

O-201-17

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3108578
BY SYED NASEER TO REGISTER THE TRADE MARK**



IN CLASS 34

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 405018
BY TRANSPORT FOR LONDON**



Background and pleadings




1) Syed Naseer (“the applicant”) applied to register the trade mark number 3108578 in the UK on 13 May 2015. It was accepted and published in the Trade Marks Journal on 5 June 2015 in respect of the following goods:

Class 34: *E-liquids for use in Electronic Cigarettes.*

2) Transport for London (“the opponent”) opposes the trade mark on the basis of Section 5(3) and Section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The section 5(3) grounds are based upon various earlier UK and European Union (formerly Community) trade marks, the relevant details of which are provided in the table below:

Mark and relevant dates	Goods and services where reputation claimed
EU6419865 UNDERGROUND Filing date: 9 November 2007 Date of entry in register: 3 September 2008	Class 9: <i>mouse mats</i> Class 16: <i>printed publications, books, pictures and posters</i> Class 25: <i>Articles of clothing and headgear</i> Class 28: <i>Toys</i> Class 39: <i>Transportation of persons, animals, goods, valuables, mail by rail, underground rail, tram</i>

<p>EU 814004</p>  <p>Filing date: 27 April 1998 Date of entry in register: 21 January 2003</p>	<p>Class 18: <i>Bags</i></p> <p>Class 25: <i>Articles of clothing and headgear</i></p>
<p>EU 11197101</p>  <p>Filing date: 18 September 2012 Date of entry in register: 19 April 2015</p>	<p>Class 9: <i>Cases and covers for such goods (mobile phones, PDAs, tablets and other mobile communication devices)</i></p> <p>Class 16: <i>Printed publications; books; pictures and posters</i></p> <p>Class 21: <i>Crockery; cups; mugs</i></p> <p>Class 24: <i>Textile and textile goods not included in other classes; fabric for textile use; upholstery fabrics; cushion covers; furniture coverings</i></p> <p>Class 25: <i>Articles of clothing; headgear</i></p> <p>Class 28: <i>Toys</i></p>
<p>EU 11196532</p> <p>LONDON UNDERGROUND</p> <p>Filing date: 18 September 2012 Date of entry in register: 6 March 2013</p>	<p>Class 16: <i>Printed publications; books; pictures and posters; prints</i></p> <p>Class 25: <i>Articles and clothing</i></p> <p>Class 28: <i>Toys</i></p>

<p>2308286</p>  <p>Filing date: 16 August 2002 Date of entry in register: 14 July 2006</p>	<p>Class 9: <i>Mouse mats</i></p> <p>Class 28: <i>Toys</i></p>
<p>2224385</p>  <p>Filing date: 3 March 2000 Date of entry in register: 8 February 2002</p>	<p>Class 25: <i>Clothing; headgear</i></p>
<p>2236110</p>  <p>Filing date: 15 June 2000 Date of entry in register: 13 February 2004</p>	<p>Class 16: <i>Printed publications, books, posters</i></p>

3) The opponent claims that:

- similarity between the marks is such that the relevant public will believe that they are being used by the same or economically linked undertaking. This is because it operates travel services plus it has cultivated a wide and varied

business selling merchandise bearing its marks. The opponent states that its concerns are heightened because the applicant has applied for a number of other marks consisting of names of London underground stations (a list is provided and this is reproduced in the Annex to this decision);

- the applicant will benefit from the opponent's extensive reputation and the applicant will obtain an unfair commercial advantage by being incorrectly associated with the opponent with the applicant's sales being unfairly inflated because the public may purchase the applicant's goods believing they are connected to the opponent. The opponent gives the example of where tourists may buy the applicant's e-cigarettes from souvenir shops as London memorabilia;
- it does not wish to be associated with the type of goods covered by the application, its registration could result in the opponent's reputation being tarnished. Further, because the opponent has no control over the quality of the applicant's goods, if they were of inferior quality and the consumer assumed that the applicant was connected to the opponent this would result in the opponent being perceived in a negative way.
- it claims that use of the later mark will dilute the distinctive character and reputation of its marks.

4) In respect of its grounds based upon section 5(4)(a), the opponent relies on the following five signs all used throughout the UK:

- UNDERGROUND used since the early 20th century;
- LONDON UNDERGROUND used since the early 20th century;
- Two UNDERGROUND and roundel device signs, that appear identical. Use is claimed since 1908 in respect of both;
- LONDON UNDERGROUND and roundel device, used since the early 20th century.

