

O-359-15

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 3053117

BY LAZARD CONSULTING LTD

TO REGISTER THE MARK 'LAZARD CONSULTING' IN CLASSES 38 & 42

AND

OPPOSITION No. 402763

BY LAZARD & CO., HOLDINGS LTD

Background and pleadings

1. This is an opposition by Lazard & Co., Holdings Ltd (the opponent) to an application by Lazard Consulting Ltd to register the trade mark LAZARD CONSULTING in relation to:

Class 38

Telecommunications services; chat room services; portal services; e-mail services; providing user access to the Internet; radio and television broadcasting.

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; installation, maintenance and repair of computer software; computer consultancy services; design, drawing and commissioned writing for the compilation of web sites; creating, maintaining and hosting the web sites of others; design services; information technology [IT] consulting services.

2. The grounds of opposition are based on sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (the Act). Strictly speaking there is a further ground of opposition based on s.5(4)(a). However, at the hearing described below counsel for the opponent accepted (quite rightly) that this ground does not advance the opponent's case over the grounds of opposition under sections 5(2) and 5(3). It follows that it does not need to be addressed as a separate ground of opposition.

3. The grounds under sections 5(2)(b) and 5(3) are based on three earlier UK trade marks consisting of the words LAZARD, LAZARD ASSET MANAGEMENT and LAZARD FRÈRES. For the purposes of this opposition, the opponent relies on the registration of these marks for certain financial services in class 36. The earlier marks had been registered for more than five years at the date of publication of the opposed mark¹ so the opponent made the required statements of use of the earlier marks for the purposes of s.6A of the Act.

4. The opponent claims that:

- i) The opposed mark is similar to the earlier marks;
- ii) The earlier marks are registered in respect of services that are similar to the services covered by the opposed mark;
- iii) There is a likelihood of confusion on the part of the public, including the likelihood that the public will think that the earlier marks and the

¹ 30 May 2014

opposed mark are used by the same undertaking, or by economically connected undertakings;

- iv) The earlier marks have acquired a reputation in the financial services sector as a result of their long established use in that sector;
- v) The opposed mark will take unfair advantage of the reputation of the earlier marks by riding on their established reputation, which could make it easier for the applicant to sell services under the mark without having to make the usual investment in promotion;
- vi) Use of the opposed mark will dilute the distinctive character of the earlier marks and weaken their capacity to distinguish the opponent's services.

5. The applicant filed a counterstatement denying the grounds of opposition. I note that:

- i) The applicant put the opponent to proof of use of its earlier marks;
- ii) The applicant denies that the services covered by the opposed mark are similar or complementary to the services covered by the earlier marks.

6. Both sides seek an award of costs.

The evidence

7. Only the opponent filed evidence. This takes the form of a witness statement from Robert Farrer-Brown, who is the General Counsel and Managing Director of Lazard & Co., Ltd, which is a subsidiary of the opponent company. Mr Farrer-Brown says that the opponent is part of the Lazard group of companies, which he says is one of the world's leading independent financial advisory and asset management firms. Lazard operates in 27 countries, including London.

8. According to Mr Farrer-Brown, Lazard & Co., Ltd has provided, with the opponent's consent, the following investment banking and financial advisory services in the UK for over 100 years: financial advisory and research services, including services relating to debt, equity, partnership and joint ventures, mergers, acquisitions, restructuring and corporate finance services; capital raising services; structuring, negotiating and executing real estate sales and purchases for others; venture capital and private equity investments; advising governments and public entities regarding privatisation and restructuring of public entities; consultancy and

advice relating to capital markets, real estate fund raising, investment and risk management.

9. Mr Farrer-Brown gives some examples of the sorts of deals that Lazard & Co., Ltd has advised on. These include advising Kraft on its acquisition of Cadbury in 2009-2010, advising Deutsche Bahn on its takeover of Arriva (also in 2010) and advising the UK government in 2013 on the sale of shares in Royal Mail.

10. The annual turnover of the company from these services between 2009 and 2013 was between £72m and £104m.

11. Mr Farrer-Brown states that Lazard Asset Management Ltd has provided asset management services, and related advisory and research services, in the UK, with the opponent's consent, for the last 60 years.

12. The annual turnover of the company from these services between 2009 and 2013 was between £67m and £75m.

13. Further, LAZARD FRÉRES is used in the UK with the opponent's consent in relation to investment banking and financial advisory services. Mr Farrer-Brown states that *"such use has predominantly been made by the Lazard group's principal operating company for United States investment banking activities, Lazard Frères & Co. LLC and a number of [unnamed] French entities, who commonly act as advisors to UK clients and/or in relation to cross border transactions involving the UK"*.

14. Copies of extracts from the UK Financial Services Register are in evidence². These show that Lazard & Co., Ltd is authorised to provide to advise and arrange investments, and to make arrangements with a view to transactions in investments. Lazard Asset Management Ltd is authorised to provide the same services and also arranging, safeguarding and administering assets, dealing in investments as agent, and managing investments. I note that there is no entry in the register for Lazard Frères & Co. LLC.

