brought into effect in October 2011. This Act seems to enable legal services to be provided by "multidisciplinary vehicles" namely through organisations offering legal services as part of their offering. According to Mr Davidson, this Act provides support for his view that the accountancy services and legal services are closely linked. Finally, at exhibit CD8 there is a copy of a website printout from the Registered Proprietor's website showing they cover debt collection services which, according to Mr Davidson, are also covered by his company. Due to this and also the close geographical proximity (50 miles apart), Mr Davidson considers that there is an extremely high likelihood of confusion.
- Exhibit CD9 is, according to Mr Davidson, an example of actual confusion between the parties. A third party sent Mr Davidson an email intended for the Registered Proprietor. Further, Mr Davidson explains that he has been informed of other instances of confusion, normally in the form of telephone calls taken by his company's reception staff. No further details are provided and this evidence will be commented on further below.
- In respect of 5(3), Mr Davidson considers that the evidence filed establishes that his company has a reputation and that the Registered trade mark will clearly take unfair

advantage of this. To this end, he provides evidence of the Registered Proprietor's start up date (September 2011). This, he asserts, means that they receive all the benefit of his older, more established business and get a "leg-up" though he doesn't explain exactly how they have done this.

- Exhibit CD11 is the result of an internet search showing his company first in the results list and the Registered Proprietor not far behind. This is, according to Mr Davidson, another example of unfair advantage. As for detriment or potential detriment, Mr Davidson argues that not only is there confusion which diminishes the distinctiveness of CRANLEYS as his company, the potential for his company to expand its business is also affected.
- In respect of 5(4)(a), Mr Davidson asserts that his company has established goodwill and that the Registered Proprietor is guilty of passing off as it was fully aware of his company's earlier right in CRANLEYS. Finally, he again argues that the services provided by each company are identical or at least similar.

Registered Proprietor's evidence

10. This is a witness statement from Ms Delphine Lodge of the Registered Proprietor. The following relevant points are contained therein:

- At the time CRANLEY'S SOLICITORS was chosen as a name, Ms Lodge was unaware of CRANLEYS CHARTERED ACCOUNTANTS.
- At the start of the correspondence with the applicant (20th October 2011), Ms Lodge knew little about trade mark legislation and so told Mr Davidson that the Registered Proprietor would in future only use CRANLEY'S SOLICITORS rather than CRANLEYS.
- Subsequently, Ms Lodge came to believe that the two names would not be connected with one another due to the differing goods and services provided. So, the trade mark was applied for in this context. There is much detail of the chain of events and correspondence between the parties. This has been considered in detail but will not be summarised here. Instead, it will be referred to as and where necessary during this decision.
- Ms Lodge disputes that the applicant has been providing legal services and claims that any reference to them on the applicant's website have been added after the material date in these proceedings.
- On learning that the applicant intended to apply for CRANLEYS for legal services, the Registered Proprietor attempted to meet with the applicant in order to avert legal action. Further, that they requested evidence that the applicant was indeed providing legal services. A meeting did not take place nor was any evidence forthcoming. Ms Lodge asserts that there is clearly a likelihood of confusion between its registered trade mark and that applied for by the applicant.

11. A second witness statement was filed by Ms Lodge. Much of this is essentially repeating that of the earlier witness statement or provides more detail on the contact between the parties. As such, it will not be summarised here but will be referenced during the decision if required. Ms Lodge does respond to the Legal Services Act 2007 point raised by Mr Davidson by explaining that this does not suggest a similarity of services per se. She further accuses Mr Davidson of making up claims of confusion between the parties.

Applicant's evidence in reply

12. This is a witness statement from Mr Davidson. He explains that in his view, much of what Ms Lodge has said in her statements is opinion and should be disregarded. He again asserts that Ms Lodge failed to inform him that she was registering the mark.