5) Use of these signs is claimed in respect of a broad ranges of goods and services, but is not necessary that I detail these.

6) The opponent identifies what it claims is long, prominent use of its five signs across London and on merchandising of varying forms. It claims that it has allowed carefully selected licensees to use this sign “in relation to clothing, accessories, toys, posters and a wide variety of other goods”. It states that products bearing the signs are sold in numerous outlets around the UK, but in greater density in the South East of England and particularly London and in airport and travel retailers and distributors including *Visit Britain Shop*, *Glorious Britain* and *John Lewis*. The opponent therefore claims to have considerable goodwill in the UK.

7) The applicant filed a counterstatement denying that its mark offends under section 5(3) or section 5(4)(a). It acknowledges that the opponent enjoys a reputation in respect of “the provision of an underground railway passenger service in London (in Class 39)” but denies the other claims and puts the opponent to proof of use of its reputation in respect of the other goods and services relied upon.

8) Both sides filed evidence in these proceedings and the applicant also filed written submissions. I will not summarise the submissions, but I will keep them in mind and I summarise the evidence to the extent that I consider it necessary.

9) A hearing took place on Wednesday, 1 February 2017, with the opponent represented by Andrew Norris of Counsel, instructed by Cleveland and the applicant by Peter Mansfield of Collier IP Management.

Opponent’s Evidence

10) This takes the form of a witness statement by David Rhys Ellis, Head of Intellectual Property Development for the opponent. He explains that the opponent is a statutory corporation established under the Greater London Authority Act 1999 with responsibility for management of public transport and transport more generally in London. It is the parent company of London Underground Limited, the company which operates the London underground transport system.

11) In light of the applicant's sensible concession regarding the existence of the opponent's reputation in respect of the provision of underground railway passenger services, I will restrict my summary to the evidence that addresses the broader claim of a reputation and goodwill. In doing so, and in addition to the applicant's concession, I take judicial notice that the marks relied upon by the opponent are synonymous with the London underground rail system and its network of stations.

12) Mr Ellis states that use of the opponent's marks has been extended to a wide range of goods and services "naturally receptive to the attractive force of the UNDERGROUND trade marks" and he identifies numerous goods and services, including:

- countless information, materials and reports on travel and tourism, including approximately 16 million maps per year;
- a LONDON UNDERGROUND museum that opened in 1980, "dedicated to exhibiting the history and iconography of London Transport and related symbols, in particular the symbols of London Underground". The museum sells a wide range of branded souvenirs, memorabilia and merchandise, including a wide range of clothing;
- various cultural and educational services such as "London Underground School's Outreach Programme", "London Underground Safety and Citizenship Scheme", and "London Underground Apprentice Scheme", a library and archive service of London Underground publications, a film unit offering permits for film location shooting in underground stations and cultural services entitled "Art on the Underground" and "Poetry on the Underground";
- various sports sponsorship and sports promotion activities.

13) In addition to the above, Mr Ellis states that "[b]ecause the UNDERGROUND branding has such strong iconic recognition, there is a keen demand from visitors to London for souvenirs, including paper goods, t-shirts, hats, key rings, badges, publications and goods associated with the recognisable image of London Underground...". Mr Ellis states that such merchandising began in the 1930s with the sale of branded posters and in the late 1970s with the sale of branded clothing and

caps. Since that time, Mr Ellis states that a significant range of products has developed including recorded media, books, printed matter, maps, posters, badges, postcards, stationery items, gift wrap, cards and tags, playing cards, toys/dolls, model vehicles, jigsaws, key rings, money boxes, “and other goods”.

14) Mr Ellis states that licenses are granted in respect of these goods in a large number of countries, a list of which is attached at Exhibit DE25 together with examples of products. The majority relate to the UK. Many relate to one or more of the UNDERGROUND brands, but others appear to relate to “TfL”, that I assume relates to “Transport for London”. The licenses listed in respect of UNDERGROUND marks cover a range of goods, including: enamel signs, kitchenware, mugs, teapots, cups and saucers, bowls, storage tins, tea towels, aprons, cufflinks, children’s books, key fobs and hooks, clothing, bags, stationery, pendant lampshades, clocks, board games, chocolate bars, cycling jerseys and textiles.

