

**O/660/18**

**TRADE MARKS ACT 1984**

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3231778 BY  
SALAD CREATIVE LIMITED  
TO REGISTER:**

**BEAUTIFULLY EFFECTIVE**

**AS A TRADE MARK IN CLASS 35**

**AND**

**IN THE MATTER OF THE OPPOSITION THERETO  
UNDER NO. 410323 BY  
GREY GLOBAL GROUP LLC**

## Background and Pleadings

1. Salad Creative Limited (“the applicant”) applied to register the trade mark **BEAUTIFULLY EFFECTIVE** in the United Kingdom on 17 May 2017 for services in Classes 35, 38, 41 and 42. It was accepted and published in the Trade Marks Journal on 23 June 2017. The application was later divided and the following services remain:

### Class 35

*Advertising; marketing; brand creation services; brand strategy services; brand positioning; brand evaluation; market research; market campaigns; development of promotional campaigns; preparation of advertising campaigns; creation and preparation of marketing plans; planning of marketing strategies; copywriting; strategic business consultancy; strategic business analysis; strategic business planning; business advice relating to strategic marketing; search engine optimisation; search engine marketing services; website traffic optimisation; marketing consultancy in the field of social media; advertising and marketing services provided by means of social media; providing business information in the field of social media; consultancy, information and advisory services relating to all of the aforesaid services.*

2. The application was opposed by Grey Global Group LLC (“the opponent”). The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opposition on sections 5(2)(b) and 5(3) grounds is based on EU (formerly Community) Trade Mark No. 12143641, which was applied for on 16 September 2013 and registered on 7 February 2014:

**GREY  
FAMOUSLY EFFECTIVE**

This mark is registered for the following services, all of which the opponent is relying on:

Class 35

*Advertising agency services, marketing communication consulting services; market research services; public relations services; direct mail advertising services; direct marketing services; business marketing consulting services; development of marketing strategies and concepts; creating corporate and brand identities for others; brand strategy consultation services in the field of brand creation and development; business research services, namely, providing analysis of data in the field of brand strategy; sales promotion services, namely, promoting the goods and services of others, arranging and conducting promotional marketing events for others; media planning and purchase of advertising media space and airtime for others; media research services for marketing and advertising purposes; internet advertising services.*

3. The opponent claims that the marks are similar, that there is identity or similarity with some of the services and that therefore there exists a likelihood of confusion between the two marks. The opponent also claims that the earlier trade mark has enhanced distinctive character and “extensive reputation”.
4. It also claims that the earlier trade mark has a reputation in the UK such that use of the mark, without due cause, would take unfair advantage of, and/or be detrimental to, the distinctive character or repute of the earlier mark under section 5(3) of the Act.
5. Under section 5(4)(a) of the Act, the opponent states that it is the owner of goodwill in connection with the mark **FAMOUSLY EFFECTIVE**, which it claims to have been using throughout the UK since 30 November 2009 in relation to services corresponding to those which are covered by its registered trade mark. It maintains that use of the contested mark in the UK in relation to some of the services would constitute a misrepresentation, as it would lead the relevant public to believe erroneously that there is a commercial connection between the opponent and the applicant, or that they are one and the same entity.
6. The applicant filed a defence and counterstatement, denying all the grounds.

7. Both parties filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary. Both parties also filed written submissions in lieu of a hearing. These will not be summarised but will be referred to as and where appropriate during this decision.
8. In these proceedings, the opponent is represented by Mishcon de Reya LLP and the applicant is represented by Ancient Hume Limited.

## **Evidence**

### **Opponent's Evidence**

9. The opponent's evidence comes from Mr John Anthony Grudzina, EVP Chief of Staff & General Counsel of Grey Global Group LLC since 2005. His Witness Statement is dated 2 February 2018. Grey Global Group is the parent company of the Grey Group of companies and, according to Mr Grudzina, it is Grey Global that owns the majority of the Group's trade mark registrations. The ultimate parent is WPP plc.
10. Grey Group was founded as Grey Advertising in 1917 in New York City and originally specialised in direct mail. A print-out dated 2 February 2018 from the AdAge Encyclopaedia reports that "Grey was known for working very closely with its clients and relying on research in creating campaigns". The evidence tells a story of increasing billings, reaching worldwide revenue in 2003 of \$1.3 billion. No more recent Group figures have been supplied.<sup>1</sup>
11. Grey opened a London office in 1962. The main operating company of Grey London is Grey Advertising Ltd, which recorded the following revenue and pre-tax profit for the financial years ending 31 December 2016 and 31 December 2015:<sup>2</sup>

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<sup>1</sup> See Exhibit JAG1

<sup>2</sup> Exhibit JAG3

|                           | <b>2016</b> | <b>2015</b> |
|---------------------------|-------------|-------------|
|                           | <b>£</b>    | <b>£</b>    |
| Revenue                   | 51,815,225  | 51,483,905  |
| Profit before<br>taxation | 7,417,595   | 8,002,827   |

Current and past clients of Grey London have included Birds Eye, Gillette, HSBC, Marks & Spencer and Volvo.<sup>3</sup>

12. On 9 July 2009, the Chief Executive Officer of the Grey Group sent an email around the network of Grey businesses announcing a new strapline to be used to promote the business. I reproduce the relevant text of the email below:

“You’ll see that while our overall mission remains the same, we have a new expression for the work that we do:



The line captures what sets Grey apart from our competitors: our heritage of producing famous work that gets results ... a 90-year track record of helping to build many of the world’s great brands.