Waiver of privilege

13. It is noted that both parties make reference to the correspondence that took place between them prior to these proceedings regarding the respective trade marks in question. Indeed CP exhibits these letters in its evidence. This would appear to be without prejudice material. However, bearing in mind the actions of the parties in this regard, it is considered that the privilege attached to such correspondence has been waived.¹

DECISION

14. The relevant part of the Act reads as follows:

- “5 (2) A trade mark shall not be registered if because –
- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
 - (b)

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

15. The leading authorities which guide me in this ground are from the CJEU: *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn- Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C- 334/05 P (LIMONCELLO). It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,
- (b) the matter must be judged through the eyes of the average consumer for the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

¹ *Somatra Limited v. Sinclair Roche & Temperley* [2000] 1 WLR 2453

(d) 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; *Sabel BV v Puma AG*,

e) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

f) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*.

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

(h) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*,

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

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

(k) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(l) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

Preliminary remarks

16. There are two issues to consider here. Firstly, in response to the arguments of CP as regards the nature of the respective businesses in the marketplace, the current, or past, marketing undertaken by the parties is not relevant to the issues to be determined, as the GC stated in *NHL Enterprises BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-414/05*:

“71 The Court considers, first, that that assessment by the Board of Appeal is not called in question by the particular conditions in which the applicant’s goods are marketed, since only the objective marketing conditions of the goods in question are to be taken into account when determining the respective importance to be given to

visual, phonetic or conceptual aspects of the marks at issue. Since the particular circumstances in which the goods covered by the marks at issue are marketed may vary in time and depending on the wishes of the proprietors of those marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, namely 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 of the trade mark proprietors – whether carried out or not – which are naturally subjective (see, to that effect, *NLSPORT, NLJEANS, NLACTIVE and NLCollection*, cited at paragraph 61 above, paragraph 49, and Case T-147/03 *Devinlec v OHIM – TIME ART (QUANTUM)* [2006] ECR II-11, paragraphs 103 to 105, upheld on appeal by the Court by judgment of 15 March 2007 in Case C-171/06 P *TIME ART v OHIM*, not published in the ECR, paragraph 59).”

17. That both CS and CP provide debt collection services is therefore not relevant. The correct comparison to be made is between the respective specifications as they appear on the Register.
18. Secondly, it is noted that CP has made a number of suggestions and also presented some evidence which, it considers, demonstrates that there have been instances of confusion between the businesses of the respective parties. CP makes reference to telephone calls/queries that have been made to it, intended for CS. However, no detail is provided over and above this. The result being that it is unclear as to how the callers selected the incorrect telephone number and whether it was through actual confusion or merely an error from, for example, misreading an alphabetical listing of business names. There is also an email from a third party sent to CP intended for CS exhibited to Colin Davidson’s witness statement. Ms Lodge of the Registered Proprietor responds to this by explaining that this was a mere error, the kind of which are made frequently as the third party did not realise that CS’s email address included the word solicitors in the title. She also exhibits a letter from this third party regarding the incident. This letter is to be rightfully treated as hearsay evidence and so will be given the appropriate weight². To this end, though a witness statement could have been procured instead, there is nothing to suggest that the letter writer had any motive to conceal or misrepresent matters. Though they were not composed contemporaneously, one of them is dated a relatively short period after the events referred to (a couple of months afterwards). There is also nothing to suggest that these letters have been adduced as hearsay so as to prevent proper evaluation of their weight. Bearing in mind all of the aforesaid, it is considered that the content of these letters can be given at least some weight. The third party states in the letter that she was a working relationship with CS and the email being sent incorrectly was a mistake on her part. No further detail is provided, so it is unclear as to how the (incorrect) email address was selected. In weighing up this evidence as a whole, it is considered that it is inconclusive as to actual confusion in the marketplace.
19. As stated above, whether there exists a likelihood of confusion must be appreciated globally, bearing in mind all relevant factors. However, for there to be a likelihood of confusion under section 5(2)(a), not only must the respective marks be identical, but there must also be some similarity between the respective goods/services. The first point (identical marks) is straightforward. CS’s registered trade mark is CRANLEYS which is identical in every respect to CP’s earlier mark which consist of exactly the same word. **The marks are identical.**

² Tribunal Practice Notice 5/2009 Correspondence solicited for proceedings

20. In terms of the goods/services, it is noted that in Case C-398/07 P, *Waterford Wedgwood plc v Assembled Investments (Proprietary) Ltd and Office for Harmonisation in the Internal Market* the CJEU stated:

“34. However, the interdependence of those different factors does not mean that the complete lack of similarity can be fully offset by the strong distinctive character of the earlier trade mark. For the purposes of applying Article 8(1)(b) of Regulation No 40/94, even where one trade mark is identical to another with a particularly high distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to Article 8(5) of Regulation No 40/94, which expressly refers to the situation in which the goods or services are not similar, Article 8(1)(b) of Regulation No 40/94 provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar (see, by way of analogy, Canon , paragraph 22).

35. It must be noted that the Court of First Instance, in paragraphs 30 to 35 of the judgment under appeal, carried out a detailed assessment of the similarity of the goods in question on the basis of the factors mentioned in paragraph 23 of the judgment in Canon . However, it cannot be alleged that the Court of First Instance did not take into account the distinctiveness of the earlier trade mark when carrying out that assessment, since the strong reputation of that trade mark relied on by Waterford Wedgwood can only offset a low degree of similarity of goods for the purpose of assessing the likelihood of confusion, and cannot make up for the total absence of similarity. Since the Court of First Instance found, in paragraph 35 of the judgment under appeal, that the goods in question were not similar, one of the conditions necessary in order to establish a likelihood of confusion was lacking (see, to that effect, Canon , paragraph 22) and therefore, the Court of First Instance was right to hold that there was no such likelihood”.

21. In view of the above, if it is found that the goods/services are not similar then there can be no finding of a likelihood of confusion.

Comparison of the goods and services

22. When making the comparison, all relevant factors relating to the goods and services in the respective specifications should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23 of its judgment:

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

23. Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

“(a) The respective uses of the respective goods or services;

- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

24. The following guidance is also taken into account: Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 where he stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

25. The definition of complementary is also borne in mind. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06 GC* explained when goods are complementary:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

26. The earlier goods and services are:

Class 16

Printed matter and printed publications.

Class 35

Business management, business administration, office functions, advertising services provided via the Internet, accountancy, auctioneering, trade fairs, opinion polling, data processing, provision of business information.

Class 36

Financial services, real estate agency services, financial services provided via the Internet and provision of financial information.

Class 41

Education, providing of training.

The contested services are:

Class 45:

Legal services including legal advice, legal representations, will draftings, conveyancing.

27. The contested services are legal services at large. This will cover the provision of services such as legal advice, advocacy and drafting of legal documents. In respect of their similarity (or otherwise) to the earlier goods and services, CP appears to have focussed its arguments in respect of the earlier accountancy services, which it claims are intrinsically similar to legal services as there is an overlap. As further support for this alleged similarity, there is Exhibit CD7 describing the Legal Services Act 2007, which, in theory allows legal services to be provided by those other than traditionally legally qualified specialists, namely solicitors and barristers. In respect of this point, it is noted that this Act came into force in October 2010, just prior to the relevant date in these proceedings. There is no evidence to demonstrate that it has become the norm for those providing accountancy services to also provide legal services of the like provided by qualified legal professionals or indeed that this was the case at the relevant date. It is considered therefore that this evidence is not persuasive on the point of similarity. The question of similarity must consequently be assessed according to the guidance already outlined above and that outlined in the decision in *Avnet* is particularly pertinent here. When comparing these services, their substance and core meaning is crucial. So while it may be reasonable to accept that an accountant may have a degree of legal knowledge to the extent necessary to enable them to perform their role, this does not mean that a legal service of the like provided by a solicitor or barrister is being provided. Rather, an accountant is someone who keeps, audits and inspect the financial reports of an individual or a business and who prepares reports in this regard. A knowledge of particular areas of law is clearly required as part of this role, in order to ensure compliance etc but there are many professions where the same is true. For example, a Human Resources professional requires knowledge of employment law. However, they are not providing a legal service of the like provided by a legally qualified professional. Bearing in mind all of the foregoing, it is considered that these services are not similar. The remaining earlier class 35 services are those concerned with business management, advertising etc. These bear no resemblance to legal services and so are also considered not similar.
28. It is also noted that the earlier services in class 36 include real estate agency services. This service has clear links with legal services such as conveyancing as they each form part of a process for purchasing a property. Indeed it could be argued that they are complementary in this broad sense. However, they are not complementary in the sense that a consumer would consider that responsibility for those services lie with the same undertaking as there is no evidence to suggest that it is the norm for an estate agent to also undertake all aspects of conveyancing. Rather, the norm is still for a consumer to use an estate agent to buy/sell a house and then instruct a legal professional separately to arrange conveyancing. These services, though linked, are not considered to be similar. The remaining earlier services in class 36 are even further away from legal services than that already discussed and so are also not considered similar.