15. Exhibit RFB2 is a copy of a 25 page press release issued on 22 April 2014 announcing that GlaxoSmithKline ("GSK") and Novartis AG had agreed to establish a joint venture in the healthcare industry. The release states that GSK had received financial advice from *"Lazard"*. This is defined on page 23 of the document as covering Lazard Frères & Co. LLC and Lazard & Co., Ltd.

16. Exhibit RFB5 consists of historical pages from the websites lazard.com and lazardnet.com which show use of LAZARD and LAZARD ASSET MANAGEMENT marks between 2005 and 2013. I note that these are international websites and this

² See exhibit RFB4

is reflected in the content which has a global perspective. Further, the lazardnet.com is the website of Lazard Asset Management LLC, not the similarly named UK company. However, I also note that the lazard.com website references the FTSE index and that the lazardnet.com site has a link to UK content. I therefore infer that these sites were partly directed at relevant businesses in the UK.

17. Mr Farrer-Brown states that Lazard Asset Management Ltd provides, via the websites lazardassetmanagement.co.uk and lazardnet.com, a portal for its clients to use. Through this portal the company's clients can:

“review their portfolios including details of securities held, in which countries and currencies, securities recently purchased and sold, as well as the performance of the portfolio.”

18. Exhibit RFB6 consists of the home page for the lazardassetmanagement.co.uk website from January 2015 which has a link to a 'Client Portal'. There are also pages from the lazardnet.com website (also from January 2015) showing how clients could view the data in their portfolios. I note that none of these pages use the word 'portal'. All the data shown is test data from pages set up for demonstration purposes. The exhibit also includes a copy of a printed 'sample client report for demonstration purposes only' with more extensive test data for the same fictional client mentioned on the web pages. It is not clear to me what this report has to do with the 'client portal'.

19. In league tables of UK mergers and acquisitions advisors, Lazard & Co., Ltd is highly ranked. The company was ranked 4th (twice), 8th, 9th and 14th in five such tables for the years 2010 – 2014. The rankings were based on the value of the deals that the company advised on. The company has also won awards. For example, in 2013 the Financial News awarded the company the title 'Restructuring Financial Advisor of the Year'. In 2011 the company was named 'Best Global Investment Bank' by Euromoney. The company has also been named as 'UK Mergers and Acquisitions House of the Year' (2010), 'Financial Advisor of the Year' (2010, Mergermarket) and 'Most innovative Investment Bank for Sovereign Advisory' (2010, The Banker).

20. Mr Farrer-Brown states that *“because of the nature of the markets in which they operate”*, the opponent's marks do not feature in traditional advertising, exhibitions or conferences. Rather, promotion takes the form of private, small group and one-on-one entertainment activities, such as dinners, theatre, opera and shoots. Lazard & Co., Ltd spent over £4m per annum on such promotions in 2013 and 2014.

21. Various press coverage of the LAZARD mark is in evidence³. Some of this appears to be from US publications or post dates the filing of the opposed application. Others are Reuter's reports and it is not clear whether (or where) these were published. However, other articles are from the UK and pre-date the opposed application. I note, in particular, articles published in the finance section of the Telegraph in 2010 about a takeover and a joint venture on which Lazard is mentioned as having advised. Similar articles appeared in the Financial Times in 2010 and 2012 (the latter in connection with a merger). An article that appeared on the BBC's website in 2013 mentioned that Lazard was the government's independent financial adviser on the sale of shares in Royal Mail. This was in the context of public criticism that the government had sold the shares too cheaply.

Representation

22. A hearing took place on 2 July 2015. The applicant was represented by Mr Ryan Pixton of Kilburn and Strode, Trade Mark Attorneys. The opponent was represented by Mr Chris Aikens of counsel, instructed by D Young & Co, Trade Mark Attorneys.

Proof of use

23. The first issue is whether, or to what extent, the opponent has shown genuine use of the earlier marks. The relevant period for this purpose is 31 May 2009 to 30 May 2014. The relevant statutory provisions are as follows.

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

³ See exhibit RFB7.

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) -

(5) –

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

24. In *Stichting BDO v BDO Unibank, Inc.*⁴, Arnold J. summarised the relevant case law as follows:

“51. Genuine use. In *Pasticceria e Confetteria Sant Ambroeo SRL v G & D Restaurant Associates Ltd* (SANT AMBROEUS Trade Mark) [2010] R.P.C. 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) [2003] E.C.R. I-2439; [2003] R.P.C. 40 ; *La Mer Technology Inc v Laboratoires Goemar SA* (C-259/02) [2004] E.C.R. I-1159; [2004] F.S.R. 38 and *Silberquelle GmbH v Maselli-Strickmode GmbH* (C-495/07) [2009] E.C.R. I-2759; [2009] E.T.M.R. 28 (to which I have added references to *Sunrider v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (C-416/04 P) [2006] E.C.R. I-4237):

(1) Genuine use means actual use of the mark by the proprietor or third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely token, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to

⁴ [2013] EWHC 418 (Ch)

distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider* [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] -[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”.