I’ve test-driven the line in regional meetings around the world to a very favorable response. Our people have said it provides a clear link to where Grey has been and where it’s going. It leverages our proud past while acknowledging our growing creative ambition, and our grounding in popular culture. It sets the bar high and it’s bold, assertive and memorable.

So in the near future, you’ll be seeing ‘Famously Effective’ on our websites, our business cards, stationery and marketing materials. Brand Acceleration

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<sup>3</sup> Exhibit JAG4

continues to be our global strategic planning model, and a key factor in arriving at 'Famously Effective' work.

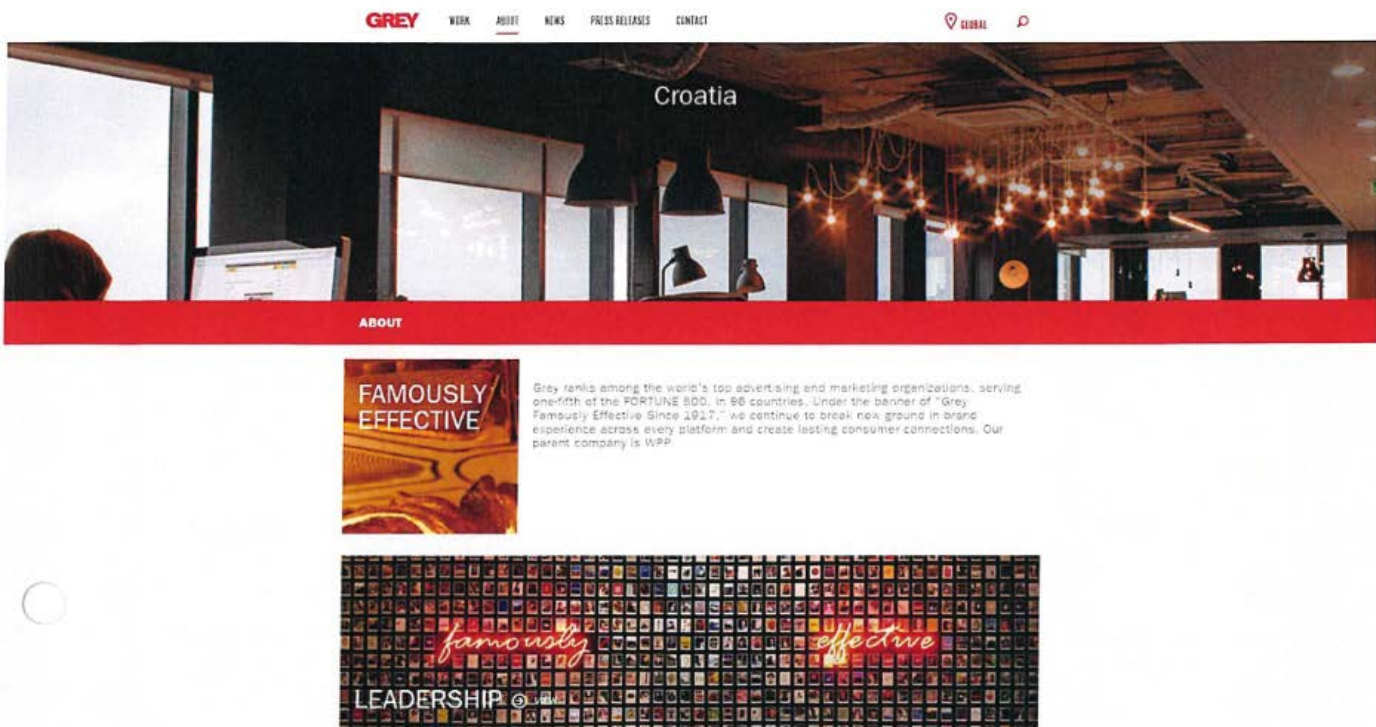
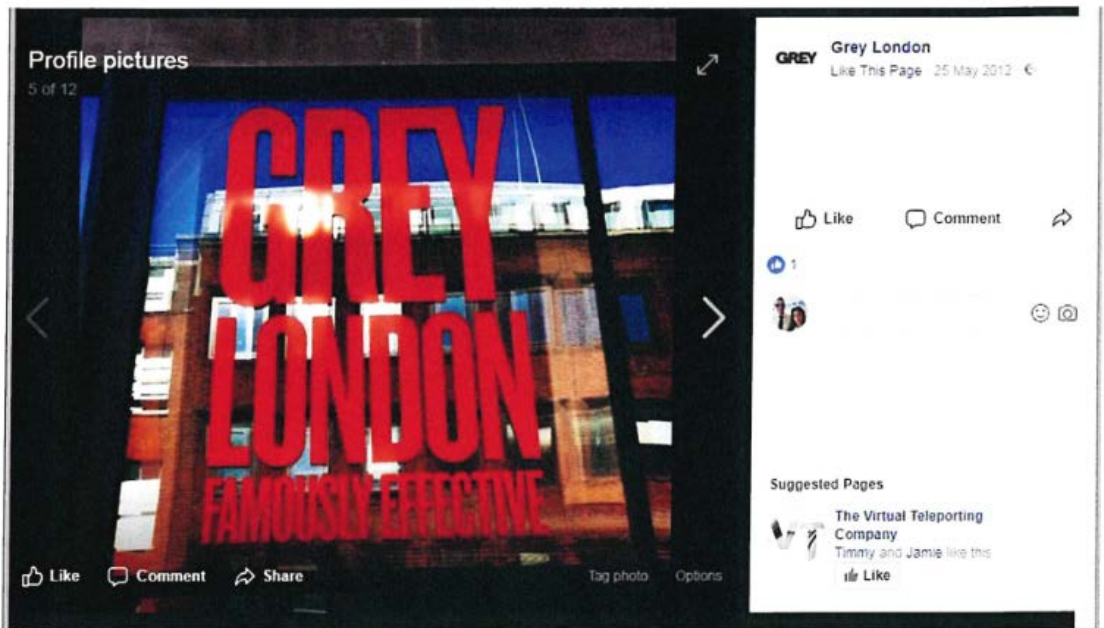
Grey has a powerful brand story, growing in strength with each passing day. We all have a role to play in communicating it to the world."<sup>4</sup>