29. The earlier services in class 41 share no relationship with the contested services and are different in nature and purpose. They are not similar.
30. The earlier goods will include legal textbooks which may seek to advise the reader. Arguably, the contested services perform the same function. However, the contested services are those generally provided by specialists in the field and a consumer of such services would not normally expect them to be provided by the same undertaking as a legal text. They are not considered to be similar.
31. The sum of all this is that, despite the fact that the respective trade marks are identical, the goods and services are not, when applying *Avnet*, similar. As such, there cannot be a likelihood of confusion. Bearing in mind all of the foregoing, the ground of invalidation under Section 5(2)(a) of the Act fails.

Section 5(3) - Reputation

32. Section 5(3)³ of the Act reads:

“5-(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 Community trade mark, 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.”

33. In order to succeed under this ground the earlier mark(s) must have a reputation. In *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572 Chevy the CJEU stated:

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”

34. The evidence filed by CP shows that the earlier trade mark has been used for a fairly significant period of time. There are turnover figures provided. However, no details of market share are included and so these figures cannot be placed into any context within the market as a whole. Further, though there is evidence of advertising activities, much of this is dated after the material date. As such this Tribunal is in a position where it is unable to gauge the level of recognition of the earlier trade mark amongst the relevant public which in this case will include the public at large. These flaws mean it is impossible to gauge the aforementioned level of recognition as a whole. As such, it is considered that the evidence is unpersuasive as regards any reputation for the purposes of sections 5(3) of the Act enjoyed by the earlier trade mark. This ground of invalidation therefore also fails.

³ Section 5(3) was amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the ECJ in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (“Addidas-Salomon”) (C-408/01)).

Section 5(4)(a) – Passing Off

35. The basis of the claim under Section 5(4)(a) includes all of the goods and services of the earlier trade mark plus legal services including those relating to company formations and company advice.
36. Section 5(4)(a) of the Act constitutes a ground of opposition in circumstances where the use of the applied for mark 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..”

37. The elements of passing-off (often referred to as the classic trinity) can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, Lord Oliver summarised the position thus:

“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.”

38. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom.”

39. To qualify for protection under the law of passing-off, any goodwill must be of more than a trivial nature⁴. However, being a small player does not prevent the law of passing-off from being relied upon⁵.

The relevant date

40. The matter must be judged at a particular point(s) in time. 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 the General Court stated:

“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.”

41. The relevant date at which CP must establish its goodwill and that from which the use of CS’s mark is liable to be prevented is, consequently, 21st October 2011.
42. The claim made in respect of legal services will be considered first of all. As to the evidence on this point, there is a reference to services which could be classified as legal services for example, trusts, in an alphabetical list of services which appears on CP’s website. There is also a link to “fixed price legal services” and “Cranleys legal” on the website print outs provided. However, no other context is provided, most notably, there is no date, so it is unclear as to when legal services became available. Colin Davidson in his witness statement also estimates that legal services probably account for around 7-10% of the turnover figures provided. Bearing in mind the definition of goodwill as already outlined, it is considered that this evidence is sparse and wholly inadequate to demonstrate that CP’s business has acquired any protectable goodwill in respect of legal services. This ground of opposition therefore fails in this regard.
43. However, this is not the end of the matter as CP also claim to have acquired goodwill in its business in respect of all of the goods and services of the earlier trade mark relied upon under Section 5(2)(a). It is considered that the evidence filed, though insufficient to demonstrate reputation for the purposes of Section 5(3), clearly