25. Although minimal use may qualify as genuine use, the CJEU stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that “*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question*”. The factors identified in point (5) above must therefore be applied in order to assess whether minimal use of a mark qualifies as genuine use.

26. Section 100 of the Act is also relevant. It states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

27. Mr Aikens submitted that the opponent's evidence established genuine use of the earlier marks for the following services (all of which are covered by the registrations of the marks):

LAZARD

Financial advisory services; financial research services; asset management services; unit trust and global fund investment services; trading of securities and bank debt.

LAZARD ASSET MANGEMENT

Asset management services; financial research services related to or associated with asset management; financial advisory services related to asset management.

LAZARD FRÈRES

Financial advisory services; financial research services; asset management services; unit trust and global fund investment services; trading of securities and bank debt, in each case not relating to asset management⁵.

28. On behalf of the applicant, Mr Pixton did not take any serious issue with the opponent's proposed descriptions of the services provided. He took a more fundamental point: that the evidence did not show any genuine use of LAZARD or LAZARD ASSET MANAGEMENT marks. This was because the opponent has not filed any invoices or purchase orders showing that it had customers in the UK. Further, there was no evidence of any use of LAZARD FRÈRES in the UK.

29. In response to the last point, Mr Aikens relied on the narrative evidence of Mr Farrer-Brown reproduced at paragraph 13 above and the reference to Lazard Frères & Co. LLC in the press release dated 22 April 2014 mentioned at paragraph 15 above. The reference in question is by a third party to the name of a legal person established overseas. This isn't use of the LAZARD FRÈRES mark in the UK by the opponent or with its consent. At most it provides a modicum of support for Mr Farrer-Brown's assertion that the mark has been used in the UK with the opponent's consent in relation to investment banking and financial advisory services.

30. Mr Aikens submitted that it was unfair for the applicant to ask me to reject Mr Farrer-Brown's evidence without asking to cross examine him about it⁶. Tribunal Practice Notice 5/2007 sets out the correct approach to challenging evidence. The relevant part is as follows:

⁵ The inclusion of asset management services, but the exclusion of services relating to asset management obviously makes no sense, but for the reasons given below there is no need to deal with this point.

⁶ Relying on *EXTREME Trade Mark* BL O/161/07

“If the evidence consists, as it should, of fact, then the party wishing to have it disbelieved must raise the issue in a way that permits the witness to answer the criticism that his or her evidence is untrue. This can be done by filing written submissions stating why the witness should not be believed in a time frame which gives the witness an opportunity to supplement his or her evidence (if he wishes) before the matter falls to be decided.

3. Normally, this will mean the opposing party making written observations within the period allowed for the filing of its evidence in response to the witness's evidence explaining why the witness should not be believed. Alternatively, the opposing party can file factual evidence in reply of its own which shows why the evidence in question should not be believed. In the further alternative, the opposing party can ask to cross-examine the witness in question at a hearing.”

31. I note that the applicant filed written submissions responding to the witness statement of Mr Farrer-Brown which, inter alia, challenged the sufficiency of the evidence of use of LAZARD FRÈRES. The opponent was therefore on notice that the evidence had been challenged as insufficient in this respect. It could have sought leave to file additional evidence in response to that challenge. In these circumstances the opponent cannot legitimately complain that it was unfair of the applicant to repeat its challenge as to the sufficiency of Mr Farrer-Brown's evidence at the hearing. The deficiencies in the evidence of use of LAZARD FRÈRES are obvious. There is virtually no particularisation of the use claimed. There are no turnover or promotion figures that relate to the mark. The only examples of use shown are historical references to LAZARD FRÈRES on the lazard.com website and the single example of use of the mark by a third party, which was buried at the end of a long press release (described above) and not obviously made with the consent of the proprietor. Further, the opponent's registrations with the UK financial services authority conspicuously do not include Frères & Co. LLC, the only undertaking named by the opponent as using the LAZARD FRÈRES mark in the UK. As Mr Daniel Alexander Q.C. as the Appointed Person pointed out in *Awareness Limited v Plymouth City Council*⁷:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of

⁷ Case BL O/230/13

protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

32. In my judgment, the evidence of use of LAZARD FRÈRES is insufficient to show that the mark was used in the UK during the relevant period in order to create or maintain a UK market for financial advisory services. As the opponent wishes to rely on that mark for the purpose of showing that it has a ‘family’ of LAZARD marks, it is pointless considering whether the use shown of LAZARD alone also counts as use of LAZARD FRÈRES. This is because the opponent plainly cannot establish that it has a family of three marks present on the UK market on the basis of the actual use of only two marks⁸.