13. The mark has been used in a variety of formats. Mr Grudzina refers to "the Mark" ("FAMOUSLY EFFECTIVE"), "the Extended Mark" ("GREY FAMOUSLY EFFECTIVE SINCE 1917") and "the EUTM" (as shown in paragraph 2 of this Decision). He adds that since the CEO's email "the Mark and the Extended Mark have been used consistently and prominently by members of the Grey Group around the world, including significant use in the UK and a number of other EU Member States".
14. The opponent has provided print-outs from the WayBack Archive which date from 2008 to 2018, with the majority falling within the period 2015 to February 2017. They show use of the following variants of "FAMOUSLY EFFECTIVE":
  - a) "FAMOUSLY EFFECTIVE" (in Mr Grudzina's words, "the Mark"). These words are seen on pictures of the London office's front door on Facebook in 2012, Twitter in 2013 and Instagram in 2014 and 2016, and a picture of a corkwall posted to Facebook on 2 January 2018. They also appear at the start of videos, one posted to YouTube on 10 May 2011 and another on the global website on 29 October 2013. In the print-outs from the same website dated 12 June 2016 and 3 April 2017, the words are presented in neon lettering against a background of what look like pictures. Mr Grudzina also states that this phrase has been included in the signature blocks of Grey London employees and directors since at least as early as August 2011.<sup>5</sup>

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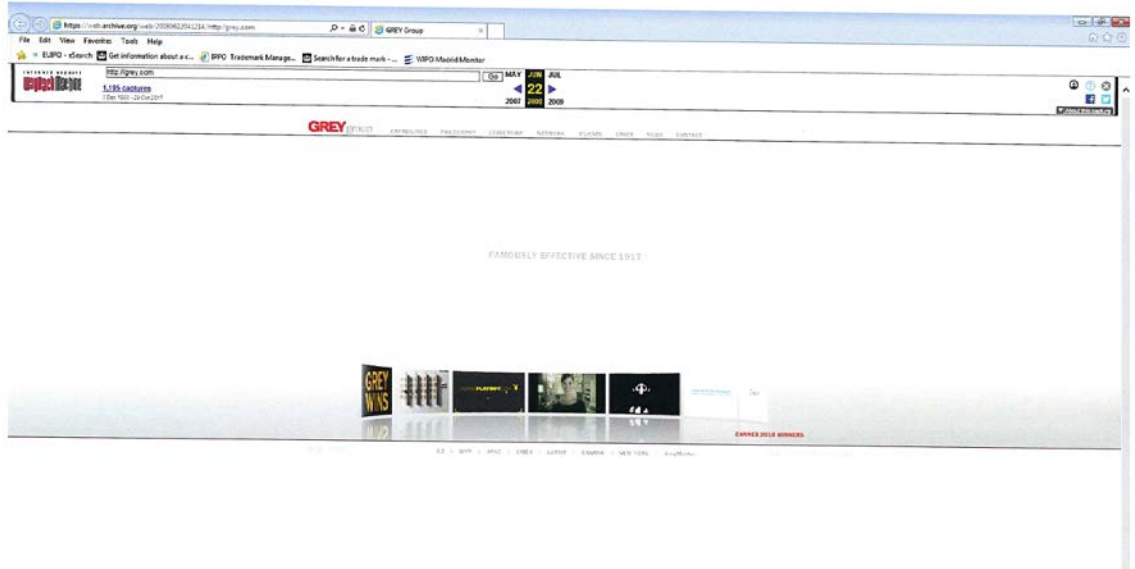
<sup>4</sup> Exhibit JAG6

<sup>5</sup> Exhibits JAG7, JAG9, JAG11-JAG15, JAG17

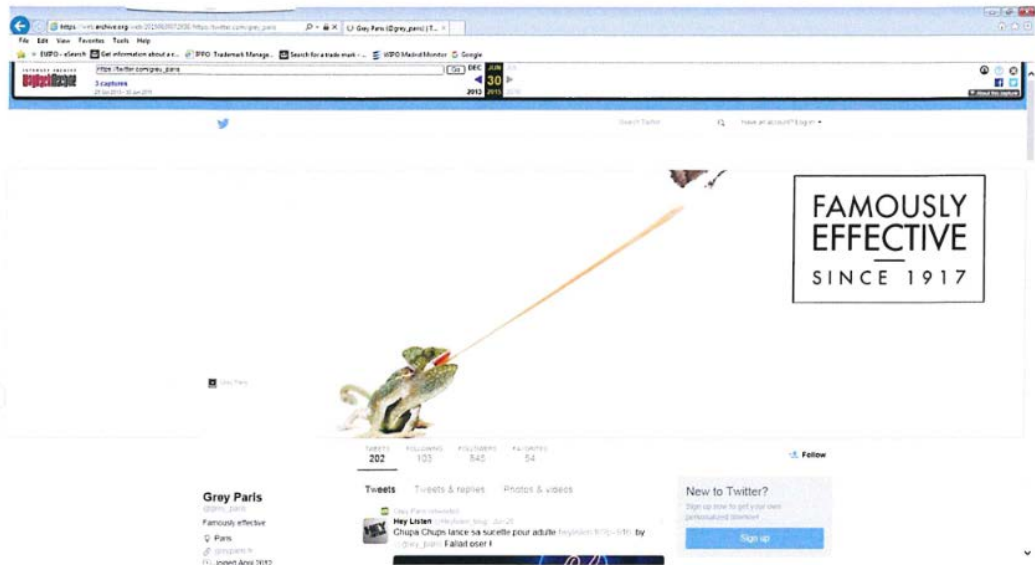


b) "FAMOUSLY EFFECTIVE SINCE 1917". This mark has been used on the global website between 22 June 2008 and 14 February 2012.<sup>6</sup>

<sup>6</sup> Exhibit JAG7.



