

O/0143/23

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3609990
BY EFG HERMES HOLDING SAE**

TO REGISTER:

The logo for EFGHERMES features a stylized 'E' symbol on the left, composed of three horizontal bars. To its right, the letters 'EFGHERMES' are written in a bold, sans-serif font. The 'EFG' portion is colored in a gradient from yellow to green, while 'HERMES' is in a solid green color.

AS A TRADE MARK IN CLASSES 16 & 36

AND

**IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 427488 BY
EFG BANK EUROPEAN FINANCIAL GROUP SA**

BACKGROUND AND PLEADINGS

1. EFG Hermes Holding SAE (“the applicant”) applied to register the trade mark shown on the front cover of this decision in the United Kingdom on 15 March 2021. The applicant is an Egyptian investment bank, founded in 1996 on the merger of The Egyptian Financial Group and Hermes, an Egyptian finance house. Its application was accepted and published on 13 August 2021 in respect of the following goods and services:

Class 16

Paper and cardboard; printed matter; bookbinding material; photographs; stationery and office requisites, except furniture; adhesives for stationery or household purposes; drawing materials and materials for artists; paintbrushes; instructional and teaching materials; plastic sheets, films and bags for wrapping and packaging; printers’ type, printing blocks.

Class 36

Financial, monetary and banking services; insurance services; real estate affairs; investment banking services; factoring services; leasing services; securities brokerage; asset management services.

2. On 13 October 2021, the application was partially opposed by EFG Bank European Financial Group SA (“the opponent”), a Swiss-based bank group. It claims to have been using “EFG” as a brand since 1996 throughout the world, including in the UK, where it operates through the following entities: EFG Private Bank Ltd, EFG Asset Management (UK) Ltd, and EFG Harris Allday, a division of EFG Private Bank, providing investment management and financial planning services and formed when the opponent acquired the broker Harris Allday in 2006. The opposition is based on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and concerns *Printed matter* and *Instructional and teaching materials* in Class 16, along with the whole of the applied-for services in Class 36.

3. Under section 5(2)(b), the opponent is relying on the following UK trade marks (“UKTMs”):

Mark	Services relied on
<p>UKTM No. 2134924B (“EFG word mark”)</p> <p>EFG</p> <p>Application date: 6 June 1997</p> <p>Registration date: 23 January 1998</p>	<p><u>Class 36</u></p> <p><i>Banking services; financial services; provision of cash; financial management; financial analysis and consulting services; provision of financial information; brokerage; capital investments; savings and investment services; provision of credit and loans; credit administration; investment management and advisory services; trust and fund management; vaults and safety deposit services; organisation, management and control of banking and financial matters; consultancy services relating to banking, financial and investment matters; and advice on financial matters.</i></p>
<p>UKTM No. 3207823 (“stylised EFG marks”)</p>  <p>Application date: 20 January 2017</p> <p>Registration date: 14 April 2017</p>	<p><u>Class 36</u></p> <p><i>Banking services; financial services; provision of cash; foreign exchange services; financial management; financial analysis and consulting services; provision of financial information; brokerage; capital investments; corporate finance services; savings and investment services; provision of credit and loans; wealth management services; investment management and advisory services; fund management; vaults and safety deposit services; consultancy services relating to banking, financial and investment matters; advice on financial matters; information services relating to banking, finance and investment, provided on-line from a computer database or the Internet; electronic banking services provided via the Internet or computer or other communication networks or systems;</i></p>

Mark	Services relied on
	<i>asset management; fund management; hedge fund management; investment fund management; investment services; investment management services, namely investment trust management; financial management and consultancy services; portfolio management; financial and investment analysis; financial and investment research; execution of financial transactions; capital investments; advisory, information and consultancy services in relation to the aforesaid services.</i>
UKTM No. 3549541 ("Private Bank mark") EFG PRIVATE BANK Application date: 28 October 2020 Registration date: 5 March 2021	As above
UKTM No. 801049497 ("Asset Management mark") EFG ASSET MANAGEMENT Application date: 12 July 2010 Registration date: 2 August 2011	<u>Class 36</u> <i>Financial services; asset management; fund management; hedge fund management; investment fund management; investment services; investment management and advisory services; financial management and consultancy services; portfolio management; financial and investment analysis; financial and investment research; execution of financial transactions; provision of financial information; capital investments; advisory, information and consultancy services in relation to the aforesaid services.</i>

4. The Asset Management mark is a comparable mark. As a result of the opponent's IR(EU) No. 1049497 being protected as at the end of the Implementation Period (11pm on 31 December 2020), a comparable UK trade mark was automatically created under

Article 54 of the Withdrawal Agreement. The comparable UK mark now recorded on the UK Trade Mark Register has the same legal status as if it had been applied for and registered under UK law, and retains its original international filing date.

5. The opponent claims that the contested mark is highly similar to the earlier marks and that the goods and services are either identical or highly similar. Consequently, it claims that there exists a likelihood of confusion on the part of the relevant public in the UK. This likelihood, it argues, is increased by the enhanced distinctiveness of the earlier marks.

6. Under section 5(3), the opponent is relying on the same four earlier marks and claims that they have a reputation for all the services listed in the table in paragraph 3. It asserts that the high similarity between the marks, and the identity or high degree of similarity between the goods and services, will inevitably create a link between the contested mark and the earlier marks. It claims that use would be without due cause and that damage will occur in at least one of the following ways:

- Detriment to the economic value of the earlier marks as consumers will be less inclined to associate them with the opponent;
- Detriment to the advertising function of the earlier marks as a vehicle for building up and retaining brand loyalty; and/or
- Unfair advantage to the applicant, who will benefit from the opponent's investment in and marketing of its marks.

7. Under section 5(4)(a), the opponent claims to have used the sign **EFG** throughout the UK since 1996 for the following services:

Banking services; financial services; provision of cash; financial management; financial analysis and consulting services; provision of financial information; brokerage; capital investments; savings and investment services; provision of credit and loans; credit administration; investment management and advisory services; trust and fund management; vaults and safety deposit services; organisation, management and control of banking and financial matters;

consultancy services relating to banking, financial and investment matters; and advice on financial matters.

8. It claims to have acquired substantial goodwill in respect of this sign and that use of the contested mark would constitute a misrepresentation to the public that would damage this goodwill. Consequently, use of the contested marks would be contrary to the law of passing off.

9. The applicant filed a defence and counterstatement denying the claims made and putting the opponent to proof of use of the earlier marks. Under section 5(3), it claims to have due cause to use and register the contested mark because the letters “EFG” would be recognised by UK consumers as meaning “Egyptian Financial Group” and it had used “EFG” for financial services and related products and services since at least 1984. In addition, it claims to have used the name “EFG HERMES” since 1996. Further, or in the alternative, the applicant pleads a defence of honest concurrent use.

Amendments to the application

10. On 27 October 2022, the applicant filed amendments to its specification, restricting the scope of the opposed Class 16 goods and deleting all but one of the opposed Class 36 services.

11. The opponent confirmed that the amendments did not deal with its objections and the opposition continued, with the opposed goods and services being:

Class 16

Printed matter relating to investment banking; instructional and teaching materials relating to investment banking.

Class 36

Investment banking services.

HEARING

12. The matter came to be heard before me via videolink on 1 November 2022. The opponent was represented by Thomas St Quintin of Counsel, instructed by CMS Cameron McKenna Nabarro Olswang LLP. The applicant was represented by Ian Bartlett of Beck Greener LLP. At this point, I note that the focus of the oral submissions made to me was the applicant's claims of honest concurrent use and due cause.

EVIDENCE

13. The opponent's evidence comes from Eric Bertschy, the Deputy Chief Executive Officer of EFG Bank European Financial Group SA since 2014. His witness statement is dated 7 April 2022, is accompanied by 10 exhibits and goes to the use made of the earlier marks, their reputation and goodwill.

14. The applicant's evidence comes from Mohamed El Wakeel, Group Chief Operations Officer of EFG Hermes since 2017. His witness statement is dated 7 July 2022, is accompanied by 32 exhibits and goes to the use of the contested mark, its recognition in the UK and the claims of honest concurrent use and due cause.

DECISION

Section 5(2)(b)

15. Section 5(2)(b) of the Act is as follows:

“A trade mark shall not be registered if because –

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

(b) 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.”

16. The marks relied on by the opponent qualify as earlier marks under section 6(1) of the Act as they were all applied for before the application date of the contested mark (“the relevant date”). The EFG word and Asset Management marks were applied for more than five years before the relevant date and so are subject to the provisions of section 6A of the Act which set out the use conditions that are to be met. The stylised EFG and the Private Bank marks are not caught by these provisions and so the opponent may rely on all the services for which they stand registered.

17. Mr Bartlett accepted that the EFG word mark had been genuinely used in relation to private banking services.

My approach

18. I shall begin by assessing the section 5(2)(b) ground on the basis of the earlier marks which are not subject to proof of use. This is because they have the widest specifications, which are identical for both marks. If the opposition fails with respect to these marks, I shall come back to the remaining earlier marks.

The principles to be applied

19. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the Court of Justice of the European Union (“CJEU”) in *SABEL BV v Puma AG* (Case C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (“OHIM”)* (Case C-3/03), *Medion AG v Thomson*

*Multimedia Sales Germany & Austria GmbH (Case C-120/04), Shaker di L. Laudato & C. Sas v OHIM (Case C-334/05 P) and Bimbo SA v OHIM (Case C-519/12 P):*¹

- 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 they have kept in their 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;

¹ Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why the decision continues to make reference to the trade mark case law of EU courts.

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; and

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 goods and services

20. It is settled case law that I must make my comparison of the goods and services on the basis of all relevant factors. These may include the nature of the goods and services, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. Goods and services are complementary when

“... 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.”²

² *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82.

21. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of ‘dessert sauce’ did not include jam, or because the ordinary and natural description of jam was not ‘a dessert sauce’. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”³

22. In *Sky Plc & Ors v Skykick UK Ltd & Anor* [2020] EWHC 990 (Ch), Arnold LJ set out the following summary of the correct approach to interpreting terms in trade mark specifications:

“...the applicable principles of interpretation are as follows:

(1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.

(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.

(3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.

³ Paragraph 12.