33. By contrast, I accept that despite the absence of certain documentary evidence, such as invoices or purchase orders from particular customers, the opponent’s evidence as a whole is sufficient to show genuine use of LAZARD and LAZARD ASSET MANAGEMENT in the UK in relevant period. I also accept that the opponent’s proposed description of the services provided under these marks (see paragraph 27 above) is a fair and appropriate description of the services having regard to the guidance of Kitchen L.J. (with whom Underhill L.J. agreed) in *Roger Maier and Another v ASOS*⁹.

Section 5(2)(b)

34. Sections 5(2)(b) of the Act is as follows:

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

Comparison of services

35. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*¹⁰, the court stated¹¹ that:

“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

⁸ See Case C-234/06 P *Il Ponte Finanziaria v OHIM*

⁹ [2015] EWCA Civ 220 at paragraphs 63 -65

¹⁰ Case C-39/97

¹¹ At paragraph 23 of the judgment

intended purpose and their method of use and whether they are in competition with each other or are complementary”.

36. Mr Aikens submitted that the applicant’s services fell into three categories. The services in class 42 were, like the opponent’s financial services described at paragraph 27 above, technical services used to improve the functioning of a business or person and therefore the financial position of that company/person. There was therefore some similarity between the nature and uses of the respective services. A company or high net worth individual that seeks financial advice, or needs to have their assets managed, would also need the services of, for example, a computer software consultant. Therefore there was also some overlap between the users of the services. The respective services both involved individualised consultations and meeting with specialist professionals. Therefore the channels of trade/method of use were similar. Further, the services could be in competition or complementary in that you could have a finance-focused company which provides the financial advisory services, but also provides the technology to back it up, and also a company which is more technology focused, but which provides services to finance clients in the financial context.

37. Mr Aiken submitted that the second group of the applicant’s services was comprised of the applicant’s services in class 38, with the exception of television and radio broadcast services, which comprised group 3.

38. The arguments as to why the services in class 38 are similar to the opponent’s financial services appeared to me to be very similar to the arguments given for group 1. Indeed I did not detect much difference between the arguments given for group 1 and those given for group 3, save for the concession that there was less overlap between the respective users (the applicant’s services being aimed mainly at the general public rather than businesses) and the services were not in competition. The argument here seemed to be primarily that the services were complementary in that the content of radio and TV broadcasts could involve financial advice.

39. For his part, Mr Pixton pointed out that the claimed similarities between the services were pitched at a high level of generality and that there was no evidence that providers or the financial services listed at paragraph 27 above also provided the sorts of services covered by the application, or vice versa.

40. I agree with Mr Pixton that the suggested similarities of uses, nature and method or use/trade channels are pitched at such a high level of generality that they do not individually or collectively identify any material similarity between the respective services. Even Mr Aiken was constrained to accept that the suggested similarity of uses between the services – to improve the functioning of businesses or persons so as to improve their financial position - could apply to virtually every service. Further, in the absence of any evidence that the respective services are in competition, I

reject Mr Aikens' submission that they could be. In my view, Mr Aikens' example of competition suffers from two defects. Firstly, it compares businesses as opposed to services. IT services in a finance context are still IT services. And once a technology-focused company starts providing financial services through technological means it is providing financial services. The opposed application does not cover financial services. Secondly, the submission is based on theoretical speculation about market practices, rather than on evidence. The services in question are not of a kind that everyone is familiar with. Therefore, if the opponent wanted the registrar to take account of a general overlap between financial services and technological services, to the extent that they might properly be regarded as being in competition with one another, then it should have provided evidence rather than theory.

41. The highpoint of the opponent's claim is, in my view, that some of the applicant's services might be regarded as complementary to the opponent's financial services. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court stated that "complementary" means:

"...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".

42. In this regard, the opponent relies on the evidence that it has an on-line tool through which its clients can view their investments portfolios. In the link on one of the opponent's websites this is called a 'customer portal'. However, according to Mr Pixton, this is not a portal service in class 38. He submitted that "*a portal as far as class 38 services..... is concerned is an online facility which brings together different companies goods and services into if you like an online community or homepage.*" That accords with my own experience as an internet user. What the opponent's evidence shows is that Lazard Asset Management Ltd has a website through which its clients can (or may in future be able to) view their own financial data. That is no different to a bank providing its customers access to their financial data via a website or on printed statements. The bank is not thereby providing portal services in class 38 (or trading in printed matter in class 16). It is providing a financial information service. Therefore the mere fact that the opponent's business uses IT to deliver its financial services does not mean that the respective services are complementary in the required sense "*that customers may think that the responsibility for those services lies with the same undertaking*"¹². As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited*¹³:

¹² See *Commercy AG v OHIM* Case T-316/07

¹³ BL-0-255-13

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

43. In my view, none of the services covered by the application have been shown to be indispensable or important for the use of the opponent’s services and/or normally¹⁴ provided as complementary to financial services in the sense required by the case law.