There is also one instance of the mark appearing as shown below on Grey France's Twitter account on 30 June 2015.<sup>7</sup>



- c) “#FamouslyEffective Since 1917” and “#FamouslyEffective”. The hashtag has been used on Grey New York’s Twitter page. This print-out is not dated, but shows a tweet referring to the appointment of Grey’s Global Creative Chairman to the Executive Jury for the 2018 New York Festivals Advertising Awards. It seems reasonable to assume that this is relatively recent. Grey

<sup>7</sup> Exhibit JAG24.



London has used “#FamouslyEffective” on Instagram on 22 June 2016, and it had also been used by a third party on 7 August 2014.<sup>8</sup>

- d) “GREY FAMOUSLY EFFECTIVE SINCE 1917” (in Mr Grudzina’s words, the “Extended Mark”). This text appears in white text in a box with a number of different backgrounds. An example is shown below.



This box appears at the bottom right of a majority of the website print-outs from both the global website and individual national sites, including Grey London. Print-outs from that site are dated 16 October 2015, 29 January 2016, 29 January 2017 and 30 January 2018. The mark in the above form is also used on websites targeted at the following EU Member States: Spain, Denmark, France, Germany, Italy, Belgium, the Netherlands and Luxembourg, Poland, Slovenia and Sweden.<sup>9</sup> This phrase has also been used on both the global website and LinkedIn: “Under the banner of ‘Grey Famously Effective Since 1917’, we continue to break new ground in brand experience across every platform and create lasting consumer connections.”<sup>10</sup>

15. The rest of the opponent’s evidence appears to be directed towards supporting the opponent’s assertion that the applicant must have been familiar with the opponent and its mark. Mr Grudzina states his belief that there is an overlap

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<sup>8</sup> Exhibits JAG12 and JAG15.

<sup>9</sup> Exhibits JAG8-JAG10, JAG19-JAG20, JAG23, JAG25, JAG27-32.

<sup>10</sup> Exhibits JAG9 and JAG16.

between the client bases of the applicant and Grey London on the grounds that both companies have carried out work for Greene King, the brewer and pub chain.<sup>11</sup> He also considers it likely that employees and directors of both companies have attended the same events at the British Interactive Media Association (BIMA), as Grey London employees or directors have spoken at BIMA events or served as a judge for the BIMA Awards, and the applicant is a member of the association.<sup>12</sup>

### **Applicant's Evidence**

16. The applicant's evidence comes from Ms Arabella Rosa Lewis-Smith, Director, since 2001, and one of the two founders of Salad Creative Limited. Her two Witness Statements are dated 18 and 20 April 2018. There is also a Witness Statement from Mr Daniel Timon Ward-Murphy, Strategy Director at Salad Creative Limited since 27 July 2016. This Witness Statement is dated 19 April 2018.
17. Salad Creative Limited was founded in 2001 and has offices in Bournemouth and London. It began life as a branding and design agency, and over the past few years has expanded into brand strategy, planning and digital marketing.
18. Mr Ward-Murphy states that before taking up his post with the applicant he suggested that the agency needed to establish a proposition that could apply to all the services it provided and make it easier to communicate the agency's identity. The paper he sent to Ms Lewis-Smith on 16 July 2016 is presented as an Exhibit to his Witness Statement. It contained six options, including the chosen "BEAUTIFULLY EFFECTIVE".<sup>13</sup> As background, Mr Ward-Murphy included examples of other agencies' propositions. The opponent's was not among them.<sup>14</sup>

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<sup>11</sup> Exhibits JAG34-JAG35.

<sup>12</sup> Exhibits JAG36-JAG37.

<sup>13</sup> The other options were: SIMPLICITY SCREAMS; BEAUTIFUL PRACTICALITY (or BEAUTIFULLY PRACTICAL); WE SOLVE PROBLEMS; EFFECTIVE WINS; WORK TO WORK.

<sup>14</sup> The "other top agencies" were McCann Erickson, Adam&EveDBB, Rainey Kelly, WCRS, VCCP, BBH Global, Leo Burnett, Publicis, Chi & Partners, Karmarama, Fallon, Bray Leiro, and Driven.

A later email, dated 27 July 2016, contains Mr Ward-Murphy's plans for communicating the proposition "BEAUTIFULLY EFFECTIVE".

19. In her first Witness Statement, Ms Lewis-Smith explains why "BEAUTIFULLY EFFECTIVE" was chosen:

"At Salad we have historically been known for our 'beautiful' work. Our origin story is that of a purely branding and design agency. Over the last three years we have added a lot of skills and business acumen to the business. This enhanced our offering across brand strategy, research and planning as well as the inherently measurable digital marketing.

In line with the rest of the industry our focus moved towards measuring our work where possible whilst at the same time having the guiding principle of the need for it to work for our clients – of it being effective. Our proposition marries the two distinctive qualities – 1. beauty and 2. effective."