15) Mr Ellis states that the opponent has a division called Transport Trading Limited responsible for granting such licences. What Mr Ellis describes as the opponent’s “master licensee” is a company called Blues Apparel Ltd. Its licence covers gifts, clothing and souvenir sectors. Mr Ellis explains that goods are sold throughout the UK in major department stores, book and gift stores, airports, museum shops and online. Turnover figures for the opponent’s online shop, averaging nearly £15,000 per year between 2013 and 2016 and relating to the sale of products containing the “underground logo” or “underground roundel” are provided at Exhibit DE25A, but it is unclear whether these relate only to UK sales. In the same exhibit is a list of sales figures broken down by country relating to the online shop and sales from the London Transport Museum. No time frame is provided and neither is it clear whether these figures relate only to goods bearing the “Underground” marks.

16) Evidence of sales of goods bearing the opponent’s marks by an authorised third party, Blues Apparel Ltd is provided at Exhibit DE26. These illustrate income relating to a range of goods including bags, clothing, toys and games and posters from October 2006 to 2009 and 2013. At Exhibit DE26a is the opponent’s licensing royalty report for the financial year 2013/14. It illustrates that royalties from the licensing of the UNDERGROUND (and roundel device) exceeded £500,000. This figure was in

respect of goods such as souvenirs, posters, kitchenware, duvets, tiles, fabric, fashion, model buses, phone covers and bookmarks. Photographs of examples of products bearing the UNDERGROUND (and roundel device) mark are provided at Exhibit DE31.

17) Mr Ellis states that the opponent's branded merchandise is sold from about twelve outlets at London's major airports. A variety of photographs of these are provided as Exhibit DE27 where goods featuring the opponent's UNDERGROUND (and roundel device) mark can be seen.

18) Mr Ellis states that its website www.tfl.gov.uk received more than 61 million visits in 2009. Its goods are sold from this website as well as by third party retailers such as the *Visit Britain* shop, *John Lewis* department store, *Waterstones* book stores, *eBay*, *Amazon*, *Carphone Warehouse* and others.

19) Mr Ellis provides information regarding the opponent's promotional activities, including the following supported at Exhibit DE35:

- it spends £5 to £6 million per annum on advertising the UNDERGROUND in the press, television and other media;
- blanket press coverage of the 150th Anniversary of the London Underground in January 2013;
- Example advertisements and posters. Not all show the marks relied upon, for example some show the roundel device and the name of a specific station rather than the word UNDERGROUND. However, others show the UNDERGROUND (and roundel device) or LONDON UNDERGROUND marks.

20) At Exhibit DE38, Mr Ellis provides online information regarding examples of LONDON UNDERGROUND publications commissioned by, or published by, the opponent.

21) At Exhibit DE40 (subject to a confidentiality order) there is a research report from December 2014 produced by a company called *Repucom*, described by Mr Ellis as “a well-known leading brand market research, media evaluation and commercial and auditing company”. It is not necessary to detail it here other than to record that the LONDON UNDERGROUND achieves very strong recognition in the UK.

22) Mr Ellis states that the opponent operates a strict no-smoking policy on the London Underground, introduced in 1987 following a fire at King’s Cross station which was, most likely, caused by a discarded cigarette. The ban also includes e-cigarettes.

23) Mr Ellis provides the following regarding the applicant’s use of its mark:

Exhibit DE41: results of an online search of the trade marks register on 4 September 2015. It shows numerous marks applied for or registered in the name of the applicant. Many of these marks are also names of London Underground stations;

Exhibit DE42: a screen print of the website operated for the applicant by its company Ice Liquids Limited as of 21 January 2016. It refers to a display of different e-liquids as “the underground series from ICEliqs” and shows twelve different e-liquids all of which appear to be named after a location that corresponds to a London Underground station.