(4) A term which cannot be interpreted is to be disregarded.”⁴

Class 36

23. The applicant’s Class 36 services (*Investment banking services*) are included in the opponent’s broader *Banking services*, which are covered by both the earlier marks I am currently considering. Where a term in one specification is included in a more general category found in the other specification, those terms may be considered as identical: see *Gérard Meric v OHIM*, Case T-133/05, paragraph 29.

Class 16

24. I turn first to the contested *Printed matter relating to investment banking*. The opponent’s specifications include *Advisory, information and consultancy services in relation to the aforementioned services* where those services include *Banking services*. The purpose of both the goods and services is similar, namely to provide information about various aspects of banking (including investment banking) services, although the opponent’s services will also extend to advising clients on the investments they make and appropriate banking services for their needs. They will have the same users and share trade channels, but the nature of the goods and services differs. In my view, the average consumer would expect the same undertaking to provide advisory and information services, supported by a selection of booklets and other printed matter that the consumer could take away to read later. There may be a degree of competition, as in some cases the user could choose to do research into investment banking themselves or employ an advisor. I find that there is at least a medium degree of similarity between these goods and services.

25. The final term to be considered is *Instructional and teaching materials relating to investment banking*. In my view, the ordinary and natural meaning of this term would be printed materials used in the course of educating someone about investment banking, perhaps in the context of professional training. The users are therefore likely to be people working, or aspiring to work, in the investment banking sector, and they

⁴ Paragraph 56.

will use the materials in order to improve their knowledge and skills. In my view, the closest comparison in the opponent's specification is with *Information services relating to banking, finance and investment, provided on-line from a computer database or the Internet*. While the nature of the goods and services differs, I find that there is likely to be some overlap in purpose as both goods and services will be used to improve the knowledge of the user. There will also be an overlap in user, and I accept that the opponent's services are likely to be aimed more widely, including to customers of financial services providers, journalists and researchers. I consider that the user of the applicant's goods would expect them to be supported by electronic resources. Taking all these factors into account, I find that there is a low degree of similarity between the goods and the services.

Average consumer and the purchasing process

26. In *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors* [2014] EWHC 439 (Ch), Birss J (as he then was) 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.”⁵

27. The average consumer of *Investment banking services* is an organisation, such as a business or government. In making this finding, I have taken account of the definition of investment banking provided by Mr El Wakeel in his witness statement, and which was not challenged by Mr St Quintin. It also accords with my understanding of the meaning of investment banking and is as follows:

⁵ Paragraph 60.

“Investment banking aims to generate capital for companies and other entities, organisations and institutions, such as governments and sovereign wealth funds. To this end, it includes underwriting debt, assisting in the sale of securities, helping to facilitate mergers, acquisitions and reorganisations, and helping to facilitate financial trades. Investment banks assist corporations, governments, and other institutions to plan and manage the financial aspects of large projects.”⁶

28. I agree with Mr Bartlett that these services will be chosen with a significant degree of care. They are unlikely to be a frequent purchase and will be costly. The average consumer will pay a high degree of attention, given the importance of the services to the organisation’s financial performance and the high premium placed in this sector on trust. The average consumer will encounter the marks in printed brochures or other promotional material, online or through word-of-mouth recommendations. Both visual and aural aspects of the mark will play a role in the purchasing process.

29. The average consumer of the applicant’s *Printed matter relating to investment banking* is likely to be the same as the consumer of *investment banking services*, although professional advisors may also purchase the goods to help them advise their clients. *Instructional and teaching materials relating to investment banking* would be bought by institutions offering education in this sector or the individuals or organisations taking part in any relevant training. The level of attention is likely to be lower, although, given the subject matter, I would place it at between medium and high. The visual aspects of the mark are likely to be more important than the aural as it would be expected that the goods themselves would bear the mark and so the consumer would see it when buying them. However, I do not discount the possibility of word-of-mouth recommendations.

30. The opponent’s *Advisory, information and consultancy services in relation to ... Banking services* would be purchased by organisations and private individuals. These services will be bought fairly infrequently but are likely to be of great importance to the customer. Therefore, it is my view that the average consumer will be paying a high

⁶ Paragraph 7.

degree of attention. The purchasing process will be largely visual, although I do not discount the possibility of word-of-mouth recommendations.

31. The opponent's *Information services relating to banking, finance and investment, provided on-line from a computer database or the Internet* will vary in price. Consumers may subscribe to databases or analytical services which can be expensive; at the other end of the scale, some information services may be available on the internet free of charge, perhaps as a way of promoting other services supplied by the provider. The level of attention will, in my view, vary according to the cost of the services, although, given the potential significance of the information for the financial health of the user, it is unlikely to be low. Considering these factors, I find that the level of attention paid will on average be between medium and high. The visual aspect is likely to be the most important as consumers will see the mark used online or in promotional material, but aural recommendations may also be relevant.

Comparison of marks



32. It is clear from *SABEL* (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* 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.”⁷

⁷ Paragraph 34.

33. 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.

34. The respective marks are shown below:

Earlier marks	Contested mark
<p>Stylised EFG marks:</p>  <p>Private Bank mark:</p> <p>EFG PRIVATE BANK</p>	

35. The contested mark consists of the letters “EFGHERMES” joined together in a very lightly stylised typeface and preceded by three horizontal lines.⁸ The mark is in green, with the letters “EFG” appearing in a lighter shade than the rest of the mark. This presentation serves in the eye of the consumer to distinguish “EFG” from “HERMES”. Both the word elements will make a contribution to the overall impression of the mark. In my view, each of these elements has an independent distinctive role, as together the words do not create more than the sum of their parts. The three lines at the beginning of the mark will be seen as decorative and play a lesser role in the overall impression of the mark, as will the colour arrangement and the stylisation.

⁸ The stylisation is mainly apparent in the crossbar of the letter “H” in “HERMES”.

Comparison with the stylised EFG marks

36. The stylised EFG marks are a series consisting of the same three letters in the same order, in a slightly stylised form. The first mark in the series has black letters, while the second mark has white letters on a black background. In both marks in the series, the bottom left corner of the letter E is rounded and the top left corner of the letter F has been replaced by a red quarter-circle with a border in the same colour as the background. The stylisation makes a small contribution to the overall impression of the mark, with the greater part played by the letters “EFG”. Nothing turns on the differences between these marks and so I shall refer to them in the singular from now on.

37. The stylisation of the earlier mark is a point of visual difference between it and the contested mark. There is also a noticeable difference in the length of the mark and the colours used, and the contested mark begins with a simple device. Nevertheless, the letters EFG are clearly identifiable in both marks. I find that they are visually similar to a low degree.

38. The earlier mark would be pronounced as three letters – “EE-EFF-GEE” – while the contested mark would be articulated as “EE-EFF-GEE-HER-MEEZ” (or “HER-MEZ”). The beginnings are clearly identical, with the contested mark being two syllables longer. I find that the marks are aurally similar to a medium degree.

39. I come now to the conceptual comparison. The applicant has claimed that the consumer will understand “EFG” to refer to “Egyptian Financial Group”, but I do not consider that this is borne out by the evidence. The only reference I can find to this longer name is an article from *The Economist* dated 4 June 1997.⁹ It is my view that the average consumer will ascribe no meaning to the letters “EFG” and so I find the earlier mark to be conceptually neutral. Hermes is the name of the ancient Greek messenger god and in my view a proportion of consumers will know this; for these consumers, the marks are conceptually dissimilar. However, I also consider that there

⁹ Exhibit MW20, page 10.

will be a proportion of consumers who will see “HERMES” as an invented word; for those consumers, the marks will be conceptually neutral.

Comparison with the Private Bank mark

40. The Private Bank mark is a plain word mark consisting of the words “EFG PRIVATE BANK”. Registration of a word mark protects that word or words irrespective of colour, capitalisation or typeface: see *LA Superquimica v European Union Intellectual Property Office*, Case T-24/17, paragraph 39. The average consumer will see “PRIVATE BANK” as descriptive of the provider of at least some of the services for which it is registered, while “BANK” is descriptive of the provider of all of them and so “EFG” is the dominant and distinctive element of this mark in so far as it would be used for *Private banking services*. With regard to the other services, “EFG” plays the greater role in the overall impression of the mark.

41. The earlier mark consists of three words, the first of which (“EFG”) is wholly contained in the contested mark. Even for those services where “EFG” is the dominant and distinctive element of this earlier mark, I am conscious that I must compare the marks as wholes. The additional letters in both marks and the figurative element in the contested mark lead me to find that there is a low degree of visual similarity between the marks.

42. The earlier mark would be pronounced as a three-letter abbreviation with the words “PRIVATE BANK” given their usual pronunciations. The earlier mark has six syllables to the contested mark’s five, with only the first three of those being identical. I found that “PRIVATE BANK” was descriptive for at least some of the services, but recall the comments of Mr Philip Harris, sitting as the Appointed Person in *The Stockroom (Kent) Ltd v Purity Wellness Group Ltd*, BL O-115-22, that “*Descriptiveness does not of itself render an element negligible or aurally invisible*”.¹⁰ I find that the marks are aurally similar to a low degree.

¹⁰ Paragraph 31.

43. I have already discussed the conceptual content of the contested mark. The earlier mark consists of “EFG” with an element indicating an organisation providing the services (“PRIVATE BANK”). This second element is descriptive for *Private banking services*, but for the remaining services it will bring to mind an exclusive, possibly discreet institution. The marks are therefore conceptually dissimilar.

Distinctive character of the earlier marks

44. In *Lloyd Schuhfabrik Meyer*, the CJEU stated that:

“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 Alternberger* [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).”

45. Registered trade marks possess varying degrees of inherent distinctive character. This is likely to be lower where a mark may be suggestive of, or allude to, a characteristic of the goods or services, and higher for invented words which have no allusive qualities.

46. I have already found that the average consumer would not attach any particular meaning to the letters “EFG”. I find that the inherent distinctiveness of the letters is at a medium level. The stylisation of the stylised EFG mark is in my view not sufficiently pronounced to make a noticeable difference to the inherent distinctive character of the mark. In the Private Bank mark, I found that “EFG” was the distinctive, or more distinctive, element. The addition of the phrase “PRIVATE BANK” does not increase the inherent distinctiveness, which I find to be medium.

Has the inherent distinctiveness of the earlier marks been enhanced through use?