44. It follows from these findings that the respective services must be considered as being dissimilar. Further, I would have reached the same conclusion even if I had found that some of the respective services are complementary to a small degree. This is because the complementary relationship between the services is but one of the factors to be taken into account in the overall assessment of whether the services are similar¹⁵ and all the other factors point the other way.

45. As some similarity between the services is essential to succeed under s.5(2)(b), it follows that the opposition under this ground fails¹⁶.

Section 5(3)

46. I turn next to the ground of opposition under s.5(3), which 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.”

47. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.

¹⁴ See the decision of Mr Geoffrey Hobbs Q.C. as the Appointed Person in *Tony Van Gulck v Wasabi Frog Ltd*, Case BL O/391/14, in the context of goods v retail services but equally applicable to services against services.

¹⁵ See, by analogy, the judgment of Floyd L.J. (with whom L.J. Tomlinson and L.J. Patten agreed) in *J.W. Spear & Sons Ltd, Mattel, Inc v Mattel U.K. Limited v Zynga Inc*. [2015] EWCA Civ 290, in the context of overall similarity between marks.

¹⁶ *Waterford Wedgwood plc v OHIM, Case C-398/07P, CJEU*

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the

mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

48. The opponent's LAZARD and LAZARD ASSET MANAGEMENT marks are clearly long established in the UK. However, the relatively limited amount spent promoting those marks and the targeted way in which they are promoted "*because of the nature of the markets in which they operate*", point towards the marks being well known in a particular niche of the financial services market, mainly for investment banking and asset management services. Taking account of all the evidence, I find that the earlier marks have been shown to have a reputation for *'financial advisory services and financial research services, all relating to investment banking, partnership and joint ventures, mergers, acquisitions, restructuring and corporate finance services, privatisation and restructuring of public entities, private equity and capital markets; asset management services.'*

49. The assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are as follows.

The degree of similarity between the conflicting marks

50. The respective marks are highly similar, close to identical.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

51. The respective services are technical in nature and (as the opponent accepts) likely to be selected with a relatively high degree of attention. The services are not similar. However, dissimilarity is a relative concept. The respective services are not strikingly dissimilar, such as would be the case between financial services and (say) waste disposal services. The relevant section of the public for the opponent's services would be businesses and individuals in part of the market for financial services. The users of the applicant's services in class 42 will be mainly businesses. The users of the applicant's services in class 38 could be businesses and/or the general public. There is therefore likely to be some overlap between the users of the opponent's services and those of the applicant's services.

The strength of the earlier mark's reputation

52. The earlier marks are likely to have a strong reputation in the part of the financial services sector concerned with investment banking, asset management services, corporate acquisitions, takeovers and mergers, private equity and similar services. The limited nature and extent of the promotion of the opponent's marks is likely to mean that they would be little known to those with no dealings with, or interest in, this part of the financial services sector. Mr Aikens sought to persuade me that the opponent's reputation went wider than this. He pointed out that the opponent's name had received wider publicity, such as the report on the BBC's website mentioned at paragraph 21 above. Further, he submitted that the press reports in evidence which mention the opponent are not limited to the financial press, and even those that are will have been read by people with a wider interest in business. If the question was 'What section of the UK public might have seen the opponent's name in something that they once read?', then there may be something in these points. But reputations are usually based on repeated exposure of a mark to the relevant public over a period of time. I doubt very much whether anyone without an interest in the opponent's area of financial services will recall the opponent's mark just because it was mentioned once in the middle of an article they may have read in 2013, which was primarily about the government having set the price of Royal Mail shares too low. The press reports from the UK in evidence which mention the opponent's LAZARD mark are not large in number and they are predominantly in the financial news pages. I therefore find that the opponent's reputation is mainly amongst the section of the public with an interest in high end finance, although I accept that this will cover many people who do not consider themselves to be in the financial services sector.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

53. The public might recognise LAZARD as a foreign word, possibly as a French name, or they may see it as an invented word. Therefore the word is not descriptive or even allusive of any characteristics of financial services. Further, LAZARD will be regarded by the UK public as an unusual word. Consequently, irrespective of whether it is seen as a foreign word, French name, or as an invented word, the LAZARD mark has a high degree of inherent distinctiveness. The words 'Asset Management Services' are plainly 100% descriptive. This means that they have no trade mark character. Consequently, the distinctive character of the LAZARD ASSET MANAGEMENT mark arises entirely from the word LAZARD. Consequently, this mark is just as highly distinctive as LAZARD alone. In the sector of the financial services market in which the opponent has a long established reputation, I have no doubt that the earlier marks are also highly distinctive through use.