Applicant’s evidence

24) This takes the form of witness statements by Peter Cummings, Operations Director of Le-Vap, the trading name of E-Vap Ltd, a company founded by the applicant and one that uses the applicant’s trade marks. Mr Cummings provides an explanation as to the origins of the applicant’s mark, namely that, as a teenager, he was keen on the song “Going Underground” by the Jam, that uses the term in the sense of “doing something outside the norms of society” and cites his rebellious teenage years experiencing what he says, some might call, “an ‘underground’ of criminality or of a somewhat underprivileged society”. He refers to a number of London locations, including:

- Kings Cross: “well known” in the past “for an underworld of crime, drugs and prostitution”;
- Leicester Square and Piccadilly: “characterised by an ‘underground’ club scene”;
- Waterloo and London Bridge: “where homelessness is plainly visible”

25) At Exhibit PC3, Mr Cummings provides an extract from le-vap.com and states that since November 2015, the flavours shown are the only ones sold by Le-Vap. The flavours shown are identified by the London locations Bank Square, Charing Cross, Euston, Kings Cross, Leicester Square, London Bridge, London East End, London Piccadilly, London Victoria, Old Bailey, Oxford Circus, Temple Place, The Borough, Trafalgar Square and Waterloo.

26) Mr Cummings addresses the opponent’s Exhibit DE41 (where an extract is provided from the website www.iceliquids.com) by providing information (at Exhibit PC3) that the website is owned by a French organisation and manufacturer of some of the applicant’s products that were based on out-of-date information and so were displaying a number of product names that did not exist. He also identifies a number of points indicating that the website did not originate in the UK.

27) At Exhibit PC5, Mr Cummings provides photographs of tourist souvenirs offered for sale in a number of locations in London and where they show a mark of the opponent, it is never the word UNDERGROUND alone but rather the word either appears with the roundel device or the map of the underground network. A similar inspection of the *John Lewis* store in Oxford Street uncovered only a gift bag that showed both the Underground map and the roundel logo (see Exhibit PC6).

28) The second witness statement is by Mr Mansfield in his capacity as representative of the applicant in these proceedings. Mr Mansfield exhibits include:

- Exhibit PM1: results of his Internet investigation regarding use of the term “underground” in the UK and in particular non-literal use. Different contexts

are shown including contexts which refer to things that are illegal or hidden, subject to official disapproval such as “underground culture”, “underground economy” and “underground press”. Several examples of third party use of “underground” as an indicator of origin are also shown;

- Exhibit PM2: Internet extract from Le Vap’s website showing the applicant’s “The Underground Series” of “e-liquids”. It is described in the following terms: “The Underground Series – Experience the authentic taste of London with our complex earthy range of urban city flavours...”. The full range is shown and include locations such as Charing Cross, Euston, Kings Cross, Leicester Square, Oxford Circus, Trafalgar Square and Waterloo all of which have underground stations, as well as locations that do not such as Old Bailey and London East End;
- Exhibit PM3: a list of marks registered or applied for by the applicant;
- Exhibit PM5: Mr Mansfield purchased Underground products of the opponent from Heathrow airport and provides photographs of these. He observes that none show use of UNDERGROUND alone, but all show use of UNDERGROUND and Roundel device;
- Exhibit PM6: Mr Mansfield undertook an Internet search that revealed mouse mats and t-shirts. The mark UNDERGROUND and Roundel appears on these products, but I note that UNDERGROUND is used in the product description e.g. in the extract from the opponent’s own website the t-shirts have the following heading appearing above them: “Underground t-shirt collection”;
- Exhibit PM7: this consists of similar Internet extracts to the previous exhibit but, this time, obtained from the *John Lewis* website and shows a gift bag, a game, framed pictures and Filofax inserts. Again the goods themselves feature the mark UNDERGROUND and Roundel but the word UNDERGROUND is used in the description of the goods.

Opponent’s evidence-in-reply

29) This takes the form of a witness statement by Peter Joseph Houlihan, registered trade mark attorney and senior associate of FJ Cleveland LLP, the opponent’s

representatives in these proceedings. At Exhibits PJH1 and PJH2 he provides extracts from the Companies House register to demonstrate that, what Mr Cummings states is the company (E-Vap Ltd that trades as Le-Vap) of the applicant, and the company (Ice Liquids Ltd) provided in the contact details on the website displaying the applicant's goods for which the Mr Cummings claims that the applicant has no control are, in fact, registered at the same address. Further the respective companies' records show that there is an overlap of officers. The applicant is registered as a director of both and that at times in the recent past a Mr Darren Moonosamy has also been a director of both.

30) Mr Houlihan points to Mr Cummings' witness statement where it is identified that the domain name iceliquids.com has been registered in the name of "Moonosamy Karine", a person with the same name as one of the directors/ex-directors of the two companies referred to above.