⁴ *Hart v Relentless Records* [2002] E.W.H.C. 1984

⁵ See, for instance, *Stannard v Reay* [1967] F.S.R. 140, *Teleworks v Telework Group* [2002] R.P.C. and *Stacey v 2020 Communications* [1991] F.S.R. 49).

shows that CP had acquired goodwill in its business in respect of accountancy services by the relevant date, though not in respect of the other goods and services claimed. In this regard, it is noted that Colin Davidson of CP is the Editor of a book on tax secrets. However, in the absence of any other evidence (such as book sales for example), it cannot be concluded that this means that CP has acquired a protectable goodwill in respect of goods in class 16.

44. Having decided that goodwill has been established, at least in respect of accountancy services, the next step is to consider whether or not there has been a misrepresentation. In this respect, the guidance provided by Morritt L J in the Court of Appeal decision in *Neutrogena Corporation and Anr. V Golden Limited and Anr.* [1996] RPC 473 is helpful when he confirmed that the correct test on the issue of deception or confusion was whether, on the balance of probabilities, a substantial number of the opponent's customers or potential customers would be misled into purchasing the applicant's products in the belief that it was the opponent's. Further, 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".
45. The tribunal must be satisfied that the services offered under CS's mark would be taken (or likely to be taken) by the relevant public to actually be the responsibility of CP. In terms of the "public", this means a substantial number of CP's customers or potential customers. Although an intention to misrepresent would be a highly relevant factor, it is not a prerequisite. Misrepresentation can be found in innocent circumstances.
46. The respective signs are identical. Whilst there is no requirement for there to be a common field of activity of the respective parties, see *Lego Systems A/S v Lego M Lemelstrich Ltd* [1983] FSR 155, the level of similarity of the respective goods and services is, nonetheless, a relevant factor as demonstrated in *Harrods Ltd v Harrodian School* [1996] RPC 697, where Millett LJ stated:
- "The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration."
- and
- "The name "Harrods" may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing. To be known to everyone is not to be known for everything."
- and
- "It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services."
47. It has already been considered, for the purposes of Section 5(2)(a) that accountancy services are not similar to the contested legal services and much of the

aforementioned analysis also applies here. For the purposes of Section 5(4)(a), they are not considered to fall within the same field of activity as it is not the norm for an accountant to provide a legal service in the same manner as that provided by a legal professional. It is the norm for these services to be perceived as quite different specialisms provided by distinct professionals. So a consumer wishing for example to draft a will with Cranleys solicitors is unlikely to be misled into thinking that Cranleys accountants could provide such a service. . It is also common practice for the names of both solicitors and accountants firms to be comprised of a surname or surnames. It is therefore difficult to see how there can be a misrepresentation here. As such, it is considered that this ground of opposition fails in its entirety.

Section 3(6) – Bad Faith

48. Section 3(6) of the Act states that:

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

49. It is clear that bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined”⁶ . It is necessary to apply what is known as the “combined test”⁷ . This requires an assessment of what Mr Saleem and Ms Khan knew at the time of making their application⁸ and then, in the light of that knowledge, whether their behaviour fell short of acceptable commercial behaviour. Bad faith impugns the character of an individual or the collective character of a business or firm. As such, it is a serious allegation. The more serious the allegation the more cogent the evidence must be to support it. Particular note is taken of the decision of Arnold J. in *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2008] EWHC 3032 (Ch) ⁹ where he held:

“189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is

⁶ See *Gromax Plastics Ltd v. Don and Low Nonwovens Ltd* [1999] RPC 367.

⁷ See the judgment in (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton and (3) Michael Anthony Jordon v (1) Eurotrust International Limited (2) Peter Stephen William Henwood and (3) Andrew George Sebastian* Privy Council Appeal No. 38 of 2004 and also the decision in *Ajit Weekly Trade Mark* [2006] RPC 25.

⁸ The relevant date for the assessment is the date of filing of the application – see *Hotpicks Trade Mark*, [2004] RPC 42, *Nonogram Trade Mark* [2001] RPC 21 and *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*.