20. According to Ms Lewis-Smith, variants of the word "beautifully" have been used in connection with the agency's work since 2007. The Exhibits contain emails from 17 January 2007 and 16 April 2010, promotional material from 2016, an extract from an undated publication entitled *Blackwell's Britain. Bournemouth*,<sup>15</sup> and a print-out from the agency's own website, provided by the WayBack Archive, and dated 24 July 2013:

"Through carefully tailored design that is both beautiful and pertinent to the needs of our client, we breathe life into our very own creations and release them into the wild."

21. In August 2016, the applicant was using the proposition put forward by Mr Ward-Murphy in a proposal to build a website for a company called Unicorn. The presentation slides exhibited set out what "Beautifully Effective" means to the applicant:

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<sup>15</sup> This has been annotated in pencil with the date 30 September 2015.

“Everything we do is beautiful, but that can be said of some other great agencies. Where we differ is that our main goal is to be effective, so beauty alone is not good enough for us. Effective wins every time.”

22. Mr Ward-Murphy notes that effectiveness has been an increasingly important theme in the industry and provides a collection of articles with titles such as “The path to marketing effectiveness: Let the data talk”, “What is effective marketing?” and “Balancing art and science: Marketing effectiveness comes of age”.<sup>16</sup>
23. In response to the opponent’s claims that the applicant must have been familiar with the opponent and its mark, Ms Lewis-Smith states that she is aware of the opponent, but not very familiar with it.

### **Relevant dates**

24. The opponent’s earlier mark had been registered for less than five years on the date on which the contested application was published. It is, therefore, not subject to proof of use provisions under section 6A of the Act. The relevant date for the purposes of the section 5(2)(b) and section 5(3) grounds is the date the application was filed: 17 May 2017.
25. The opponent is also claiming an earlier right in relation to the applicant’s mark, as provided for by section 5(4)(a) of the Act. The onus is on the opponent to satisfy the Tribunal that its unregistered sign would have been protectable by virtue of the law of passing off before the relevant date. This date is usually the date of the application for registration or the priority date, if there is one. However, where the applicant has used the mark before the date of the application, I am required to consider what the position might have been when the use first began, and then whether the position would have been different at the application date.<sup>17</sup> Since the

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<sup>16</sup> Exhibit DWM2.

<sup>17</sup> See *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, paragraph 14.

applicant has provided evidence that it was using the mark in August 2016, this is the first relevant date for the section 5(4)(a) ground.

## **Decision**

### **Section 5(2)(b) ground**

26. Section 5(2)(b) of the Act states that:

“A trade mark shall not be registered if because –

...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

27. An “earlier trade mark is defined in section 6(1) of the Act:

“In this Act an ‘earlier trade mark’ means –

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

28. The registration upon which the opponent relies qualifies as an earlier trade mark under the above provision. In this opposition, the opponent is relying upon all the services for which this earlier mark is registered. As the mark was registered within the five years before the date on which the applicant’s mark was published, it is

not subject to proof of use and the applicant is therefore entitled to rely on all the services for which the mark stands registered.

29. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the courts of the European Union in *SABEL BV v Puma AG* (C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (C-425/98), *Matratzen Concord GmbH v OHIM* (C-3/03), *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (C-120/04), *Shaker di L. Laudato & C. Sas v OHIM* (C-334/05 P) and *Bimbo SA v OHIM* (C-519/12 P):

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of services**

- 30. When comparing the services, all relevant factors should be taken into account: see *Canon Kabushiki Kaisha*, paragraph 23. The CJEU stated that the factors should include the nature of the services, their intended purpose and method of use and whether they are in competition with each other or complementary.
- 31. The General Court clarified the meaning of “complementary” goods or services in *Boston Scientific Ltd v OHIM*, T-325/06:

“...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.”<sup>18</sup>

32. A further factor to be considered is the channels of trade of the respective goods or services: see the guidance given by Jacob J (as he was then) in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] RPC 281.

33. The services to be compared are shown in the table below:

| <b>Opponent’s services</b>  | <b>Applicant’s services</b>  |
|---|--|
| <p><u>Class 35</u><br/>           Advertising agency services, marketing communication consulting services; market research services; public relations services; direct mail advertising services; direct marketing services; business marketing consulting services; development of marketing strategies and concepts; creating corporate and brand identities for others; brand strategy consultation services in the field of brand creation and development; business research services, namely, providing analysis of data in the field of brand strategy; sales promotion services, namely, promoting the goods and services of others, arranging and conducting promotional marketing events for others; media planning and purchase</p> | <p><u>Class 35</u><br/>           Advertising; marketing; brand creation services; brand strategy services; brand positioning; brand evaluation; market research; market campaigns; development of promotional campaigns; preparation of advertising campaigns; creation and preparation of marketing plans; planning of marketing strategies; copywriting; strategic business consultancy; strategic business analysis; strategic business planning; business advice relating to strategic marketing; search engine optimisation; search engine marketing services; website traffic optimisation; marketing consultancy in the field of social media; advertising and marketing services provided by means of social media; providing</p> |

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<sup>18</sup> Paragraph 82.



|   |  |
|---|--|
| of advertising media space and airtime for others; media research services for marketing and advertising purposes; internet advertising services. | business information in the field of social media; consultancy, information and advisory services relating to all of the aforesaid services. |
|---|--|

34. The applicant accepts that there is some identity and similarity between the services covered by the mark it has applied for and the earlier mark.