DECISION

Section 5(4)(a)

31) Section 5(4)(a) states:

"A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

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

(b) [.....]

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

32) Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

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

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

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

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

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

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

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

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

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

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

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

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

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

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

Relevant date

34) In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of Section 5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

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

35) Therefore, the relevant date for the purposes of this opposition is the filing date of the application, namely 13 May 2015. It is self-evident from the evidence that any use of the applicant’s mark will not pre-date the goodwill enjoyed by the opponent. Further, in recent years the opponent’s goodwill has remained significant. Therefore, the outcome of my consideration of the facts at the filing date will not be disturbed by considering any use of the applicant’s mark prior to its filing date. Consequently, I will consider the position at the filing date.

Goodwill

36) The earlier use by the claimant must relate to the use of the sign for the purposes of distinguishing goods or services. For example, merely decorative use of a sign on a T-shirt cannot found a passing off claim: *Wild Child Trade Mark* [1998] RPC 455. A description of goodwill was provided by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), and it is still valid today:

“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. It is the one thing which distinguishes an old-established business from a new business at its first start.”

37) There is no dispute between the parties that the opponent has a significant goodwill in respect of underground passenger rail services. However, at the hearing Mr Norris submitted that the opponent's goodwill and reputation extends far beyond this. He described the reputation in its signs as being “iconic” being referred to regularly in popular culture adding that the UK consumer will know of “the underground”. It is sufficient for the purposes of my decision that I record here that I take judicial notice that the opponent's signs are synonymous with the London underground rail system operated by the opponent. The word only use of LONDON UNDERGROUND and UNDERGROUND, whilst not being the most usual way that the opponent uses to identify its services, they both remain synonymous with these services. I also note that this goodwill is of such a level that the opponent also uses its marks on a range of merchandising goods that are intended, in particular, to take advantage of the market for London related souvenirs.

38) I acknowledge that the word “underground” has other alternative meanings (as pointed out by Mr Mansfield), but this does not disturb my findings in the previous paragraph.

Misrepresentation and damage

39) In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

40) As I noted in paragraph 48 above, the word “underground” has a number of meanings in addition to being an indication of the London Underground. This is a point relied upon by Mr Mansfield when he submitted that the applicant's use falls into this category and is in a context not related to the opponent's marks. He

submitted that where in the evidence UNDERGROUND is used in word form, it is done so to merely collectively identify goods and services provided either bearing the word and Roundel device or some other figurative element such as the London Underground map. He further submitted that no such connection is made to the opponent by the applicant's mark because it is not, in itself, in the form of the Roundel device or any other figurative mark associated with the opponent, nor does it refer to any goods within the series that bear the Roundel device or any other figurative mark.

41) Mr Mansfield's submissions, whilst superficially attractive, are not persuasive. Whilst the applicant's mark does not bare the Roundel device or London underground map or any other figurative element associated with the opponent, where the sale of goods bearing the applicant's mark takes place in circumstances where the consumer will perceive the presence of "underground" in the applicant's mark as a reference to the opponent and its services, then this will override any descriptive meaning that the word may also have. Such circumstances will include selling goods bearing the mark near underground stations, from or close to outlets that also sell the opponent's merchandising, or as the applicant is doing in circumstances where goods sold under the applicant's mark bear the names of locations of London underground stations, such as Bank, Borough, Charing Cross, Euston, Kings Cross, Leicester Square, London Bridge, Oxford Circus, Piccadilly, Temple, Victoria and Waterloo (see Exhibit DE42). It is my view that in all of these circumstances, a substantial number of members of the public, upon seeing the mark in issue, will be misled into believing that there is some economic link between the provider of the goods and the opponent.

42) At the hearing there was much discussion regarding Exhibit DE42, with Mr Norris pointing out that the information on the site comes from before October 2015 and was offering products to the UK as evidenced by prices being displayed in pounds sterling and by the banner at the top of the page proclaiming "FREE SHIPPING FOR ANY ORDER IN THE UK". There was also various submissions regarding the level of control the applicant had over the content of the website, with Mr Mansfield submitting that the exhibit showed an extract from a time when the products shown were based upon incorrect information with some of the products not being available.