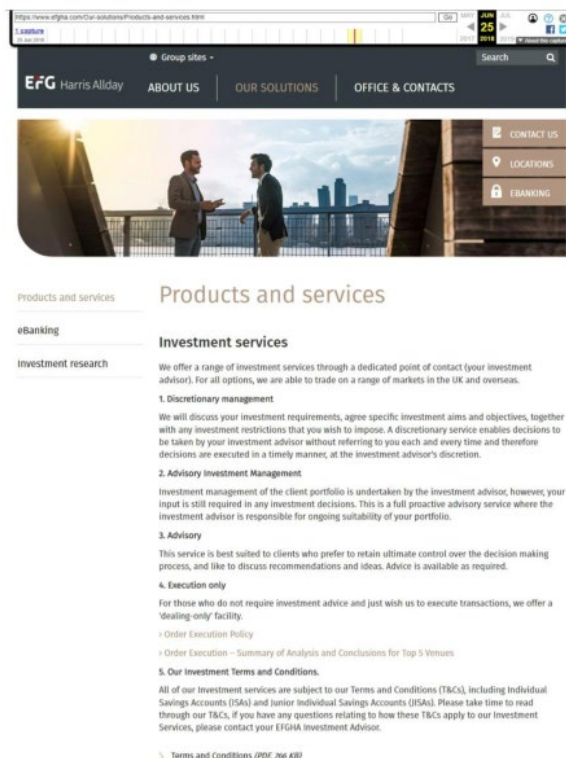
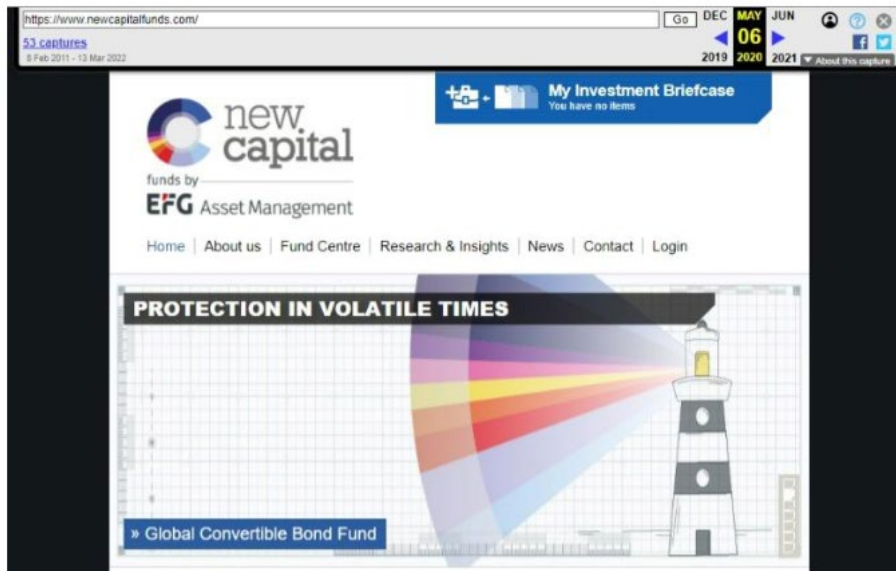
47. I shall consider the stylised EFG mark first.

48. Giving evidence for the opponent, Mr Bertschy states that his company has been using “EFG” in the UK from 1997. A stylised form appears to have been in use from at least 2017, as shown in the photograph below.¹¹ This form only differs from the earlier mark in the colour of the quarter-circle of the F. I consider that this variant will not affect the distinctive character of the mark.



¹¹ Exhibit EB-6, page 21.

49. Website screenshots and investment and market review publications show that it was still in use up to 2021 for private banking services, such as asset and fund management.¹² The screenshots below date from 6 May 2020 and 25 June 2018:¹³



¹² Exhibit EB-4.

¹³ Exhibit EB-4, pages 15 and 34.

50. It is also used on the opponent’s social media accounts as shown by the following examples from 2019:¹⁴



51. Extracts from the annual reports of EFG Private Bank Ltd and EFG Asset Management Ltd show the volume of income generated and assets under management in the UK:¹⁵

<i>EFG PRIVATE BANK LTD</i>		2016	2017	2018	2019	2020
Operating Income:	In GBP million	70.0	85.5	123.4	112.1	116.4
Value of Revenue-generating client Assets under Management:	In GBP billion	14.1	14.6	14.9	14.9	16.5

¹⁴ Exhibit EB-7, page 51.

¹⁵ Exhibit EB-4; Witness statement, paragraph 3.4.

<i>EFG ASSET MANAGEMENT (UK) LTD</i>		2016	2017	2018	2019	2020
Operating Income (net fee and commission income):	In GBP million	21.1	26.3	22.7	27.2	37.0
Value of Revenue- generating Assets under Management:	In GBP billion	4.7	5.5	7.7	7.9	10.4

52. Mr Bertschy states that EFG is “*highly recognised in the financial industry*” and has received several awards.¹⁶ Examples from 2020-2021 are given. It is not clear the extent to which these reflect the business done in the UK, although I note that one of the senior directors at EFG Private Bank in the UK was named in “The 2021 PAM Top 40 Under 40” as having delivered £108 million of assets under management in 2020.¹⁷

53. It is also difficult to determine the use in the UK of the opponent’s social media accounts on Facebook, Twitter and LinkedIn as figures are not disaggregated by location.¹⁸

54. The opponent has been active in sponsoring people and activities related to what a 2019 report describes as its “*core sponsorship themes of art, music and classic cars*”.¹⁹ For example, it has sponsored the London Jazz Festival since 2008 (and been the headline sponsor from 2013) and the Southbank Sinfonia, an orchestra of early-career musicians, since 2009. Since 2015, it has had a relationship with Cowdray Park Polo Club.²⁰

55. The opponent has promoted its private banking services by advertising in publications such as *Classic and Sportscar Magazine* and *Octane Magazine* in 2017,

¹⁶ Paragraph 7.1.

¹⁷ Exhibit EB-10, pages 2-3.

¹⁸ Exhibit EB-8.

¹⁹ Exhibit EB-7, page 47.

²⁰ Paragraph 5.5.

Country Life in 2017 and 2018, *BBC Proms* programmes in 2018 and 2019, and *The Spectator* in 2019. The evidence of these is provided in the form of invoices.²¹ There is also a list of the publications and events where the marks were promoted.²² In the same exhibit, there can be found some examples of advertising which Mr Bertschy states were placed in publications during the five years before the application date of the contested mark. He says, “*In particular, EFG regularly placed adverts in the leading national daily newspaper the Financial Times for years. The Financial Times is the leading daily newspaper read by the business community in the UK...*”.²³ It is not clear from the examples of advertisements where they were published or when, but they all contain the stylised EFG mark, on its own, as part of another mark (as in the bottom corner of the photograph in paragraph 48 above), or with another mark (such as “Harris Allday”). It appears most frequently to be used with the phrase “Private Banking”.

²⁴ In my view, the public would perceive that goods or services denoted by the following form would come from the same undertaking as those supplied under the stylised EFG mark:



57. The services that are provided by the opponent under this mark can be described as private banking services. They are aimed at wealthy individuals, and the sponsorship activities reflect this. Jazz, classical music, classic cars and polo are not mainstream interests. While I do not have any data on the market share and it would have been preferable to have had a clearer indication of where particular samples of advertising appeared, I am satisfied that the distinctive character of the stylised EFG

²¹ Exhibit EB-4, pages 22, 23, 29, 32, 33, 38 and 39.

²² Exhibit EB-4, pages 1-4.

²³ Paragraph 5.2.

²⁴ Paragraph 30.

mark has been enhanced in so far as it concerns private banking services to a high level. For the remaining services, the level of distinctiveness remains at medium.

58. I shall now consider the Private Bank mark. I recall that I found “EFG” to be the dominant and distinctive element of this mark for services relating to private banking, and to make the greatest contribution to the overall impression of the mark for the other services. The abbreviation is used in a non-stylised, as well as the stylised, form to indicate trade origin. This is shown, for example, in the brochures in Exhibit EB-9. Furthermore, in my view, the stylised EFG mark will readily be identified as “EFG”. The stylisation does not, in the words of the General Court in *hyphen GmbH v European Union Intellectual Property Office*, Case T-146/15, “undermine the identification function of the registered mark”.²⁵ I therefore come to the same finding as I have made above, that the distinctive character of the Private Bank mark has been enhanced to a high level for private banking services.

Conclusions on likelihood of confusion

59. There is no scientific formula to apply in determining whether there is a likelihood of confusion. It is a global assessment where a number of factors need to be borne in mind. I must also take account of the interdependency principle, i.e. that a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods or services or vice versa. I keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them they have in their mind.

60. There are two types of confusion: direct and indirect. In *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes

²⁵ Paragraph 58.

are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but analysed in formal terms, is something along the following lines: ‘The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.’

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (‘26 RED TESCO’ would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as ‘LITE’, ‘EXPRESS’, ‘WORLDWIDE’, ‘MINI’ etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (‘FAT FACE’ to ‘BRAT FACE’ for example).”

61. In *Liverpool Gin Distillery Limited & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ commented that:

“This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition.”²⁶

62. He also said:

“As James Mellor QC sitting as the Appointed Person pointed out in *Cheeky Italian Ltd v Sutaria* (O/291/16) at [16] ‘a finding of likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion’. Mr Mellor went on to say that, if there is no likelihood of direct confusion, ‘one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion’. I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion.”²⁷

63. I shall begin by carrying out the global assessment on the basis of the stylised EFG mark. I remind myself that I made the following findings earlier in my decision:

- The contested services are identical and the contested goods are similar to at least a medium or a low degree to services that are covered by this mark;
- The average consumer is either an organisation or an individual who is paying a high or medium-to-high degree of attention during the purchasing process;
- The marks are visually similar to a low degree and aurally similar to a medium degree, while being conceptually dissimilar or neutral; and
- The earlier mark has a high level of distinctive character for private banking services, but a medium level of distinctive character for the other services in play.

²⁶ Paragraph 12.

²⁷ Paragraph 13.