35. For the purposes of making my assessment, I will group like services together in the way described by Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *Separode Trade Mark*, BL O/399/10:

“...The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.”<sup>19</sup>

36. I consider that the applicant’s services can be divided into six groups:

- *Advertising; preparation of advertising campaigns; consultancy, information and advisory services related to all of the aforesaid services.* In my view, the preparation of advertising campaigns is a major element of the provision of advertising services. These services are identical to the opponent’s *advertising agency services.*
- *Marketing; market campaigns; development of promotional campaigns; creation and preparation of marketing plans; planning of marketing strategies; copywriting; business advice relating to strategic marketing; marketing consultancy in the field of social media; consultancy, information*

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<sup>19</sup> Paragraph 5.

*and advisory services related to all of the aforesaid services.* All of these services relate to marketing, including copywriting, which is the production of promotional text. The opponent's services include *direct marketing*, which, as a form of marketing, can be considered to be identical to *marketing*, in line with the principle set out by the General Court in *Gérard Meric v OHIM*, T-133/05:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM (Educational Services (ELS))* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”<sup>20</sup>

- *Brand creation services; brand strategy services; brand positioning; brand evaluation; consultancy, information and advisory services related to all the aforesaid services.* In my view, *brand strategy services* encompasses the other services listed here. Developing a brand strategy for a business is, in my view, likely to involve an evaluation of the performance of brands, where they are positioned in the market, and whether any new brands need to be created and, if so, how they should be launched. The broad term of *brand strategy services* would also include the opponent's *brand strategy consultation services in the field of brand creation and development.* Again, I find that the *Meric* principle applies here, and these services are identical.
- *Market research; consultancy, information and advisory services related to all the aforesaid services* are identical to the opponent's *market research services.*
- *Search engine optimisation; search engine marketing services; website traffic optimisation; consultancy, information and advisory services related*

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<sup>20</sup> Paragraph 29

*to all the aforesaid services* are services intended to help make the customer's website more visible in internet search results, and encourage more people to visit the site. They are encompassed by the opponent's *internet advertising services*, and so are identical.

- *Strategic business consultancy; strategic business analysis; strategic business planning; consultancy, information and advisory services related to all the aforesaid services.* The first of these services, to my mind, encompasses the second and third, which may be provided under the broad umbrella of "strategic business consultancy". The nearest comparison among the opponent's services is *brand strategy consultation services in the field of brand creation and development*. Both are strategic level consultancy, information and advisory services, but the opponent's has a specific focus on brands. The purpose of the services is therefore different. However, the nature of the services is the same, and the users of both services are businesses in a wide range of industry sectors. They are not in direct competition with each other, although the applicant's services may touch on brand strategy. I find that these services are highly similar.

### **Average consumer and the purchasing act**

37. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, I must bear in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: see *Lloyd Schuhfabrik Meyer*.

38. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading Limited), U Wear Limited, J Fox Limited* [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

"The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well

informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The word 'average' denotes that the person is typical. The term 'average' does not denote some form of numerical mean, mode or median."<sup>21</sup>

39. Both the opponent's and the applicant's specifications comprise services that will be commissioned by a business or professional person. Such services may involve a tendering process, or another formal selection process. This process is likely to be visual, the selection being made from websites, brochures, or submitted proposals, though I cannot ignore the aural element, as word-of-mouth recommendations may also be made. The services will be purchased fairly infrequently and in my view the average consumer would pay a higher than average level of attention to the selection.

### **Comparison of marks**

40. It is clear from *SABEL BV v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated in *Bimbo SA v OHIM*, C-591/12 P, that:

"... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."<sup>22</sup>

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<sup>21</sup> Paragraph 60.

<sup>22</sup> Paragraph 34.

41. It would be wrong, therefore, artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

42. The respective marks are shown below:

| Earlier mark               | Contested mark        |
|----------------------------|-----------------------|
| GREY<br>FAMOUSLY EFFECTIVE | BEAUTIFULLY EFFECTIVE |

43. The applicant's mark consists of the words "BEAUTIFULLY EFFECTIVE". These words are in a standard font with no stylisation and are presented as capital letters.<sup>23</sup> The overall impression of the contested mark rests in the phrase as a whole; neither word is more dominant than the other.

44. The opponent's mark consists of the words "GREY FAMOUSLY EFFECTIVE", arranged over two lines with "GREY" on the top. The mark is presented in a standard, serifed font and in identically-sized capital letters. In my view, the word "GREY" is slightly more dominant than the others, because of its placing at the top. The layout means that the average consumer is likely to read "FAMOUSLY EFFECTIVE" as a comment on "GREY".

45. Visually, the applicant's mark, containing two words and 20 letters is shorter than the opponent's, containing three words and 21 letters. The final word "EFFECTIVE" is identical in each mark, and the preceding word in each case is an adverb ending with "-LY". The opponent's adverb ("FAMOUSLY") has 8 letters, while the applicant's (BEAUTIFULLY) has 11. The three words in the opponent's mark are arranged over two lines (one word, then two), with the first word centred. I find that the marks are visually similar, but to a relatively low degree.

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<sup>23</sup> Registration of a trade mark in capital letters covers use in lower case, as stated by Professor Ruth Annand, sitting as the Appointed Person, in *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17.