However, from Mr Cummings' own evidence, it is clear that, at the very least, he had sufficient influence with the owner of the website for them to act on his instructions to change it and he, himself, provides a copy of an amended web page at Exhibit PC2 (downloaded on 5 July 2016). There has been a clear attempt to water down the link to London locations where there are underground stations with the addition to the series of, for example, Bank Square, London East End and Old Bailey. I make two comments: firstly, these changes were made after the relevant date (13 May 2015) in these proceedings and, secondly, the series still retained a number of London underground station locations such as Charing Cross, Euston, Kings Cross, Leicester Square, London Bridge, Oxford Circus and Waterloo. The changes are therefore insufficient for me to reach a different conclusion regarding the perception of members of the public when encountering the applicant's mark to identify a series of products bearing the names of underground stations.

43) I take the actual use of the contested mark by the applicant as support for my view that there are circumstances when the sale of the applicant's goods will result in a substantial number of members of the public associating the reference to "The Underground Series" as being a reference to a series related to the London Underground rail network. Even if I am wrong, there are other circumstances where I have found that misrepresentation will occur (see paragraph 41).

44) Taking account of the opponent's substantial goodwill in the sign UNDERGROUND and the fact that that it undertakes substantial merchandising activities by using its marks in respect of a broad range of items many of which are aimed at exploiting the London souvenir market, I find that use of the applicant's mark will result in member of the public purchasing the applicant's goods in the belief that they originate from or are endorsed by the opponent. This opponent will lose control of its goodwill and also will have its goodwill associated with, what it perceives as, undesirable products leading to damage to its goodwill. Therefore, the opponent's grounds based upon section 5(4)(a) are wholly successful.

Section 5(3)

45) Section 5(3) 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 European Union trade mark or international trade mark (EC), in the European Union) 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.”

46) 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.

(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*).

Reputation

47) The test for 'reputation' was set out by the CJEU in *General Motors*. The earlier mark must be known by 'a significant part' of the relevant public. Some commentators have regarded this as setting a low threshold. The CJEU, in *Pago International GmbH v Tirolmilch registrierte GmbH*, Case C-301/07, paragraph 30, when considering the position where EUTM had a reputation in only one member state, held that "...a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community."

48) It is not clear from the evidence, to what degree the opponent enjoys a reputation outside the UK. However, I observed earlier in this decision that, whilst the word only use of UNDERGROUND is not the most usual way that the opponent uses to identify its services, in the UK the word remains synonymous with services that, placed in the context of the opponent's Class 39 specification, are described as *transportation of persons...by underground rail*. Therefore, I also accept that the opponent's mark has a significant reputation in the UK in respect of these services. As Geoffrey Hobbs QC sitting as a Deputy Judge of the High Court held in *Whirlpool Corporations and others v Kenwood Limited* [2009] ETMR 5 (HC), reputation in the UK is sufficient, for the purposes of section 5(3) of the Act, to meet the requirement for an EUTM to have a reputation in a substantial part of the territory of the EU.

49) The opponent relies upon its "Roundel" figurative marks featuring the word UNDERGROUND, claiming that these have a reputation in respect of various goods in Classes 9, 16, 18, 21, 24, 25 and 28. Further, the opponent's UNDERGROUND mark is registered in respect to goods in Classes 9, 16, 25 and 28 as well as services in Class 39. None of the goods covered by these earlier marks share any similarity with the applicant's goods and reliance upon them places the opponent in

no better position than when relying upon its reputation in its UNDERGROUND mark in respect of *transportation of persons...by underground rail*. Whilst accepting the applicant's point that the word UNDERGROUND has multiple meanings, when used to relate to the London rail network it is synonymous with the London Underground rail system operated by the opponent. In light of this, I will continue my consideration based upon the opponent's reputation in respect of its word mark UNDERGROUND and in respect of these services.

The Link

50) Having established the existence and scope of a reputation, I need to go on to consider the existence of the necessary link. I am mindful of the comments of the CJEU in *Intel* that it is sufficient for the later trade mark to bring the earlier trade mark with a reputation to mind for the link, within the meaning of *Adidas-Salomon and Adidas Benelux*, to be established. The CJEU also set out the factors to take into account when considering if the necessary link exists:

“41. The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, in respect of Article 5(2) of the Directive, *Adidas-Salomon and Adidas Benelux*, paragraph 30, and *adidas and adidas Benelux*, paragraph 42).

42. Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark's reputation;

- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public.”