64. There are, in my view, sufficient differences between the marks for the average consumer not to mistake one for another, and so direct confusion will not occur, even where the services are identical. I shall move on to consider whether there is a likelihood of indirect confusion. As the contested mark is a composite mark, I remind myself of the comments of Arnold J (as he then was) in *Whyte and Mackay Ltd v Origin Wine UK Ltd & Anor* [2015] EWHC 1271 (Ch). In this case, he considered the impact of the CJEU's judgment in *Bimbo* on the court's earlier judgment in *Medion* and said:

“18. The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19. The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks – visually, aurally and conceptually – as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20. The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meaning of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21. The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

65. Applying this case law to the facts, I note that I found that the marks were visually similar to a low degree and aurally similar to a medium degree, while being conceptually dissimilar or neutral. I made this comparison on the basis of the marks as a whole, but also noted that in my view the average consumer would perceive “EFG” and “HERMES” in the contested mark as having independent distinctive character. They do not combine to form a unit that hangs together and the whole does not have a different meaning to the meaning of the separate parts. Although I would find the “EFG” element of the contested mark to be visually similar and aurally identical to the stylised EFG mark, this does not necessarily mean that there is a likelihood of confusion between the marks at issue. I must still carry out a global assessment. I also remind myself that I must not make a finding of indirect confusion simply because the two marks contain a shared element: see *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, paragraph 81.4

66. It is necessary for me to consider the earlier mark to have been used in relation to all the services covered in the specification: see *Roger Maier & Anor v ASOS & Anor*, [2015] EWCA Civ 200, paragraph 78. While I have found use of the stylised EFG mark for *Private banking services*, the specification contains *Banking services* in general which are identical to the contested services and similar to a medium or low degree to the contested goods. Both marks could therefore be fairly used for *Investment banking services*. Even though the average consumer would be paying a high degree of attention when purchasing the services, the stylisation of either mark is not, in my view, so significant as to be remembered perfectly. The additional word “HERMES” in the contested mark is a clear point of difference between the marks, but given the identity of the services, I consider that the average consumer is likely to assume that the applicant’s mark denotes a relationship between the opponent and an entity under the name “HERMES” and so be indirectly confused. It is also my view that the average consumer would come to the same conclusion with regard to the goods and that a

provider of *Banking Services* has partnered with a business called “HERMES” to produce printed matter and instructional materials focusing on part of the sector in which the opponent may operate. I also find a likelihood of indirect confusion with respect to the opposed goods.

67. Subject to the applicant being able to rely on a defence of honest concurrent use, the opposition under section 5(2)(b) is wholly successful.

Honest Concurrent Use

The applicant’s evidence

68. At the start of this decision, I noted that the applicant was formed by the merger of The Egyptian Financial Group and Hermes. Mr El Wakeel states that the former was founded in 1984 and was known from the outset by the initials “EFG”.²⁸ The group employs over 5,000 people worldwide at offices in Egypt, Bahrain, Bangladesh, Jordan, Kenya, Kuwait, Nigeria, Oman, Pakistan, Saudi Arabia, Vietnam, the United Arab Emirates, and in London and New York.²⁹

69. Mr El Wakeel describes the applicant as “*one of the leading financial services providers in frontier emerging markets. (By ‘frontier’ I mean the less advanced economies in the developing world)*”.³⁰ The opponent does not dispute the scale of the applicant’s activities in these markets.

70. The following table shows global annual revenue figures since 2010:³¹

²⁸ Witness statement, paragraph 12.

²⁹ Paragraph 9.

³⁰ Paragraph 8.

³¹ Paragraph 17. “EGP” denotes Egyptian pounds.

Year	Revenue in EGP	Sterling equivalent (approx.)
2010	2 542 095 253	291 million
2011	1,810,969,249	188 million
2012	1,848,351,498	190 million
2013	2,292,152,707	210 million
2014	2,611,766,493	223 million
2015	1,069,906,119	91 million
2016	4,306,080,253	318 million
2017	4,349,245,742	186 million
2018	4,888,280,525	205 million
2019	6,739,679,445	313 million
2020	5,395,905,392	257 million

71. Since 1998, the applicant has been listed on the London Stock Exchange (“LSE”), in the form of US dollar-denominated Global Depositary Receipts (“GDRs”).³² Mr El Wakeel explains that *“These are bank certificates which represent shares in a foreign stock on two or more global markets.”*³³

72. A UK subsidiary, EFG Hermes UK Limited, was incorporated on 13 January 2017.³⁴ It has 9 full-time employees, is regulated by the Financial Conduct Authority (“FCA”) and has been authorised since 4 April 2018 to advise on investments (except on pension transfers and pension opt-outs), to arrange deals in investments, and to make arrangements with a view to transactions in investments.³⁵ Mr El Wakeel states that the UK subsidiary’s accounts for 2019 show a turnover of more than £2.5 million.³⁶ These accounts can be found in Exhibit MW11. I have reviewed this exhibit and cannot see that figure. However, it has been given in a witness statement and it is not implausible. I therefore accept it on that basis.

73. Mr El Wakeel states that annual reports and presentations in Exhibits MW6-MW8 provide evidence of the applicant’s activities in the UK. These are not, however, compelling. The 2013 results presentation states that the applicant’s securities brokerage platform has 100 clients in the UK.³⁷ The reference to the UK in the 2020

³² Paragraph 10.

³³ Paragraph 19.

³⁴ Exhibit MW10.

³⁵ Exhibit MW11.1.

³⁶ Paragraph 20.

³⁷ Exhibit MW7, page 8.

presentation consists of a footnote explaining that the GDRs (presumably the ones traded on the LSE) are included in the “Others” category of a bar chart showing average daily commissions by market.³⁸ Finally, the 2021 Sustainability Report refers to work done by a renewable energy investment platform, Vortex Energy, in the sale of a controlling stake in the 365MW Solar PV portfolio in the UK.³⁹ An award was won for this work in 2021, but it is not clear when the work actually took place or whether, or how, the contested mark was used in connection with it.

74. Between 2011 and 2019, the applicant held an annual conference in London. Information about the 2019 conference is shown below. Exhibit MW12 contains similar details for conferences held from 2011 onwards. The purpose of the conferences appears to be to provide opportunities for Middle East and North African (“MENA”) companies to meet with potential investors.

EFG Hermes Investor Conferences



The 9th London MENA Conference: Get Ready to Invest in a New Decade

- ≡ The annual London MENA conference places leading Middle Eastern and North African companies in the spotlight, to the benefit of MENA companies and leading emerging markets investors alike.
- ≡ Senior management of leading listed MENA-based companies will meet with UK- and Europe-based investors to give first-hand insights into their recent performance, showcasing value opportunities in this dynamic region.



9 th London MENA Conference	
Date	9-12 September 2019
Venue	Emirates Stadium, London, UK
Companies	177 Listed companies from xx countries
Investors	360 Fund managers from xx institutions with aggregate AUM of c. USD 14 trillion



[Visit Conference Website](#)

[View List of Participating Companies](#)

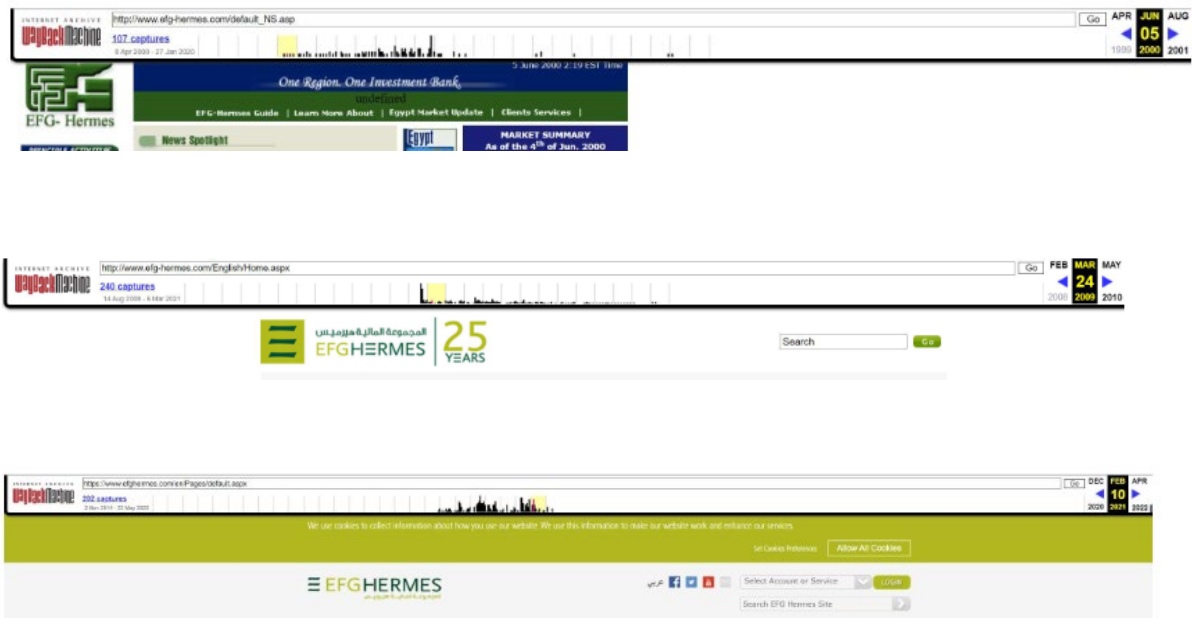
[Conference video loop presentation](#)

75. Mr El Wakeel states that his company’s business is promoted via its website. According to Mr El Wakeel, it “currently” receives about 15,000 unique visitors per

³⁸ Exhibit MW8, page 10. The other markets are Qatar, Oman, Lebanon and Jordan.

³⁹ Exhibit MW6, pages 9 and 10.

month and over the last two years 3% of these have come from the UK.⁴⁰ The following extracts from screenshots have been obtained via the Wayback Machine and show the development of the marks used in 2000, 2011 and February 2021.⁴¹



76. He also says that annual marketing expenditure since 2010 “has never been less than the equivalent of 30 million pounds sterling and for the year 2020 exceeded 70 million pounds sterling.”⁴² It is not clear whether this figure refers to marketing in the UK or globally. The applicant uses social media platforms such as LinkedIn, YouTube, Facebook and Twitter. Mr El Wakeel says that 653 of LinkedIn followers are from London. He acknowledges that this figure was current at the date of the witness statement, but believes that “the same proportions which the current data show, can be applied historically.”⁴³ He does not say what this belief is based on. The number of followers at this time was 133,554.⁴⁴ The percentage of followers in London would then be around 0.5%. In addition, 3.2% of Twitter followers come from the UK.⁴⁵ However, the date of this figure is not clear. There is no evidence of other promotional activity.

⁴⁰ Paragraph 25.