The existence of a likelihood of confusion on the part of the public

54. The opponent claims that it is the owner of a family of LAZARD marks, which heightens its concern that LAZARD CONSULTING will be taken as another member of the same family. In fact, the opponent's 'family' of marks present on the UK is limited to LAZARD and LAZARD ASSET MANAGEMENT. Mr Pixton drew my attention to OHIM's opposition guidelines, which indicate that in order to qualify as such a 'family' must have at least three members. I do not find it necessary to decide whether there is a minimum size to a 'family' of marks. It is sufficient to note that, if the opponent's marks represent a 'family', it is of the single parent with one child variety. This plainly reduces the weight that can be attached to the argument that the opponent has a well established family of LAZARD marks making it more likely that the applicant's mark will be taken to be a member. However, I will accord a little weight to the fact that the opponent already has a derivative LAZARD mark on the UK market because this has some (limited) bearing on the likelihood of LAZARD CONSULTING being seen as a third member of the 'family'.

55. Normally, my finding that the respective services are not similar would mean that there could be no likelihood of confusion. However, some marks are so highly distinctive and well known that there is likely to be some confusion almost irrespective of the goods or services in relation to which they are used. For example, the public would probably expect a user of MICROSOFT for table lights to have some economic connection to the software supplier, such as a licence. The reputation of the opponent's marks is not as high as MICROSOFT. Further, I have found that the reputation is likely to be mainly amongst those with an interest in a particular sector of the financial market. Nevertheless, to the public in that sector the marks are likely to be highly distinctive because of the use made of them. Further, like MICROSOFT, LAZARD is an unusual word and therefore the sort of word that is more likely than most to cause people to wonder whether the users of LAZARD and LAZARD CONSULTING are economically related, even when used for different services. When considering the s.5(2)(b) ground of opposition, I held that the respective services are not complementary because the applicant's services are not indispensable or important for the use of financial services and/or of the sort that the public would normally expect to be provided by one and the same undertaking. However, section 5(3) provides additional protection to those marks with a reputation. The enquiry under s.5(3) requires me to take account of the distinctiveness and repute of the opponent's marks and to decide whether in this particular case the public may be caused to believe that the user of LAZARD CONSULTING for services in classes 38 and 42 is connected to the user of the marks LAZARD and LAZARD ASSET MANAGEMENT for the financial services described at paragraph 52 above.

56. In my judgment, the distinctiveness and reputation of the opponent's marks is such that there is a risk that average members of the public who are familiar with the

opponent's marks may believe that the user of LAZARD CONSULTING is connected with the user of the opponent's marks if the applicant's mark is used in relation to services in a financial context. I do not consider that this risk will be removed by the relatively high degree of attention paid by the users of the services at issue. Therefore, to the extent that the users of the respective services overlap, such a risk represents a likelihood of confusion amongst a section of the public¹⁷.

57. The applicant's services in class 38 cover:

Telecommunications services; chat room services; portal services; e-mail services; providing user access to the Internet; radio and television broadcasting.

58. In theory, financial matters could be the subject or content of chat room and email services. However, the services themselves have no connection with financial services. Therefore average consumers of the opponent's financial services, who are deemed to be reasonably observant and circumspect, are unlikely to think that there is any connection between the providers of the respective services, despite the respective marks being highly similar and highly distinctive. Mr Aikens pointed out that TV and radio programmes include those covering financial matters and advice. Of course, the programmes could be about anything. However, entertainment services, including TV and radio programmes as such, are in class 41. The services covered by class 38 are broadcasting services. It seems unlikely (and there is no evidence) that a broadcaster would specialise in the broadcast of financial programmes. I therefore see no likelihood of confusion as a result of the use of the applicant's mark in relation to broadcast services either.

59. As regards 'portal services', I earlier accepted Mr Pixton's submission that a portal service is "*an online facility which brings together different companies goods and services into if you like an online community*". Unlike a TV or radio broadcaster, I find it inherently likely that a portal service would bring together the offerings of service providers in a particular field. This is because the purpose of the portal is to bring together goods and services of interest to particular users. If the portal brought together third party financial services then there is a risk that the use of LAZARD CONSULTING for such a portal service would be thought to be economically connected to the opponent's marks, perhaps on the basis that the opponent was endorsing the linked third party services. Further, as 'portal services' is covered by the general term 'telecommunications services', my finding must also extend to that description of services.

¹⁷ *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98

60. The applicant's services in class 42 cover:

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; installation, maintenance and repair of computer software; computer consultancy services; design, drawing and commissioned writing for the compilation of web sites; creating, maintaining and hosting the web sites of others; design services; information technology [IT] consulting services.

61. These services appeared to be at the forefront of Mr Aikens' case under s.5(3), particularly with regard to the registration of LAZARD CONSULTING for 'design and development of computer hardware and software; computer programming; installation, maintenance and repair of computer software; computer consultancy services; information technology [IT] consulting services'. The opponent's argument is that there are computer packages and systems that are often designed or tailored for use for specifically financial purposes. Again there is no evidence to back this up, but I accept that it is inherently likely. I do not accept that such products would be an alternative to financial advisory services (certainly not of the kind for which the opponent's marks have a reputation) or that they would normally be regarded as essential or important for the provision of financial services. Further, as Mr Pixton pointed out, the application covers services not products. This is true, but it is well known that computer software and systems can be bought off the shelf, procured on a bespoke basis, or bought off the shelf along with services to tailor the products for the particular needs of a business. I do not therefore think that the distinction between computer services and computer products undermines the opponent's opposition to the registration of LAZARD CONSULTING for the services listed earlier in this paragraph.