51) In Case C-408/01, *Adidas-Salomon*, the CJEU held that:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

52) I keep in mind that the level of similarity required for the public to make the necessary link may be less than the level required to create a likelihood of confusion (*Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, paragraph 72). In the current case, the applicant’s mark contains the phrase *The Underground Series* and I have already found that this will result in misrepresentation despite the respective services and goods not being similar. It follows that the requisite link for the purposes of section 5(3) also exists.

Detriment and unfair advantage

53) The opponent’s claims are three fold. Firstly it submits that use of the applicant’s mark will result in an unfair advantage being taken.

54) There is some debate as to whether the judgment of the CJEU in *L’Oreal v Bellure* means that an advantage gained by the user of a junior mark is only unfair if there is an intention to take advantage of the senior mark, or some other factor is present which makes the advantage unfair. The English Court of Appeal has considered this matter three times. Firstly, in *L’Oreal v Bellure* [2010] RPC 23 when that case returned to the national court for determination. Secondly, in *Whirlpool v Kenwood* [2010] RPC 2: see paragraph 136. Thirdly, in *Specsavers v Asda Stores Limited*¹ [2012] EWCA Civ 24: see paragraph 127. On each occasion the court appears to have interpreted *L’Oreal v Bellure* as meaning that unfair advantage requires something more than an advantage gained without due cause. However, the absence of due cause appears to be closely linked to the existence of unfair advantage. See paragraph 36 of the opinion of Advocate General Kokott in Case C-65/12 *Leidseplein Beheer and Vries v Red Bull*.

55) In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant’s intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant’s conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

56) The opponent claims that the applicant will benefit from its extensive reputation and the applicant will obtain an unfair commercial advantage by being incorrectly

associated with the opponent with the applicant's sales and as a result benefiting from inflated sales. In particular, the opponent gives the example of where tourists may buy the applicant's e-cigarettes from souvenir shops as London memorabilia.

57) There is evidence before me that illustrates that, at the relevant date, the applicant was using the mark to identify a series of different flavours identified by the names of different locations of London underground stations. I agree with the opponent that such goods are likely to be perceived as souvenir items authorised by the operator of the London Underground. The association to the opponent will create an attractive force that may otherwise be absent. Taking all of this into account, I find that the applicant will take an unfair advantage of the opponent's reputation as a result of the link between the two created by the words "The Underground Series" present in the applicant's mark.

58) Secondly, the opponent submits that use of the applicant's mark would tarnish the reputation of the opponent because (i) of the type of goods that the applicant's mark will be used, and (ii) the opponent has no control over the quality of the applicant's goods and if they are of inferior quality and the consumer assumed that the applicant was associated with the opponent, it would impact negatively upon the opponent's reputation.

59) In respect of the first limb, the opponent claims that it does not wish to be associated with the type of goods covered by the application and that being associated with such goods could result in the opponent's reputation being tarnished. It is clear from the case law that such tarnishment can occur where the goods offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark. The characteristic of the applicant's goods is the negative perception association with smoking of all kinds, including the relatively recent popularity of vaping, the activity for which the applicant's goods are used. The opponent operates a no smoking policy that extends to e-cigarettes on the whole of the London underground network following the Kings Cross fire in 1987 that was likely to have been caused by a discarded cigarette. In these circumstances, it is wholly understandably why the opponent would not wish to be associated with the negative perceptions surrounding smoking of all kinds and its stance in not allowing

the practice on any of its premises. I find that the opponent's grounds based upon section 5(3) is successful insofar as it relies on a claim to tarnishment.

60) In respect of the second limb of the tarnishment argument, Ms Anna Carboni, sitting as the Appointed Person in *Unite The Union v The Unite Group Plc*, Case BL O/219/13, considered whether a link between an earlier mark with a reputation and a later mark with the mere potential to create a negative association because of the identity of the applicant or the potential quality of its goods/services was sufficient to found an opposition based on detriment to reputation. She said:

“46. Indeed, having reviewed these and other opposition cases, I have not found any in which the identity or activities of the trade mark applicant have been considered in coming to a conclusion on the existence of detriment to repute of an earlier trade mark. I can understand how these matters would form part of the relevant context in an infringement case, but I have difficulty with the notion that it should do so in an opposition. After all, many, if not most, trade mark applications are for trade marks which have not yet been used by the proprietor; some are applied for by a person or entity that intends to license them to a third party rather than use them him/itself; and others are applied for by an entity that has only just come into existence.