⁴¹ Exhibit MW3, pages 1, 9 and 21.

⁴² Paragraph 27.

⁴³ Paragraph 29.

⁴⁴ Exhibit MW14.

⁴⁵ Paragraph 32 and Exhibit MW17.

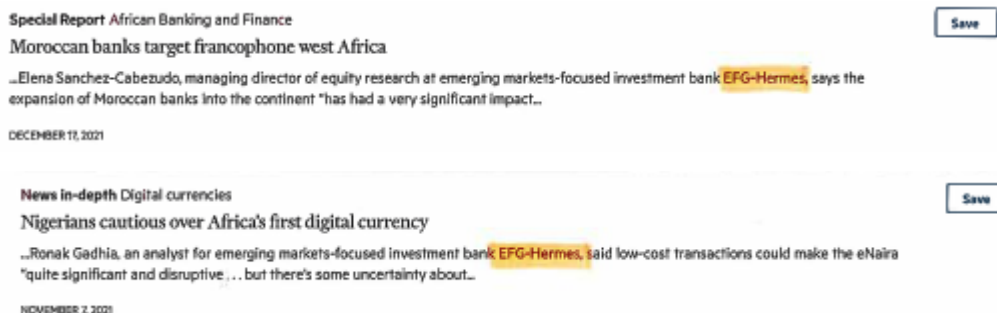
77. As evidence of recognition in the UK, the applicant refers me to the results of a search for articles from the *Financial Times* featuring the term “EFG” that appears to have been carried out on 6 June 2022.⁴⁶ The search retrieved 947 results and the exhibit contains the headlines and brief extracts from the first 500, which date from November 2010 to May 2022. (Eight of these articles have a date later than the relevant date.) Mr El Wakeel states that these articles fall within six categories:

- a) References to the applicant. He says that *“In almost all cases, the articles in question fully spell out our name [EFG Hermes] even where, on occasion, EFG alone is subsequently used”*;
- b) References to the opponent (EFG, EFG Bank, EFG Private Bank, EFG Asset Management and EFG International);

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- e) A single reference in a 2011 article to EFG Istanbul Securities, which Mr El Wakeel understands to have been connected to EFG EUROBANK; and
- f) Articles referring to the London jazz festival sponsored by the opponent.⁴⁸

78. 240 of these articles refer to the applicant.⁴⁹ Some examples are shown below:



⁴⁶ Exhibit MW18.

⁴⁷ Exhibit EB-9, page 11.

⁴⁸ Paragraph 35.

⁴⁹ Paragraph 36.

Special purpose acquisition companies

Abu Dhabi sovereign fund Mubadala prepares to launch two Spacs

...FIM Partners, a Dubai-based frontier asset management firm backed by Egyptian investment bank EFG-Hermes, has been pitching to investors this week as it seeks to raise \$200m in an initial public offering...

JULY 5, 2021

Save

Special Report Arab World: Banking and Finance

Egypt's banks braced for pandemic impact

...Elena Sanchez, managing director and head of banking research at EFG Hermes, says bank profits were down 14 per cent in the second quarter year on year, but that it was "a very decent performance"...

DECEMBER 1, 2020

Save

Middle Eastern economy

Arab world's lone growth outpost lures debt investors back

...The swift resumption of public investment, mostly in infrastructure, after a brief pause until early April, also boosted growth, according to Mohamed Abou Basha, head of Macroeconomic Analysis at EFG-Hermes...

OCTOBER 25, 2020

Save

IPOs

Travelx parent plans \$200m London initial public offering

...Finablr, advised by Evercore, has engaged Barclays, Goldman Sachs and JPMorgan as global co-ordinators and EFG-Hermes, Merrill Lynch and Numis as bookrunners for the potential IPO...

APRIL 9, 2019

Save

Oil

Kuwait Energy plans London IPO

...Bank of America Merrill Lynch, EFG Hermes and Numis are advising Kuwait Energy on the IPO...

APRIL 26, 2017

Save

80. The pattern is repeated in the articles from *The Economist* and *Global Finance*, with only the following article suggesting investment banking activity in the UK before the relevant date:⁵⁰

OCTOBER 23, 2019

Helios Towers London Stock Exchange IPO Raises \$318 Million

...EFG Hermes UAE Ltd and Renaissance Securities Cyprus Ltd acted as joint book runners for the IPO. FTI Consulting acted as its financial PR. Gokul Mani, Head of Primary Markets—Middle East, Af...



⁵⁰ Exhibits MW20 and MW22.

81. The applicant has been nominated for and won various awards. Exhibit MW24 lists awards from 2020 to 2022. Mr El Wakeel also provides the names of awards won in 2018 in paragraph 41 of his witness statements. Almost all of these appear to relate to activity in frontier and other emerging markets.

82. Mr El Wakeel concludes by giving evidence on the co-existence of the marks. He states that he has asked his company's staff about instances of confusion and the only possible one was the delivery on one or two occasions of courier packages intended for the opponent to the applicant's regional office in Dubai. Mr El Wakeel says that *"that can be explained by the fact that our office at the time was in the same area in Dubai as the regional office of the opponent"*.⁵¹

83. Mr El Wakeel also refers to a co-existence agreement between the parties which resolved a dispute arising from the applicant's filing of an application for a US trademark ("USTM"). This agreement is dated 15 March 2004 and was updated on 22 July 2011. Clause 1 of the agreement is as follows:⁵²

1. No Likelihood of Confusion.

1.1. Likelihood of Confusion. So long as the parties' respective uses of their trade marks conform to the terms of this Agreement, there is no likelihood of confusion by prospective purchasers.

1.2. Future Confusion. In the unlikely event that, notwithstanding the foregoing, actual confusion develops in the marketplace, the parties shall take all reasonable steps necessary to eliminate such confusion. Such steps shall not extend to an abrogation of this Agreement.

84. The agreement required the applicant to amend its specification to limit the scope of the goods and services covered by the USTM to ones wholly, predominantly or substantially relating to companies and investments in the Middle East and Africa.⁵³

⁵¹ Paragraph 47.

⁵² Exhibit MW30.

⁵³ Clauses 3.1.1 and 3.1.2.

The case law on honest concurrent use

85. In *Budějovický Budvar NP v Anheuser-Busch Inc* (“*Budweiser*”), Case C-482/09, the CJEU held that:

“74. In that context, it follows from the foregoing that Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that a later registered trade mark is liable to be declared invalid where it is identical with an earlier trade mark, where the goods for which the trade mark was registered are identical with those for which the earlier trade mark is protected and where the use of the later trade mark has or is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods.

75. In the present case, it is to be noted that the use by Budvar of the Budweiser trade mark in the United Kingdom neither has nor is liable to have an adverse effect on the essential function of the Budweiser trade mark owned by Anheuser-Busch.

76. In that regard, it should be stressed that the circumstances which gave rise to the dispute in the main proceedings are exceptional.

77. First, the referring court states that Anheuser-Busch and Budvar have each been marketing their beers in the United Kingdom under the word sign ‘Budweiser’ or under a trade mark including that sign for almost 30 years prior to the registration of the marks concerned.

78. Second, Anheuser-Busch and Budvar were authorised to register jointly and concurrently their Budweiser trade marks following a judgment delivered by the Court of Appeal (England and Wales) (Civil Division) in February 2000.

79. Third, the order for reference also states that, while Anheuser-Busch submitted an application for registration of the word ‘Budweiser’ as a trade

mark in the United Kingdom earlier than Budvar, both of those companies have from their beginning used their Budweiser trade marks in good faith.

80. Fourth, as was stated in paragraph 10 of this judgment, the referring court found that, although the names are identical, United Kingdom consumers are well aware of the difference between the beers of Budvar and those of Anheuser-Busch, since their tastes, prices and get-ups have always been different.

81. Fifth, it follows from the coexistence of those two trade marks on the United Kingdom market that, even though the trade marks were identical, the beers of Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies.

82. Consequently, as correctly stated by the Commission in its written observations, Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that, in circumstances such as those of the main proceedings, a long period of honest concurrent use of two identical trade marks designating identical products neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.”

86. In *Victoria Plum Ltd (t/a Victoria Plumb) v Victorian Plumbing Ltd & Ors* [2016] EWHC 2911 (Ch), Carr J considered the CJEU’s judgment in *Budweiser* and the Court of Appeal’s judgments in that case and in *IPC Media Ltd v Media 10 Ltd* [2014] EWCA Civ 1403, and stated that a defence of honest concurrence use could, in principle, defeat an otherwise justified claim of trade mark infringement. Having reviewed the case law the judge stated that:

“The case law to which I have referred establishes the following principles:

- i) Where two separate entities have co-existed for a long period, honestly using the same or closely similar names, the inevitable confusion that arises may have to be tolerated.

ii) This will be the case where the trade mark serves to indicate the goods or services of either of those entities, as opposed to one of them alone. In those circumstances, the guarantee of origin of the claimant's trade mark is not impaired by the defendant's use, because the trade mark does not denote the claimant alone.

iii) However, the defendant must not take steps which exacerbate the level of confusion beyond that which is inevitable and so encroach upon the claimant's goodwill."

87. In assessing whether the defendant had acted honestly the judge directed attention to the following factors:

"i) The defendant has a duty to act fairly in relation to the legitimate interests of the trade mark proprietor.

ii) All circumstances must be considered when ascertaining whether or not the use by the defendant is honest, including whether the defendant can be regarded as unfairly competing with the trade mark proprietor.

iii) However, the question is not simply whether use of the sign complained of gives rise to consumer deception, as such deception may have to be tolerated. Similarly, the defendant may well be aware of the existence of such confusion, having lived with it for a considerable period.

iv) The question is whether the defendant has taken steps which exacerbate the level of confusion beyond that which is inevitable and so has encroached upon the claimant's goodwill.

v) Whether the defendant ought to be aware that such steps will exacerbate confusion is a relevant factor."

88. The *Budweiser* case shows that honest concurrent use may also be relevant in trade mark opposition and cancellation proceedings. Consequently, Carr J's guidance in *Victoria Plum* must also be kept in mind in proceedings of this kind.

Can the applicant rely on a defence of honest concurrent use?