⁹ Arnold J's judgment was recently upheld in the Court of Appeal - [2008] EWHC 3032 (Ch).

entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.”

50. Further, the following judgment of Birss J is borne in mind, namely *Boxing Brands Limited v Sports Direct International plc and others* [2013] EWHC 2200 (Ch) where it was said:

“79. Mr Purvis also referred to the recent decision of the CJEU in *Malaysia Dairy v Ankenævnet for Patenter og Varemærker* Case C-320/12 [27 June 2013]. In this case the court held that when considering the overall assessment in relation to the bad faith ground, “*the fact the applicant knows or should know that a third party is using such a sign is not sufficient in itself to permit the conclusion that that applicant is acting in bad faith. Consideration must, in addition, be given to the applicant's intention at the time when he files the application for registration of a mark, a subjective factor which must be determined by reference to the objective circumstances of the particular case.*” This must be right. If a business person decides entirely independently that they are going to register a given trade mark for a particular set of goods, the fact that they might happen to find out that someone else is also interested in the same thing cannot necessarily put them in a worse position. The issue will be highly sensitive to the circumstances”.

51. This claim is based upon CP’s assertion that CS applied for the contested trade mark in bad faith as it had, during the correspondence between the parties, indicated it would stop using CRANLEYS. Further, that CS had not informed CP it would be seeking to register CRANLEYS as a trade mark. In response CS explains that its actions at the start of the correspondence between it and CP were due to a lack of knowledge of trade mark legislation. Once it subsequently became clear that there was no conflict between the respective businesses (from the viewpoint of CS), the matter changed. It is considered that the actions of CS, in applying for the contested trade mark, were reasonable and proportionate and can in no way be said to have fallen short of acceptable commercial behaviour. In this regard the content of Arnold J’s judgment in *Cipriani*, is key, particularly the express indication that that it “does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services”. This judgment and that of Birss J clearly have direct application to the proceedings here. There is no bad faith and so this ground also fails.

52. The net result of all this is that the application for invalidation fails in its entirety.

Opposition Proceedings

53. As such, opposition proceedings under No 103 189 are to be considered. For reasons of procedural economy, the ground of opposition under Section 5(1) of the Act will be considered first.

54. Section 5(1) of the Act states:

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

Comparison of the services

55. The earlier services are legal services including legal advice, legal representations, will draftings, conveyancing in class 45. The use of the word “including” means that the specification is not limited to the activities mentioned. Rather, it covers legal services at large. The contested services are legal services; conveyancing services in class 45. They are self evidently identical.

Comparison of the marks

56. The respective trade marks are shown below:

CRANLEYS	CRANLEYS Cranleys
Earlier trade mark	Contested trade mark

57. It is noted that the contested trade mark is a series of two marks. However, nothing turns on this point. In comparing the respective trade marks, the following guidance is borne in mind: *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA* [2003] FSR 34 (CJEU):

“54... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the *elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.*”

58. They are clearly identical.

59. In conclusion, the respective services and trade marks are identical. The partial opposition by CS based upon Section 5(1) of the Act succeeds in its entirety. The application will therefore be refused in respect of legal services; conveyancing services. It will proceed in respect of those services that are unopposed, namely security services for the protection of property and individuals; consultancy services relating to health and safety's detective agency services in class 45.

Final Remarks

60. It is noted that CP in defending this opposition, make reference to it having prior rights. However, as already found above, the evidence has not shown that any of these prior rights relate to legal services or to those similar to legal services. This claim must therefore be set aside.

COSTS

61. The Registered Proprietor/Opponent has been successful. It is therefore entitled to a contribution towards its costs. It is, therefore, awarded the sum of £1400, which is made up as follows:

Considering application for invalidation - £200
Statutory fee for filing opposition - £200
Filing opposition and considering counterstatement - £300
Considering evidence - £350
Preparing and filing evidence - £350

62. I order Cranleys Partnership LLP to pay Cranleys Solicitors the sum of £1400. The above sum should 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 25th day of September 2013

Louise White

**For the Registrar,
The Comptroller-General**