46. The opponent notes that 4 out of the 7 syllables in each of the marks are identical (LY E-FFEC-TIVE). It states that the earlier mark “will be pronounced ‘GREY [pause] FAMOUSLY EFFECTIVE’, such that the ‘FAMOUSLY EFFECTIVE’ element stands apart from the ‘GREY’ element, emphasising the phonetical similarity between the respective signs”. That there should be a pause between the first and second words of the earlier mark seems to me to be plausible. The effect of such a pause would, in my view, be to emphasise the first word in the mark. The pause allows time for the hearer to absorb that unit of information before turning attention to the second and third words. Accordingly, while I find that there is some aural similarity, this is at no more than a medium level.
47. The opponent maintains that conceptually the phrases “BEAUTIFULLY EFFECTIVE” and “FAMOUSLY EFFECTIVE” are almost identical, on the basis that “each comprises the word ‘EFFECTIVE’ with a laudatory adverb preceding it”. In my view, the average consumer will ascribe different meanings to the two adverbs. “BEAUTIFULLY EFFECTIVE” suggests something that is attractive to the eye, as well as something that performs its task particularly well. On the other hand, “FAMOUSLY EFFECTIVE” suggests something that is renowned for performing its task well. Appearance does not enter into consideration. The “GREY” in the opponent’s mark is likely to be interpreted by the average consumer as a reference to a name or the colour. Bearing these factors in mind, I consider that the marks are conceptually similar to a low degree.

### **Distinctiveness of the earlier mark**

48. There is, as has already been noted, a greater likelihood of confusion if the earlier mark is highly distinctive. The CJEU provided guidance on assessing a mark’s distinctive character in *Lloyd Schuhfabrik Meyer*.

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular

undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

49. However, simply considering the level of distinctive character possessed by the earlier mark is not enough. As Mr Iain Purvis QC, sitting as the Appointed Person, in *Kurt Geiger v A List Corporate Limited*, BL O/075/13, pointed out:

“It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.”<sup>24</sup>

50. I find that the earlier mark has a medium level of inherent distinctiveness. “GREY”, as a colour or surname, does not describe or allude to the services covered by the mark. I have been provided with no evidence to suggest that it has any more significance than a random word from the dictionary. It is “GREY” that I considered to be a dominant and distinctive element of the mark earlier in this Decision. “FAMOUSLY EFFECTIVE” alludes to the quality of the services provided under

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<sup>24</sup> Paragraph 39.

the mark, and will be seen as a strapline or comment. The distinctiveness of the mark is provided by the element that has no counterpart in the applicant's mark.

51. The opponent claims that its mark has gained an enhanced level of distinctiveness through use in the UK and other EU Member States. As I have already noted in paragraph 14 of this Decision, the opponent has provided evidence showing use of the mark in a variety of forms on its global website, the websites of its offices in a selection of EU Member States, and across social media platforms. However, I am not persuaded by the evidence supplied that the opponent has shown that its use has increased the capacity of the mark to identify the services in question as coming from the opponent in the UK. I accept that the mark, in its variant forms, has been used by the company itself throughout the EU on its website, but I have been provided with only one use of any of the forms of the mark by a third party (a posting on Instagram).<sup>25</sup> This is not enough for me to find that use has increased the inherent level of distinctiveness of the mark in the UK, which I found to be medium.

### **Conclusions on likelihood of confusion**

52. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred in paragraph 29. I must also have regard to the interdependency principle, that a lesser degree of similarity between the services may be offset by a greater degree of similarity between the marks, and vice versa.<sup>26</sup> I found that the applicant's services are either identical or highly similar to the services covered by the opponent's mark, and that the respective marks are visually and conceptually similar to a relatively low degree and aurally similar to a no more than medium degree. The distinctiveness of the earlier mark must also be taken into account, and I found this to be at a medium level, but bearing in mind the comments in *Kurt Geiger*, referred to in paragraph 49 above, I do not consider that the mark's distinctiveness increases the likelihood of confusion.

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<sup>25</sup> Exhibit JAG15

<sup>26</sup> *Canon Kabushiki Kaisha*, paragraph 17.



53. The global assessment does not imply an arithmetical exercise, where the factors are given a score, and the result of a calculation reveals whether or not there is a likelihood of confusion. I must keep in mind the average consumer for the services and the nature of the purchasing process. I recall that it is generally accepted that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind.<sup>27</sup>
54. The opponent claims that the degree of attention paid by the average consumer will be average, while the applicant maintains that an above average level of attention will be paid. The less attention that is paid by the average consumer, the more important will be the role of imperfect recollection. In paragraph 39, I stated that I found that the average consumer was a business or professional and would be paying a higher than average level of attention. The services are purchased infrequently and branding, advertising and marketing are core contributors to a business's success. In my view, the average consumer would be taking a great deal of care in choosing a supplier of these services. I also found that "GREY" was the dominant element of the earlier mark, and this would reduce the likelihood of confusion.
55. Accordingly, I find there is no likelihood of confusion between the opponent's and applicant's marks. The section 5(2) ground of opposition fails.

### **Section 5(3) ground**

56. Section 5(3) of the Act states that a trade mark which 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

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<sup>27</sup> *Lloyd Schuhfabrik Meyer*, paragraph 27.

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”.

57. The conditions of section 5(3) are cumulative:

- 1) The opponent must show that the earlier mark has a reputation.
- 2) The level of reputation and the similarities between the marks must be such as to cause the public to make a link between the marks.
- 3) One or more of three types of damage (unfair advantage, detriment to distinctive character or repute) will occur.

It is not necessary for the goods or services to be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks. However, as will be recalled, I have found the services to be identical or highly similar.

58. The test for a qualifying reputation was set out by the CJEU in *General Motors v Yplon SA*, C-375/97:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

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

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

59. As the earlier mark is an EUTM, the relevant territory for an assessment of reputation is the EU. As I have already noted in my consideration of the distinctiveness of the earlier mark (paragraph 51 of this Decision), the opponent has not submitted information that would enable me to make an assessment of whether the mark is known by a significant part of the public concerned by the services covered by the mark. Consequently, I am unable to find that the earlier mark has a reputation and the ground fails.