89. Mr Bartlett was at pains to stress that the industry in which both parties operated was a global one and that the UK financial sector would know about the applicant as an intermediary between global investors and MENA organisations seeking investment. I asked him how he thought the claimed global nature of the financial industry interacted with the territorial nature of the trade mark system. He replied:

“... it is often said that goodwill is territorial. I am talking in passing-off terms at the moment, but this does have application to the registered position as well. It is often said that goodwill is territorial, and that what happens outside the UK is of no relevance at all to what happens inside the UK. That is not actually true. There is a line of cases ... which articulates the proposition that if there is a very significant reputation in the industry concerned without goodwill, people know about what the position is because they have been exposed to it through the media, through the international press or whatever it might be, and that can have an effect on the determination of whether there is a misrepresentation, if and when the business with the reputation but without the goodwill comes into the UK with a product or a service concerned. That again is a matter of common sense, because passing off is nothing if not a way of determining whether a misrepresentation has taken place. If because of the factual circumstances, the factual matrix whether that has taken place in the UK or outside the UK, if that has an effect on how the public are going to react to, in this case the narrow public, those interested in investment banking – global investors and fund managers and so on – if that has an effect on them, that is absolutely a factor to be taken into consideration.”⁵⁴

⁵⁴ Transcript, page 42.

90. The authority to which Mr Bartlett referred me was *Island Trading Company & Ors v Anchor Brewing Company & Anor*, [1989] RPC 287. This case dealt with an application for an interim injunction on passing off grounds. The judge held that:

“The existence of a reputation without supporting goodwill will doubtless make any misrepresentation innocent as opposed to fraudulent, but it will only be if the defendant’s reputation is such as to negative the plaintiff’s claim that the trade mark distinguishes the class of goods in which he deals in England, that a defendant’s reputation without goodwill will, in my judgment, avail him.”⁵⁵

91. In my view, this case does not provide assistance to the applicant’s defence under section 5(2)(b). Under passing off there is no monopoly in an unregistered sign: see *Harrods Limited v Harrodian School Limited* [1996] RPC 697 at [711]. A monopoly is, however, provided by a trade mark registration. The proprietor can stop another party from using of an identical or similar mark for identical or similar goods where such use would result in a likelihood of confusion. The case is therefore not entirely on all fours with the circumstances I must consider under this ground. It is to the trade mark case law on honest concurrent guidance that I will turn for guidance.

92. The first of the principles set out in *Victoria Plum* is that “*Where two separate entities have co-existed for a long period, honestly using the same or closely similar names, the inevitable confusion that arises may have to be tolerated*”. The applicant has been authorised by the FCA to conduct various types of financial business in the UK since 4 April 2018. I shall take this as the beginning of the applicant’s provision of *Investment banking services* in the UK. I have no evidence that the conferences promoted the applicant’s business in the UK. The fact that they took place in London is not determinative. It is equally possible that London was chosen as a location with good air transport links that was accessible by attendees from around the world. On another point, it may have been the case that it was possible to trade in the applicant’s shares on the LSE by means of GDRs, but I agree with Mr St Quintin that this is not an indication of any trade in the services at issue within the UK. I do not consider that

⁵⁵ [304].

the evidence shows sufficient activity in the UK over a sufficiently long period to engage the honest concurrent use defence. This is also why I am not persuaded by the evidence adduced to show that the staff of the company were unaware of any instances of confusion, apart from the misdirected packages in Dubai. In *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283, Millett LJ stated at [291] that:

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

93. In case I am wrong, and the marks have been coexisting, it is important to keep in mind the third principle of Carr J’s principles: *“the defendant must not take steps which exacerbate the level of confusion beyond that which is inevitable and so encroach upon the claimant’s goodwill”*. The geographical focus of the applicant’s activities is the MENA region. Mr El Wakeel says as much in paragraph 6 of his witness statement and this is borne out by the evidence. The concurrent use defence, if it applies, would apply to the activities of the applicant in these markets. However, the contested trade mark would give the applicant the right to use the mark for *Investment banking services* broadly within the UK. In my view, use in this market would exacerbate the level of confusion beyond that which is inevitable and is likely to encroach upon the claimant’s goodwill. A defence of honest concurrent use is not made out.

Outcome of Section 5(2)(b) ground

94. The opponent’s claim under section 5(2)(b) is wholly successful.

Section 5(3)

95. Section 5(3) of the Act is as follows:

“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 (EU) 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.”

96. The relevant case law can be found in the following judgments of the CJEU: *General Motors Corp v Yplon SA* (Case C-375/97), *Intel Corporation Inc v CPM United Kingdom Ltd* (Case C-252/07), *Adidas Salomon AG v Fitnessworld Trading Ltd* (Case C-408/01), *L'Oréal SA & Ors v Bellure & Ors* (Case C-487/07) and *Interflora Inc & Anor v Marks and Spencer plc & Anor* (Case C-323/09). 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 Salomon*, 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 and/or services, the extent of the overlap between the relevant consumers for those goods and/or 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 that

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 and/or 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 and/or services for which the earlier mark is registered, or a serious risk that this will happen in the 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 on the earlier mark; *L'Oréal*, 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; *Interflora*, paragraph 74, and the court's answer to question 1 in *L'Oréal*.

97. The conditions of section 5(3) are cumulative. First, the opponent must show that the earlier mark is similar to the application. Secondly, it must satisfy me that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the relevant public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the application. Fourthly, assuming that the first three conditions have been met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods/services 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.

98. I have already found that the stylised EFG and Private Bank marks are similar to the contested mark. I also consider that the EFG word mark is similar to the contested mark, as it is wholly contained within the later mark. The first condition has therefore been met.

Reputation

99. In *General Motors*, the CJEU held that:

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or services marketed, either the public at large or a more specialised public, for example traders in a specific sector.

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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation ‘in the Member State’. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

100. Earlier in this decision, I found that the stylised EFG and Private Bank marks benefit from an enhanced degree of distinctive character in relation to private banking services. I find also that these marks have reached the knowledge threshold, and therefore the requisite reputation for those services, but not for the wider services relied upon under this ground. I also consider that the EFG word mark has an enhanced distinctive character and reputation for private banking services. This is because EFG is the dominant and distinctive element of the Private Bank mark. It is “EFG” that carries the message about the origin of the services.

Link

101. In assessing whether the public will make the required mental link between the marks, I must take account of all relevant factors, which were identified by the CJEU in *Intel* at paragraph 42 of its judgment. I shall consider each of them in turn.

The degree of similarity between the conflicting marks

I found the stylised EFG mark to be visually similar to a low degree and aurally similar to a medium degree to the contested mark, and either conceptually neutral or dissimilar.

I found the Private Bank mark to be visually and aurally similar to the contested mark to a low degree and conceptually dissimilar.

The EFG word mark is wholly contained within the longer contested mark. I find that it is visually similar to between a low and medium degree and aurally similar to a medium degree to the contested mark. As with the stylised EFG mark, I find that the EFG word mark is conceptually neutral or dissimilar to the contested mark.

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

The services with a reputation are different from those that the opponent was able to rely on under section 5(2)(b).

I have been provided with no definition of *private banking* but I understand it to refer to banking services primarily offered to high net-worth individuals to help them manage their investments and other assets and raise funds. There is therefore a significant degree of similarity of purpose between the services. There may be some overlap in users: the senior individuals making decisions on investment banking services used by their organisation may also use private banking services in their personal capacity. The nature of the services are highly similar, if not identical, and I agree with Mr St Quintin that it is possible that some entities will provide both services. I do not consider that there is competition between the services or that they are complementary. Taking these factors into account, I find that the services are similar to a medium degree.

As the services of the first earlier mark are aimed at a different public than investment banking services, I consider that any overlap in trade channels for the goods would be small and that there would not be any complementarity. The goods and services are not important for one another's use in such a way as to be complementary. As in the comparison above, it is my view that the nature of the goods and services are different and there will be no competition. Taking all these factors into account, I find that the goods and services are dissimilar.

The strength of the earlier marks' reputation

On the basis of the evidence before me and that I have summarised earlier in this decision, I find that the earlier marks have a fairly strong reputation for private banking services.

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

I found the earlier marks to have a high degree of distinctive character for the services for which they have a reputation.

Whether there is a likelihood of confusion

As I have found the goods to be dissimilar to the services for which the opponent's marks have a reputation, there will be no likelihood of confusion for the contested goods.

The contested services are similar to the services with a reputation to a medium degree but the differences between the marks are such that there is no likelihood of direct confusion. However, given the medium degree of similarity between the services and the identity of the independent distinctive element "EFG", I consider that there will be a likelihood of indirect confusion among a proportion of average consumers that is large enough to warrant intervention: see *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation*, [2016] EWCA Civ 41, paragraph 34. In my view, they will be likely to consider that the contested mark denotes a move into a new field of banking through a venture with another company called "HERMES".

102. Where there is a likelihood of confusion, there is automatically a link in the mind of the relevant public. This will be the case with *Investment banking services*. Turning to the goods, I note that it is not necessary that goods and services be similar for a link to be made out. Nevertheless, I am not persuaded that the earlier marks would be brought to the mind of the relevant public when seeing the contested mark used for *Printed matter relating to investment banking or Instructional and teaching materials relating to investment banking*. However, in case I am wrong in this, I will consider whether damage would occur were there to be a link.

Damage

103. I shall first deal with the claim of unfair advantage. This means that consumers are more likely to buy the goods and services of the contested mark than they would otherwise have been if they had not been reminded of the earlier marks. In *L'Oréal*, the CJEU said:

“The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of that mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation 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.”⁵⁶

104. If there is a likelihood of confusion with a mark with a reputation, the later mark will gain an unfair advantage. Consumers would be more likely to buy the opponent’s services in the belief that there is an economic connection between the two parties. Consequently, damage is made out for *Investment banking services*.

105. I do not, however, believe that the opponent’s reputation in private banking would attract consumers to buy the applicant’s goods. They would not, in my view, consider that a private bank would be a desirable source of information or instructional materials on the subject of investment banking. For the goods, I find that unfair advantage is not made out.

106. The next head of damage is detriment to distinctive character. In *L'Oréal*, the CJEU said:

“As regards detriment to the distinctive character of the mark, also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’, such detriment is caused when

⁵⁶ Paragraph 50.

that mark's ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is particularly the case when the mark, which at one time aroused immediate association with the goods or services for which it is registered, is no longer capable of doing so (see, to that effect, *Intel Corporation*, paragraph 29).⁵⁷

107. In *Environmental Manufacturing LLP v OHIM*, Case C-383/12 P, 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.