47. I do not exclude the possibility that, where an established trading entity applies to register a mark that it has already been using for the goods or services to be covered by the mark, in such a way that the mark and thus the trader have already acquired some associated negative reputation, perhaps for poor quality goods or services, this fact might be taken into account as relevant “context” in assessing the risk of detriment to repute of an earlier trade mark. Another scenario might be if, for example, a trade mark applicant who was a known Fascist had advertised the fact prior to the application that he was launching a new line of Nazi memorabilia under his name: I can see how that might be relevant context on which the opponent could rely if the goods and services covered by the application appeared to match the advertised activities. But I would hesitate to decide an opposition on that basis

without having had confirmation from a higher tribunal that it would be correct to take such matters into account.”

61) Unlike in the *Unite* case, there is no evidence that the applicant’s goods are associated in anyway with sub-standard quality. Consequently, the fact that it has used its mark does not create a situation where I reach a different conclusion than if it had not used the trade mark. I dismiss this limb of the opponent’s case.

62) Thirdly, the opponent submits that use of the later trade mark will dilute the distinctive character and reputation of its trade marks. In *Environmental Manufacturing LLP v OHIM*, Case C-383/12P, 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 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’.”

63) In *32Red Plc v WHG (International) Limited and others* [2011] EWHC 665 (Ch), Henderson J. held that a change in consumers’ economic behaviour could be inferred from the inherent probabilities of the situation. He said:

“133. Is there evidence of a change in economic behaviour brought about by the use of the Vegas signs? In the nature of things, direct evidence of such a change is likely to be hard to find in cases of the present type, although Mrs F provides a suggestive example of a customer who was nearly persuaded to change her allegiance as a result of a perceived connection between 32Red and 32Vegas. However, I see no reason why I should not have regard to the inherent probabilities of the situation, and in particular to the contrast between the marketing models of the two casinos. The similarity of their names, and the fact that 32Vegas was always operated as one of a number of linked casinos on the carousel model, lead me to conclude that an average online gambler would have been far readier to switch his allegiance from 32Red to 32Vegas, or to play with 32Vegas in the first place, than he would have been in the absence of such similarity. These are changes in economic behaviour, and I am satisfied on the balance of probabilities that such changes are likely to have occurred to a significant extent.”

64) In the current case, I have already found that the relevant public is likely to make the link to the London Underground and in doing so, make the link to the opponent. However, the application is in respect of “e-liquids for use in electronic cigarettes”, goods that the opponent admits it has no desire to be associated with. These goods share no similarity to the opponent’s services for which it has a reputation. Taking these points into account, it is not obvious to me what change in economic behaviour is likely to occur.

Summary

65) The opposition is successful under its section 5(4)(a) and part of its section 5(3) grounds.

COSTS

66) The opponent has been successful and is entitled to a contribution towards its costs, according to the published scale in Tribunal Practice Notice 4/2007. I take account that both sides filed evidence, that the applicant filed written submissions and that a hearing was held. With this in mind, I award costs as follows:

Preparing statement and considering counterstatement	£500
Evidence and submissions	£1000
Preparing for & attending hearing	£750
Total:	£2250

67) I order Syed Naseer to pay Transport for London the sum of £2250 which, in the absence of an appeal, should be paid within 14 days of the expiry of the appeal period.

Dated this day 27TH of April 2017

Mark Bryant
For the Registrar,
The Comptroller-General

ANNEX

The opponent's list of marks applied for by the applicant:

Trade Mark Enquiry

Search Results

Trade Marks owned by Syed Naseer

Your search found 28 results. Page 2 of 3 is shown.

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Trade Mark No.	Mark Text	File Date	Status	Nice Classes
UK00003076108	London Leicester Square	08/10/2014	Registered	34
UK00003076111	London Piccadilly	08/10/2014	Registered	34
UK00003076113	paddington	08/10/2014	Withdrawn	34
UK00003076114	London Victoria	08/10/2014	Registered	34
UK00003076116	Kings Cross	08/10/2014	Registered	34
UK00003076119	London Bridge	08/10/2014	Registered	34
UK00003076120	Oxford Circus	08/10/2014	Registered	34
UK00003076121	waterloo	08/10/2014	Registered	34
UK00003076577	The Underground series	11/10/2014	Withdrawn	34
UK00003076578	Baker Street	11/10/2014	Withdrawn	34

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