### **Section 5(4)(a) ground**

60. Section 5(4)(a) of the Act states that:

“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 or 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’.

61. In *Jadebay Limited, Noa and Nani Limited Trading as the Discount Outlet v Clarke-Coles Limited Trading as Feel Good UK* [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL) namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all these limbs.

56. In relation to deception, the court must assess whether ‘a substantial number’ of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

62. *Halsbury’s Laws of England* Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309, 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.”

63. The sign that the opponent claims would be protected under the law of passing off is “FAMOUSLY EFFECTIVE”. First, I must consider whether there is protectable goodwill.

64. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages 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. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

65. The opponent must provide evidence to satisfy the tribunal that on the relevant date it had protectable goodwill in the United Kingdom. In paragraph 26, I found that the first relevant date was August 2016. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J commented on the requirements for proof of goodwill:

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

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

66. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J (as he then was) stated that:

“The above observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any

absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application."

67. Goodwill arises as a result of trading activities. The evidence indicates that the opponent's current and past clients include well-known UK companies such as Marks & Spencer, Greene King and Vodafone. What the opponent must demonstrate is that the goodwill existed in August 2016, when we see the first use of the applicant's mark. It is not clear when the aforementioned businesses were clients. However, Grey London's Twitter page, dated 20 August 2013, does mention *The Sun*, The Great British Beer Festival and Fairy Liquid as clients.<sup>28</sup> On 22 June 2016, Grey Europe posted a photograph to Instagram to celebrate winning an award for work done for the art gallery Tate Britain.<sup>29</sup> The law may protect even small levels of goodwill: see *Stacey v 2020 Communications* [1991] FSR 49 and *Lumos Skincare Limited v Sweet Squared Ltd, Famous Names LLC and Sweet Squared (UK) LLP* [2013] EWCA Civ 590. The opponent has also supplied the profit and loss account for 2015 and 2016 for Grey Advertising Limited, the London arm of the business. In 2015, revenue from operations in the UK was £27,233,160; in 2016, it was £31,098,758, although some of this will have been earned after the relevant date.<sup>30</sup>

68. As evidence to support its claim that it has protectable goodwill, the opponent cites uses of "FAMOUSLY EFFECTIVE" on its global website since at least as early as 29 October 2013, on its social media accounts, and on the email signatures of employees and directors of Grey London. It goes on to state that:

"In addition, and aside from the above, as set out in the Witness Statement, the Earlier Unregistered Mark has also been used as part of the extended marks 'GREY FAMOUSLY EFFECTIVE', 'GREY LONDON FAMOUSLY

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<sup>28</sup> Exhibit JAG12.

<sup>29</sup> Exhibit JAG15.

<sup>30</sup> Exhibit JAG3.

EFFECTIVE' and 'GREY FAMOUSLY EFFECTIVE SINCE 1917', contributing to the goodwill in connection with the Earlier Unregistered Mark itself."

69. I find that the opponent has demonstrated protectable goodwill. The evidence shows a systematic use of the phrase "famously effective" in one of its variants since 2009 through to August 2016.

70. I will now consider whether there is misrepresentation. The relevant test was set out by Morritt LJ in *Neutrogena Corporation and another v Golden Limited and another* [1996] RPC 473:

"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] RPC 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 4<sup>th</sup> 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 RPC 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 RPC 97 at page 101."

71. In the same case, Morritt LJ stated that it is the plaintiff's (in this case, the opponent's) customers or potential customers that must be deceived. Earlier in this Decision, I found that the consumers of the opponent's services would be likely to be paying higher than average levels of attention when selecting a provider. In my view, it is unlikely that the opponent's customers would be deceived by the applicant's mark. I have been provided with evidence of "FAMOUSLY EFFECTIVE" used in close conjunction with "GREY", but very little evidence of its use on its own.



72. I consider that it may be possible that some customers will see the applicant's mark and wonder if there is a connection between the applicant and the opponent. However, I note the comments of Mr Iain Purvis QC, sitting as a Recorder of the Court, in *W.S. Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18 (PCC):

“Mr Aikens stressed in his argument the difference between ‘mere wondering’ on the part of a consumer as to trade connection and an actual assumption of such a connection. In *Phones4U Ltd v Phone4U.co.uk Internet Ltd* [2007] RPC 5 at 16-17 Jacob LJ stressed that the former was not sufficient for passing off. He concluded at 17:

‘This of course is a question of degree – there will be some mere wonderers and some assumers – there will normally ... be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.’<sup>31</sup>

73. Consequently, I find that there is no misrepresentation and the section 5(4)(a) ground fails.

## **Conclusion**

74. The opposition has failed. The application by Salad Creative Limited may proceed to registration.

## **Costs**

75. The applicant has been successful and is entitled to an award of costs. Awards of costs are governed by Tribunal Practice Notice (“TPN”) 2/2016. They are intended to represent a contribution towards the costs of proceedings. I award the applicant the sum of £1000 which is calculated as follows:

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<sup>31</sup> Paragraph 54.

|   |                  |
|---|------------------|
| <i>Considering the notice of opposition and preparing<br/>and filing the counterstatement</i> | £200             |
| <i>Preparing evidence</i>   | £500             |
| <i>Preparation of written submissions</i>   | £300             |
| <br><b><i>Total</i></b>   | <br><b>£1000</b> |

76. I therefore order Grey Global Group LLC to pay Salad Creative Limited the sum of £1000. The above sum should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 18<sup>th</sup> day of October 2018**

**Clare Boucher  
For the Registrar,  
Comptroller-General**