⁵⁷ Paragraph 39.

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’.”

108. Mr St Quintin did not explain how the economic behaviour of the consumer of private banking services would change as a result of the use of the contested mark for the contested goods. I cannot see how this would occur and find this head of damage is not made out.

109. The final claim to damage relates to the ability of the opponent to use the earlier marks to build and retain the loyalty of its customers, in other words, detriment to the advertising function of the marks. In his skeleton argument, Mr St Quintin described this as “*detriment to the repute of the earlier marks*”.⁵⁸ In *L’Oréal*, the CJEU said:

“As regards detriment to the repute of the mark, also referred to as ‘tarnishment’ or ‘degradation’, such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.”⁵⁹

110. It is not clear to me how this might occur in practice, and the applicant has provided no explanation. I dismiss this claim.

⁵⁸ Paragraph 29.3.2.

⁵⁹ Paragraph 40.

Due cause

111. The applicant has pleaded that it has due cause to use the contested mark. In *Leidseplein Beheer BV v Red Bull*, Case C-65/12, the CJEU held that:

“43. In a system for the protection of marks such as that adopted, on the basis of Directive 89/104, by the Benelux Convention, however, the interests of a third party in using, in the course of trade, a sign similar to a mark with a reputation must be considered, in the context of Article 5(2) of that directive, in the light of the possibility for the user of that sign to claim ‘due cause’.

44. Where the proprietor of the mark with a reputation has demonstrated the existence of one of the forms of injury referred to in Article 5(2) of Directive 89/104 and, in particular, has shown that unfair advantage has been taken of the distinctive character or the repute of that mark, the onus is on the third party using a sign similar to the mark with a reputation to establish that he has due cause for using such a sign (see, by analogy, Case C-252/07 *Intel Corporation* [2008] ECR I-8823, paragraph 39).

45. It follows that the concept of ‘due cause’ may not only include objectively overriding reasons but may also relate to the subjective interests of a third party using a sign which is identical or similar to the mark with a reputation.

46. Thus, the concept of ‘due cause’ is intended, not to resolve a conflict between a mark with a reputation and a similar sign which was being used before that trade mark was filed or to restrict the rights which the proprietor of that mark is recognised as having, but to strike a balance between the interests in question by taking account, in the specific context of Article 5(2) of Directive 89/104 and in the light of the enhanced protection enjoyed by that mark, of the interests of the third party using that sign. In so doing, the claim by a third party that there is due cause for using a sign which is similar to a mark with a reputation cannot lead to the recognition, for the benefit of that third party, of the rights connected with a registered mark, but rather

obliges the proprietor of the mark with a reputation to tolerate the use of the similar sign.

47. The Court thus held in paragraph 91 of the judgment in *Interflora and Interflora British Unit* (a case concerning the use of keywords for internet referencing) that where the advertisement displayed on the internet on the basis of a keyword corresponding to a trade mark with a reputation puts forward – without offering a mere imitation of the goods or services of the proprietor of that trade mark, without being detrimental to the repute or the distinctive character of that mark and without, moreover, adversely affecting the functions of the trade mark concerned – an alternative to the goods or services of the proprietor of the trade mark with a reputation, it must be concluded that such a use falls, as a rule, within the ambit of fair competition in the sector for the goods or services concerned and is thus not without ‘due cause’.

48. Consequently, the concept of ‘due cause’ cannot be interpreted as being restricted to objectively overriding reasons.”

112. In this case, the CJEU identified the following factors as relevant to the assessment of whether the later mark was filed with due cause:

- how that sign has been accepted by, and what its reputation is with, the relevant public;
- the degree of proximity between the goods and services for which that sign was originally used and the product or service for which the mark with a reputation was registered; and
- the economic and commercial significance of the use for that product or service of the sign which is similar to that mark.

113. Mr Bartlett also referred me to the decision of the Court of Appeal in *Comic Enterprises Ltd v Twentieth Century Fox Film Corp*, [2016] EWCA Civ 41, where Kitchin LJ said:

“More broadly the Court has explained that the concept of due cause involves a balancing between, on the one hand, the interests which the proprietor of a trade mark has in safeguarding its essential function and, on the other hand, the interests of other economic operators in having signs capable of denoting their products and services (see, in particular, *Leidseplein* at [41]-[46]).”⁶⁰

114. His submissions were based on the premises, first, that use of the contested mark would have no adverse effect on the origin function of the earlier marks, and, secondly, that any confusion that might occur is “*permissible*” under the defence of honest concurrent use.⁶¹ I have found that there is a likelihood of confusion in regard to the Class 36 services, which would have an adverse effect on the origin function of the earlier marks. In addition, I found that the defence of honest concurrent use was not made out. There is no evidence that the relevant public would understand “EFG” to mean “Egyptian Financial Group”. I find that the applicant has not shown that it has due cause to use the mark.

Outcome of section 5(3)

115. The section 5(3) ground is successful for the Class 36 services, but fails for the Class 16 goods.

Section 5(4)(a)

116. 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 –

⁶⁰ Paragraph 123.

⁶¹ Skeleton argument, paragraph 29; transcript, page 39.

(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, where the condition in subsection 4(A) is met

...”

117. Subsection 4(A) is as follows:

“The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

118. In *Reckitt & Colman Products Limited v Borden Inc. & Ors* [1990] RPC 341, HL, Lord Oliver of Aylmerton described the ‘classical trinity’ that must be proved in order to reach a finding of passing off:

“First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”⁶²

⁶² Page 406.

Relevant date

119. In *Maier & Anor v ASOS plc & Anor* [2015] EWCA Civ 220, Kitchin LJ said;

“... Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, *Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-114/07 and T-115/07 *Last Minute Network Ltd* and Case R 784/2010-2 *Sun Capital Partners Inc*). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the [contested] trade mark would have amounted to passing off. But if the [contested] trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began.”⁶³

120. The relevant date for assessing whether the opponent has established protectable goodwill is 15 March 2021. However, Mr Bartlett claimed that the applicant had antecedent rights and referred me to the decision of Mr Thomas Mitcheson QC, sitting as the Appointed Person, in *CASABLANCA*, BL O-349-16. He said:

“31. Whilst accepting that it was settled English Law that the relevant date for assessing passing off was the date of the commencement of the conduct complained of (*Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429), the Opponent emphasized that the nature of the antecedent use had to be examined carefully. In particular the Opponent relied on examples of a number of types of use that it was submitted would

⁶³ Paragraph 165.

not be sufficient to establish a senior user, suggesting the following conditions must apply:

(a) The use in question must be *distinctive* use. Thus use of the phrase “*Our tea is from Casablanca*” would not give rise to relevant antecedent use of the mark in the Application.

(b) *Internal* use would not be relevant – an inter-office memo referring to “Casablanca” tea would be insufficient to constitute antecedent use for the purposes of defeating a passing off claim.

(c) Use for goods/services different to those against which the opposition is directed would not be relevant use. Thus use of “Casablanca” for perfumes would be insufficient to constitute antecedent use for this purpose.

(d) Use which did not involve UK marketing or sales would not be relevant even if it generated knowledge of the mark in the UK.

(e) One-off or sporadic use would be insufficient. A business which makes a one-off sale under a given sign does not thereby immunize itself against a passing off claim aimed at the use of that sign, for all time. It was also suggested that small sporadic sales, for instance every year, of an ordinary consumer product, would be insufficient to give rise to relevant antecedent use.

32. The Opponent submitted that the Hearing Officer had not assessed the issue of antecedent use with these factors in mind, and accordingly had fallen into error.

33. I accept that the type of use which is alleged to amount to antecedent use must be assessed carefully. Some of the factors referred to are clearly relevant – nondistinctive use, use on different goods and use outside the UK would rarely give rise to antecedent rights. Internal use and sporadic use are more difficult and must turn on the particular facts of the case. For

example the suggestion that it would be wrong if a user could ‘inoculate’ itself against a later trade mark application with a single use of a particular mark clearly has weight – although those are not the facts of the present case. Further, the boundaries for precisely what sort of intermittent use can amount to antecedent use are not well defined by the authorities and must be a matter of fact and degree. The question for me is whether this uncertainty has any bearing on the conclusions reached by the Hearing Officer and whether it can be shown that she fell into error.

34. I consider that adequate guidance to determine the present case can be obtained from the authorities before the Hearing Officer and further discussed before me at the hearing. The guidance in §165 of the *Assos* case emphasises that the party opposing the application or the registration must show that, as at the date of application, a normal and fair use of the Community trade mark would have amounted to passing off. It goes on to say that if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account. The Hearing Officer clearly sought to apply this in §50 of her decision. The question raised by the Opponent is whether she did so correctly and how should the earlier use be taken into account. In particular, does such use, as the Opponent submitted, have to be sufficient to generate its own goodwill?

35. I think it is clear from the remainder of §165 of the judgment of Kitchin LJ that generation of goodwill *by the applicant* is not required. This is because he goes on to explain that it is *the opponent* who must show that he had the necessary goodwill and reputation to render that use actionable *on the date that it* (i.e. the applicant’s use) *began*.

36. This is entirely consistent with the more lengthy discussion of the topic in the decision of Daniel Alexander QC in the *Multisys* case (*Advanced Perimeter Systems Ltd v Keycorp Ltd* [2012] R.P.C. 14). See the passage at §§35-45 which reviews many of the authorities which were cited to me, including the earlier *Croom* decision of Geoffrey Hobbs QC. It is correct that, as the Opponent pointed out, §49 of *Croom* refers to the build up of goodwill

(rather than mere use) as justifying the designation of senior user, but it does not appear that the precise point in issue in *Multisys* or the present case was in issue there, and in any event I consider that I am bound by *Assos* and I would have followed the later *Multisys* case anyway.

37. Accordingly the relevance of the activities of the applicant is limited to establishment of the date that the actionable use began. Once that date is established, the only question of goodwill arises in respect of the opponent's activities. As the Applicant in the present case pointed out, self-evidently it would only be in very exceptional circumstances that a party would have established goodwill at the point in time at which it commenced the use complained of. The establishment of goodwill would take much longer. But the authorities recognise that it is the date that the activity commenced which is the crucial one, and so in my judgment it cannot be necessary for goodwill to have been accrued at that time.