62. Financial knowledge is essential for the design and development of successful financial software and finance systems. Given the opponent's reputation in this field and the distinctiveness of LAZARD, I find that there would be a likelihood of confusion amongst users of the services for which the opponent's mark is registered and has a reputation if the opponent were to use LAZARD CONSULTING in relation to the design, development and installation of computer hardware and software for financial purposes. As all the terms listed in paragraph 61 above cover such services, I find that this applies to all those services. Further, as these services are also covered by the general terms 'technological services' and 'design services' at large, I find that the objection extends to these terms too.

63. I see no specific connection between financial services and 'scientific services and research and design relating thereto; industrial analysis and research services; design, drawing and commissioned writing for the compilation of web sites; creating, maintaining and hosting the web sites of others', which are the remaining services in

class 42 of the application. It is true that the content of a website could cover anything, including financial services or products, but I do not accept that this means that there is a financial context to website design services. This is because the content of a website is not a characteristic of website design services. Therefore website design services sit with email and chat room services as being essentially content neutral services. The same applies to 'hosting the web sites of others'.

64. I have found that there is a likelihood of confusion if the applicant's mark is used in relation to:

Telecommunications services; portal services.

Technological services and design relating thereto; design and development of computer hardware and software; computer programming; installation, maintenance and repair of computer software; computer consultancy services; information technology [IT] consulting services.

65. A link between the conflicting marks is necessarily established when there is a likelihood of confusion¹⁸. It follows that the relevant public for the opponent's services will make a link between the marks if the applicant's mark is used in relation to the above services.

66. It does not follow that the relevant public will not make a mental link between the marks where there is no likelihood of confusion. However, in this case I find that the strength and nature of the reputation of the opponent's marks is not sufficient to cause the public to make such a link where the applicant's mark is used in relation to services without any apparent or specific financial purpose or context.

Unfair advantage

67. I will first consider whether the applicant's mark will take unfair advantage of the opponent's marks if it were used in relation to the services specified at paragraph 64 above.

68. The long standing nature of the opponent's reputation, alongside the evidence that it has won awards for the competence of the financial advisory services provided under the earlier marks, creates the clear potential for the recognised competence and expertise of the opponent's financial services to transfer and rub off on the applicant's services if they also appear to relate to financial affairs. It is logical and reasonable to infer that this will make it easier to market such services without the applicant having to make the usual investment in promotion. A likely increase in sales of the applicant's services means that the economic behaviour of some

¹⁸ Intel CJEU, paragraph 57 of the judgment.

consumers will have changed because of the link they have made with the opponent's marks.

69. There is no evidence that the applicant subjectively intended to take advantage of the opponent's marks. The applicant filed no evidence. Further, the applicant's counterstatement offers no explanation as to why this mark was chosen. It is also silent about the nature and scope of the applicant's current or intended business. I cannot therefore rule out that the applicant did intend to take advantage of the opponent's reputation. However, it is not necessary for me to go that far. It is sufficient that, viewed objectively, the applicant's mark would take unfair advantage of the reputation of the opponent's marks¹⁹.

70. For the reasons I have given, I find that use of the applicant's mark in relation to the services specified at paragraph 64 above would take unfair advantage of the opponent's mark.

71. As the applicant has advanced no case for having due cause to use the opposed mark, the opposition under s.5(3) succeeds in relation to the services specified at paragraph 64 above.

72. My finding that the public will make no link between the marks if the applicant's mark is used in relation to the remaining services necessarily means that the s.5(3) ground of opposition fails in relation to those services. However, in case I am wrong about that, I will briefly explain why the ground would have failed anyway (for the services specified at paragraph 77 below).

73. Mr Aikens submitted that because of the opponent's marks and their reputation, use of the applicant's mark would be enough to generate at least initial interest in all the applicant's services. Put crudely, the argument is that the more people are moved to look at the applicant's services, the more likely it is that it will sell those services, even to those who realise before buying anything that the applicant's mark is not connected to the opponent's marks.

74. I reject this submission. I accept that in an appropriate case creating initial interest in a mark because of its resemblance to the established mark of a third party might be enough to take unfair advantage of the reputed mark. That could be the case where look-a-like marks are concerned for identical or similar goods²⁰. However, the facts here are miles removed from that scenario. Firstly, the opponent accepts that the services at issue in this case are likely to be selected with a high degree of attention. Absent even a weak connection to financial services, such users will quickly realise that there is no relevant connection. Secondly, and most

¹⁹ *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch), at paragraph 80 of the judgment.