38. That does not mean that it is irrelevant what happens after the first alleged date of commencement. Clearly if the activity ceased or changed materially between the date of commencement and the date of application for the trade mark then this must be taken into account, as it may mean that the true date of commencement of the activity complained of is later or that the activity complained of cannot properly be said to have properly commenced at all (if it was later abandoned). This is all a matter of fact and degree and is no doubt why Kitchin LJ expressed it as '*a matter which must be taken into account*' rather than as being determinative of the issue. However it does not mean that what is required is anything more than the commencement of the activity which is carried on in such a way as to fix the date of assessment. There is no greater requirement to prove goodwill on that date. For this reason I do not consider that the Hearing Officer erred in law in her assessment."

121. Mr Mitcheson said that use outside the UK would rarely give rise to antecedent rights. In his skeleton argument, Mr Bartlett submitted that:

“In view of the passage of time, it has not been possible to obtain any direct evidence of EFG Hermes’ UK-based activities prior to 1998. However, it can be readily inferred that between 1984 when it first began using EFG, and 1997 when EFG Zurich [i.e. the opponent] says it first used the mark, EFG Hermes would have been actively seeking finance and investors amongst the UK financial community given the global prominence of the London financial markets.”⁶⁴

122. The onus is on the party claiming antecedent rights to adduce evidence of those rights. In the present case, Mr Bartlett admits that there is no direct evidence and invites me to make suppositions about the existence and extent of any activity that might have occurred. I do not consider that these can be supported by the evidence or a general acceptance that London is one of the world’s major financial markets. I therefore dismiss this argument.

123. The earliest evidence there is of any activity in the UK is the conference in 2011, which was subsequently held annually until 2019. I have rejected the submission that the listing of GDRs on the LSE (which took place in 1998) is evidence of trade in the services for which the contested mark is sought to be registered. As I have already found in my decision, there is insufficient evidence for me to conclude that the conferences were use of the contested mark for *Investment banking services* or even promoted such services in the UK.

124. Earlier in my decision, I took the date of FCA authorisation, 4 April 2018, to be the start of the applicant’s use of the contested mark in the UK for investment banking services. It is possible that the registration of the company name in 2017 might have been the first outward-facing use, but given the evidence before me this would not make a difference to my overall assessment. I will therefore consider what the position was both at the relevant date of 15 March 2021 and at 4 April 2018.

⁶⁴ Paragraph 35.

Goodwill

125. The opponent must show that it had goodwill in a business at the relevant date and that the sign relied upon, **EFG**, is associated with, or distinctive of, that business.

126. 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.”

127. The opponent claims that it has acquired goodwill as result of use of the sign for all the services listed in paragraph 7 above. These are the same services as those for which the EFG word mark is registered. I am satisfied from the evidence I have already considered that the opponent had acquired protectable goodwill at 4 April 2018 and 15 March 2021 in relation to private banking services, but do not find that it extends to banking services or financial services as a whole. I also find that “EFG” is distinctive of that goodwill as the stylisation that is seen in the evidence does not affect the ability of “EFG” to denote the business that has acquired the goodwill.

Misrepresentation

128. The relevant test was set out by Morritt LJ in *Neutrogena Corporation & Anor v Golden Limited & Anor* [1996] RPC 473 at [493]:

“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 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 RPC 147 at page 175; and *Re Smith Hayden’s Application* (1945) 63 RPC 97 at page 101.”

129. Although the test for misrepresentation is different from that for likelihood of confusion in that it entails “deception of a substantial number of members of the public” rather than “confusion of the average consumer”, it is unlikely, in the light of the Court of Appeal’s decision in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, that the difference between the legal tests will produce different outcomes. Mr St Quintin took the view that this would be the case here, and I agree.

130. It will be recalled that the opponent could rely on a wider group of services under section 5(2)(b) than it can under this ground. However, under section 5(3), I considered whether there was a likelihood of confusion between the marks, where the opponent could only rely on *Private banking services*. In this instance, I found that there would be a likelihood of confusion if the contested mark were used for *Investment banking services*, but not for the goods. I find that there would also be misrepresentation under section 5(4)(a) for the services.

Damage

131. In *Ewing v Buttercup Margarine Company Limited* [1917] 2 Ch 1 (COA), Warrington LJ stated that:

“To induce the belief that my business is a branch of another man’s business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

132. As both parties’ services are in the financial services sector, where, as I have already noted, trust is an important factor, there is a danger of injurious association and so I find that damage is made out.

Concurrent use

133. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18 (PCC), Mr Iain Purvis QC, sitting as a Deputy Judge, set out the following test for whether honest concurrent use provides a defence in a passing off action:

“The authorities therefore seem to me to establish that a defence of honest concurrent use in a passing off action requires at least the following conditions to be satisfied:

(i) the first use of the sign complained of in the United Kingdom by the Defendant or his predecessor in title must have been entirely legitimate (not itself an act of passing off);

(ii) by the time of the acts alleged to amount to passing off, the Defendant or his predecessor in title must have made sufficient use of the sign complained of to establish a protectable goodwill of his own;

(iii) the acts alleged to amount to passing off must not be materially different from the way in which the Defendant had previously carried on business when the sign was originally and legitimately used, the test for materiality

being that the difference will significantly increase the likelihood of deception.”⁶⁵

134. I accept that the evidence shows that it is probable that the applicant used the contested sign in the UK from 2011 for the investor conferences referred to in paragraph 73 above. I say “probable” because there is no date on the information relating to the conferences in Exhibit MW12, so it is unclear whether these are contemporaneous documents or were produced at some later date. However, the following sign, or a similar one, was in use on the applicant’s website from 2009:



135. I find that this use relates to the organisation of conferences related to investment in the MENA region, despite Mr Bartlett’s submissions to the contrary. There is no evidence to suggest that the applicant itself was providing any form of banking or other financial service there. Even if the conferences were put on with the sole purpose of promoting the applicant’s banking services in the MENA region, that does not make the conferences themselves banking or financial services. I can accept that use in this context is likely to have been legitimate.

136. The applicant has to show that by the relevant date it had made sufficient use of the sign to establish a protectable goodwill. The conferences were held annually and attracted significant levels of attendance. Goodwill does not have to be large to be protectable: see *Hart v Relentless Records*, [2002] EWHC 1984 (Ch), paragraph 62. I am therefore prepared to accept that the applicant had a protectable goodwill deriving from its investment conferences.

137. It is at the next hurdle that the applicant falls. The activities for which registration is sought are materially different from those in relation to which I found the applicant to have goodwill. Deception is more likely if the applicant were to use the sign for

⁶⁵ Paragraph 61.

providing investment banking services in the UK than if it were to use it for the conferences. In *W.S. Foster*, reference was made to the judgment of Mann J in *Sir Robert McAlpine Ltd v Alfred McAlpine Plc* [2004] EWHC 630 (Ch). Mr Purvis said:

“... if the Defendant starts to trade in a way which is materially different from the way in which he has legitimately built up his own goodwill, so as to cause confusion with the Claimant (in that case it involved a change in the use of the sign itself, by dropping the distinguishing identifier ‘Alfred’, but other instances might involve a change of business practice such as moving to a different geographical area), then the honest concurrent use defence will not help him.”⁶⁶

138. I find that the honest concurrent use defence is not made out.

139. Finally, I turn to Mr Bartlett’s submission that no court would be prepared to issue a permanent injunction restraining the applicant from using the mark. I understand this to be an argument that it would be inequitable for a court to make such a decision. In *inTime Express Logistik GmbH v In Time Express Europe SL*, BL O/558/22, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, referred to the principle that a senior user can challenge a junior use unless and until it is inequitable for them to do so. He said that this principle

“... allows for use which might originally have been actionable in passing off to be treated as acceptable having regard to the state of equilibrium which has subsequently arisen in the relevant section of the market. This recognises that consumers tend to adjust their perceptions and adapt over time to the reality of concurrent use of marks and signs. In such circumstances, a claim for passing off is liable to fail on the basis that the claimant and the defendant are each entitled to continue using the business indicia they have been using.”⁶⁷

⁶⁶ Paragraph 60.

⁶⁷ Paragraph 25.

140. Mr Bartlett also referred me to the decision of Pumfrey J in *Daimlerchrysler AG v Javid Alavi, t/a MERC*, 2001 WL 98056 (2000) in which the judge found that, even if there was passing off originally, the public could become able to distinguish between the two marks. He said:

“I should just add that there must come a time after which the court would not interfere with a continued course of trading which might have involved passing off at its inception but no longer did so: logically, this point would come six years after it could safely be said that there was no deception and independent goodwill had been established in the market by the protagonists. There must also be doubt as to the availability of injunctive relief if there is no passing-off at the date the action is commenced.”⁶⁸

141. It has become a trite observation that each passing off case turns on its own facts, and I do not consider that the two situations are comparable. I have already noted that there is little evidence of trading in investment banking services in the UK beyond a turnover of £2.5 million for 2019 and a handful of news stories. This case does not, in my view, assist the applicant. I do not consider that, based on the facts of this case which suggest that there was some, but not a large amount of, trade in investment banking in the UK over a relatively short period of time, a court would be prepared to find it inequitable that the opponent could challenge the use of the applicant. This defence also fails.

Outcome of section 5(4)(a)

142. The section 5(4)(a) ground is successful for the Class 36 services, but fails for the Class 16 goods.

OUTCOME

143. The partial opposition has been wholly successful.

⁶⁸ Paragraph 67.

144. Trade Mark Application No. 3609990 will proceed to registration for the following goods:

Class 16

Paper and cardboard; bookbinding material; photographs; stationery and office requisites, except furniture; adhesives for stationery or household purposes; drawing materials and materials for artists; paintbrushes; plastic sheets, films and bags for wrapping and packaging; printers' type, printing blocks.

145. Registration is refused for the following goods and services:

Class 16

Printed matter relating to investment banking; instructional and teaching materials relating to investment banking.

Class 36

Investment banking services.

COSTS

146. The opponent has been successful in these proceedings and is entitled to a contribution towards its costs in line with the scale set out in Tribunal Practice Notice 2/2016. The award is calculated as follows:

Preparing a statement and considering the other side's statement: £350

Preparing evidence and

considering and commenting on the other side's evidence: £1500

Preparing for and attending a hearing: £800

Official fees: £200

TOTAL: £2850

147. I therefore order EFG Hermes Holding SAE to pay EFG European Bank Financial Group SA the sum of £2850, which should be paid within twenty-one days of the expiry

of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 8th day of February 2023

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