²⁰ See the judgment of Norris J. in *Lonsdale Sports Limited v Erol*, [2013] EWHC 2956 (Ch),

importantly, absent any financial connection it is difficult to see how the qualities and image associated with the opponent's services are liable to transfer to the applicant's mark and the services under consideration, such as email services. It is therefore more likely that an average consumer who was initially attracted to the applicant's services because the mark brought to mind the opponent's marks, but who realises after enquiry that there is no connection between the respective marks, or their users, or their services, will simply abandon their interest in the applicant's mark and the services provided under it.

75. Mr Aikens (quite correctly) did not pursue a case for detriment to the earlier marks based on speculation about the quality of the applicant's services. However, he did pursue one based on dilution. It is only necessary for me to consider this in relation to the services for which the s.5(3) ground failed based on unfair advantage (i.e. the services listed in paragraph 77 below).

76. There is no evidence that the opponent's marks are the only marks in the UK market which consist of, or contain, the word LAZARD. However, they are without doubt highly distinctive marks in the UK and therefore potentially vulnerable to detriment through dilution. In *Environmental Manufacturing LLP v OHIM*²¹, the CJEU stated that:

"34. According to the Court's case-law, proof that the use of the later mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered, consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*Intel Corporation*, paragraphs 77 and 81, and also paragraph 6 of the operative part of the judgment).

35. Admittedly, paragraph 77 of the *Intel Corporation* judgment, which begins with the words '[i]t follows that', immediately follows the assessment of the weakening of the ability to identify and the dispersion of the identity of the earlier mark; it could thus be considered to be merely an explanation of the previous paragraph. However, the same wording, reproduced in paragraph 81 and in the operative part of that judgment, is autonomous. The fact that it appears in the operative part of the judgment makes its importance clear.

36. The wording of the above case-law is explicit. It follows that, without adducing evidence that that condition is met, the detriment or the risk of detriment to the distinctive character of the earlier mark provided for in Article 8(5) of Regulation No 207/2009 cannot be established.

37. The concept of 'change in the economic behaviour of the average consumer' lays down an objective condition. That change cannot be deduced solely from subjective elements such as consumers' perceptions. The mere fact

²¹ Case C-383/12P

that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009, in as much as that similarity does not cause any confusion in their minds.

38 The General Court, at paragraph 53 of the judgment under appeal, dismissed the assessment of the condition laid down by the *Intel Corporation* judgment, and, consequently, erred in law.

39. The General Court found, at paragraph 62 of the judgment under appeal, that ‘the fact that competitors use somewhat similar signs for identical or similar goods compromises the immediate connection that the relevant public makes between the signs and the goods at issue, which is likely to undermine the earlier mark’s ability to identify the goods for which it is registered as coming from the proprietor of that mark’.

40. However, in its judgment in *Intel Corporation*, the Court clearly indicated that it was necessary to demand a higher standard of proof in order to find detriment or the risk of detriment to the distinctive character of the earlier mark, within the meaning of Article 8(5) of Regulation No 207/2009.

41. Accepting the criterion put forward by the General Court could, in addition, lead to a situation in which economic operators improperly appropriate certain signs, which could damage competition.

42. Admittedly, Regulation No 207/2009 and the Court’s case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on ‘an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case’.”

77. In the circumstances I am considering, “*an analysis of the probabilities and... taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case*” does not indicate that the economic behaviour of average consumers of the opponent’s services will be changed as a result of the use of the applicant’s mark in relation to:

Class 38

Chat room services; e-mail services; providing user access to the Internet; radio and television broadcasting.

Class 42

Scientific services and research and design relating thereto; industrial analysis and research services; design, drawing and commissioned writing for the compilation of web sites; creating, maintaining and hosting the web sites of others.

78. Consequently, the opposition fails for these services.

Partial refusal

79. I have carefully considered whether it would be appropriate to permit the applicant to submit a revised specification or whether I should take the so-called 'blue pencil' approach set out in Tribunal Practice Notice 1/2012.

80. As I have already noted, the applicant has stayed silent as to its actual business and its intended use of the opposed mark. It is therefore impossible for me to identify any area of the applicant's trade or proposed trade under the opposed mark which might be covered by one or more of the descriptions of services listed in paragraph 64 above, but free from objection under s.5(3).

81. Further, the casework examiner wrote to the parties after the written procedure was completed in these terms:

"The Hearing Officer will decide the case on the specification currently before him or her. If, however, the applicant considers it has a fall-back position in the form of a limited specification, it should make this clear to the Hearing Officer (i.e. a limited specification should not be submitted for the first time at any appeal hearing). This will not represent a binding restriction of the specification and no inference will be made, by the Hearing Officer, if such a limitation is, or is not, offered."

82. The applicant did not offer a fall-back specification prior to or at the hearing. In these circumstances, I will apply the blue pencil approach and refuse the application for the services listed in paragraph 64 above.

Outcome

83. Subject to appeal, the trade mark will be registered only for the services specified at paragraph 77 above.

Costs

84. The opposition has partly succeeded and partly failed. In the circumstances, I direct that each side should bear its own costs.

Dated this 3rd Day of August 2015

**Allan James
For the Registrar**